

High Liner Foods Reports Operating Results for the Third Quarter of 2022

- Increases Quarterly Dividend 30% or \$0.03 Per Share -

LUNENBURG, NS, Nov. 9, 2022 /CNW/ - High Liner Foods Incorporated (TSX: HLF) ("High Liner Foods" or "the Company"), a leading North American value-added frozen seafood company, today announced financial results for the thirteen and thirty-nine weeks ended October 1, 2022.

"In the third quarter, we delivered our sixth consecutive quarter of year over year sales and adjusted EBITDA growth. Our supply chain remains resilient, and our people embody high performance across all aspects of the business," said Rod Hepponstall, President and CEO of High Liner Foods. "We remain focused on capitalizing opportunities, deepening customer and supplier relationships and maintaining strong margins as we grow volumes. I am proud of all we have achieved, and I am confident that focused execution against our strategy will lead to sustained growth despite emerging economic headwinds."

"To support ongoing growth, we increased our credit facilities from \$150 million to \$200 million. With this additional financial capacity and flexibility, we can continue to support the investment in our business and further capitalize on the opportunities ahead of us. Our products remain in high demand, and we look forward to directing capital to strengthen our ability to serve our customers and capture additional market share," added Rod Hepponstall.

The Company's Board of Directors approved a quarterly dividend of CAD\$0.13 per share on the Company's common shares, payable on December 15, 2022 to holders of record on December 1, 2022. The quarterly dividend of CAD\$0.13 per share represents a CAD\$0.03 increase from the CAD\$0.10 per share quarterly dividend paid during the third quarter of 2022 and reflects the Board's continued confidence in the Company's operations.

"The dividend increase announced today recognizes the continued and significant improvements to High Liner Foods' financial and operating performance," said Robert Pace, Chair of the Board of Directors. "As we increase the quarterly dividend to our shareholders, we do so with confidence that High Liner Foods is resilient and well positioned for growth as it advances its strategy to become the North American leader in branded, value-added seafood."

Key financial results, reported in U.S. dollars ("USD"), for the thirteen weeks ended October 1, 2022, or the third quarter of 2022, are as follows (unless otherwise noted, all comparisons are relative to the third quarter of 2021):

- Sales increased by \$56.9 million, or 26.6%, to \$271.2 million compared to \$214.3 million and sales volume increased by 5.6 million pounds, or 10.2%, to 60.4 million pounds compared to 54.8 million pounds;
- Gross profit increased by \$8.8 million, or 18.4%, to \$56.7 million compared to \$47.9 million, while gross profit as a percentage of sales decreased to 20.9% compared to 22.4%;
- Adjusted EBITDA⁽¹⁾ increased by \$2.4 million, or 10.7%, to \$24.8 million compared to \$22.4 million, while Adjusted EBITDA as a Percentage of Sales decreased to 9.1% compared to 10.5% ;
- Net Debt⁽¹⁾ to Rolling Twelve-Month Adjusted EBITDA⁽¹⁾ was 3.2x at October 1, 2022 compared to 3.0x at the end of Fiscal 2021;
- Net income increased by \$0.8 million, or 8.7%, to \$10.0 million compared to \$9.2 million and diluted earnings per share ("EPS") increased to \$0.28 per share, compared to \$0.26 per share.
- Adjusted Net Income⁽¹⁾ increased by \$3.0 million, or 26.5%, to \$14.3 million compared to \$11.3 million and Adjusted Diluted EPS⁽¹⁾ increased to \$0.41 per share compared to \$0.32 per share.

⁽¹⁾ This is a non-IFRS financial measure. For more information on non-IFRS financial measures, see "Non-IFRS Measures" below and see "Non-IFRS Financial Measures" in our Third Quarter 2022 Management's Discussion and Analysis ("3Q22 MD&A").

Q3 Operational Update

Overall sales and volumes increased year over year in the Company's foodservice and retail businesses. We continued to experience increased demand for our products across our non-commercial businesses, as well as higher sales and volumes in both quick service restaurants and casual dining, segments that are growth targets for the Company. Our retail business grew volume and sales compared to the same period last year supported by our marketing investments and new business wins.

While the Company undertook pricing actions to counteract the impact of the inflationary environment, demand from both the foodservice and retail businesses remained strong.

