



PREMIUM BRANDS HOLDINGS CORPORATION

Management's Discussion and Analysis

For the 13 and 52 Weeks Ended December 28, 2024

The following Management's Discussion and Analysis (MD&A) is a review of the financial performance and position of Premium Brands Holdings Corporation (the Company or Premium Brands) and is current to March 20, 2025. It should be read in conjunction with the Company's fiscal 2024 audited consolidated financial statements and the notes thereto, which are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). These documents, as well as additional information on the Company, are filed electronically through the System for Electronic Document Analysis and Retrieval (SEDAR+) and are available online at www.sedarplus.ca.

All amounts are expressed in Canadian dollars except as noted otherwise.

BUSINESS OVERVIEW

Premium Brands is an investment platform focused on acquiring and building food businesses in partnership with talented entrepreneurial management teams. Its current holdings consist primarily of:

Specialty food businesses. The Company considers the key characteristic of a specialty food business to be that a consumer's and/or customer's decision to purchase its products is based primarily on factors other than price, such as quality, convenience, health and/or lifestyle. As a result, specialty food businesses generally earn higher and more consistent selling margins relative to food companies that focus on less differentiated products. Furthermore, due to a variety of consumer trends impacting the food industry, these businesses tend to generate higher sales growth rates as compared to general industry growth rates.

Differentiated food distribution and wholesale businesses ("premium food distribution businesses"). The Company considers the key characteristic of a premium food distribution business to be that it offers its customers specialized and/or unique products and services in addition to logistical solutions. This enables it to generate higher and more consistent selling margins relative to the large national and international food distributors that are primarily focused on logistics.

The Company's premium food distribution businesses also enable it to generate and sustain additional margin by using these businesses to provide its specialty food businesses with proprietary access to a broad and diversified customer base that includes regional and specialty grocery retailers, restaurants, hotels and institutions.

SELECT ANNUAL INFORMATION

The following is a summary of select annual consolidated financial information. Adjusted EBITDA, free cash flow per share, net senior debt and ROIC are non-GAAP measures, and all other amounts are derived from the Company's audited consolidated financial statements for each of the three most recently completed financial years prepared in accordance with IFRS Accounting Standards.

The calculation of Return on invested capital (ROIC) is shown below. See *Results of Operations* for the calculation of adjusted EBITDA.

<i>(in millions of dollars except per share amounts)</i>	52 weeks ended Dec 28, 2024	52 weeks ended Dec 30, 2023	53 weeks ended Dec 31, 2022
Revenue	6,470.5	6,261.0	6,029.8
Adjusted EBITDA ⁽¹⁾	593.7	559.1	504.2
Earnings	121.5	94.2	160.1
Basic earnings per share	2.73	2.12	3.59
Diluted earnings per share	2.72	2.11	3.57
Total assets	5,803.8	5,158.1	5,078.6
Net senior debt ⁽²⁾	1,928.0	1,504.8	1,458.3
Long-term financial liabilities ⁽³⁾	2,393.0	1,996.9	1,906.5
ROIC ⁽⁴⁾	7.3%	7.4%	6.8%
Dividends declared per share	3.40	3.08	2.80
Free cash flow per share ^{(5) (6)}	5.65	5.70	6.41

(1) Adjusted EBITDA is not defined under IFRS Accounting Standards. See *Results of Operations – Adjusted EBITDA* for the description and calculation of Adjusted EBITDA.

(2) Net senior debt is not defined under IFRS Accounting Standards. Net senior debt excludes cash and includes the current and long-term portion of long-term debt, bank indebtedness and outstanding cheques.

(3) Excludes deferred financing costs and includes the current and long-term portions of long-term debt, pension obligations and convertible unsecured subordinated debentures.

(4) ROIC is not defined under IFRS Accounting Standards. See *Business Overview – ROIC* for the description and calculation of ROIC.

(5) Free cash flow is not defined under IFRS Accounting Standards. See *Liquidity and Capital Resources – Dividends – Free Cash Flow* for the description and calculation of free cash flow.

(6) Free cash flow per share is calculated as free cash flow divided by the weighted average shares outstanding for the applicable period.

