



HIGH LINER FOODS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fifty-three weeks ended January 3, 2026

(All amounts are in United States dollars unless otherwise stated)

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INTRODUCTION

This Management's Discussion and Analysis ("MD&A"), dated February 25, 2026, relates to the financial condition and results of operations of High Liner Foods Incorporated for the fifty-three weeks ended January 3, 2026 ("Fiscal 2025") compared to the fifty-two weeks ended December 28, 2024 ("Fiscal 2024"). Throughout this discussion, "We", "Us", "Our", "Company" and "High Liner Foods" refer to High Liner Foods Incorporated and its businesses and subsidiaries.

This document should be read in conjunction with our Fiscal 2025 Audited Consolidated Financial Statements ("Consolidated Financial Statements") as at and for the fifty-three weeks ended January 3, 2026, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The information contained in this document, including forward-looking statements, is based on information available to management as of February 25, 2026, except as otherwise noted.

Comparability of Periods

The Company's fiscal year-end floats, and ends on the Saturday closest to December 31. The Company follows a fifty-two week reporting cycle, which periodically necessitates a fiscal year of fifty-three weeks. Fiscal 2025 was fifty-three weeks, Fiscal 2024 was fifty-two weeks and 2023 was fifty-two weeks. When a fiscal year contains fifty-three weeks, the reporting cycle is divided into four quarters of thirteen weeks each except for the fourth quarter, which is fourteen weeks in duration. Therefore, amounts presented may not be entirely comparable.

Currency

All amounts in this MD&A are in United States dollars ("USD") unless otherwise noted. Although the functional currency of High Liner Foods' Canadian company (the "Parent") is the Canadian dollar ("CAD"), management believes the USD presentation better reflects the Company's overall business activities and improves investors' ability to compare the Company's consolidated financial results with other publicly traded businesses in the packaged foods industry (most of which are based in the United States ("U.S.") and report in USD) and should result in less volatility in reported sales and income on the conversion into the presentation currency.

For the purpose of presenting the Consolidated Financial Statements in USD, CAD-denominated assets and liabilities in the Parent'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).

In certain sections of this document, balance sheet and operating items of the Parent are discussed in the CAD functional currency (the "domestic currency" of the Parent) to eliminate the effect of fluctuating foreign exchange rates used to translate the Parent's operations to the USD presentation currency.

FORWARD-LOOKING INFORMATION

Certain statements contained in this MD&A constitute "forward-looking information" within the meaning of applicable securities laws, including the provincial securities laws in Canada, and are based on expectations, estimates and projections as of the date on which the statements are made in this MD&A. These statements relate to future events or future performance and reflect the Company's expectations and assumptions regarding the growth, results of operations, performance, business prospects and opportunities of the Company. Forward-looking statements are often, but not always, identified by the use of words such as "may", "would", "could", "will", "should", "expect", "expects", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential", "pursue", "continue", "seek", "intend", or the negative of these terms or other similar expressions concerning matters that are not historical facts. Specific forward-looking statements in this MD&A include, but are not limited, to statements

regarding: future growth strategies and their impact on the Company's market share and shareholder value; sustainability goals and targets; achievement, and timing of achievement, of strategic goals and publicly stated financial targets, including to increase our market share, acquire and integrate other businesses and reduce operating and supply chain costs; the ability to develop new and innovative products that result in increased sales and market share; increased demand for the Company's products; inflation, changes in costs for seafood and other raw materials; increases or decreases in processing costs; the USD/CAD exchange rate; percentage of sales from the Company's brands; expectations with regards to sales volume, earnings, product margins, product innovations, brand development and anticipated financial performance; competitor reaction to Company strategies and actions; impact of price increases or decreases on future profitability; sufficiency of working capital facilities; future income tax rates; the expected amount and timing of integration activities related to acquisitions; demand expectations; sales of new product; the efficiency of plant production; U.S. and Canadian tariffs; economic and geopolitical conditions such as Russia's invasion of Ukraine and the implementation and/or expansion of related sanctions; impact of the inflationary environment; expected amount and timing of cost savings related to the optimization of the Company's structure; estimated capital spending; future inventory trends and seasonality; market forces and the maintenance of existing customer and supplier relationships; availability of credit facilities; the projection of excess cash flow and minimum repayments under the Company's long-term loan facility; expected decreases in debt-to-capitalization ratio; dividend payments; the amount and timing of the capital expenditures in excess of normal requirements to allow the movement of production between plants; expectations regarding the potential future impact of a global pandemic on the Company's operations and performance, customer and consumer behavior and economic patterns; M&A and other investment and growth strategies; product innovation and distribution, consumer preferences and purchasing decisions; growth in alternative species and other diversification of products and the Company's supply chain; the markets and industries in which the Company operates; and the business strategies and operational activities of the Company.

Forward-looking statements are necessarily based upon management's perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by management as of the date on which the statements are made in this MD&A, are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking statements ultimately being incorrect. In addition to any other factors and assumptions set forth in this MD&A, the material factors and assumptions used to develop the forward-looking information include, but are not limited to: availability, demand and prices of raw materials, energy and supplies; the ability of the Company to mitigate the impacts of tariffs; expectations with regards to sales volume, earnings, product margins, product innovations, brand development and anticipated financial performance, including with respect to the introduction of a line comprised of fully cooked seafood products; the ability to develop new and innovative products that result in increased sales and market share; the maintenance of existing customer and supplier relationships; manufacturing facility efficiency; the ability of the Company to reduce operating and supply chain costs; the condition of the Canadian and American economies; product pricing; foreign exchange rates, especially the rate of exchange of the CAD to the USD; the ability to attract and retain customers; operating costs and improvement to operating efficiencies; interest rates; continued access to capital; the competitive environment and related market conditions; and the general assumption that none of the risks identified below or elsewhere in this document will materialize.

Forward-looking information is inherently subject to risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections, or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A number of known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, could cause actual events, performance, or results to differ materially from what is projected in the forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: 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; ability to

import seafood into North America while adhering to updated government sanctions; ability to adapt to regulatory changes and increase flexibility on seafood substitutions in certain products with customers; 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. and Canadian tariffs on certain seafood products and other supplies; 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 and other acquisition-related risk; 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; and the potential impact of a pandemic outbreak of a contagious illness, on general economic and business conditions and therefore the Company's operations and financial performance. In evaluating these forward-looking statements, investors and prospective investors should specifically consider these and various other risks, uncertainties and other factors which may cause actual events, performance, or results to differ materially from any forward-looking statement and not put undue reliance on forward-looking statements.

The risk factors above are not intended to represent a complete list of the factors that may affect the Company and its forward-looking statements. For further details concerning these factors and other risks applicable to the Company refer to "Risk Factors" above and the *Risk Factors* section of the Company's Annual Information Form for the fifty-three weeks ended January 3, 2026 which is on file with SEDAR+ at www.sedarplus.ca.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are made as of the date of this MD&A or, in the case of documents referenced herein, as of the date of such documents and are provided for the purpose of providing information about management's expectations and plans relating to the future. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law. All forward-looking statements in this MD&A are qualified by these cautionary statements.

COMPANY OVERVIEW

High Liner Foods, through its predecessor companies, has been in business since 1899 and has been a publicly traded Canadian company since 1967, trading under the symbol 'HLF' on the Toronto Stock Exchange ("TSX"). We are a leading North American processor and marketer of value-added (i.e. processed) frozen seafood, producing a wide range of products from breaded and battered items to seafood entrées, that are sold to North American food retailers and foodservice distributors. In addition, we are a major supplier of commodity products in the North American market. The retail channel includes grocery and club stores, and our products are sold throughout the U.S. and Canada under the *High Liner*, *Fisher Boy*, *Sea Cuisine*, *C. Wirthy* and *Catch of the Day* labels, as well as *Mrs. Paul's* and *Van de Kamp's*, acquired from Conagra Brands, Inc ("Conagra") in June 2025, with distribution across most grocery and club stores. The foodservice channel includes sales of seafood that is usually eaten outside the home, and our branded products are sold through distributors to restaurants and institutions under the *High Liner*,

Mirabel, Icelandic Seafood¹ and **FPI** labels. The Company is also a major supplier of private-label value-added frozen premium seafood products to North American food retailers and foodservice distributors.

We own and operate three food-processing plants located in Lunenburg, Nova Scotia ("N.S."), Portsmouth, New Hampshire, and Newport News, Virginia.

Although our roots are in the Atlantic Canadian fishery, we purchase all our seafood raw materials and some finished goods from around the world. From our headquarters in Lunenburg, N.S., we have transformed our long and proud heritage into global seafood expertise. We deliver on the consumers' expectations by selling seafood products that respond to their demands for sustainable, convenient, tasty, and nutritious seafood, at good value.

Additional information relating to High Liner Foods, including our most recent Annual Information Form ("AIF"), is available on SEDAR+ at www.sedarplus.ca and in the Investors section of the Company's website at www.highlinerfoods.com.

RECENT DEVELOPMENTS

Tariffs

In September 2018, the U.S. Trade Representative ("USTR") commenced trade discussions with China that resulted in various actions impacting the Company related to additional tariffs on goods imported to the U.S., including a 25% tariff on certain raw material imports used by the Company (the "2018 US-China Tariffs"). During March 2022, the Company received notice of approval of an exclusion extension request submitted to the USTR regarding tariffs on a certain subset of raw material used by the Company imported to the U.S. from China, while the remaining raw material imports were still subject to the 25% tariff. The extension applied to tariffs already incurred, or that would otherwise have been incurred, on specific goods from October 12, 2021 to December 31, 2022. Since December 16, 2022 the USTR has extended this exclusion multiple times, including most recently on September 2, 2025, which further extended the exclusion to November 29, 2025. Additional action taken on November 26, 2025 by USTR has now extended these section 301 tariff exclusions until November 10, 2026.

On February 1, 2025 an Executive Order was signed by the U.S. President enacting measures which would impose additional tariffs on Chinese and Canadian imports into the United States. Since that date, there have been several announcements of additional global tariffs, retaliatory tariffs, and pauses on tariffs. The imposed tariffs included 20% on all Chinese goods imported into the United States and an additional 10% tariff on certain Chinese goods imported into the United States. These tariffs are incremental to the 2018 U.S.-China tariffs, bringing total tariffs on certain Chinese imports to 55%. On April 10, 2025 the U.S. issued increased "reciprocal" tariffs on certain goods from China totaling 170% (including all other applicable tariffs). A subsequent trade agreement on May 14, 2025 led to a temporary reduction of the reciprocal tariff back to 55%. On November 10, 2025 the U.S. President lowered

¹ In December 2011, as part of the acquisition of the U.S. subsidiary of Icelandic Group h.f, the Company acquired several brands and agreed to a seven year royalty-free licensing agreement with Icelandic Group for the use of the Icelandic Seafood brand in the U.S., Canada and Mexico. In April 2018, the Company executed a seven-year brand license agreement for the continued use of the Icelandic Seafood brand in the U.S. and Canada with royalty payments effective January 2019 (1.5% on net sales of products sold under the Icelandic Seafood brand).

the Reciprocal tariff on China to 10% which brings total tariffs on certain Chinese imports to 45%. This is now effective until November 10, 2026.

On April 2, 2025 the U.S. announced reciprocal tariffs declaring a 10% baseline tariff on imports from all countries, as well as higher rates for additional countries that run trade surpluses with the U.S. Additional higher reciprocal tariff rates were announced on July 31, 2025. Food products originating from Canada remain exempt from these tariffs under United States-Mexico-Canada Agreement ("USMCA").

The Company is actively assessing the impact of these evolving tariff regimes on its global supply chain, cost structure, macroeconomic environment and customer and consumer sentiment. While the full financial implications are still being evaluated, preliminary analysis indicates that these new tariffs could materially increase the cost of certain imported raw materials and finished goods, in addition to other potential impacts. The Company continues to implement mitigation strategies—including pricing adjustments, supply chain optimization, and sourcing diversification—to reduce the impact on its operations and customers.