"The quality, convenience, and wide range of product offerings and price points across our portfolio has helped drive volume improvements in foodservice and retail during the third quarter," said Rod Hepponstall, President and Chief Executive Officer, High Liner Foods.

While global supply chain challenges are improving, industry supply chain challenges once again impacted the Company's ability to maximize overall volume sales by an estimated 4.0 million pounds, or 6.6%, in the third quarter, similar to the impact in the first and second quarters of Fiscal 2022. By taking various steps to mitigate these supply challenges, the Company has reduced the impact on its performance and customers.

Financial Results

For the purpose of presenting the Consolidated Financial Statements in USD, CAD-denominated assets and liabilities in the Company's operations are converted using the exchange rate at the reporting date, and revenue and expenses are converted at the average exchange rate of the month in which the transaction occurs. As such, foreign currency fluctuations affect the reported values of individual lines on our balance sheet and income statement. When the USD strengthens (weakening CAD), the reported USD values of the Parent's CAD-denominated items decrease in the Consolidated Financial Statements, and the opposite occurs when the USD weakens (strengthening CAD).

Investors are reminded for purposes of calculating financial ratios, including dividend payout and share price-to-earnings ratios, to take into consideration that the Company's share price and dividend rate are reported in CAD and its earnings, EPS and financial statements are reported in USD.

The financial results in USD for the thirteen and thirty-nine weeks ended October 1, 2022 and October 2, 2021 are summarized in the following table:

(Amounts in 000s, except per share amounts, unless otherwise noted)	Thirteen weeks ended		Thirty-nine weeks ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Sales volume (millions of lbs)	60.4	54.8	192.5	175.0
Average foreign exchange rate (USD/CAD)	1.3063	1.2604	1.2833	1.2512
Sales	\$ 271,181	\$ 214,302	\$ 819,368	\$ 647,526
Gross profit	\$ 56,747	\$ 47,901	\$ 175,090	\$ 149,939
Gross profit as a percentage of sales	20.9 %	22.4 %	21.4 %	23.2 %
Adjusted EBITDA	\$ 24,809	\$ 22,444	\$ 78,484	\$ 69,822
Adjusted EBITDA as a percentage of sales	9.1 %	10.5 %	9.6 %	10.8 %
Net income	\$ 9,977	\$ 9,177	\$ 43,599	\$ 35,026
Diluted EPS	\$ 0.28	\$ 0.26	\$ 1.24	\$ 1.00
Adjusted Net Income	\$ 14,292	\$ 11,281	\$ 39,395	\$ 35,719

Adjusted Diluted EPS	\$ 0.41	\$ 0.32	\$ 1.12	\$ 1.02
Diluted weighted average number of shares outstanding	35,102	35,015	35,141	35,139

Sales volume for the thirteen weeks ended October 1, 2022, or the third quarter of 2022, increased by 5.6 million pounds, or 10.2%, to 60.4 million pounds compared to 54.8 million pounds in the thirteen weeks ended October 2, 2021, or the third quarter of 2021. In our foodservice business, sales volume was higher due to the significantly reduced COVID-19 restrictions on the Company's foodservice customers in the third quarter of 2022 as compared to the third quarter of 2021, leading to increased demand. The increase in sales volume was also due to growth in our retail business due to marketing efforts and increased sales in newer product lines and new business in both foodservice and retail. This was partially offset by the impact of global supply chain challenges on raw material supply to North America, that impacted the Company's sales volumes by an estimated 4.0 million pounds or 6.6% in the third quarter, similar to the impact in the first and second quarters of Fiscal 2022.

Sales in the third quarter of 2022 increased by \$56.9 million, or 26.5%, to \$271.2 million compared to \$214.3 million in the same period in 2021, reflecting higher sales volumes mentioned above as well as pricing actions related to inflationary increases in input costs. In addition, the weaker Canadian dollar in the third quarter of 2022 compared to the same quarter of 2021 decreased value of reported USD sales from our CAD-denominated operations by approximately \$2.5 million relative to the conversion impact last year.