Revenue and Earnings

The Company has grown its revenue and adjusted EBITDA for each of the last three years through a combination of organic growth and business acquisitions. Its earnings and earnings per share have been more volatile due to a variety of factors including: (i) investments in a number of large capacity expansion and production automation projects resulting in rising plant start-up and restructuring costs as well as additional interest, depreciation and lease related expenses; (ii) rising interest rates over the course of 2023; (iii) a \$19.8 million fair value gain on investments in associates in 2022; (iv) a \$20.0 million favorable change in the fair value of option liabilities in 2024; (v) the release of \$23.7 million of contingent consideration provisions in 2024; and (vi) a \$5.5 million bargain purchase option in 2024.

Total Assets

The increases in the Company's total assets over the last two years were primarily due to investments in business acquisitions, project capital expenditures and working capital assets, primarily all of which were based on: (i) pursuing growth opportunities; and (ii) in the case of working capital, holding larger inventory positions to mitigate potential supply chain disruptions and take advantage of opportunistic buying opportunities.

Net Senior Debt and Long-term Financial Liabilities

The Company's net senior debt and long-term financial liabilities can fluctuate significantly based on where it is in its financing cycle. The Company uses its excess credit capacity (see *Liquidity and Capital Resources – Debt Financing Activities*) to fund business acquisitions, project capital expenditures and general corporate purposes, all of which generally result in increases in its net senior debt and long-term financial liabilities. The Company then uses its excess free cash flow as well as accesses the public capital markets at opportunistic times or when additional funding is needed for larger transactions to reduce its long-term financial liabilities and correspondingly replenish its credit capacity. Furthermore, a key component of the Company's equity financing strategy is the issuance of convertible debentures, which are initially classified as a long-term financial liability but are generally expected to be converted into shares (see *Forward Looking Statements*).

ROIC

Return on invested capital (ROIC) is not defined under IFRS Accounting Standards and, as a result, may not be comparable to similarly titled measures presented by other publicly traded entities, nor should it be construed as an alternative to other earnings measures determined in accordance with IFRS Accounting Standards.

The Company believes ROIC is a useful indicator of the performance of its operations relative to the assets employed.

The following table provides the calculation of ROIC for each of the last three fiscal years:

(in millions of dollars)	52 weeks ended Dec 28, 2024	52 weeks ended Dec 30, 2023	53 weeks ended Dec 31, 2022
Return:			
Adjusted EBITDA ⁽¹⁾	593.7	559.1	504.2
Impact of the adoption of IFRS-16 on Adjusted EBITDA	(81.5)	(74.0)	(64.2)
Depreciation of capital assets	(92.0)	(86.5)	(79.5)
Amortization of intangible assets	(21.6)	(13.3)	(28.8)
	398.6	385.3	331.7
Current and deferred income tax effect of above items	105.6	102.1	87.9
	293.0	283.2	243.8
Average invested capital ⁽²⁾ :			
Opening invested capital	3,861.1	3,830.5	3,214.3
Closing invested capital excluding invested capital of businesses acquired during the year	4,199.1	3,855.8	3,575.0
Average invested capital ⁽³⁾	4,030.1	3,843.2	3,394.7
Weighted invested capital of businesses acquired during the year ⁽⁴⁾	1.1	0.8	189.0
	4,031.2	3,844.0	3,583.7
ROIC ⁽⁵⁾	7.3%	7.4%	6.8%

(1) Adjusted EBITDA is not defined under IFRS Accounting Standards. See *Results of Operations – Adjusted EBITDA* for the description and calculation of Adjusted EBITDA.

(2) Invested capital is calculated as total assets less cash and cash equivalents, right-of-use assets, deferred income tax assets, investment in and advances to associates, provisions, and accounts payable and accrued liabilities.

(3) Calculated as the sum of the opening invested capital and the closing invested capital (excluding invested capital of businesses acquired during the year) divided by two.

(4) Based on weighting the invested capital of businesses acquired during the current fiscal year by a factor based on the number of days in the fiscal year that the Company owned the applicable business in relation to the total number of days in the fiscal year.

