



AGROPUR

Coopérative laitière
Dairy Cooperative

A year of growth and cooperation

ANNUAL REPORT 2025



Board of Directors



- | | | | |
|---|---|---|--|
| 1 Roger Massicotte
President,
Mauricie-Portneuf, 2003 | 2 Jeannie van Dyk
Vice-President,
Atlantic, 2013 | 3 Stéphanie Benoit
Vice-President,
nominated and elected
by universal suffrage,
2015 | 4 Roger Beaulieu
Est-du-Québec,
2014 |
| 5 Alex Berthiaume
Chaudière-Appalaches,
2020 | 6 René Bessette
Estrie-Granby,
2024 | 7 Michel Boisvert
Montérégie,
2017 | 8 Johanne Camiré
Érable-Seigneuries,
2022 |
| 9 Céline Delhaes
Nominated and elected
by universal suffrage,
2011 | 10 Alain Forget
Laurentides-Lanaudière,
2014 | 11 Jean-Pierre Lacombe
Salaberry-Richelieu,
2007 | 12 Martial Lemire
Nicolet - Bois-Francs,
2019 |
| 13 Félix Couture
Next-Generation Director
elected by universal
suffrage, 2025 | 14 Stéphane Glorieux
Guest member | 15 Pierre Lessard
Guest member | 16 Martine Rivard
Guest member |



Agropur plant
Don Mills, Ontario ←

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→ Roger Massicotte
President

Message from the President

Our commitment is collective and future-oriented

We must prepare the dairy producers of tomorrow to ensure our collective success.

Our fiscal 2025 was marked by solid financial results. We are well positioned to continue our growth and invest in our future. Thanks to rigorous management, we have exceeded our objectives in Canada and in the United States. Though we have limited the impacts of inflation in the past year, we remain prudent and have mobilized to strengthen our Cooperative's financial health.

The strong results for 2025, detailed in this report, have enabled us to return \$70.0 million to our members in patronage returns, with \$17.5 million in cash and \$52.5 million in Class A investment shares. In addition, we will repurchase Class A investment shares and debt instruments totaling \$52.5 million, along with a special share and debt instruments repurchase of \$10.0 million.

Cooperatives, a vector of growth

In 2025, we celebrated the International Year of Cooperatives. This event, decreed by the United Nations, highlighted the lasting impact and relevance of our model. By placing solidarity and sustainability at the heart of our actions, Agropur demonstrates that cooperation is a powerful vector of economic and social development.

→ Ferme Roland-Caron
2024 Grand Champion of the Club of Excellence, Animal Welfare Award



“As a cooperative, we have the capacity to support our members in becoming better managers and in building efficient and flourishing businesses.”

The roots of cooperation go back to the Industrial Revolution of the late 1800s. Today, around the world, 720 million cooperators have chosen this business model as a sustainable option. In our sector, the cooperative model is a vector of growth: in addition to Agropur, seven other dairy cooperatives number among the 20 biggest dairy processors in the world.

We play a part in the value chain to ensure our milk is processed and our 2,700 members achieve economic stability. We will continue in this direction.

Ensuring the success of the dairy producers of tomorrow

To perpetuate our lasting impact and ensure our collective success, we must prepare the dairy producers of tomorrow. As a cooperative, we have the capacity to support our members in becoming better managers and in building efficient and flourishing businesses.

In 2025, we took important steps around three key factors to do this.

First is sustainable development. The Sustainable Farms program is now firmly established. For the past three years, 175 members have taken part to gain better insights into the impact of their actions. The program provides a concrete measure of how much participants' environmental performance has improved, and offers Agropur unique data to pass on to its customers. The results obtained demonstrate our commitment to reducing carbon footprints and also to animal welfare.