The Company will continue to monitor trade developments and adjust its mitigation strategies as necessary to address additional tariff risks or policy changes that may change in 2026. However, the amount and timing for implementation of the tariffs described above and their impact on the Company, its supply chains, and the macroeconomic environment are inherently difficult to predict given the high level of uncertainty regarding trade negotiations and responses that may occur in the future.

On February 20, 2026, the U.S. Supreme Court issued its decision to invalidate the tariffs imposed by the U.S. President under the International Emergency Economic Powers Act (IEEPA). Management is evaluating the impact of this decision on the Company and will continue to monitor the situation as it evolves.

Acquisition of U.S. Retail Brands

On June 30, 2025, the Company completed the acquisition of the Mrs. Paul's and Van de Kamp's frozen seafood brands from Conagra for total consideration of \$41.9 million ("Conagra Brands Acquisition"). In connection with this asset acquisition, the Company recognized \$23.3 million of inventories, \$16.4 million of intangible assets in the form of brands and \$4.5 million of intangible assets in the form of customer relationships.

These established U.S. retail brands have recently been largely manufactured at High Liner's U.S. facilities under a co-manufacturing arrangement, with average annual volumes of approximately 25 million pounds. The Company expects this acquisition to secure and expand that volume to a total of approximately 29 million pounds per year, supporting its strategy to grow and diversify its branded product offering in the U.S. retail market.

The transaction was funded through the Company's existing debt facilities.

Change in Senior Management

On September 3, 2025, the Company appointed Kimberly Stephens as Chief Financial Officer ("CFO"), following the departure of Darryl Bergman.

Investments in Andfjord Salmon AS and Norcod AS

In March 2025, High Liner Foods completed additional investments in two leading Norwegian aquaculture companies, Norcod AS ("Norcod") and Andfjord Salmon Group AS ("Andfjord"). The Company invested an additional \$10.7 million in Andfjord and \$7.1 million in Norcod in exchange for 3,262,786 common shares of Andfjord and 6,250,000 common shares of Norcod, bringing the investment in Norcod to 18.5%. These investments are in addition to the previously disclosed investments made in Andfjord and Norcod in 2024.

In May 2025, High Liner Foods invested an additional \$6.9 million in Andfjord for 1,902,174 common shares.

In December 2025, the Company entered into a subscription commitment and advance payment agreement to subscribe to a new equity issuance in Andfjord. The Company invested an additional \$5.9 million in exchange for 2,247,191 common shares, bringing the total investment in Andfjord to 10.3%.

The Company believes these investments align with High Liner Foods' long-term growth strategy, including gaining exposure to salmon and cod aquaculture. These investments support Norcod and Andfjords' continued growth, innovation and expansion, while preserving High Liner Food's strategic ownership stake.

New Production Innovation

During Fiscal 2025, the Company advanced its initiative to introduce fully cooked products. Efforts focused on finalizing product formulations, preparing production capabilities, and developing marketing plans to support the launch. Investment in the initiative continued as part of the Company's broader strategy to expand its portfolio into higher-value, convenience-oriented categories. These products were launched subsequent to January 3, 2026.

Amendments of Term Loan and Working Capital Credit Facilities

On December 18, 2025, the Company amended the \$240 million term loan facility to include a \$60 million incremental term loan, increasing the total facility to \$300 million. The amendments to the facility were determined to be a non-substantial modification and, as a result, the deferred financing costs related to the original facility continue to be amortized over the remaining term. The Company incurred additional deferred financing costs of \$1.1 million in connection with the amendment. As the net present value of the cash flows of the modified debt are less than the carrying value of the original facility before the amendments, a modification gain of \$6.5 million was recorded in finance costs on the consolidated statements of income during the fifty-three weeks ended January 3, 2026. The facility continues to bear interest at SOFR plus 3.25% (0.50% SOFR floor), and it matures in July 2031. The principal balance outstanding prior to being adjusted for debt modifications was \$290.6 million on January 3, 2026 (December 28, 2024 - \$238.5 million).

On December 18, 2025, the Company also amended the \$200 million Working Capital Credit Facility, to extend the term expiry from April 2027 to December 2030. The amendment to the facility was not assessed as a substantial modification. As a result, the deferred financing costs related to the original facility continue to be amortized over the remaining term.

PERFORMANCE

This discussion and analysis of the Company's financial results focuses on the performance of the consolidated North American operations, the Company's single operating and reporting segment.

Seasonality

Overall, the first quarter of the year is historically the strongest for both sales and profit, and the second quarter is the weakest. Both our retail and foodservice businesses traditionally experience a strong first quarter due to retailers and restaurants promoting seafood during the Lenten period. As such, the timing of Lent can impact our quarterly results. Lent began later in 2025 than in the prior year, starting in early March and extending into April. As a result, a portion of the typical seasonal lift associated with Lent shifted from the first quarter into the second quarter, which impacted the year-over-year comparability of the Q1 2025 and Q2 2025 performance.

A significant percentage of advertising and promotional activity is typically done in the first quarter. Customer-specific promotional expenditures such as trade spending, listing allowances and couponing are deducted from

"Sales" and non-customer-specific consumer marketing expenditures are included in selling, general and administrative expenses.

Inventory levels fluctuate throughout the year, most notably increasing to support strong sales periods such as the Lenten period. In addition, the timing of ordering raw materials is earlier than typically required in order to have adequate quantities available during the seasonal closure of plants in Asia during the Lunar New Year period. These events typically result in significantly higher inventories in December, January, February and March than during the rest of the year.

Consolidated Performance

The table below summarizes key consolidated financial information for the relevant periods:

(in \$000s, except sales volume, per share amounts, percentage amounts, and exchange rates)	Fifty-three weeks ended	Fifty-two weeks ended	Change	Fifty-two weeks ended
	January 3, 2026	December 28, 2024		December 30, 2023
Sales volume (millions of lbs)	237.9	235.8	2.1	257.0
Average foreign exchange rate (USD/CAD)	1.3976	1.3695	\$ 0.0281	1.3497
Sales	\$ 1,026,899	\$ 959,218	\$ 67,681	\$ 1,080,338
Gross profit	\$ 212,838	\$ 217,271	\$ (4,433)	\$ 218,689
Gross profit as a percentage of sales	20.7%	22.7%	(2.0%)	20.2%
Distribution expenses	\$ 49,766	\$ 45,225	\$ 4,541	\$ 56,875
Selling, general and administrative expenses	\$ 99,536	\$ 100,027	\$ (491)	\$ 94,455
Adjusted EBITDA ⁽¹⁾	\$ 91,708	\$ 103,339	\$ (11,631)	\$ 95,092
Adjusted EBITDA as a percentage of sales	8.9%	10.8%	(1.9%)	8.8%
Net income	\$ 36,557	\$ 60,164	\$ (23,607)	\$ 31,677
Basic Earnings per Share ("EPS")	\$ 1.22	\$ 1.89	\$ (0.67)	\$ 0.94
Diluted EPS	\$ 1.22	\$ 1.89	\$ (0.67)	\$ 0.93
Adjusted Net Income ⁽¹⁾	\$ 34,830	\$ 47,961	\$ (13,131)	\$ 38,680
Adjusted Diluted EPS ⁽¹⁾	\$ 1.17	\$ 1.51	\$ (0.34)	\$ 1.14
Total assets	\$ 963,957	\$ 849,312	\$ 114,645	\$ 834,399
Total long-term financial liabilities	\$ 294,497	\$ 225,353	\$ 69,144	\$ 251,073
Dividends paid per common share (in CAD)	\$ 0.685	\$ 0.620	\$ 0.065	\$ 0.540

⁽¹⁾ Refer to the *Non-IFRS Financial Measures* section starting on page 25 for further explanation of Adjusted EBITDA, Adjusted Net Income, and Adjusted Diluted EPS.

Sales

Sales volume in Fiscal 2025 increased by 2.1 million pounds, or 0.9%, to 237.9 million pounds compared to 235.8 million pounds in Fiscal 2024. In retail, the Company's growth is a result of a continued targeted approach to value-driven promotions and product innovation, supporting expanded distribution and growth in the club channel. The foodservice business experienced slowdowns as consumers continue to pull back on dining outside of the home, offset by the additional week in the fourth quarter of Fiscal 2025.

Sales in Fiscal 2025 increased by \$67.7 million, or 7.1%, to \$1,026.9 million compared to \$959.2 million in Fiscal 2024. The increase in sales is mainly driven by inflationary pricing and increased volumes, as well as a favourable product mix supporting the Company's branded value added strategy.

Gross Profit

Gross profit decreased in Fiscal 2025 by \$4.5 million, or 2.1%, to \$212.8 million compared to \$217.3 million in Fiscal 2024, and gross profit as a percentage of sales decreased to 20.7%, compared to 22.7%. The decrease in gross profit reflects increased costs driven by tariffs, raw material costs, promotional activity, plant inefficiencies and the impact of increased inventory related to the Conagra Brands Acquisition, partially mitigated by the increase in sales volumes and dollars.

Distribution Expenses

Distribution expenses increased in Fiscal 2025 by \$4.6 million, or 10.2%, to \$49.8 million compared to \$45.2 million in Fiscal 2024. This increase is driven primarily by higher storage costs, as well as an increase in freight expenses in Fiscal 2025. This increase in storage is attributed to higher external warehousing costs due to increased inventory levels to mitigate tariff and supply chain risk, as well as temporary storage costs related to the Conagra Brands Acquisition, and higher rates. The increase in freight expenses is due to additional costs associated with the acquired Conagra inventories, as well as higher sales volumes. As a percentage of sales, distribution expenses increased unfavourably to 4.8% in Fiscal 2025 compared to 4.7% in the same period in Fiscal 2024.

Selling, General and Administrative ("SG&A") Expenses

(Amounts in \$000s)	Fifty-three weeks ended		Fifty-two weeks ended	
		January 3, 2026		December 28, 2024
SG&A expenses, as reported	\$	99,536	\$	100,027
Less:				
Share-based compensation expense ⁽¹⁾		3,292		7,559
Depreciation and amortization expense ⁽¹⁾		9,187		9,451
SG&A expenses, net ⁽²⁾	\$	87,057	\$	83,017
SG&A expenses, net as a percentage of sales		8.5%		8.7%

⁽¹⁾ Represents share-based compensation expense and depreciation and amortization expense that is allocated to SG&A only. The remaining expense is allocated to the cost of sales and distribution expenses.

⁽²⁾ Net SG&A expenses is a non-IFRS financial measure representing the selling, general and administrative expenses that impact Adjusted EBITDA. Refer to the *Non-IFRS Financial Measures* section starting on page 25 for further explanation of Adjusted EBITDA.

SG&A expenses decreased by \$0.5 million, or 0.5%, to \$99.5 million in Fiscal 2025 as compared to \$100.0 million in Fiscal 2024. SG&A expenses included share-based compensation expense of \$3.3 million in Fiscal 2025 compared to \$7.6 million in Fiscal 2024, driven by a decreased expected performance multiplier for performance-based awards, partially offset with an increase in the weighted average share price compared to the prior year and a higher number of units outstanding. SG&A expenses also included depreciation and amortization expense of \$9.2 million in Fiscal 2025, compared to an expense of \$9.5 million in Fiscal 2024.

Excluding share-based compensation and depreciation and amortization expenses, SG&A expenses increased in Fiscal 2025 by \$4.1 million, or 4.9%, to \$87.1 million compared to \$83.0 million in Fiscal 2024, driven by higher consulting costs related to the investments in new product innovation and plant efficiencies, increased salaries, benefits, and other HR-related costs, increased travel expense and higher administrative costs. These increases are partially offset with savings in consumer marketing and IT-related costs. As a percentage of sales, SG&A excluding share-based compensation and depreciation and amortization expense decreased to 8.5% in Fiscal 2025 compared to 8.7% in the same period in Fiscal 2024.

Adjusted EBITDA

We refer to Adjusted EBITDA throughout this MD&A in discussing our results for the fourteen and fifty-three weeks ended January 3, 2026. See the *Non-IFRS Financial Measures* section starting on page 25 for further explanation of this non-IFRS measure.