(5) Calculated as return divided by average adjusted invested capital.

The Company's ROIC for each of the last three years has been below its long-term target of 15% primarily due to: (i) business acquisitions and major capital project investments that are in the early stages of development and correspondingly are not yet generating the returns expected over the long term – the Company's investment horizons are generally ten years or longer; (ii) in 2024, a rapid weakening of the Canadian dollar relative to the U.S. dollar occurring towards the end of the year, which resulted in the Company's U.S. dollar denominated invested capital being valued much differently than the U.S. dollar denominated cash flows being generated from this capital - normalizing for this factor the Company's ROIC for 2024 is 7.5%; and (iii) in 2022 and 2023, the impact on the Company's adjusted EBITDA of unprecedented macro-economic issues, largely relating to the COVID-19 pandemic, that resulted in supply chain challenges, labor shortages and severe cost inflation.

FOURTH QUARTER OPERATING RESULTS

The Company's operating results for the fourth quarters of 2024 and 2023 and for the fiscal years of 2024 and 2023 were as follows:

<i>(in millions of dollars)</i>	13 weeks ended Dec 28, 2024	13 weeks ended Dec 30, 2023	52 weeks ended Dec 28, 2024	52 weeks ended Dec 30, 2023
Revenue	1,639.1	1,554.7	6,470.5	6,261.0
Gross profit before depreciation, amortization, and plant start-up and restructuring costs	320.5	295.2	1,292.6	1,208.4
Interest income from investments in associates	13.8	15.3	53.2	60.9
Selling, general and administrative expenses before depreciation and amortization	185.6	173.3	752.1	710.2
Operating profit before depreciation, amortization, and plant start-up and restructuring costs	148.7	137.2	593.7	559.1
Plant start-up and restructuring costs	14.2	17.3	43.7	45.3
	134.5	119.9	550.0	513.8
Depreciation of capital assets	17.7	23.5	92.0	86.5
Amortization of intangible assets	5.5	2.8	21.6	13.3
Amortization of right of use assets	16.7	15.2	65.9	60.2
Accretion of lease obligations	7.5	6.7	28.6	26.4
Interest and other financing costs	43.2	40.4	170.7	150.9
Acquisition transaction costs	2.4	1.1	5.8	4.4
Change in value of puttable interest in subsidiaries	0.5	1.0	5.7	10.2
Change in value and accretion of provisions	0.2	0.3	4.4	2.2
Provision released	(3.2)	-	(23.7)	-
Equity losses (earnings) from investments in associates	8.6	3.5	39.7	22.5
Change in value of investments in associates	-	2.5	-	2.5
Change in fair value of option liabilities	-	-	(20.0)	-
Acquisition bargain purchase gain	(5.5)	-	(5.5)	-
Other expense (income)	(8.4)	1.5	(3.6)	1.5
Earnings before income taxes	49.3	21.4	168.4	133.2
Income tax provision – current	10.4	4.0	53.6	43.1
Income tax provision – deferred	1.6	2.4	(6.7)	(4.1)
Income tax provision	12.0	6.4	46.9	39.0
Earnings	37.3	15.0	121.5	94.2

RESULTS OF OPERATIONS

The Company reports on two reportable segments, Specialty Foods and Premium Food Distribution, as well as non-segmented investment income and corporate costs (Corporate). The Specialty Foods segment consists of the Company's specialty food manufacturing businesses while the Premium Food Distribution segment consists of the Company's differentiated distribution and wholesale businesses as well as certain seafood processing businesses. Investment income includes interest and management fees generated from the Company's businesses that are accounted for using the equity method.

Revenue

(in millions of dollars except percentages)

	13 weeks ended Dec 28, 2024	% (1)	13 weeks ended Dec 30, 2023	% (1)	52 weeks ended Dec 28, 2024	% (1)	52 weeks ended Dec 30, 2023	% (1)
Revenue by segment:								
Specialty Foods	1,075.9	65.6%	1,005.2	64.7%	4,282.4	66.2%	4,097.0	65.4%
Premium Food Distribution	563.2	34.4%	549.5	35.3%	2,188.1	33.8%	2,164.0	34.6%
Consolidated	1,639.1	100.0%	1,554.7	100.0%	6,470.5	100.0%	6,261.0	100.0%

(1) Expressed as a percentage of consolidated revenue.