Gross profit in the third quarter of 2022 increased by \$8.8 million to \$56.7 million compared to \$47.9 million in the same period in 2021 and gross profit as a percentage of sales decreased by 150 basis points to 20.9% compared to 22.4%. The increase in gross profit reflects the higher sales volume and pricing actions as discussed previously, despite inflationary increases in input costs, offset by a change in product mix. In addition, the weaker Canadian dollar decreased the value of reported USD gross profit from our CAD-denominated operations by approximately in \$0.6 million relative to the conversion impact last year.

Adjusted EBITDA in the third quarter of 2022 increased by \$2.4 million to \$24.8 million compared to \$22.4 million in the same period in 2021 while Adjusted EBITDA as a percentage of sales decreased to 9.1% compared to 10.5%. The increase in Adjusted EBITDA is a result of the increase in gross profit, partially offset by the increase in net SG&A expenses and in distribution expenses.

Reported net income in the third quarter of 2022 increased by \$0.8 million to net income of \$10.0 million (diluted EPS of \$0.28) compared to \$9.2 million (diluted EPS of \$0.26) in the same period in 2021. The increase in net income was due to the increase in Adjusted EBITDA discussed previously and a decrease in business acquisition, integration and other expense (income). The increase in net income was partially offset by an increase in finance costs and an increase in share-based compensation expense discussed previously.

Reported net income in the third quarter of 2022 included certain non-routine expenses classified as "business acquisition, integration and other expense (income)." Excluding the impact of these non-routine items or other non-cash expenses, and share-based compensation, Adjusted Net Income in the third quarter of 2022 increased by \$3.0 million or 26.5% to \$14.3 million compared to \$11.3 million in the same period in the prior year. Adjusted Diluted EPS increased \$0.09 in the third quarter of 2022 to \$0.41 as compared to \$0.32 in the same period of the prior year.

Net cash flows (used in) provided by operating activities in the third quarter of 2022 decreased by \$14.1 million to an outflow of \$9.9 million compared to an inflow of \$4.2 million in the same period in 2021 due to unfavorable changes in non-cash working capital and higher income taxes paid, which was partially offset by higher cash flows from operations.

Net Debt increased by \$46.0 million to \$317.1 million at the end of the third quarter of 2022 as compared to \$271.0 million at January 1, 2022, primarily reflecting higher bank loans on October 1, 2022 as compared to Fiscal 2021, partially offset by lower lease liabilities on October 1, 2022 as compared to January 1, 2022.

Net Debt to Rolling Twelve-Month Adjusted EBITDA was 3.2x at October 1, 2022 compared to 3.0x at the end of Fiscal 2021, due to the increase in Net Debt as a result of increased investment in seasonal working capital and inflation in raw materials. In the absence of any major acquisitions or unplanned capital expenditures in 2022, we expect this ratio to be slightly above the Company's long-term target of 3.0x at the end of Fiscal 2022.

Outlook

"The ongoing strength of our performance, as demonstrated once again in the third quarter, underscores my confidence that we will continue to grow sales and generate continuing year-over-year Adjusted EBITDA growth in Fiscal 2022," said Mr. Hepponstall.

Demand for the Company's products remains strong, however, like others in the industry, the Company continues to navigate a hyper-inflationary environment and remnants of the global supply challenges. The Company's diversification of product and procurement, and investment in strong customer and supplier relationships, has enabled High Liner Foods to mitigate these supply and economic challenges and position itself for continued growth.

Mr. Hepponstall added, "We are observing signs of consumers becoming more value conscious in response to rising food prices. We are confident that we are well positioned to meet this need for high quality, affordable seafood, while continuing to offer innovative solutions for operators and restaurant quality easy to prepare seafood for consumers seeking an elevated dining experience at home."

With a strong balance sheet and liquidity, the Company is well equipped to navigate current market conditions and invest in the business. The Company continues to invest in working capital and has increased liquidity to support its branded, value-added leadership strategy through its recent expansion of its Asset Backed Loan facility. High Liner Foods expects the Net Debt to Rolling Twelve-Month Adjusted EBITDA ratio to be slightly above the Company's long-term target of 3.0x at the end of Fiscal 2022.

The Company's capital expenditures remain in line with the previously disclosed amount of approximately \$25.0 million for Fiscal 2022. The Company is working to modernize its asset base, explore automation opportunities and maintain and upgrade facilities.