Adjusted EBITDA decreased in Fiscal 2025 by \$11.6 million, or 11.2%, to \$91.7 million compared to \$103.3 million in Fiscal 2024, and as a percentage of sales, Adjusted EBITDA decreased to 8.9% compared to 10.8%. The decrease in Adjusted EBITDA is a result of the decreased gross profit and increased distribution and SG&A expenses, discussed previously.

Net Income

We refer to Adjusted Net Income and Adjusted Diluted EPS throughout this MD&A. See the *Non-IFRS Financial Measures* section starting on page 25 for further explanation of these non-IFRS measures.

Net income decreased in Fiscal 2025 by \$23.6 million, or 39.2%, to \$36.6 million compared to \$60.2 million in 2024, while diluted EPS decreased to \$1.22 compared to \$1.89 in Fiscal 2024. The decrease in net income is due to the decrease in Adjusted EBITDA (as discussed previously in the *Adjusted EBITDA* section above), the increase in business acquisition, integration, and other expense (income), which was in an income position in 2024 as a result of the Rubicon legal settlement, and an increase in finance costs due to lower debt modification gains in Fiscal 2025 and lower income taxes.

In Fiscal 2025, net income included "business acquisition, integration and other expense (income)" (as explained in the *Business Acquisition, Integration and Other Expense (Income)* section on page 13 of this MD&A) related to certain non-routine expenses. Excluding the impact of these non-routine items, other non-cash expenses, and share-based compensation and the related tax impact of these items, Adjusted Net Income in Fiscal 2025 decreased by \$13.2 million, or 27.5%, to \$34.8 million compared to \$48.0 million in Fiscal 2024.

Adjusted Diluted EPS decreased \$0.34 in Fiscal 2025 to \$1.17 compared to \$1.51 in Fiscal 2024.

RESULTS BY QUARTER

The following table provides summarized financial information for the last eight quarters:

Fiscal 2025

(Amounts in \$000s, except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Sales	\$ 268,436	\$ 239,610	\$ 248,619	\$ 270,234	\$ 1,026,899
Adjusted EBITDA ⁽¹⁾	\$ 32,147	\$ 25,075	\$ 15,232	\$ 19,254	\$ 91,708
Net income	\$ 15,295	\$ 8,470	\$ 4,767	\$ 8,025	\$ 36,557
Basic EPS	\$ 0.51	\$ 0.28	\$ 0.16	\$ 0.27	\$ 1.22
Diluted EPS	\$ 0.51	\$ 0.28	\$ 0.16	\$ 0.27	\$ 1.22
Adjusted Net Income ⁽¹⁾	\$ 16,554	\$ 11,497	\$ 4,074	\$ 2,705	\$ 34,830
Adjusted Diluted EPS ⁽¹⁾	\$ 0.55	\$ 0.38	\$ 0.14	\$ 0.10	\$ 1.17
Dividends paid per common share (in CAD)	\$ 0.170	\$ 0.170	\$ 0.170	\$ 0.175	\$ 0.685
Net non-cash working capital ⁽²⁾	\$ 268,584	\$ 270,724	\$ 301,711	\$ 283,815	\$ 283,815

Fiscal 2024

(Amounts in \$000s, except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Sales	\$ 276,972	\$ 218,323	\$ 228,884	\$ 235,039	\$ 959,218
Adjusted EBITDA ⁽¹⁾	\$ 34,240	\$ 23,824	\$ 21,493	\$ 23,782	\$ 103,339
Net income	\$ 16,598	\$ 19,291	\$ 18,347	\$ 5,928	\$ 60,164
Basic EPS	\$ 0.49	\$ 0.59	\$ 0.61	\$ 0.20	\$ 1.89
Diluted EPS	\$ 0.49	\$ 0.59	\$ 0.61	\$ 0.20	\$ 1.89
Adjusted Net Income ⁽¹⁾	\$ 18,590	\$ 11,237	\$ 5,601	\$ 12,533	\$ 47,961
Adjusted Diluted EPS ⁽¹⁾	\$ 0.55	\$ 0.35	\$ 0.20	\$ 0.41	\$ 1.51
Dividends paid per common share (in CAD)	\$ 0.150	\$ 0.150	\$ 0.150	\$ 0.170	\$ 0.620
Net non-cash working capital ⁽²⁾	\$ 262,840	\$ 237,221	\$ 241,392	\$ 235,914	\$ 235,914

⁽¹⁾ See the *Non-IFRS Financial Measures* section starting on page 25 for further explanation of Adjusted EBITDA, Adjusted Net Income and Adjusted Diluted EPS.

⁽²⁾ Net non-cash working capital comprises accounts receivable, inventories and prepaid expenses, less accounts payable and accrued liabilities, contract liability and provisions. Represents the amount as at the end of the period.

As discussed in the *Performance* section on page 6 of this MD&A, the first quarter of the year historically emerges as the peak period for both sales and profit. This pattern holds true for both our retail and foodservice businesses, strengthened by heightened seafood promotion during the Lenten period.

During the third and fourth quarters of Fiscal 2025, the Company experienced pressures on gross profit due to tariffs and raw material price increases that were not fully recovered in pricing to customers. Plant inefficiencies and negative impact of foreign exchange further compressed margins, and higher strategic spend further reduced Adjusted EBITDA and net income.

During the fourth quarter of Fiscal 2025, the Company completed an incremental term loan amendment to its term loan facility (refer to *Recent Developments* section on page 4 for further details). As the net present value of the cash flows of the modified debt are less than the carrying value of the original facility before the amendments, a one-time modification gain of \$6.5 million was recorded as a reduction of the finance costs on the consolidated statements of income.

During the third quarter of Fiscal 2025, the Company completed the acquisition of the Mrs. Paul's and Van de Kamp's frozen seafood brands from Conagra. As a result of the acquisition, as well as opportunistic buying ahead of increased raw material costs, net non-cash working capital increased primarily in inventories, during the second half of Fiscal 2025.

During the third quarter of Fiscal 2024, the Company completed the early refinancing of its term loan facility. As the net present value of the cash flows of the modified debt are less than the carrying value of the original facility before the amendments, a one-time modification gain of \$12.7 million was recorded as a reduction of the finance costs on the consolidated statements of income during the third quarter of Fiscal 2024.

During the second quarter of Fiscal 2024, the Company recorded a \$9.8M gain in *Business acquisition, integration and other expense (income)* relating to the shares that were surrendered, and subsequently cancelled, in connection with the litigation settlement reached with the former shareholders of Rubicon. This amount is reflected in net income and earnings per share in the second quarter of Fiscal 2024.

FOURTH QUARTER

Consolidated Performance

(in \$000s, except sales volume, per share amounts, percentage amounts and exchange rates)	Fourteen weeks ended		Thirteen weeks ended		Thirteen weeks ended	
	January 3, 2026		December 28, 2024		Change	December 30, 2023
Sales volume (millions of lbs)	61.3		60.4		0.9	59.6
Average foreign exchange rate (USD/CAD)	\$	1.3941	\$	1.3966	\$ (0.0025)	\$ 1.3620
Sales	\$	270,234	\$	235,039	\$ 35,195	\$ 237,126
Gross profit	\$	49,737	\$	50,965	\$ (1,228)	\$ 48,657
Gross profit as a percentage of sales	18.4 %		21.7 %		(3.3)%	20.5 %
Distribution expenses	\$	13,785	\$	11,326	\$ 2,459	\$ 11,681
Selling, general and administrative expenses	\$	23,265	\$	26,055	\$ (2,790)	\$ 23,667
Adjusted EBITDA ⁽¹⁾	\$	19,254	\$	23,782	\$ (4,528)	\$ 21,887
Adjusted EBITDA as a percentage of sales	7.1 %		10.1 %		(3.0)%	9.2 %
Net income	\$	8,025	\$	5,928	\$ 2,097	\$ 6,416
Basic EPS	\$	0.27	\$	0.20	\$ 0.07	\$ 0.19
Diluted EPS	\$	0.27	\$	0.20	\$ 0.07	\$ 0.20
Adjusted Net Income ⁽¹⁾	\$	2,705	\$	12,533	\$ (9,828)	\$ 7,293
Adjusted Diluted EPS ⁽¹⁾	\$	0.10	\$	0.41	\$ (0.31)	\$ 0.23

⁽¹⁾ See the *Non-IFRS Financial Measures* section starting on page 25 for further explanation of Adjusted EBITDA, Adjusted Net Income and Adjusted Diluted EPS.

Sales

Sales volume for the fourteen weeks ended January 3, 2026, or the fourth quarter of Fiscal 2025, increased by 0.9 million pounds, or 1.5%, to 61.3 million pounds compared to 60.4 million pounds in the thirteen weeks ended December 28, 2024, due to targeted promotional activity, as well as the additional week in the fourth quarter of Fiscal 2025.

Sales in the fourth quarter of Fiscal 2025 increased by \$35.2 million, or 15.0%, to \$270.2 million compared to \$235.0 million in the same period last year, driven by the increase in volume, as well as increased pricing reflecting inflationary markets and favourable product mix supporting the Company's branded value added strategy.

Gross Profit

Gross profit decreased in the fourth quarter of Fiscal 2025 by \$1.3 million, or 2.5%, to \$49.7 million compared to \$51.0 million in the same period in Fiscal 2024, and gross profit as a percentage of sales decreased to 18.4% compared to 21.7%. The decrease in gross profit is driven by increased expenses related to the tariffs on seafood imported into the U.S. and higher raw material pricing on select species, as well as targeted promotional activity. Gross profit was also impacted by the increased costs of inventory related to the Conagra Brands Acquisition, resulting in temporary margin contraction of approximately \$1.0 million as the Company sold through the acquired inventory.

Distribution Expenses

Distribution expenses, consisting of freight and storage, increased in the fourth quarter of Fiscal 2025 by \$2.5 million or 22.1% to \$13.8 million compared to \$11.3 million in Fiscal 2024. The increase in distribution expenses reflects increased storage costs from higher levels of inventory, due to the Conagra Brands Acquisition and strategic purchasing resulting in increased external warehousing costs, as well as higher rates. Freight costs from the acquired Conagra inventories also contributed to the overall increase in distribution expenses. As a percentage of sales, distribution expenses increased unfavourably to 5.1% in the fourth quarter of Fiscal 2025 compared to 4.8% in the same period in Fiscal 2024.

SG&A Expenses

SG&A expenses decreased in the fourth quarter of Fiscal 2025 by \$2.8 million to \$23.3 million compared to \$26.1 million in the same period last year. SG&A expenses included a share-based compensation expense of \$0.1 million in the fourth quarter of Fiscal 2025, compared with an expense of \$4.0 million in the fourth quarter of Fiscal 2024. This is primarily due to a decreased expected performance multiplier for performance-based awards, partially offset with a higher number of units outstanding compared to the same period last year. SG&A expenses also included depreciation and amortization expense of \$2.3 million in the fourth quarter of Fiscal 2025 compared to \$2.2 million in the same period in Fiscal 2024.

Excluding share-based compensation and depreciation and amortization expenses, SG&A expenses increased in the fourth quarter of Fiscal 2025 by \$1.0 million to \$20.9 million compared to \$19.9 million in the same period last year. This is driven by increased salaries, benefits, and other HR-related costs, higher consulting costs related to the investments in new product innovation and continuous improvement initiatives, increased insurance, travel and higher variable selling costs. As a percentage of sales, SG&A excluding share-based compensation and depreciation and amortization expense was 7.7% in the fourth quarter of Fiscal 2025 compared to 8.4% in the same period last year.

Adjusted EBITDA

Adjusted EBITDA decreased in the fourth quarter of Fiscal 2025 by \$4.5 million, or 18.9%, to \$19.3 million compared to \$23.8 million in Fiscal 2024. As a percentage of sales, Adjusted EBITDA decreased to 7.1% compared to 10.1%. The decrease in Adjusted EBITDA reflects the decrease in gross profit previously mentioned and increased distribution and SG&A expenses.