Specialty Foods' (SF) revenue for the quarter increased by \$70.7 million or 7.0% primarily due to: (i) organic volume growth of \$34.7 million representing an organic volume growth rate (OVGR) of 3.5%; (ii) a \$22.2 million increase in the translated value of sales generated by SF's U.S. based businesses due to a weaker Canadian dollar; (iii) selling price increases of \$11.2 million, which were put into place to address rising chicken, beef and egg costs; and (iv) business acquisitions, which generated \$3.6 million in growth. These factors were partially offset by the shutdown of SF's Creekside Custom Foods business as its capacity is transitioned to support the growth of its Global Gourmet kettle business – this resulted in \$1.0 million of lost sales, primarily in the fresh sandwich category.

SF's OVGR of 3.5% was driven by: (i) a variety of protein, sandwich and baked goods growth initiatives in the U.S. which generated organic volume growth of \$55.4 million; and (ii) stabilization of its Canadian sales, which grew at an OVGR of approximately 1%. These increases were partially offset by: (i) a decline in sales to a major foodservice customer resulting from reduced consumer spending in the customer's stores, albeit at a lesser rate than SF experienced in the third quarter of 2024; and (ii) generally weaker consumer spending in the convenience store channel.

SF's revenue for 2024 increased by \$185.4 million or 4.5% primarily due to: (i) organic volume growth of \$146.1 million representing an OVGR of 3.6%; (ii) a \$37.6 million increase in the translated value of sales generated by SF's U.S. based businesses due to a weaker Canadian dollar; (iii) selling price inflation of \$4.5 million; and (iv) business acquisitions, which generated \$3.6 million in growth. These factors were partially offset by the shutdown of SF's Creekside Custom Foods business that resulted in \$6.4 million of lost sales.

Premium Food Distribution's (PFD) revenue for the quarter increased by \$13.7 million or 2.5% due to: (i) selling price inflation of \$34.0 million relating primarily to lobster and to a lesser extent beef and salmon products; (ii) a \$3.0 million increase in the translated value of sales generated by PFD's U.S. based businesses due to a weaker Canadian dollar; and (iii) business acquisitions, which generated \$0.7 million in growth. These factors were partially offset by a sales volume contraction of \$24.0 million.

The contraction in PFD's sales volume was primarily due to lower lobster product sales resulting from: (i) the timing of customer orders which resulted in approximately \$11.5 million of traditional fourth quarter sales being recognized in the first quarter of 2025; and (ii) a poor Maine lobster fishery which

resulted in high lobster selling prices that in turn lowered demand in the U.S. and China markets due to generally weaker consumer environments. These factors were partially offset by stabilization of PFD's Canadian distribution sales, which grew at an OVGR of approximately 2.4%.

PFD's revenue for 2024 increased by \$24.1 million or 1.1% primarily due to: (i) selling price inflation of \$79.4 million relating primarily to lobster, beef and to a lesser extent salmon products; (ii) business acquisitions, which generated \$18.4 million in growth; and (iii) a \$5.0 million increase in the translated value of sales generated by PFD's U.S. based businesses due to a weaker Canadian dollar. These factors were partially offset by a sales volume contraction of \$78.7 million.

Gross Profit

<i>(in millions of dollars except percentages)</i>								
	13 weeks ended Dec 28, 2024	% (1)	13 weeks ended Dec 30, 2023	% (1)	52 weeks ended Dec 28, 2024	% (1)	52 weeks ended Dec 30, 2023	% (1)
Gross profit by segment:								
Specialty Foods	238.5	22.2%	210.5	20.9%	950.7	22.2%	882.0	21.5%
Premium Food Distribution	82.0	14.6%	84.7	15.4%	341.9	15.6%	326.4	15.1%
Consolidated	320.5	19.6%	295.2	19.0%	1,292.6	20.0%	1,208.4	19.3%

(1) Expressed as a percentage of the corresponding segment's revenue.