Conference Call

The Company will host a conference call on Thursday, November 10, 2022, at 10:00 a.m. ET (11:00 a.m. AT) during which Rod Hepponstall, President & Chief Executive Officer, Paul Jewer, Executive Vice President & Chief Financial Officer and Anthony Rasetta, Chief Commercial Officer, will discuss the financial results for the third quarter of 2022. To access the conference call by telephone, dial 416-764-8659 or 1-888-664-6392. Please connect approximately 10 minutes prior to the beginning of the call to ensure participation. The conference call will be archived for replay by telephone until Thursday, December 15, 2022 at midnight (ET). To access the archived conference call, dial 1-888-390-0541 and enter the replay entry code 391255#.

A live audio webcast of the conference call will be available at www.highlinerfoods.com. Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be required to join the webcast.

The Company's Unaudited Condensed Interim Consolidated Financial Statements and MD&A as at

and for the thirteen and thirty-nine weeks ended October 1, 2022 were filed concurrently on SEDAR with this news release and are also available at www.highlinerfoods.com.

Non-IFRS Measures

The Company reports its financial results in accordance with International Financial Reporting Standards ("IFRS"). Included in this media release are the following non-IFRS financial measures: Adjusted EBITDA, Adjusted EBITDA as a Percentage of Net Sales, Adjusted Net Income, Adjusted Diluted EPS, Net Debt and Net Debt to Rolling Twelve-Month Adjusted EBITDA.

The Company believes these non-IFRS financial measures provide useful information to both management and investors in measuring the financial performance and financial condition of the Company for the reasons outlined below. These measures do not have any standardized meaning as prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS.

Adjusted EBITDA and Adjusted EBITDA as a Percentage of Sales

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization adjusted for items that are not considered representative of ongoing operational activities of the business. The related margin, Adjusted EBITDA as a Percentage of Sales, is defined as Adjusted EBITDA divided by net sales, where net sales is defined as "Sales" on the consolidated statements of income.

We use Adjusted EBITDA (and Adjusted EBITDA as a percentage of sales) as a performance measure as it approximates cash generated from operations before capital expenditures and changes in working capital, and it excludes the impact of expenses and recoveries associated with certain non-routine items that are not considered representative of the ongoing operational activities, as discussed above, and share-based compensation expense related to the Company's share price. For the thirty-nine weeks ended October 1, 2022, Adjusted EBITDA also excludes the \$10.0 million in insurance proceeds as described in the *Recent Developments* section on page 4 of the Company's MD&A. We believe investors and analysts also use Adjusted EBITDA (and Adjusted EBITDA as a percentage of sales) to evaluate the performance of our business. The most directly comparable IFRS measure to Adjusted EBITDA is "Net income" on the consolidated statements of income. Adjusted EBITDA is also useful when comparing to other companies, as it eliminates the differences in earnings that are due to how a company is financed. Also, for the purpose of certain covenants on our credit facilities, "EBITDA" is based on Adjusted EBITDA, with further adjustments as defined in the Company's credit agreements.

The following table reconciles Adjusted EBITDA with measures that are found in our Consolidated Financial Statements, and calculates Adjusted EBITDA as a Percentage of Sales.

(Amounts in \$000s)	Thirteen weeks ended	
	October 1, 2022	October 2, 2021
Net income	\$ 9,977	\$ 9,177
Add back (deduct):		
Depreciation and amortization expense	6,045	5,827
Finance costs	4,710	3,617
Income tax expense	1,711	1,797
Standardized EBITDA	22,443	20,418
Add back (deduct):		
Business acquisition, integration and other (income) expenses	648	1,223
Impairment of property, plant and equipment	117	42
Loss (gain) on disposal of assets	119	(15)
Share-based compensation expense	1,482	776
Adjusted EBITDA	\$ 24,809	\$ 22,444
Net Sales	\$ 271,181	\$ 214,302
Adjusted EBITDA as Percentage of Sales	9.1 %	10.5 %