Net Income

Net income increased in the fourth quarter of Fiscal 2025 by \$2.1 million, or 35.6%, to net income of \$8.0 million compared to net income of \$5.9 million in Fiscal 2024, while diluted EPS increased to \$0.27 compared to \$0.20 in Fiscal 2024. The increase in net income reflects the debt modification gain recorded in finance income in the fourteen weeks ended January 3, 2026 as a result of the long-term debt amendment, and lower income tax expense, offset by the decrease in Adjusted EBITDA (as discussed previously in the *Adjusted EBITDA* section above).

In the fourth quarter of Fiscal 2025, net income included "business acquisition, integration and other expense (income)" (as explained in the *Business Acquisition, Integration and Other Expense (Income)* section on page 13 of this MD&A) related to certain non-routine expenses. Excluding the impact of this, debt modification gains, share-based compensation and the related tax impact of these items, Adjusted Net Income in the fourth quarter of Fiscal 2025 decreased by \$9.8 million, or 78.4%, to \$2.7 million compared to \$12.5 million in Fiscal 2024. Refer to the *Non-IFRS Financial Measures* section starting on page 25 for further explanation of Adjusted Net Income.

Adjusted Diluted EPS decreased to \$0.10 from \$0.41 in Fiscal 2024.

BUSINESS ACQUISITION, INTEGRATION AND OTHER EXPENSE (INCOME)

The Company reports expenses associated with business acquisition and integration activities, and certain other non-routine costs separately in its consolidated statements of income as follows:

	Fourteen weeks ended January 3, 2026	Thirteen weeks ended December 28, 2024	Fifty-three weeks ended January 3, 2026	Fifty-two weeks ended December 28, 2024
(Amounts in \$000s)				
Business acquisition, integration and other expense (income)	\$ 1,476	\$ 232	\$ 3,099	\$ (8,528)

Business acquisition, integration and other expense (income) for the fifty-three weeks ended January 3, 2026, and fifty-two weeks ended December 28, 2024, also included certain non-routine expenses, such as legal and consulting fees, that are not representative of the Company's ongoing operational activities. During the fifty-three weeks ended January 3, 2026, this expense included costs associated with business acquisition expenses, restructuring costs, as well as other non-routine expenses related to the Company's investments in the Norwegian aquaculture companies. During the fifty-two weeks ended December 28, 2024, the Company recognized a gain of \$9.8M relating to the shares reacquired in result of the litigation settlement reached between High Liner Foods and the former shareholders of Rubicon. This gain was offset by legal and consulting fees relating to the lawsuit, as well as other legal and consulting costs associated with the Company's business acquisition activities.

FINANCE COSTS (INCOME)

The following table shows the various components of the Company's finance costs:

(Amounts in \$000s)	Fourteen	Thirteen	Fifty-three	Fifty-two
	weeks ended	weeks ended	weeks ended	weeks ended
	January 3, 2026	December 28, 2024	January 3, 2026	December 28, 2024
Interest paid in cash during the period	\$ 6,311	\$ 2,327	\$ 20,845	\$ 18,487
Change in cash interest accrued during the period	(789)	2,156	(1,740)	675
Total interest to be paid in cash	5,522	4,483	19,105	19,162
Modification gain related to debt refinancing activities	(6,498)	—	(6,498)	(13,033)
Interest expense on lease liabilities	183	156	737	933
Deferred financing cost & net modification amortization	884	845	3,409	1,454
Total finance costs (income)	\$ 91	\$ 5,484	\$ 16,753	\$ 8,516

Finance costs were \$5.4 million lower in the fourth quarter of Fiscal 2025 and \$8.3 million higher in the fifty-three weeks ended January 3, 2026, compared to the same periods last year. The decrease during the fourteen weeks ended January 3, 2026 is driven by the accounting gain recognized due to the amendment of the term loan facility (see *Recent Developments* section of this MD&A). The increase in finance costs during the fifty-three weeks ended January 3, 2026 is primarily attributed to a larger modification gain recognized during the fifty-two weeks ended December 28, 2024 compared to the gain in the current period.

INCOME TAXES

High Liner Foods' statutory tax rate for the year ended January 3, 2026 is 27.3% compared to 28.0% in 2024. High Liner Foods' effective income tax rate for the year ended January 3, 2026 was 16.3% compared to 16.5% in 2024. In the fourth quarter of 2025, the effective tax rate was an expense of 27.8% compared to 24.7% in the fourth quarter of 2024. The lower effective tax rate for the year ended January 3, 2026 compared to the same period last year is due to implications of the Global Minimum Tax, combined with the results of the Company's tax efficient financing structure on lower income which was offset from the income tax effects resulting from the Rubicon settlement in Fiscal 2024. For the year ended January 3, 2026, the applicable statutory rates in Canada and the U.S. were 27.3% and 25.5%, respectively (December 28, 2024: 28.0% and 25.5%).

At January 3, 2026, the Company has the following deductible temporary difference, unused tax losses and unused tax credits for which no deferred tax assets have been recognized:

- Capital losses: CAD \$43.8 million (December 28, 2024: \$43.2 million), which have an indefinite carryforward period;
- Restricted interest and financing expense limitations: CAD \$2.5 million (December 28, 2024: \$nil), which have an indefinite carryforward period; and
- Deductible temporary difference on equity investments: CAD \$5.3 million (December 28, 2024: \$nil), which have an indefinite carryforward period.

The Company can control the distribution of profits, and accordingly, no deferred income tax liability has been recorded on the undistributed profit of its subsidiaries that will not be distributed in the foreseeable future.

On June 20, 2024, the Global Minimum Tax Act was enacted by the Government of Canada. The Global Minimum Tax Act is the Canadian implementation of the Pillar Two model rules published by the Organization of Economic Co-operation and Development. The Company intends to rely on certain transitional safe harbours for certain jurisdictions in which it operates. A provision of \$1.5 million was recorded (December 28, 2024: \$2.8 million).

The Company expects its effective tax rate to approximate the statutory tax rates in 2026 as a result of the expected recognition of certain newly created tax attributes related to interest deductibility limitations.

See Note 16 "Income tax" to the Consolidated Financial Statements for full information with respect to income taxes.

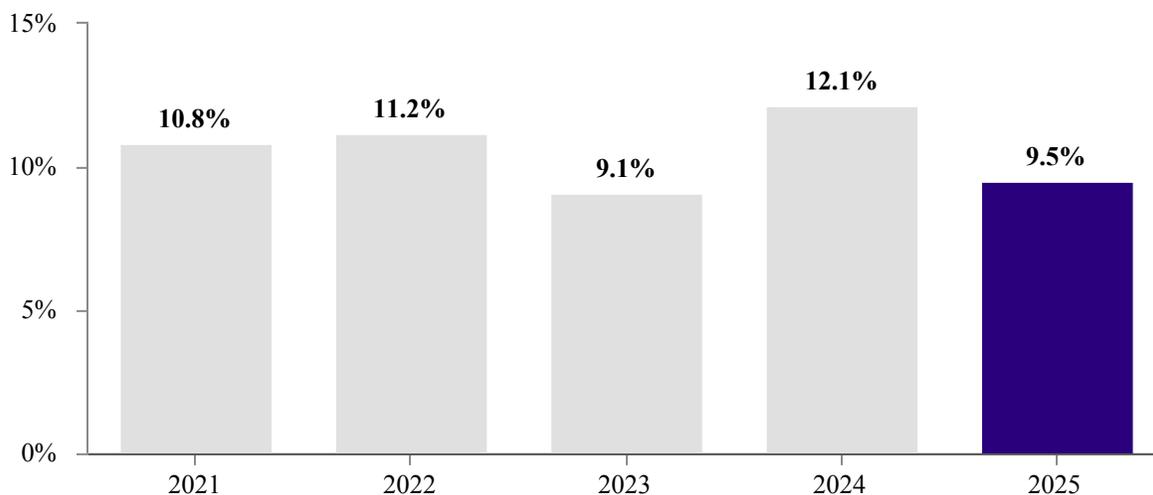
FINANCIAL OBJECTIVES

Our strategy is designed with the expectation of increasing shareholder value. To help us focus on meeting investor expectations, we use four key financial measures to gauge our financial performance:

	Fiscal 2025	Fiscal 2024
Return		
On assets managed	9.5 %	12.1 %
On equity	8.3 %	11.6 %
Profitability		
Adjusted EBITDA as a Percentage of Sales	8.9 %	10.8 %
Financial strength		
Net Debt to Rolling fifty-three and fifty-two week Adjusted EBITDA (times)	3.5x	2.3x

Each of these financial measures is further discussed below. See also the *Non-IFRS Financial Measures* section starting on page 25 for further explanation of these measures.

Return on Assets Managed ("ROAM")



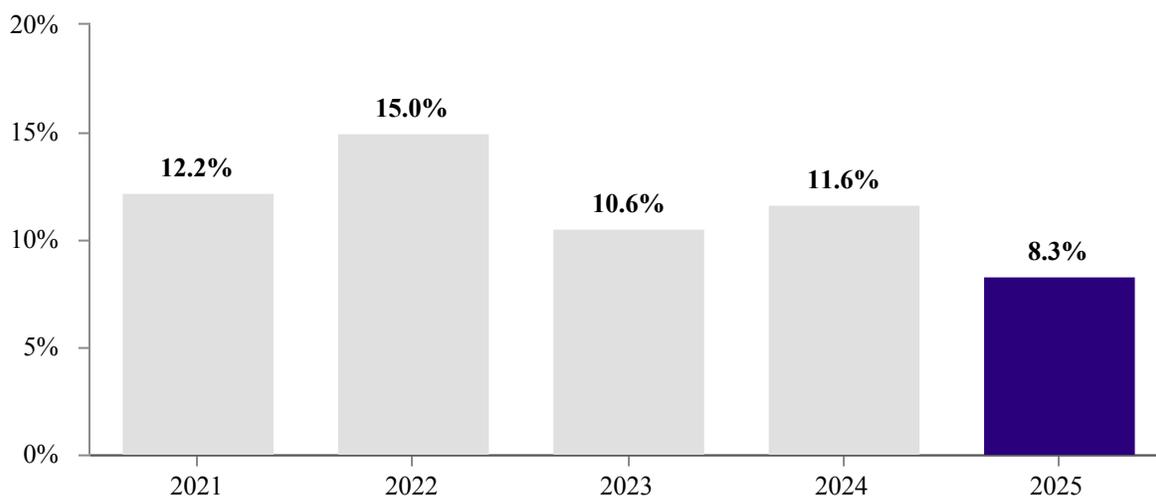
In Fiscal 2025, Adjusted EBIT (as defined in the *Non-IFRS Financial Measures* section on page 25 of this MD&A) decreased by \$13.1 million, or 16.3%, compared to Fiscal 2024 and the thirteen-month rolling average net assets managed increased by \$46.7 million, or 7.1%. The combined impact of these changes was a decrease in ROAM from 12.1% at the end of Fiscal 2024 to 9.5% at the end of Fiscal 2025.

The decrease in Adjusted EBIT in Fiscal 2025 is a result of the same factors causing the \$11.6 million decrease in Adjusted EBITDA in Fiscal 2025 compared to Fiscal 2024, as discussed in the *Consolidated Performance* section on page 9 of this MD&A.