Next, young farmers are essential to the continuity of our farms and the sustainability of the Cooperative. Agropur's new Next Generation Network—which in

2025 replaced the Young Facilitators Network—and the Cooperative's immersive activities for young farmers testify to our commitment to supporting the next generation. This complements the work of the Young Cooperative Leaders' Program, which is dedicated to training our young farmers.

Finally, our cooperative model gives our producers control over their futures. In 2025, we inaugurated a new approach to summer meetings with the Delegates Summit. The delegates play a strategic and essential role in our Cooperative: by sharing their thoughts on the important issues we face, by adopting relevant resolutions, and by electing directors at the general meetings. Under the theme, *Shaping the Future*, this first Summit highlighted the importance of our collective role in building a prosperous future for our Cooperative, in a context conducive to learning to consolidate our relationships and strengthen our bonds.

A sector with strong potential

The dairy sector shows remarkable potential. Demand is growing for protein-rich products. Agropur's capacity to respond to evolving market needs and to be a sustainable dairy products processor places us in a position of strength.

The Cooperative is healthy and is continuously improving each year, both in terms of its results and its governance.

Together we continue our mission: to feed the population with healthy and high-quality products, while supporting our communities by building a sustainable and future-oriented Cooperative.

Thank you for your commitment and your trust.



← Agropur's Natrel Plus Vanilla offers 18g of protein per serving

“We have strengthened our balance sheet over the past year.”



Émile Cordeau ←
Chief Executive Officer

Message from the Chief Executive Officer

Tapping into the potential of dairy protein

In North America, the trend is toward protein. Consumers continue to turn to dairy products, recognized as a complete and affordable source of protein. Agropur will be there to meet the demand.

The year 2025 was marked by the health of our balance sheet and the pursuit of our manufacturing strategy, which positions Agropur as an engine of growth for its members.

The global economic context is still uncertain, with trade tensions being the main cause. Despite these challenges, Agropur has been able to limit the impact of inflation and maintain solid results in Canada and the United States.

Thanks to the growth of our EBITDA—earnings before interest, income taxes, depreciation and amortization—and the reduction of our debt ratio, we have strengthened our balance sheet over the past year. This will allow us to invest in increasing the capacity for processing value-added products and improving our productivity.

Dairy products are more popular than ever

Consumers continue to turn toward dairy products, appreciating their nutritional profile. Dairy products are recognized as a complete and affordable source of protein and a healthy way to meet dietary needs.

Driven by a growing demand for protein-rich value-added products, the Canadian dairy industry stood out in 2025 for its dynamism and competitiveness. This trend was reflected in Canada by a surge in sales of our high-protein-content products in the last year, particularly Natrel Plus value-added milk and Natrel Lactose Free.

In this context, it is essential for Agropur to maintain a manufacturing strategy that is aligned with future market expectations and to strengthen our position as the dairy partner of choice for the food industry.



Agropur employees
at our Saint-Laurent plant, Québec ←

“We must therefore be efficient, competitive, and ready to develop in our strategic sectors.”

Strategic investments

To meet this growing demand, we have increased our production capacity and invested in high value-added segments in some of our plants.

In Canada, major projects have been completed in the plants in Don Mills (Ontario), Saint-Laurent (Quebec) and Miramichi (New Brunswick) to increase our capacity and efficiency. We are going to continue to tap into the strong potential of dairy proteins, both in Canada and the United States.

Our customers have a wide range of partners in the dairy processing industry. They are looking for trustworthy suppliers capable of offering high-quality products. We must therefore be efficient, competitive, and ready to develop in our strategic sectors.

The Coop: driver of growth and solidarity

The cooperative model remains a powerful economic vector. As part of the International Year of Cooperatives, I have had the opportunity to explain its benefits at a few forums. Cooperatives are essential to building a sustainable economy. Over 720 million people are members of a cooperative somewhere in the world. At Agropur, in addition to ensuring success at an economic level, we have the social responsibility to our members, particularly in terms of sustainable development and animal welfare.