SF's gross profit as a percentage of its revenue (gross margin) for the quarter increased by 130 basis points primarily due to: (i) production efficiency gains; and (ii) sales leveraging benefits associated with its organic volume growth. These factors were partially offset by: (i) additional plant overhead costs associated with new production capacity; and (ii) higher promotion costs that have been recorded as a reduction in selling prices.

SF's gross margin for 2024 increased by 70 basis points primarily due to the impact of improved production efficiencies and sales leveraging benefits associated with SF's sales growth partially offset by: (i) additional plant overhead costs associated with new production capacity being brought online; (ii) rising chicken and beef raw material costs in the first three quarters of the year; and (iii) higher promotion costs that have been recorded as a reduction in selling prices.

PFD's gross margin for the quarter decreased by 80 basis points primarily due to: (i) selling prices for lobster and certain beef products not rising as fast as the cost of the associated commodity inputs. PFD's selling price increases for these items in dollar terms did, however, exceed the increase in the cost of the commodity inputs; (ii) sales mix changes as reduced sales of higher margin lobster products were partially offset by growth in lower margin distributive beef and seafood sales; and (iii) sales deleveraging challenges resulting from a contraction in processed lobster sales. These factors were partially offset by production efficiencies in PFD's Canadian lobster processing facility.

PFD's gross margin for 2024 increased by 50 basis points primarily due to: (i) higher margins on processed lobster in the third quarter of 2024, resulting from favorable inventory positions; and (ii) a variety of efficiency improvement and cost reduction initiatives. These factors were partially offset by the margin challenges experienced in the fourth quarter.

Selling, General and Administrative Expenses (SG&A)

(in millions of dollars except percentages)

	13 weeks ended Dec 28, 2024	% (1)	13 weeks ended Dec 30, 2023	% (1)	52 weeks ended Dec 28, 2024	% (1)	52 weeks ended Dec 30, 2023	% (1)
SG&A by segment:								
Specialty Foods	130.8	12.2%	118.0	11.7%	516.4	12.1%	482.5	11.8%
Premium Food Distribution	50.4	8.9%	51.4	9.4%	204.0	9.3%	199.3	9.2%
Corporate	4.4		3.9		31.7		28.4	
Consolidated	185.6	11.3%	173.3	11.1%	752.1	11.6%	710.2	11.3%

(1) Expressed as a percentage of the corresponding segment's revenue.

SF's SG&A as a percentage of sales (SG&A ratio) for the quarter increased by 50 basis points primarily due to higher discretionary compensation accruals and promotional activity, partially offset by sales leveraging benefits associated with its sales growth.

SF's SG&A as a percentage of sales (SG&A ratio) for 2024 increased by 30 basis points primarily due to: (i) higher outside storage costs, which were mostly the result of providing a major customer with additional services, the cost of which is recovered through increased selling prices on applicable products; (ii) wage inflation; and (iii) higher discretionary compensation accruals. These factors were partially offset by sales leveraging benefits associated with SF's sales growth.

PFD's SG&A ratio for the quarter decreased by 50 basis points primarily due to: (i) sales leveraging benefits associated with its sales growth; and (ii) foreign exchange gains on U.S. dollar denominated assets.

PFD's SG&A ratio for 2024 was relatively stable as the impacts of wage and general cost inflation were mostly offset by sales leveraging benefits associated with its sales growth.

Adjusted EBITDA

Adjusted EBITDA is not defined under IFRS Accounting Standards and, as a result, may not be comparable to similarly titled measures presented by other publicly traded entities, nor should it be construed as an alternative to other earnings measures determined in accordance with IFRS Accounting Standards.

The Company believes that adjusted EBITDA is a useful indicator of the amount of normalized income generated by operating businesses controlled by the Company before taking into account its financing strategies, consumption of capital and intangible assets, taxable position and the ownership structure of non-wholly owned businesses. This measure is widely used by investors in the valuation and comparison of companies. In addition, it is used in the calculation of certain financial debt covenants associated with the Company's senior credit facilities (see *Liquidity and Capital Resources – Debt Financing Activities*).