(Amounts in \$000s)	Thirty-nine weeks ended			
		October 1, 2022		October 2, 2021
Net income	\$	43,599	\$	35,026
Add back (deduct):				
Depreciation and amortization expense		17,408		17,311
Finance costs ⁽¹⁾		12,310		3,790
Income tax expense		10,787		5,500
Standardized EBITDA		84,104		61,627
Add back (deduct):				
Business acquisition, integration and other (income) expenses ⁽¹⁾⁽²⁾		(8,118)		2,329
Impairment of property, plant and equipment		168		42
Loss on disposal of assets		135		55
Share-based compensation expense		2,195		5,769
Adjusted EBITDA	\$	78,484	\$	69,822
Net Sales	\$	819,368	\$	647,526
Adjusted EBITDA as a Percentage of Sales		9.6 %		10.8 %

(1) The thirty-nine weeks ended October 2, 2021 includes a \$7.8 million gain on modification of debt related to the debt refinancing completed in March 2021.

(2) The business acquisition, integration and other (income) expenses for the thirty-nine weeks ended October 1, 2022 includes insurance proceeds of \$10.0 million described in the *Recent Developments* section on page 4 of the Company's MD&A which is excluded in Adjusted EBITDA.

Rolling Twelve-Month Adjusted EBITDA

(Amounts in \$000s)	Rolling twelve months ended			
		October 1, 2022	January 1, 2022	October 2, 2021
Net income	\$	50,822	\$ 42,249	\$ 42,398
Add back (deduct):				
Depreciation and amortization expense		23,178	23,081	23,355
Finance costs ⁽¹⁾		16,014	7,494	8,461
Income tax expense		12,120	6,833	4,616
Standardized EBITDA		102,134	79,657	78,830
Add back (deduct):				
Business acquisition, integration and other (income) expenses ⁽²⁾		(7,597)	2,850	3,297
Impairment of property, plant and equipment		168	42	42
Loss on disposal of assets		200	122	115
Share-based compensation expense		4,177	7,751	8,723
Rolling Twelve-Month Adjusted EBITDA	\$	99,082	\$ 90,422	\$ 91,007

(1) The thirty-nine weeks ended October 2, 2021 includes a \$7.8 million gain on modification of debt related to the debt refinancing completed in March 2021.

(2) The business acquisition, integration and other (income) expenses for the thirty-nine weeks ended October 1, 2022, includes insurance proceeds of \$10.0 million described in the *Recent Developments* section on page 4 of the Company's MD&A which is excluded in Adjusted EBITDA.

Adjusted Net Income and Adjusted Diluted EPS

Adjusted Net Income is net income adjusted for the after-tax impact of items which are not representative of ongoing operational activities of the business and certain non-cash expenses or income. Adjusted Diluted EPS is Adjusted Net Income divided by the average diluted number of shares outstanding.

We use Adjusted Net Income and Adjusted Diluted EPS to assess the performance of our business without the effects of the above-mentioned items, and we believe our investors and analysts also use these measures. We exclude these items because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. For the thirty-nine weeks ended October 1, 2022, Adjusted Net Income also excludes the \$10.0 million in insurance proceeds as described in the *Recent Developments* section on page 4 of the Company's MD&A. The most comparable IFRS financial measures are net income and EPS.

The table below reconciles our Adjusted Net Income with measures that are found in our

Consolidated Financial Statements and calculates Adjusted Diluted EPS.

	Thirteen weeks ended			
	October 1, 2022		October 2, 2021	
	\$000s	Adjusted Diluted EPS	\$000s	Adjusted Diluted EPS
Net income	\$ 9,977	\$ 0.28	\$ 9,177	\$ 0.26
Add back (deduct):				
Business acquisition, integration and other (income) expenses	648	0.02	1,223	0.04
Impairment of property, plant and equipment	117	—	42	—
Share-based compensation expense	1,482	0.05	776	0.02
Tax impact of reconciling items ⁽¹⁾	2,068	0.06	63	—
Adjusted Net Income	\$ 14,292	\$ 0.41	\$ 11,281	\$ 0.32
Average shares for the period (000s)		35,102		35,015

(1) The tax impact of reconciling items includes the tax impact of the insurance proceeds of \$10.0 million received during the second quarter of fiscal 2022 described in the *Recent Developments* section on page 4 of the Company's MD&A which is excluded in Adjusted Net Income.