Our investments and manufacturing strategy are aligned with market trends so that we can support the growth and competitiveness of the Cooperative for the benefit of our members. Contributing to stronger communities through dairy products is what motivates us on a daily basis. The strength of our network and our collective solidarity are at the heart of our success.

Well-equipped for the future

Together we have taken a new step in Agropur’s transformation. The health of our finances enables us to look to the future with confidence, invest in our promising projects, and support the next generation of farmers. It is essential to continue simplifying our operations and to regularly review our portfolio of assets so that we can offer you advantageous returns. The challenges remain, and our ability to adapt will be the cornerstone of your Cooperative’s commercial success in the future.

Our 7,000 employees are committed to your Cooperative’s success, now and for generations to come. There will be challenges. But together we will continue to do great things.



→ Agropur employee
at our Weyauwega plant, Wisconsin

Involved in our communities

Since 1938, Agropur has contributed toward building stronger communities through its dairy products. Guided by its principles of solidarity, fairness, and cooperation, Agropur supports a variety of charitable organizations as well as agricultural, community, and cooperative initiatives that are close to its members' hearts.

Here are a few examples of these commitments.



Many Agropur employees took on the Make-A-Wish® | Rêves d'enfants^{MD} Canada 48-HOUR RIDE



International Year of Cooperatives

A year of recognition and commitment

The United Nations declared 2025 the International Year of Cooperatives, under the theme "Cooperatives Build a Better World." Over the past year, the relevance and resilience of the cooperative model were highlighted in a changing economic and social context.

Various initiatives in which we have participated have shown that cooperation is much more than a business model: it is a force that inspires, unites, and transforms, both here and beyond.



Taking action to engage the next generation
As part of the International Year of Cooperatives, Agropur co-organized the *Rendez-vous de la relève agricole* in partnership with Sollio, Desjardins, and the *Fédération de la relève agricole du Québec*. Nearly 130 young farmers gathered for an enriching day focused on sustainability, business succession, and managing relationships in a family business. The strategic discussions that emerged from the event strengthened a sense of belonging to the cooperative movement, while equipping the next generation to meet the challenges of the agri-food sector.



The Agropur cooperative model has attracted international interest
In 2025, Agropur welcomed international delegations from Ghana and Senegal at its Longueuil head office, who came to learn from our cooperative model. At these meetings, we were able to share our expertise in democratic governance and collective value creation, demonstrating the cooperative model's capacity for both performance and responsibility.



A strong voice for the cooperative model
In the fall, Agropur took part in a panel organized by the Canadian Club of Montreal dedicated to the economic impact of the cooperative model in Quebec and Canada. Our CEO Emile Cordeau was joined by leaders from Desjardins and Sollio, organizations that are also part of the cooperative sector. The discussion highlighted the resilience and relevance of the cooperative model in addressing economic and social challenges. Far from hindering growth, this model serves as a proven lever for success and collective prosperity.