The following table provides a reconciliation of adjusted EBITDA to earnings before income taxes:

<i>(in millions of dollars)</i>	13 weeks ended Dec 28, 2024	13 weeks ended Dec 30, 2023	52 weeks ended Dec 28, 2024	52 weeks ended Dec 30, 2023
Earnings before income taxes	49.3	21.4	168.4	133.2
Plant start-up and restructuring costs ⁽¹⁾	14.2	17.3	43.7	45.3
Depreciation of capital assets ⁽²⁾	17.7	23.5	92.0	86.5
Amortization of intangible assets ⁽²⁾	5.5	2.8	21.6	13.3
Amortization of right of use assets ⁽²⁾	16.7	15.2	65.9	60.2
Accretion of lease obligations ⁽³⁾	7.5	6.7	28.6	26.4
Interest and other financing costs ⁽³⁾	43.2	40.4	170.7	150.9
Acquisition transaction costs ⁽¹⁾	2.4	1.1	5.8	4.4
Change in value of puttable interest in subsidiaries ⁽⁴⁾	0.5	1.0	5.7	10.2
Change in value and accretion of provisions ⁽³⁾	0.2	0.3	4.4	2.2
Provision released ⁽¹⁾⁽³⁾	(3.2)	-	(23.7)	-
Equity losses (earnings) from investments in associates ⁽⁵⁾	8.6	3.5	39.7	22.5
Change in value of investments in associates ⁽⁵⁾	-	2.5	-	2.5
Change in fair value of option liabilities ⁽¹⁾⁽³⁾	-	-	(20.0)	-
Acquisition bargain purchase gain ⁽¹⁾	(5.5)	-	(5.5)	-
Other expense (income) ⁽¹⁾	(8.4)	1.5	(3.6)	1.5
Adjusted EBITDA	148.7	137.2	593.7	559.1

(1) Amount is not part of the Company's normal operating costs and/or gains.

(2) Amount relates to the consumption of the Company's capital assets, intangible assets or other assets.

(3) Amount relates to the Company's financing strategies.

(4) Amount relates to the valuation of provisions or minority shareholders' interest in certain subsidiaries of the Company.

(5) Amount relates to businesses that the Company does not consolidate as it does not own a controlling interest.

<i>(in millions of dollars except percentages)</i>	13 weeks ended Dec 28, 2024	% (1)	13 weeks ended Dec 30, 2023	% (1)	52 weeks ended Dec 28, 2024	% (1)	52 weeks ended Dec 30, 2023	% (1)
Adjusted EBITDA by segment:								
Specialty Foods	107.7	10.0%	92.5	9.2%	434.3	10.1%	399.5	9.8%
Premium Food Distribution	31.6	5.6%	33.3	6.1%	137.9	6.3%	127.1	5.9%
Corporate	(4.4)		(3.9)		(31.7)		(28.4)	
Interest income from investments	13.8		15.3		53.2		60.9	
Consolidated	148.7	9.1%	137.2	8.8%	593.7	9.2%	559.1	8.9%

(1) Expressed as a percentage of the corresponding segment's revenue.

Revenue and Adjusted EBITDA Outlook

See *Forward Looking Statements* for a discussion of the risks and assumptions associated with forward looking statements.

2025 Outlook

<i>(in millions of dollars)</i>	Bottom of Range	Top of Range
Revenue guidance range	7,200	7,400
Adjusted EBITDA guidance range	680	700

The above estimates are based on a range of assumptions (see *Forward Looking Statements*) including: (i) reasonably stable economic environments in Canada and the U.S. with inflation and interest rates continuing to moderate; (ii) relatively stable raw material costs across a range of commodities; and (iii) the Canadian dollar remaining at current levels relative to the U.S. dollar. The Company's guidance does not reflect any potential impact of tariffs imposed on trade between Canada and the U.S. due to a lack of visibility resulting from a rapidly changing state of affairs. It is, however, implementing strategies to mitigate potential impacts in the event that tariffs directly impacting the Company are put into place by the U.S. and/or Canadian governments.