The increase in the average net assets managed in Fiscal 2025 compared to Fiscal 2024 is primarily due to an increase in average inventories resulting from the Conagra Brands Acquisition and opportunistic buying based on

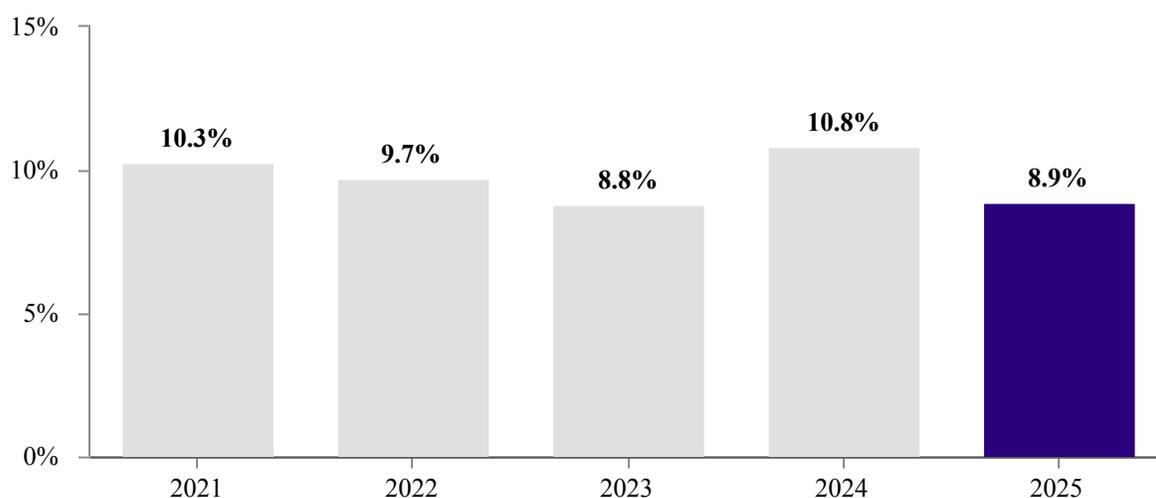
raw material costs, and the intangible assets acquired from Conagra (see *Recent Developments* section of this MD&A), partially offset with increased accounts payable and other liability balances.

Return on Equity ("ROE")



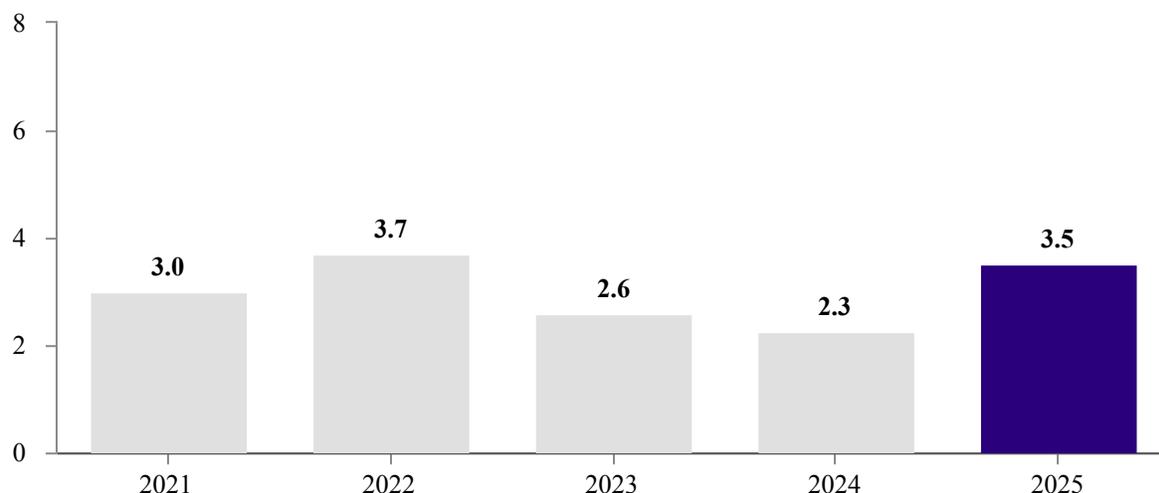
In Fiscal 2025, Adjusted Net Income (as defined in the *Non-IFRS Financial Measures* section on page 27 of this MD&A) less share-based compensation expense decreased by \$10.1 million, or 23.7%, compared to 2024, and the thirteen-month rolling average common equity increased by \$24.1 million, or 6.6% due to higher retained earnings, partially offset by the decreased common share balance (as described in the *Liquidity and Capital Resources* section). The combined impact of these changes resulted in a decrease in ROE from 11.6% at the end of Fiscal 2024 to 8.3% at the end of Fiscal 2025. The decrease in Adjusted Net Income in Fiscal 2025 compared to Fiscal 2024 is discussed in the *Consolidated Performance* section on page 9 of this MD&A.

Adjusted EBITDA as a Percentage of Sales



In Fiscal 2025, Adjusted EBITDA (as defined in the *Non-IFRS Financial Measures* section on page 25 of this MD&A) decreased by \$11.6 million, or 11.2%, compared to Fiscal 2024 and sales increased by \$67.7 million, or 7.1%. The combined impact of these changes resulted in a decrease in Adjusted EBITDA as a Percentage of Sales from 10.8% in Fiscal 2024 compared to 8.9% in Fiscal 2025 (see the *Non-IFRS Financial Measures* section on page 25 of this MD&A). The increase in sales and decrease in Adjusted EBITDA are discussed in the *Consolidated Performance* section on pages 8 and 9 of this MD&A, respectively.

Net Debt to Rolling fifty-two week Adjusted EBITDA



During Fiscal 2025, Net Debt (as defined in the *Non-IFRS Financial Measures* section on page 29 of this MD&A) increased by \$89.2 million and Adjusted EBITDA decreased by \$11.6 million. As a result, Net Debt to Rolling fifty-two week Adjusted EBITDA increased to 3.5x at the end of Fiscal 2025 as compared to 2.3x at the end of Fiscal 2024 (see the *Non-IFRS Financial Measures* section on page 29 of this MD&A). The change in Net Debt is discussed on page 20 of this MD&A and the change in Adjusted EBITDA is discussed in the *Consolidated Performance* section on page 9 of this MD&A. We expect the ratio to continue be slightly above the Company's long-term target of 3.0x at the end of Fiscal 2026.

OUTLOOK

Looking ahead to 2026, the Company remains committed to driving sustainable margin improvement by leveraging recent investments in new product innovation and brands to support profitable growth. Through disciplined margin management, cost reductions and targeted plant efficiency initiatives, the Company expects to offset higher raw material costs and tariffs. Profitability has shown improvement and is anticipated to continue strengthening throughout the year. Despite ongoing macroeconomic pressures, the Company remains confident in its ability to deliver year-over-year adjusted EBITDA growth, beginning in the first quarter of 2026.

This positive outlook is underpinned by strong business fundamentals, consistent execution, and strategic opportunities, including the launch of a fully cooked seafood line that provides customers with responsibly sourced, easy to execute, delicious mealtime solutions. These products, as well as the exciting new innovation offerings in the pipeline, present opportunities to expand the category and encourage increased North American seafood consumption. A balanced approach to capital allocation, combined with the recently oversubscribed incremental term loan addition and the extension of the Asset-Based Revolving Credit Facility, further enhances financial flexibility and demonstrates strong confidence in the Company's overall strategy.

CONTINGENCIES

The Company has no material outstanding contingencies.

LIQUIDITY AND CAPITAL RESOURCES

The Company's consolidated statements of financial position are affected by foreign currency fluctuations, the effect of which is discussed in the Introduction section on page 1 of this MD&A (under the heading "*Currency*") and in the *Foreign Currency* risk section in this MD&A.

Our capital management practices are described in Note 24, "Capital management" in the 2025 Annual Consolidated Financial Statements.

Bank Loans ("Working Capital Credit Facility")

The Company has a \$200.0 million asset-based working capital credit facility. On December 18, 2025, the Company closed a five-year extension of its Asset-Based Revolving Credit Facility ("ABL Extension") from the closing date, maintaining the same pricing as the current facility. The current ABL lender group will remain in place with only minor allocation changes, and the overall ABL commitment will remain at \$200.0 million to support the Company's liquidity objectives. The working capital credit facility requires the Company to maintain certain financial and non-financial covenants. The primary financial covenant requires the Company to maintain, on a continual basis, the average adjusted aggregate availability above a certain threshold, or otherwise a fixed charge coverage ratio above a specified threshold. As at January 3, 2026, the Company was in compliance with all of these covenants.

The rates provided by the working capital credit facility are noted in the following table, based on the "Average Adjusted Aggregate Availability" as defined in the credit agreement. The Company's borrowing rates as of January 3, 2026 are also noted in the following table:

Per Credit Agreement	As at January 3, 2026	
Canadian Prime Rate, Canadian Base Rate and U.S. Prime Rate revolving loans, at their respective rates	plus 0.00% to 0.25%	plus 0.00%
CORRA revolving loans at CORRA rates ⁽¹⁾	plus 1.25% to 1.50%	plus 1.25%
SOFR revolving loans at SOFR rates ⁽²⁾	plus 1.25% to 1.50%	plus 1.25%
Letters of credit, with fees	of 1.25% to 1.50%	of 1.25%
Standby fees required to be paid on the unutilized facility	of 0.25%	of 0.25%

⁽¹⁾ "CORRA" is defined as Canadian Overnight Repo Rate Average

⁽²⁾ "SOFR" is defined as Secured Overnight Financing Rate

The working capital credit facility is classified as a non-current liability on the Company's consolidated statements of financial position. Average working capital credit facility balances outstanding during Fiscal 2025 was \$52.1 million compared to \$3.1 million in Fiscal 2024. The \$49.0 million increase in the average working capital credit facility is primarily attributed to the financing of the Conagra Brands Acquisition and increased working capital requirements, particularly due to higher inventory levels (discussed below on page 22).

As at January 3, 2026, the Company had \$167.1 million of unused borrowing availability (December 28, 2024: \$169.1 million), taking into account the current borrowing base and letters of credit, which reduce the availability under the working capital credit facility. On January 3, 2026, letters of credit and standby letters of credit were outstanding in the amount of \$7.9 million (December 28, 2024: \$6.5 million) to secure certain contractual obligations, including those related to the Company's Supplemental Executive Retirement Plan ("SERP").

The working capital credit facility is asset-based and collateralized by the Company's inventories, accounts receivable and other personal property in North America. Under the Company's term loan facility, it is subject to a first charge on brands, trade names and related intangibles. A second charge over the Company's property, plant and equipment is also in place. Additional details regarding the Company's working capital credit facility are provided in Note 11 "*Bank loans*" to the Consolidated Financial Statements.

In the absence of any additional major acquisitions or significant adverse economic developments, we expect average working capital credit facility balances in Fiscal 2026 to be comparable to Fiscal 2025, due to higher investments in working capital, offset by the incremental term loan, discussed below, used to repay a portion of the working capital facility in December 2025. We believe the asset-based working capital credit facility should be sufficient to fund all the Company's anticipated cash requirements.

Long-Term Debt ("Term Loan Facility")

On December 18, 2025, the Company amended the \$240 million term loan facility to include a \$60 million incremental term loan, increasing the total facility to \$300 million. The amendments to the facility were determined to be a non-substantial modification and, as a result, the deferred financing costs related to the original facility continue to be amortized over the remaining term. The Company incurred additional deferred financing costs of \$1.1 million in connection with the amendment. As the net present value of the cash flows of the modified debt are less than the carrying value of the original facility before the amendments, a modification gain of \$6.5 million was recorded in finance costs on the consolidated statements of income during the fifty-three weeks ended January 3, 2026. The facility continues to bear interest at SOFR plus 3.25% (0.50% SOFR floor), and it matures in July 2031. The principal balance outstanding prior to being adjusted for debt modifications was \$290.6 million on January 3, 2026 (December 28, 2024 - \$238.5 million). Net proceeds from the incremental Term Loan Facility were used to repay borrowings under the Working Capital Credit Facility related to the Conagra Brands Acquisition and to support elevated working capital requirements.

Prior to the December 2025 amendment, quarterly principal repayments of \$1.5 million were required on the term loan as regularly scheduled repayments. Under the amended term loan agreement, quarterly principal repayments of \$1.9 million are required on the term loan as regularly scheduled repayments. On an annual basis, based on a leverage test, additional prepayments could be required of up to 50% of the previous year's defined excess cash flow ("mandatory prepayments"). Any mandatory and voluntary repayments are applied to future regularly scheduled principal repayments.