Agropur by the numbers

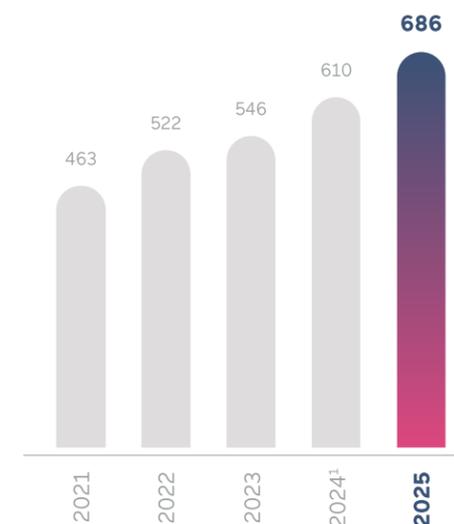


→ Agropur plant
Lake Norden, South Dakota

Sales In millions of dollars



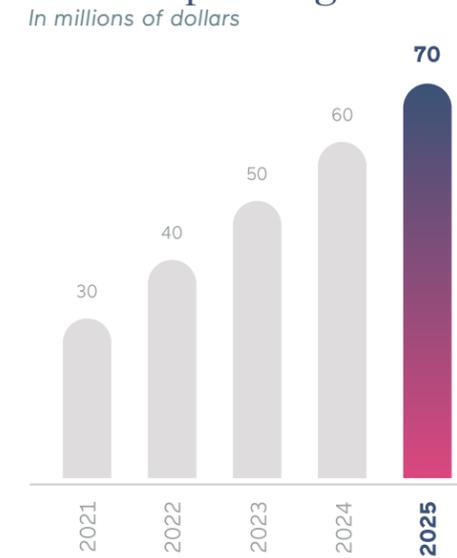
Earnings from operations² In millions of dollars



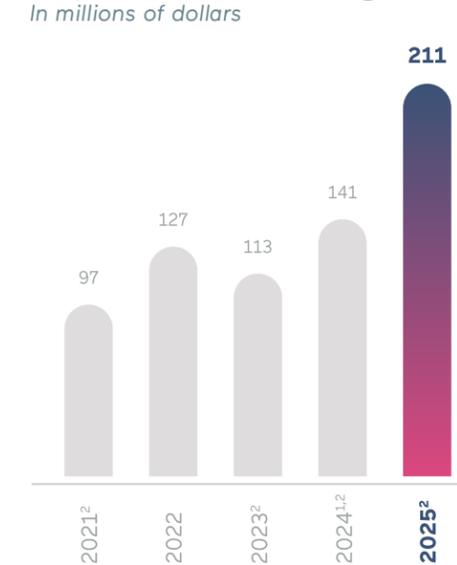
¹ Fiscal year including 53 weeks

² Earnings before interest, income taxes, depreciation, amortization and impairment of assets and other non-recurring costs

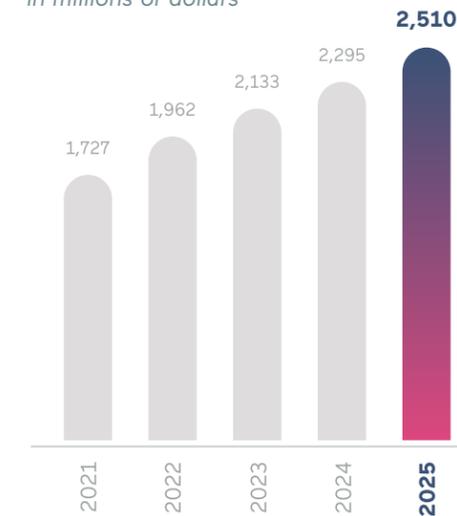
Declared patronage returns In millions of dollars



Adjusted net earnings² In millions of dollars



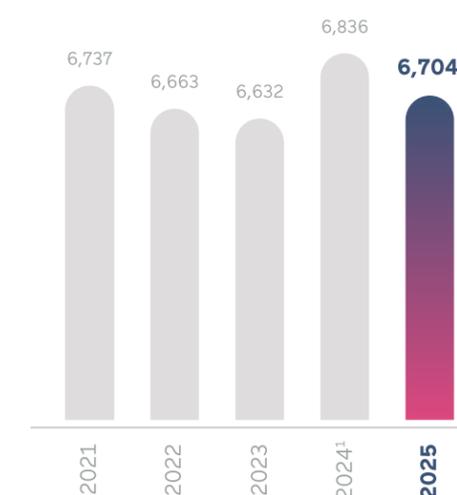
Members' equity In millions of dollars



¹ Fiscal year including 53 weeks

² Excluding extraordinary gains on disposal of assets, net of income taxes

Milk processed In millions of litres





→ Stéphane Tremblay
Senior Vice-President and Chief Financial Officer

Key figures

SALES (\$)

8.9
BILLION

EBITDA (\$)

686.4
MILLION

MILK
PROCESSED (L)