	Thirty-nine weeks ended			
	October 1, 2022		October 2, 2021	
	\$000s	Adjusted Diluted EPS	\$000s	Adjusted Diluted EPS
Net income	\$ 43,599	\$ 1.24	\$ 35,026	\$ 1.00
Add back (deduct):				
Business acquisition, integration and other (income) expenses ⁽¹⁾	(8,118)	(0.23)	2,329	0.07
Gain on modification of debt ⁽²⁾	—	—	(7,901)	(0.22)
Impairment of property, plant and equipment	168	—	42	—
Share-based compensation expense	2,195	0.06	5,769	0.16
Tax impact of reconciling items ⁽³⁾	1,551	0.05	454	0.01
Adjusted Net Income	\$ 39,395	\$ 1.12	\$ 35,719	\$ 1.02
Average shares for the period (000s)		35,141		35,139

(1) The business acquisition, integration and other (income) expenses for the thirty-nine weeks ended October 1, 2022, includes insurance proceeds of \$10.0 million described in the *Recent Developments* section on page 4 of the Company's MD&A which is excluded in Adjusted Net Income.

(2) Included in the "Finance costs" line in the consolidated statements of income for the thirty-nine weeks ended October 2, 2021 and represents a gain on the modification of debt related to the debt refinancing completed in March 2021.

(3) The tax impact of reconciling items includes the tax impact of the insurance proceeds of \$10.0 million received during the thirty-nine weeks ended October 1, 2022 described in the *Recent Developments* section on page 4 of the Company's MD&A which is excluded in Adjusted Net Income.

Net Debt and Net Debt to Rolling Twelve-Month Adjusted EBITDA

Net Debt is calculated as the sum of bank loans, long-term debt (excluding deferred finance costs and modification gains/losses) and lease liabilities, less cash.

We consider Net Debt to be an important indicator of our Company's financial leverage because it represents the amount of debt that is not covered by available cash. We believe investors and analysts use Net Debt to determine the Company's financial leverage. Net Debt has no comparable IFRS financial measure, but rather is calculated using several asset and liability items in the consolidated statements of financial position.

Net Debt to Rolling Twelve-Month Adjusted EBITDA is calculated as Net Debt divided by Rolling Twelve-Month Adjusted EBITDA (see above). We consider Net Debt to Rolling Twelve-Month Adjusted EBITDA to be an important indicator of our ability to generate earnings sufficient to service our debt, that enhances understanding of our financial performance and highlights operational trends. This measure is widely used by investors and rating agencies in the valuation, comparison, rating and investment recommendations of companies; however, the calculations of Adjusted EBITDA may not be comparable to those of other companies, which limits their usefulness as comparative measures.

The following table reconciles Net Debt to IFRS measures reported as at the end of the indicated periods in the consolidated statements of financial position and calculates Net Debt to Rolling Twelve-Month Adjusted EBITDA.

(Amounts in \$000s)	October 1, 2022	January 1, 2022	October 2, 2021
Bank loans	\$ 59,358	\$ 4,388	\$ —
Add-back: Deferred finance costs included in bank loans ⁽¹⁾	642	163	—
Total bank loans	60,000	4,551	—
Long-term debt	240,109	244,994	246,611
Current portion of long-term debt	7,500	5,625	3,750
Add-back: Deferred finance costs included in long-term debt ⁽²⁾	4,974	5,810	6,102
Less: Net loss on modification of debt ⁽³⁾	(577)	(674)	(708)
Total term loan debt	252,006	255,755	255,755
Long-term portion of lease liabilities	3,859	6,851	7,823
Current portion of lease liabilities	4,548	4,327	4,834
Total lease liabilities	8,407	11,178	12,657
Less: Cash	(3,339)	(443)	(15,828)
Net Debt	\$ 317,074	\$ 271,041	\$ 252,584
Rolling Twelve-Month Adjusted EBITDA	\$ 99,082	\$ 90,422	\$ 91,007
Net Debt to Rolling Twelve-Month Adjusted EBITDA	3.2x	3.0x	2.8x

(1) Represents deferred finance costs that are included in "Bank loans" in the consolidated statements of financial position. See Note 5 to the Consolidated Financial Statements.

(2) Represents deferred finance costs that are included in "Long-term debt" in the consolidated statements of financial position. See Note 6 to the Consolidated Financial Statements.