During the fifty-three weeks ended January 3, 2026, regularly scheduled repayments of \$7.9 million were made. There are regularly scheduled repayments of \$7.5 million to be paid in the next fifty-two weeks. There were no mandatory prepayments related to excess cash flows from Fiscal 2025 to be paid in Fiscal 2026. Substantially all tangible and intangible assets (excluding working capital) of the Company are pledged as collateral for the term loan. The term loan facility requires the Company to maintain certain financial and non-financial covenants. The primary financial covenant requires the Company to maintain a total leverage ratio below a specified threshold as of the last day of each quarterly reporting period. As at January 3, 2026, the Company was in compliance with all of these covenants.

During the fifty-three weeks ended January 3, 2026, the Company had the following interest rate swaps outstanding to hedge interest rate risk resulting from the term loan facility:

Effective date	Maturity date	Receive floating rate	Pay fixed rate	Notional amount (millions)
Designated in a formal hedging relationship:				
December 30, 2022	December 31, 2025	3-month SOFR (floor 0.75%)	1.0910 % \$	20.0
July 7, 2023	July 7, 2025	3-month SOFR (floor 0.75%)	4.9076 % \$	40.0
July 7, 2025	July 6, 2027	3-month SOFR (floor 0.50%)	3.6491 % \$	35.0
July 7, 2025	July 6, 2029	3-month SOFR (floor 0.50%)	3.5975 % \$	20.0
December 31, 2025	July 6 2028	3-month SOFR (floor 0.50%)	3.3010 % \$	15.0
January 6, 2023	July 6, 2026	3-month SOFR (floor 0.75%)	1.1500 % \$	35.0
December 31 2025	July 6 2028	3-month SOFR (floor 0.50%)	3.3000 % \$	20.0

As of January 3, 2026, the combined impact of the outstanding interest rate swaps listed above effectively fix the interest rate on \$125.0 million of the \$290.6 million face value of the term loan, while the remaining portion of the debt continues to be at variable interest rates. As such, we expect that there will be fluctuations in interest expense due to changes in interest rates when SOFR is higher than the embedded floor of 0.50%.

Additional details regarding the Company's term loan are provided in Note 12, "Long-term debt" to the Consolidated Financial Statements.

Net Debt

The Company's Net Debt (as calculated in the *Non-IFRS Financial Measures* section on page 29 of this MD&A) is comprised of the working capital credit and term loan facilities (excluding deferred finance costs and modification gains/losses) and lease liabilities, less cash. Net Debt increased by \$89.2 million to \$322.4 million at January 3, 2026, compared to \$233.2 million at December 28, 2024, reflecting higher bank loans and higher term loans, due to the Conagra Brands Acquisition and investments in inventory.

Net Debt to Rolling Twelve-Month Adjusted EBITDA (see the *Non-IFRS Financial Measures* section on page 29 of this MD&A) increased to 3.5x at January 3, 2026, compared to 2.3x at December 28, 2024, and 2.6x at December 30, 2023. We expect the ratio to be slightly above the Company's long-term target of 3.0x at the end of Fiscal 2026.

Capital Structure

At January 3, 2026, Net Debt was 44.1% of total capitalization compared to 36.6% at December 28, 2024.

(Amounts in \$000s)	January 3, 2026	December 28, 2024
Net Debt	\$ 322,439	\$ 233,206
Shareholders' equity	409,010	405,729
Unrealized losses (gains) on derivative financial instruments included in AOCI	199	(1,708)
Total capitalization	\$ 731,648	\$ 637,227
Net Debt as a percentage of total capitalization	44.1%	36.6%

Using our January 3, 2026 market capitalization of \$304.3 million, based on the TSX closing share price of CAD\$14.65 on January 2, 2026 (USD\$10.66 equivalent), instead of the book value of equity, Net Debt as a percentage of total capitalization was 51.4% (December 28, 2024: 41.6%).

Normal Course Issuer Bid ("NCIB")

In June 2025, the Company announced that the Toronto Stock Exchange approved a Normal Course Issuer Bid to repurchase up to 1,633,046 common shares. The Company's ability to repurchase the common shares commenced on June 13, 2025, and will terminate no later than June 12, 2026. During the fifty-three weeks ended January 3, 2026, the Company purchased 528,250 common shares under this plan at an average price of \$11.68 (CAD \$16.16) per share, for total cash consideration of \$5.6 million (CAD \$8.1 million). The excess of the purchase price over the book value of the shares in the amount of \$4.9 million was charged to retained earnings.

In June 2024, the Company announced that the Toronto Stock Exchange approved a Normal Course Issuer Bid to repurchase up to 700,000 common shares. The Company's ability to repurchase the common shares commenced on June 7, 2024 and terminated on June 6, 2025. In November 2024, the Company announced that the Toronto Stock Exchange approved an amendment to increase the size of the Normal Course Issuer Bid. The amendment increased the number of common shares the Company can purchase by 943,340, to a total authorized limit of 1,643,340. During the period from December 29, 2024 to June 6, 2025, the Company repurchased 634,261 common shares under this plan at an average price of \$11.69 (CAD \$16.52) per share for total cash consideration of \$7.4 million (CAD \$10.6 million). The excess of the purchase price over the book value of the shares in the amount of \$6.3 million was charged to retained earnings. During the period from June 7, 2024 to December 28, 2024, the Company repurchased 732,182 common shares under this plan at an average price of \$9.87 (CAD \$13.60) per share for total cash consideration of \$7.1 million (CAD \$9.8 million). The excess of the purchase price over the book value of the shares in the amount of \$5.7 million was charged to retained earnings.

In June 2023, the Company announced that the Toronto Stock Exchange approved a Normal Course Issuer Bid to repurchase up to 200,000 common shares. The Company's ability to repurchase the common shares commenced on June 7, 2023 and terminated on June 6, 2024. In December 2023, the Company announced that the Toronto Stock Exchange approved an amendment to increase the size of the Normal Course Issuer Bid. The amendment increased the number of common shares the Company can purchase by 500,000. During the fifty-two weeks ended December 28, 2024, the Company purchased 246,700 common shares under this plan at an average price of \$9.31 (CAD\$12.64) per share for total cash consideration of \$2.3 million (CAD\$3.1 million). The excess of the purchase price over the book value of the shares in the amount of \$1.7 million was charged to retained earnings.

The Company established an automatic securities purchase plan for the common shares of the Company for all the bids listed above with a termination date coinciding with the NCIB termination date. The automatic plan allows purchases of common shares under the NCIB to continue during trading black-out periods. The preceding plan also constitutes an "automatic plan" for purposes of applicable Canadian Securities Legislation and has been approved by the TSX.

Dividends

In November 2025, the Company's Board of Directors approved a quarterly dividend of CAD 0.175 per common share, which represents a CAD \$0.005 per share increase from the CAD\$0.17 per share paid during the first three quarters of Fiscal 2025, commencing with the Company's Q4 2025 quarterly dividend. The increase reflects the Board's continued confidence in the Company's operations. These dividends are considered "eligible dividends" for Canadian income tax purposes.

As shown in the following table, the quarterly dividend on the Company's common shares has changed two times during the last two fiscal years. The quarterly dividends paid in the last two years were as follows:

Dividend record date	Quarterly dividend (CAD)
December 1, 2025	\$ 0.175
September 1, 2025	\$ 0.17
June 1, 2025	\$ 0.17
March 5, 2025	\$ 0.17
December 1, 2024	\$ 0.17
September 1, 2024	\$ 0.15
June 1, 2024	\$ 0.15
March 1, 2024	\$ 0.15

Dividends and NCIBs are subject to restrictions as follows:

- Under the working capital credit facility, Average Adjusted Aggregate Availability, as defined in the credit agreement, must be \$25.0 million or higher, and was \$136.3 million on January 3, 2026. NCIBs are subject to a maximum of \$20.0 million per annum under the working capital credit facility, provided payment conditions are met.; and
- Under the term loan facility, annual dividends cannot exceed the greater of \$32.5 million or 32.5% of EBITDA, as defined in the loan agreement. This amount can be increased to include any defined excess cash flows when the defined total leverage ratio is below 4.0x and becomes unlimited when the defined total leverage ratio is below 3.0x. The defined total leverage ratio was 3.2x on January 3, 2026. NCIBs are subject to an annual limit of \$10.0 million with a provision to carry forward unused amounts subject to a maximum of \$20.0 million per annum under the term loan facility.

On February 25, 2026, the Directors approved a quarterly dividend of CAD\$0.175 per share on the Company's common shares payable on March 15, 2026 to holders of record on March 4, 2026. These dividends are "eligible dividends" for Canadian income tax purposes.

Disclosure of Outstanding Share Data

On February 25, 2026, 28,298,196 common shares and 416,220 options were outstanding. The options are exercisable on a one-for-one basis for common shares of the Company.

Cash Flow

(Amounts in \$000s)	Fourteen weeks ended			Fifty-three weeks ended		
	January 3, 2026	December 28, 2024	Change	January 3, 2026	December 28, 2024	Change
Net cash flows provided by operating activities	\$ 29,955	\$ 20,625	\$ 9,330	\$ 9,856	\$ 90,587	\$(80,731)
Net cash flows used in financing activities	(21,014)	(5,971)	(15,043)	42,318	(40,664)	82,982
Net cash flows used in investing activities	(10,158)	(8,078)	(2,080)	(69,250)	(40,241)	(29,009)
Foreign exchange increase (decrease) on cash	1,396	(742)	2,138	2,105	(1,519)	3,624
Net change in cash during the period	\$ 179	\$ 5,834	\$ (5,655)	\$ (14,971)	\$ 8,163	\$(23,134)

Cash Flows from Operating Activities

Cash flows from operating activities were \$80.7 million lower in Fiscal 2025 compared to Fiscal 2024. The decrease is primarily driven by changes in non-cash working capital balances, specifically higher inventory balances from the Conagra Brands Acquisition and strategic purchasing, partially offset by an increase in accounts payable to

fund those purchases. Higher interest and taxes paid, as well as lower cash flows from operations also contributed to the lower cash flows from operating activities compared to Fiscal 2024.

Cash Flows from Financing Activities

Cash flows provided by financing activities were \$83.0 million higher in Fiscal 2025 compared to Fiscal 2024 driven by an increase in bank loans and term loans, primarily due to the incremental term loan and increased borrowings to fund increased working capital requirements and the Conagra Brands Acquisition. This was partially offset by increased cash outflows from long-term debt repayments, dividends paid and common share repurchases.

Cash Flows from Investing Activities

Cash outflows from investing activities were \$29.0 million higher in Fiscal 2025 compared to the same period last year primarily due to the capital assets acquired from the Conagra Brands Acquisition, as well as the additional investments in Norcod and Andfjord in Fiscal 2025.

Standardized Free Cash Flow

Standardized Free Cash Flow (see the *Non-IFRS Financial Measures* section on page 28 for further explanation of Standardized Free Cash Flow) for the fifty-two weeks ended January 3, 2026 decreased by \$95.7 million to an outflow of \$28.9 million compared to an inflow of \$66.8 million for the fifty-two weeks ended December 28, 2024. This decrease is due to decreased cash flows from operations, higher investments in working capital, higher cash taxes and higher capital expenditures.

Net Non-Cash Working Capital

(Amounts in \$000s)	January 3, 2026	December 28, 2024	Change
Accounts receivable	\$ 91,867	\$ 92,218	\$ (351)
Inventories	377,843	289,162	88,681
Prepaid expenses	8,120	4,550	3,570
Accounts payable and accrued liabilities	(193,910)	(149,895)	(44,015)
Provisions	(105)	(121)	16
Net non-cash working capital	\$ 283,815	\$ 235,914	\$ 47,901

Net non-cash working capital consists of accounts receivable, inventories and prepaid expenses, less accounts payable and accrued liabilities, and provisions. Net non-cash working capital increased by \$47.9 million to \$283.8 million at January 3, 2026, as compared to \$235.9 million at December 28, 2024, primarily reflecting higher inventories, offset by higher accounts payable.