6.7
BILLION

PATRONAGE
RETURNS (\$)

70.0
MILLION

DEBT /
EBITDA RATIO

1.4x

Message from the Senior Vice-President and Chief Financial Officer

Financial review

The Cooperative closed the 2025 financial year with improved results and an even stronger balance sheet. In recent years, we have set ambitious targets and implemented concrete action plans to enhance our performance, positively impacting our earnings and financial position. In fiscal 2025, earnings before interest, income taxes, depreciation and amortization (EBITDA) amounted to \$686.4 million, an increase of \$76.8 million over 2024. This growth was achieved even though fiscal 2025 had one less week, 52 weeks compared with 53 weeks in 2024. In addition, sound cash management combined with improved profitability throughout the year, enabled us to repay part of the debt, reducing our debt leverage ratio from 2.0x EBITDA at the beginning of fiscal 2025 to 1.4x as of November 1, 2025.

Demand for whey proteins was strong on international markets and prices rose in 2025. On the other hand, cheese prices on the US market remained volatile during the year, although the average price was consistent with the previous year.

In 2025, our plants processed 6.7 billion litres of milk. Excluding the additional week in 2024, the volume processed by our plants remained stable, with 36% processed in Canada and 64% in the United States.

Governance

The financial statements were prepared in accordance with International Financial Reporting Standards and reviewed by the Audit Committee. On the Committee's recommendation, the Board of Directors approved the 2025 financial statements.

REVIEW OF 2025 FINANCIAL STATEMENTS

Financial results

As noted in the introduction, fiscal 2025 had 52 weeks compared to 53 weeks in 2024. The additional week in 2024 had the following impacts:

Effect of the 53rd week

CONSOLIDATED SALES
219.5
MILLION \$

CONSOLIDATED EBITDA
18.2
MILLION \$

MILK PROCESSED
95.4
MILLION OF LITRES

The Cooperative's consolidated sales totalled \$8.9 billion in 2025, a year-over-year increase of \$176.0 million or 2.0% (an increase of \$395.5 million or 4.6% excluding the additional week in 2024).

Earnings from Canadian operations remained stable at \$4.5 billion (an increase of \$87.7 million or 2.0% excluding the additional week in 2024). The price increase in February 2025, higher sales volumes in the Cheese and Ingredients categories, and a strong performance of value-added dairy products had a positive impact while lower volume in butter had the opposite effect.

US operations recorded total sales of \$4.4 billion, an increase of \$177.8 million (4.2%) compared with 2024 (an increase of \$303.5 million or 7.4% excluding the additional week in 2024). Increased cheese sales volumes and higher whey ingredient prices on international markets accounted for the growth. The average cheese price in the US in 2025 was consistent with 2024. However, as the adjacent chart shows, the cheese price was volatile, ranging from US\$1.61/lb to

US\$1.94/lb during the year. Increased milk production and the commissioning of new cheese production capacities in the market, combined with weak domestic demand and strong export activity, contributed to the cheese price fluctuations.

Finally, the appreciation of the US dollar against the Canadian dollar had a positive impact on US sales when translated into Canadian currency.

Consolidated earnings from operations (EBITDA) increased by \$76.8 million (12.6%) year-over-year to \$686.4 million. Excluding the impact of the 53rd week in 2024 for better comparability, EBITDA grew by \$95.0 million (16.1%). The EBITDA margin on sales also increased from 7.0% in 2024 to 7.7% in 2025. Earnings were up in both Canada and the US.

In Canada, earnings from operations increased by 13.7% compared with the previous year due to, among other factors, higher prices net of inflation and higher sales volume in several categories, particularly Cheese.