(3) A gain on modification of debt related to the refinancing completed in March 2021, net of a loss on the modification of debt related to debt refinancing completed in October 2019, has been excluded from the calculation of Net Debt as it does not represent the expected cash outflows from the term loan facility. See Note 6 to the Consolidated Financial Statements.

Forward Looking Statements

Forward-looking statements can generally be identified by the use of the conditional tense, the words "may", "should", "would", "could", "believe", "plan", "expect", "intend", "anticipate", "estimate", "foresee", "objective", "goal", "remain" or "continue" or the negative of these terms or variations of them or words and expressions of similar nature. Actual results could differ materially from the conclusion, forecast or projection stated in such forward-looking information. As a result, we cannot guarantee that any forward-looking statements will materialize. Assumptions, expectations and estimates made in the preparation of forward-looking statements and risks that could cause our actual results to differ materially from our current expectations are discussed in detail in the Company's materials filed with the Canadian securities regulatory authorities from time to time, including the Risk Factors section of our MD&A for the thirteen and thirty-nine weeks ended, the Risk Factors section of our 2021 Annual Report and the Risk Factors section of our 2021 Annual Information Form. The risks and uncertainties that may affect the operations, performance, development and results of High Liner Foods' business include, but are not limited to, the following factors: compliance with food safety laws and regulations; timely identification of and response to events that could lead to a product recall; volatility in the CAD/USD exchange rate; competitive developments including increases in overseas seafood production and industry consolidation; availability and price of seafood raw materials and finished goods and the impact of geopolitical events (and related economic sanctions) on the same; the impact of the U.S. Trade Representative's tariffs on certain seafood products; costs of commodity products, freight, storage and other production inputs, and the ability to pass cost increases on to customers; successful integration of acquired operations; potential increases in maintenance and operating costs; shifts in market demands for seafood; performance of new products launched and existing products in the market place; changes in laws and regulations, including environmental, taxation and regulatory requirements; technology changes with respect to production and other equipment and software programs; enterprise resource planning system risk; adverse impacts of cybersecurity attacks or breach of sensitive information; supplier fulfillment of contractual agreements and obligations; competitor reactions; completion and/or advancement of sustainability initiatives, including, without limitation, initiatives relating to the carbon workplan, waste reduction and/or seafood sustainability and traceability initiatives; High Liner Foods' ability to generate adequate cash flow or to finance its future business requirements through outside sources; credit risk associated with receivables from customers; volatility associated with the funding status of the Company's post-retirement pension

benefits; adverse weather conditions and natural disasters; the availability of adequate levels of insurance; management retention and development; economic and geopolitical conditions such as Russia's invasion of Ukraine and the implementation and/or expansion of related sanctions policies; and the potential impact of a pandemic outbreak of a contagious illness, such as COVID-19 pandemic, on general economic and business conditions and therefore the Company's operations and financial performance. Forward-looking information is based on management's current estimates, expectations and assumptions, which we believe are reasonable as of the current date. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. Except as required under applicable securities laws, we do not undertake to update these forward-looking statements, whether written or oral, that may be made from time to time by us or on our behalf, whether as a result of new information, future events or otherwise. We include in publicly available documents filed from time to time with securities commissions and The Toronto Stock Exchange, a discussion of the risk factors that can cause anticipated outcomes to differ from actual outcomes. Except as required under applicable securities legislation, we do not undertake to update forward-looking statements, whether written or oral, that may be made from time to time by us or on our behalf, whether as a result of new information, future events or otherwise.

About High Liner Foods Incorporated

High Liner Foods Incorporated is a leading North American processor and marketer of value-added frozen seafood. High Liner Foods' retail branded products are sold throughout the United States and Canada under the **High Liner**, **Fisher Boy**, **Mirabel**, **Sea Cuisine**, and **Catch of the Day** labels, and are available in most grocery and club stores. The Company also sells branded products to restaurants and institutions under the **High Liner**, **Mirabel**, **Icelandic Seafood** and **FPI** labels and is a major supplier of private label value-added seafood products to North American food retailers and foodservice distributors. High Liner Foods is a publicly traded Canadian company, trading under the symbol HLF on the Toronto Stock Exchange.

For further information about the Company, please visit our website at www.highlinerfoods.com or send an e-mail to investor@highlinerfoods.com.

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