The Company's working capital requirements fluctuate during the year, usually peaking between December and March as our inventory is the highest at that time, as described in the *"Seasonality"* section on page 6 of this MD&A. Going forward we expect the trend of inventory peaking between December and March to continue, and believe we have sufficient availability on our working capital credit facility to finance our working capital requirements throughout 2026.

Capital Expenditures

Capital expenditures (including computer software) were \$4.3 million and \$38.7 million during the fourteen and fifty-three weeks ended January 3, 2026, respectively, as compared to capital expenditures of \$6.6 million and \$23.8 million during the thirteen and fifty-two weeks ended December 28, 2024, respectively. Capital expenditures increased in Fiscal 2025 compared to the same period in the prior year, due to \$21.0 million of intangible assets and property, plant and equipment acquired as part of the Conagra Brands Acquisition.

Excluding strategic initiatives that may arise, management expects that capital expenditures in 2026 will be between \$20.0 million to \$24.0 million, funded by cash generated from operations and working capital credit facility borrowings.

Other Liquidity Items

Share-Based Compensation Awards

Share-based compensation expense decreased to \$3.3 million in Fiscal 2025 compared to \$7.6 million in Fiscal 2024 and is non-cash until unit holders exercise the awards. The change in share-based compensation is discussed on page 8 of this MD&A. Additional details regarding the Company's share-based compensation are provided in Note 15 "Share-based compensation" to the Consolidated Financial Statements.

During Fiscal 2025, unit holders exercised Performance Share Units ("PSUs") and Restricted Share Units ("RSUs") and received cash in the amount of \$2.7 million (Fiscal 2024: \$1.1 million). The liability for share-based compensation awards at the end of Fiscal 2025 was \$12.8 million compared to \$12.1 million at the end of Fiscal 2024.

Any options exercised in shares are cash positive or cash neutral if the holder elects to use the cashless exercise method under the plan. Cash received from options exercised for shares during Fiscal 2025 was \$nil (Fiscal 2024: \$0.3 million).

Defined Benefit Pension Plans

The Company's defined benefit pension plans can impact the Company's cash flow requirements and liquidity. In Fiscal 2025, the defined benefit pension expense for accounting purposes was \$0.9 million (Fiscal 2024: \$1.0 million) and the annual cash contributions were \$0.8 million lower than the Fiscal 2024 accounting expense (Fiscal 2024: \$0.8 million lower). For 2026, we expect cash contributions to be approximately \$1.0 million (CAD\$1.3 million) and the defined benefit pension expense to be approximately \$0.7 million (CAD\$0.9 million). We have more than adequate availability under our working capital credit facility to make the required future cash contributions to our defined benefit pension plans. As well, we have a SERP liability for accounting purposes of \$4.9 million of which part of is secured by a letter of credit in the amount of \$6.1 million.

Contractual Obligations

Contractual obligations relating to our bank loans, long-term debt, lease liabilities, and purchase obligations as at January 3, 2026 were as follows:

(Amounts in \$000s)	Total	Less than 1 year	1–5 Years	Thereafter
Bank loans	\$ 25,079	\$ —	\$ 25,079	\$ —
Long-term debt	393,945	26,854	103,585	263,506
Lease liabilities	8,881	4,786	1,650	2,445
Purchase obligations	183,050	166,946	16,104	—
Total contractual obligations	\$ 610,955	\$ 198,586	\$ 146,418	\$ 265,951

Purchase obligations are for the purchase of seafood and other non-seafood inputs, including flour, paper products, and frying oils. For further details of *Procurement* and *Foreign Currency* risks, refer to the *Risk Factors* section of the Company's Annual Information Form for the fifty-three weeks ended January 3, 2026 which is on file with SEDAR+ at www.sedarplus.ca. Contractual obligations relating to long-term debt and lease liabilities include payments and interest.

Financial Instruments and Risk Management

The Company has exposure to the following risks as a result of its use of financial instruments: foreign currency risk, interest rate risk, credit risk and liquidity risk. The Company enters into interest rate swaps, foreign currency

contracts, and insurance contracts to manage these risks that arise from the Company's operations and its sources of financing, in accordance with a written policy that is reviewed and approved by the Audit Committee of the Board of Directors. The policy prohibits the use of derivative financial instruments for trading or speculative purposes.

Readers are directed to Note 23 "*Fair value measurement*" of the Consolidated Financial Statements for a complete description of the Company's use of derivative financial instruments and their impact on the financial results, and to Note 25 "*Financial risk management objectives and policies*" of the Fiscal 2025 Consolidated Financial Statements for further discussion of the Company's financial risks and policies.

RELATED PARTY TRANSACTIONS

The Company's business is carried on through the Parent company, High Liner Foods Incorporated, and wholly owned operating subsidiary, High Liner Foods (USA) Incorporated. High Liner Foods (USA) Incorporated's wholly owned subsidiary is ISF (USA), LLC. These companies purchase and/or sell inventory between them, and do so in the normal course of operations. The companies lend and borrow money between them, and periodically, capital assets are transferred between companies. High Liner Foods Incorporated buys the majority of the seafood for all of the subsidiaries, and also provides management, procurement and information technology services to the subsidiaries. On consolidation, revenue, costs, gains or losses, and all intercompany balances are eliminated.

In addition to transactions between the Parent and subsidiaries, High Liner Foods may enter into certain transactions and agreements in the normal course of business with certain other related parties (see Note 21 "*Related party disclosures*" to the Consolidated Financial Statements). Transactions with these parties are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Company had no related party transactions, excluding key management personnel compensation, for the fifty-three weeks ended January 3, 2026 and fifty-two weeks ended December 28, 2024.

NON-IFRS FINANCIAL MEASURES

The Company uses the following non-IFRS financial measures and ratios (together, "measures") in this MD&A: Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA"); Adjusted EBITDA as a Percentage of Sales; Adjusted Net Income; Adjusted Diluted Earnings per Share ("Adjusted Diluted EPS"); Standardized Free Cash Flow; Net Debt; and Net Debt to Rolling fifty-three weeks 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 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. 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 in our Consolidated Financial Statements and calculates Adjusted EBITDA as a Percentage of Sales.

(Amounts in \$000s)	Fourteen weeks ended January 3, 2026	Thirteen weeks ended December 28, 2024
Net income	\$ 8,025	\$ 5,928
Add back:		
Depreciation and amortization expense	6,448	5,814
Finance costs ⁽¹⁾	91	5,484
Income tax expense	3,095	1,940
Standardized EBITDA	17,659	19,166
Add back (deduct):		
Business acquisition, integration and other expenses	1,475	232
Loss on disposal of assets	22	407
Share-based compensation expense	98	3,977
Adjusted EBITDA	\$ 19,254	\$ 23,782
Net Sales	\$ 270,234	\$ 235,039
Adjusted EBITDA as a Percentage of Sales	7.1%	10.1%

(Amounts in \$000s)	Fifty-three weeks ended January 3, 2026	Fifty-two weeks ended December 28, 2024
Net income	\$ 36,557	\$ 60,164
Add back:		
Depreciation and amortization expense	24,466	23,005
Finance costs ⁽¹⁾	16,753	8,516
Income tax expense	7,127	11,867
Standardized EBITDA	84,903	103,552
Add back (deduct):		
Business acquisition, integration and other expenses (income) ⁽²⁾	3,099	(8,528)
Loss on disposal of assets	414	756
Share-based compensation expense	3,292	7,559
Adjusted EBITDA	\$ 91,708	\$ 103,339
Net Sales	\$ 1,026,899	\$ 959,218
Adjusted EBITDA as a Percentage of Sales	8.9%	10.8%

⁽¹⁾ Finance costs for the fourteen weeks ended and fifty-three weeks ended January 3, 2026, and fifty-two weeks ended December 28, 2024 include a gain on the modification of debt related to the debt refinancing completed in December 2025 and July 2024, for \$6.5 million and \$12.7 million, respectively.

⁽²⁾ The business acquisition, integration and other expenses (income) for the fifty-two weeks ended December 28, 2024, included a gain of \$9.8M relating to the shares reacquired in result of the litigation settlement reached between High Liner Foods and the former shareholders of Rubicon, which was excluded in Adjusted EBITDA. This amount also included legal and consulting fees relating to the lawsuit.

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. 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.

	Fourteen weeks ended January 3, 2026		Thirteen weeks ended December 28, 2024	
	\$000s	Adjusted Diluted EPS	\$000s	Adjusted Diluted EPS
Net income	\$ 8,025	\$ 0.27	\$ 5,928	\$ 0.20
Add back (deduct):				
Business acquisition, integration and other expenses (income)	1,475	0.05	232	0.01
Share-based compensation expense	98	—	3,977	0.13
Modification gain on debt refinancing activities	(6,498)	(0.22)	—	—
Tax impact of reconciling items	(395)	(0.01)	2,396	0.07
Adjusted Net Income	\$ 2,705	\$ 0.09	\$ 12,533	\$ 0.41
Weighted average shares for the period (000s)		29,511		30,339

	Fifty-three weeks ended January 3, 2026		Fifty-two weeks ended December 28, 2024	
	\$000s	Adjusted Diluted EPS	\$000s	Adjusted Diluted EPS
Net income	\$ 36,557	\$ 1.22	\$ 60,164	\$ 1.89
Add back (deduct):				
Business acquisition, integration and other expenses (income) ⁽¹⁾	3,099	0.10	(8,528)	(0.27)
Share-based compensation expense	3,292	0.11	7,559	0.24
Modification gain on debt refinancing activities ⁽²⁾	(6,498)	(0.22)	(13,033)	(0.41)
Tax impact of reconciling items	(1,620)	(0.04)	1,799	0.06
Adjusted Net Income	\$ 34,830	\$ 1.17	\$ 47,961	\$ 1.51
Weighted average shares for the period (000s)		29,894		31,797

⁽¹⁾ The business acquisition, integration and other expenses (income) for the fifty-two weeks ended December 28, 2024 includes a gain of \$9.8 million relating to the shares reacquired in result of the litigation settlement reached between High Liner Foods and the former shareholders of Rubicon. For the fifty-two weeks ended December 28, 2024, this amount includes legal and consulting fees relating to the lawsuit High Liner Foods filed against Mr. Brian Wynn.

⁽²⁾ Modification gain on debt refinancing activities for the fifty-three and fifty-two weeks ended January 3, 2026 and December 28, 2024 includes a gain of \$6.5 million and \$12.7 million on the modification of debt related to the debt refinancing completed in December 2025 and July 2024, respectively.

Standardized Free Cash Flow

Standardized Free Cash Flow is cash flow provided by operating activities less capital expenditures (net of investment tax credits) as reported in the consolidated statements of cash flows. The capital expenditures related to business acquisitions are not deducted from Standardized Free Cash Flow.

We believe Standardized Free Cash Flow is an important indicator of the financial strength and performance of our business because it shows how much cash is available to pay dividends, repay debt (including lease liabilities) and reinvest in the Company. We believe investors and analysts use Standardized Free Cash Flow to value our business and its underlying assets. The most comparable IFRS financial measure is "cash flows provided by operating activities" in the consolidated statements of cash flows.

The table below reconciles our Standardized Free Cash Flow calculated on a rolling fifty-three week basis, with measures that are in accordance with IFRS and as reported in the consolidated statements of cash flows.

(Amounts in \$000s)	Fifty-three weeks ended		Fifty-two weeks ended		Change
	January 3, 2026		December 28, 2024		
Cash flows provided by operations before changes in non-cash working capital, interest and income taxes paid	\$	87,186	\$	101,212	\$ (14,026)
Net change in non-cash working capital balances		(46,143)		12,007	(58,150)
Interest paid		(20,845)		(18,487)	(2,358)
Income taxes paid		(10,342)		(4,145)	(6,197)
Cash flows provided by operating activities		9,856		90,587	(80,731)
Less:					
Purchase of property, plant and equipment, and intangible assets ⁽¹⁾		(38,744)		(23,805)	(14,939)
Standardized Free Cash Flow	\$	(28,888)	\$	66,782	\$ (95,670)

⁽¹⁾ During the fifty-three weeks ended January 3, 2026, these purchases include the property, plant and equipment and intangible assets acquired as part of the Conagra Brands Acquisition (refer to *Recent Developments* above)

Net Debt and Net Debt to Rolling fifty-three weeks 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 fifty-three weeks Adjusted EBITDA is calculated as Net Debt divided by Rolling fifty-three weeks Adjusted EBITDA. We consider Net Debt to Rolling fifty-three weeks Adjusted EBITDA to be an important indicator of our ability to generate sufficient earnings 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 fifty-three weeks Adjusted EBITDA.