US cheese price¹



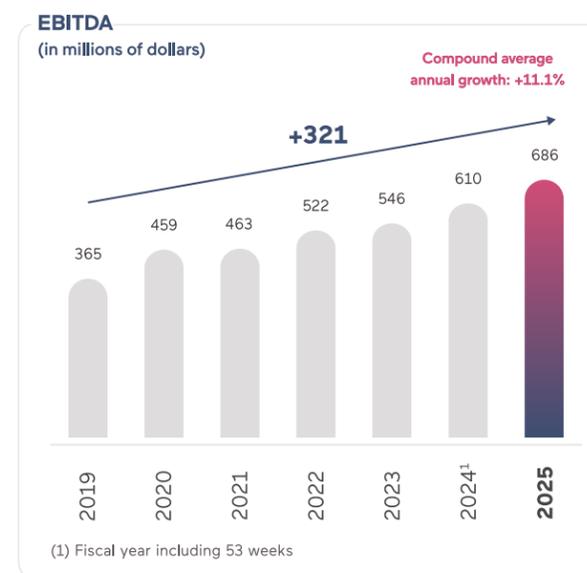
Agropur plant
Little Chute, Wisconsin

Cost-out initiatives, such as efficiency improvement projects at our plants and warehouses, also continued to contribute to earnings during the year.

In the US, earnings from operations increased by 11.5% compared with 2024, due in part to high whey protein prices on international markets and increased cheese volumes. In 2025, the favourable relationship between the cheese price and the cost of milk also contributed to EBITDA growth. The appreciation of the US dollar against the Canadian dollar, with an average conversion rate of \$1.40 in fiscal 2025 compared with \$1.36 in 2024, had a positive impact on earnings.

The adjacent chart shows the growth in consolidated EBITDA from 2019 to 2025. Over the six-year period, EBITDA increased by \$321 million from \$365 million in 2019 to \$686 million in 2025, for a compound average annual growth rate of 11.1%. Since we embarked on a

strategic review for each of our categories and focused our efforts on key segments, the Cooperative has significantly improved its profitability. Over the same period, the EBITDA margin on sales increased from 5.0% to 7.7%.



Net earnings before patronage returns and the Cooperative's income taxes totalled \$313.9 million in 2025, a \$76.9 million increase due mainly to the \$76.8 million increase in EBITDA. The other main variances were:

- » Restructuring costs, integration and other non-recurring costs decreased by \$12.5 million;
- » Cloud systems implementation costs decreased by \$9.1 million. 2024 was a year of deployment of our new integrated management system in our cheese and ingredients plants, while 2025 was a preparatory year for upcoming 2026 deployments in our Fresh products category;
- » Financial expenses decreased by \$17.9 million due to decreased borrowing levels and lower interest rates. Lower key interest rates in Canada and the United States also had a favourable impact on the variable-rate portion of our debt. The key rate was reduced by 1.50 basis points in Canada and 1.00 basis point in the US in 2025;
- » Gains on disposal of assets decreased by \$18.8 million. The gain recorded in 2024 was generated essentially by the sale of the St. John's plant in Newfoundland and Labrador; and
- » Income taxes of subsidiaries increased by \$12.0 million, mainly because of the increase in US earnings and the appreciation of the US dollar against the Canadian dollar.

After reviewing the earnings generated in 2025, the Board of Directors declared patronage returns of \$70.0 million, of which \$52.5 million (75%) is to be paid in Class A investment shares and \$17.5 million in cash. The Board has decided that, in 2026, it will redeem \$52.5 million in Class A investment shares and debt instruments issued in 2010 and 2011. On December 5, 2025, the Board also approved a special share redemption and debt instruments of \$10.0 million, to be redeemed and recorded in fiscal 2026.

Comprehensive income amounted to \$217.7 million in fiscal 2025, consisting of net earnings of \$214.8 million plus components recognized under other comprehensive income totalling \$1.1 million. This amount comprises a net unrealized loss on financial instruments of \$7.0 million and a net gain of \$8.1 million on foreign currency translation of foreign operations. It consists of a non-cash gain generated by the increased value of US net assets due to the appreciation of the US dollar since the beginning of the fiscal year. These items will continue to fluctuate with economic changes over time. Lastly, the other components of comprehensive income consist of actuarial gains on the defined benefit pension plans in the amount of \$1.9 million, which were transferred to the reserve.

Cash flows

Inflows

In fiscal 2025, the Cooperative's cash inflows totalled \$700.3 million. Of this amount, \$620.8 million was provided by operating activities, net of lease obligations. In addition, change in non-cash items contributed \$30.9 million to cash inflows. The change in non-cash items was due to increases in accounts receivable, accounts payable and milk payable. Lastly, proceeds from disposal of assets amounted to \$48.6 million, mainly consisting of receipt of the proceeds from the sale of the St. John's, Newfoundland and Labrador plant in Canada.

Cash flows

Inflows 2025 (In millions of dollars)		Outflows 2025 (In millions of dollars)	
Operating activities, net of lease obligations	620.8	Financial expenses	49.2
Change in non-cash items	30.9	Distributions to members	75.3
Proceeds from disposals of assets	48.6	Property, plant and equipment, intangible assets and investments	265.1
		Other	1.2
Total	700.3	Total	390.8

Net change in cash before repayment of borrowings: +309.5

Outflows

Regarding financing activities, \$49.2 million was used for financial expenses.

Distributions in the amount of \$75.3 million were made to members, including the 2024 patronage returns paid in cash for \$15.0 million and the \$60.3 million in redemption of member shares and debt instruments.

Capital expenditures and investments totalled \$265.1 million in 2025 of which 65% of the capital expenditures were allocated to Canada.

Canadian projects included the addition of lactose-free product capacity at our Don Mills, Ontario plant. Demand for these products is on the rise in Canada. This investment will enable us to support growth in this product segment.

In the US, we are installing a reverse osmosis system at the Weyauwega plant to produce skimmed solids, which are used in the feta cheese production process. This investment will enable us to meet current and future market demand in this segment.

Funds were allocated to several in-plant projects to maintain and upgrade our facilities. We also continued investing in technology, preparing the upcoming roll-outs of the integrated management system for our fluid milk plants.

The Cooperative generated a cash surplus of \$309.5 million, of which \$300.6 million was applied to repayment of long-term debt.

Over the past five years, cash inflows have totalled \$3.1 billion, including \$793 million in proceeds from disposals of assets. The right side of the chart "Use of funds 2021-2025" shows the use of these funds during the period: \$1.3 billion was allocated to capital expenditures and investments, \$124 million to dividends on preferred shares (including applicable taxes) and \$281 million to interest payments.

A total of \$237 million was distributed to members during the period. The \$1.2 billion excess of inflows over outflows over the past five years has been applied to the \$772 million redemption of first preferred shares and the repayment of the long-term debt for \$406 million.

Use of funds 2021-2025

Inflows (In millions of dollars)		Outflows (In millions of dollars)	
Operating activities	2,316	Property, plant and equipment, intangible assets and investments	1,295
Proceeds from disposals of assets	793	Dividends	124
		Financial expenses	281
		Distributions to members	237
Total	3,109	Total	1,937

Net change in cash before repayment of borrowings: +1,172

Balance sheet

Assets are stable compared with 2024, standing at \$4.8 billion as of November 1, 2025. Liabilities total \$2.2 billion, down \$197.9 million from the previous year. The reduction in long-term debt accounted for most of the decrease.

In conclusion, we have closed another year with improved results and a balance sheet that we continue to strengthen. Furthermore, we believe there is still considerable potential to improve profitability on both sides of the border. The ongoing review of our product portfolio, coupled with our commitment to excellence in manufacturing operations, logistics and administrative functions, will further improve the Cooperative's profitability. This ensures the sustainability of Agropur, gives us the ability to grow the organization and maximizes the benefits for all members.



AGROPUR

Coopérative laitière
Dairy Cooperative