(Amounts in \$000s)	January 3, 2026	December 28, 2024
Bank loans	\$ 24,321	\$ —
Add-back: Deferred finance costs included in bank loans ⁽¹⁾	758	—
Total bank loans	25,079	—
Long-term debt	258,989	211,312
Current portion of long-term debt	7,548	7,500
Add-back: Deferred finance costs included in long-term debt ⁽²⁾	7,861	8,063
Net gain on modification of debt ⁽³⁾	16,214	11,625
Total term loan debt	290,612	238,500
Long-term portion of lease liabilities	2,887	5,799
Current portion of lease liabilities	4,353	4,370
Total lease liabilities	7,240	10,169
Less: Cash	(492)	(15,463)
Net Debt	\$ 322,439	\$ 233,206
Rolling fifty-three weeks Adjusted EBITDA ⁽⁴⁾	\$ 91,708	\$ 103,339
Net Debt to Rolling fifty-three weeks Adjusted EBITDA ⁽⁴⁾	3.5x	2.3x

⁽¹⁾ Represents deferred finance costs that are included in "Bank loans" in the consolidated statements of financial position. See Note 11 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 12 to the Consolidated Financial Statements.

⁽³⁾ The net gain on modification of debt 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 12 to the Consolidated Financial Statements.

⁽⁴⁾ For Fiscal 2024 this represents rolling fifty-two weeks Adjusted EBITDA

Return on Assets Managed

ROAM is Adjusted EBIT divided by average assets managed (calculated using the average net assets month-end balance for each of the preceding thirteen months, where "net assets managed" includes all assets, except for future employee benefits, deferred income taxes and other certain financial assets, less accounts payable and accrued liabilities, and provisions). Adjusted EBIT is Adjusted EBITDA less depreciation and amortization expense.

We believe investors and analysts use ROAM as an indicator of how efficiently the Company is using its assets to generate earnings.

The table below reconciles Adjusted EBIT to the non-IFRS measure, Adjusted EBITDA (see page 25 of this MD&A), and calculates ROAM using our average net assets, calculated on a rolling thirteen-month basis, and Adjusted EBIT.

(Amounts in \$000s)	January 3, 2026	December 28, 2024
Adjusted EBITDA	\$ 91,708	\$ 103,339
Less:		
Depreciation and amortization expense	24,466	23,005
Adjusted EBIT	\$ 67,242	\$ 80,334
Thirteen-month rolling average net assets managed	707,859	661,205
ROAM	9.5%	12.1%

Return on Equity

ROE is calculated as Adjusted Net Income, less share-based compensation expense, divided by average common equity (calculated using the common equity month-end balance for each of the preceding thirteen months, comprised of common shares, contributed surplus, retained earnings, and accumulated other comprehensive income).

We believe investors and analysts use ROE as an indicator of how efficiently the Company is managing the equity provided by shareholders.

The table below calculates ROE using our average common equity calculated on a rolling thirteen-month basis, and Adjusted Net Income (see page 27 of this MD&A).

(Amounts in \$000s)	January 3, 2026	December 28, 2024
Adjusted Net Income	\$ 34,830	\$ 47,961
Less:		
Share-based compensation expense	3,292	7,559
Tax impact of reconciling items	(789)	(1,978)
	32,327	42,380
Thirteen-month rolling average common equity	388,745	364,650
ROE	8.3%	11.6%

GOVERNANCE

Our Fiscal 2025 Management Information Circular, to be filed in connection with our Annual General Meeting of Shareholders on May 13, 2026, includes full details of our governance structures and processes.

We maintain a set of disclosure controls and procedures ("DC&P") designed to ensure that information required to be disclosed in filings made pursuant to National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings*, is recorded, processed, summarized and reported within the time periods specified in the Canadian Securities Administrators' rules and forms.

Our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have evaluated the design and effectiveness of our DC&P as of January 3, 2026. They have concluded that our current DC&P are designed to provide, and do operate to provide, reasonable assurance that: (a) information required to be disclosed by the Company in its annual filings or other reports filed or submitted by it under applicable securities legislation is

recorded, processed, summarized and reported within the prescribed time periods; and (b) material information regarding the Company is accumulated and communicated to the Company's management, including its CEO and CFO, to allow timely decisions regarding required disclosure.

In addition, our CEO and CFO have designed, or caused to be designed under their supervision, Internal Control over Financial Reporting ("ICFR"), to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes. Furthermore, our CEO and CFO have evaluated, or caused to be evaluated under their supervision, the effectiveness of the design and operation of ICFR at the fiscal year-end and have concluded that our current ICFR was effective at the fiscal year-end based on that evaluation.

There has been no change in the Company's ICFR during Fiscal 2025 that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

ACCOUNTING ESTIMATES AND STANDARDS

Critical Accounting Estimates

The preparation of the Company's Consolidated Financial Statements requires management to make critical judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. On an ongoing basis, management evaluates its judgments, estimates and assumptions using historical experience and various other factors it believes to be reasonable under the given circumstances. Actual outcomes may differ from these estimates under different assumptions and conditions that could require a material adjustment to the reported carrying amounts in the future.

The most material estimates made by management include the following:

Impairment of non-financial assets

The Company's estimate of the recoverable amount for the purpose of impairment testing requires management to make assumptions regarding future cash flows before taxes. Future cash flows are estimated based on multi-year extrapolation of the most recent historical actual results and/or budgets, and a terminal value calculated by discounting the final year in perpetuity. The future cash flows are then discounted to their present value using an appropriate discount rate that incorporates a risk premium specific to the North American business. Further details, including the manner in which the Company identifies its CGU, and the key assumptions used in determining the recoverable amount, are disclosed in Note 9 "Goodwill and intangible assets" to the Consolidated Financial Statements.

Assessment of impairment triggers are based on management's judgment of whether there are sufficient internal and external factors that would indicate an asset or CGU is impaired, or any indicators of impairment reversal, which would require a quarterly impairment test. The determination of the Company's CGU is also based on management's judgment and is an assessment of the smallest group of assets that generate cash inflows independently of other assets.

Future employee benefits

The cost of the defined benefit pension plan and other post-employment benefits and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions, including the discount rate, future salary increases, mortality rates and future pension increases. In determining the appropriate discount rate, management considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. Interest income on plan assets is a component of the return on plan assets and is determined by multiplying the fair value of the plan assets by the discount rate. See Note 13 "Future employee benefits" to the Consolidated Financial Statements for certain assumptions made with respect to future employee benefits.

Income Taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire. The Company's assessment is based upon existing tax laws and estimates of future taxable income. If the assessment of the Company's ability to utilize the underlying future tax deductions changes, the Company would be required to recognize more or fewer of the tax deductions as assets, which would decrease or increase the income tax expense in the period in which this is determined.

There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. The Company maintains provisions for uncertain tax positions that are believed to appropriately reflect the risk with respect to tax matters under active discussion, audit, dispute or appeal with tax authorities, or which are otherwise considered to involve uncertainty. These provisions for uncertain tax positions are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at each reporting date; however, it is possible that at some future date, an additional liability could result from audits by taxing authorities. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the consolidated statements of financial position cannot be derived from active markets, their fair value is determined using valuation techniques, including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of estimation is required in establishing fair values. The estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in these inputs could affect the reported fair value of financial instruments

Equity investments

The assessment of equity investments requires management judgment in determining whether the Company has significant influence over an investee. Management considers a number of factors, including the level of ownership, board of director representation, participation in decision-making processes, material transactions, interchange of personnel and provision of essential technical information when determining whether an investment qualifies for significant influence. These factors are assessed by the Company on an ongoing basis, and changes could impact the accounting treatment of the investment.

Sales and marketing accruals

The Company estimates variable consideration to determine the costs associated with the sale of product to be allocated to certain variable sales and marketing expenses, including volume rebates and other sales volume discounts, coupon redemption costs, costs incurred related to damages and other trade marketing programs. The Company's estimates include consideration of historical data and trends, combined with future expectations of sales volume, with estimates being reviewed on a frequent basis for reasonability.

Accounting Standards

High Liner Foods reports its financial results using IFRS. Our detailed accounting policies are included in the Notes to the Consolidated Financial Statements.

As disclosed in Note 3 "*Accounting policies*" to the Consolidated Financial Statements for the period ended January 3, 2026, we adopted the following standards, interpretations and amendments to existing standards that were effective for annual periods beginning on January 1, 2025 and that the Company has adopted on December 29, 2024:

IAS 1, *Disclosure of Accounting Policies*

In January 2020 and October 2022, the IASB issued amendments to IAS 1, *Presentation of Financial Statements* to clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and is unaffected by expectations about whether or not an entity will exercise their right to defer settlement of a liability. The amendments further clarify that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied prospectively. Upon adoption of the amendments to IAS 1 in the current fiscal year, the Company classified bank loans from current to non-current liabilities and certain liabilities relating to share-based compensation from non-current to current liabilities. _

Accounting pronouncements issued but not yet effective

The standards, amendments and interpretations that have been issued, but are not yet effective, up to the date of issuance of these financial statements are disclosed below. The Company intends to adopt these standards when they become effective.

IFRS 7 & 9, *Classification and Measurement of Financial Instruments*

In May 2024, the IASB issued amendments to IFRS 7 and IFRS 9, *Classification and Measurement of Financial Instruments* to clarify that financial liabilities are derecognized on the 'settlement date'. The amendments also provide clarification on how to assess cash flow characteristics for financial assets including environmental, social, and governance ("ESG")-linked features, and the treatment of non-recourse assets and contractually linked instruments. The amendments further require additional disclosures in IFRS 7 for equity instruments classified at fair value through other comprehensive income, and financial assets and liabilities that include contractual terms referencing a contingent event.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026 and must be applied retrospectively. The Company is currently evaluating the impact of these amendments on its Consolidated Financial Statements and will apply the amendments from the effective date.

IAS 21, *Lack of Exchangeability*

In August 2023, the IASB issued amendments to IAS 21, *Lack of Exchangeability*. The amendments specify how entities are to assess whether a currency is exchangeable, and how to determine a spot exchange rate when a lack of exchangeability is present.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company is currently evaluating the impact of these amendments on its Consolidated Financial Statements and will apply the amendments from the effective date.

IFRS 18, *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*, replacing IAS 1. IFRS 18 presents new categories and subtotals in the Consolidated Statements of Income, and also requires disclosure of management-defined performance measures which it defines as a subtotal of income and expenses that the Company uses in public communications outside of the financial statements to communicate managements view of an aspect of the financial performance of the entity as a whole. The standard also introduces new requirements for the location, aggregation and disaggregation of financial information.

The new standard is effective for reporting periods beginning on or after January 1, 2027 and must be applied retrospectively. The Company is currently evaluating the impact of these amendments on its Consolidated Financial Statements and will apply the amendments from the effective date.

RISK FACTORS

High Liner Foods is exposed to a number of risks, including in the normal course of business, that have the potential to affect operating performance. The Company takes a strategic approach to risk management. To achieve a superior return on investment, we have designed an enterprise-wide approach, overseen by the senior management of the Company and reported to the Board, to identify, prioritize and manage risk effectively and consistently across the organization.

Readers should refer to the risks discussed above in this MD&A, the Fiscal 2025 Consolidated Financial Statements and AIF for a more detailed description of risk factors applicable to the Company, which are available at www.sedarplus.ca and at www.highlinerfoods.com.