The Company's sales and adjusted EBITDA outlooks for 2025 do not incorporate any provisions for potential future acquisitions, however, it remains active on this front and expects (see *Forward Looking Statements*) to complete several transactions during the year.

5 Year Plan

<i>(in millions of dollars)</i>	5-Year Target (2027)
Revenue	10,000
Adjusted EBITDA	1,000

The Company has a strong pipeline of sales opportunities and remains on track (see *Forward Looking Statements*) to meet or exceed the five-year targets it set at the beginning of 2023.

Plant Start-up and Restructuring Costs

Plant start-up and restructuring costs consist of expenses associated with: (i) the start-up of new production capacity; (ii) the reconfiguration of existing capacity to gain efficiencies and/or additional capacity; and/or (iii) the restructuring of a business to improve its profitability. The Company expects (see *Forward Looking Statements*) these investments to result in improvements in its future earnings and cash flows.

During 2024, the Company incurred \$43.7 million in plant start-up and restructuring costs relating primarily to the following projects, all of which are expected to expand its capacity and/or generate improved operating efficiencies (see *Forward Looking Statements*):

- Start-up of new capacity associated with a 107,000 square foot expansion and reconfiguration of a meat snack and processed meats facility in Ferndale, Washington
- Start-up of a new 91,000 square foot artisan bakery in San Francisco, California
- Reconfiguration of two deli meats facilities in Ontario to improve production efficiencies and increase dry cured production capacity
- Start-up of new cooked protein capacity in Versailles, Ohio
- Reconfiguration of a 27,000 square foot production facility in Richmond, British Columbia, from primarily fresh sandwich production to supporting the Company's Global Gourmet kettle business
- Construction of a new 165,000 square foot distribution center and the related reconfiguration of a sandwich production facility in Columbus, Ohio
- Start-up of new cooked protein capacity in Scranton, Pennsylvania
- Reconfiguration of a kettle cooking facility in Richmond, British Columbia
- Start-up of a new 60,000 square foot value-added seafood processing facility in Auburn, Maine

Depreciation and Amortization of Intangibles (D&A)

<i>(in millions of dollars)</i>	13 weeks ended Dec 28, 2024	13 weeks ended Dec 30, 2023	52 weeks ended Dec 28, 2024	52 weeks ended Dec 30, 2023
Depreciation and amortization of intangible assets by segment:				
Specialty Foods	16.8	22.0	90.6	82.2
Premium Food Distribution	6.0	4.0	21.7	16.4
Corporate	0.4	0.3	1.3	1.2
Consolidated	23.2	26.3	113.6	99.8

The Company's D&A expense for the fourth quarter of 2024 as compared to the fourth quarter of 2023 decreased by \$3.1 million primarily due to adjusting the estimated useful life of certain long-term leasehold capital assets from 12 years to 30 years. This was partially offset by additional depreciation associated with the recent completion of several larger capital projects.

The Company's D&A expense for 2024 as compared to 2023 increased by \$13.8 million primarily due to additional depreciation associated with the recent completion of several larger capital projects. This was partially offset by an increase in the estimated useful life of certain long-term leasehold capital assets from 12 years to 30 years.

Interest and Other Financing Costs

The Company's interest and other financing costs for the fourth quarter of 2024 as compared to the fourth quarter of 2023 increased by \$2.8 million mainly due to higher levels of funded debt (see *Liquidity and Capital Resources – Debt Financing Activities*) and higher translated values of the Company's U.S. dollar denominated interest and financing costs due to a weaker Canadian dollar. This was partially offset by lower average interest rates resulting from general market rate decreases.

The Company's interest and other financing costs for 2024 as compared to 2023 increased by \$19.8 million mainly due to: (i) higher levels of funded debt (see *Liquidity and Capital Resources – Debt Financing Activities*); (ii) higher average interest rates resulting from general market rate increases; and (iii) higher translated values of the Company's U.S. dollar denominated interest and financing costs due to a weaker Canadian dollar.

Change in Value of Puttable Interest in Subsidiaries

Change in value of puttable interest in subsidiaries (put expense) represents an estimate (see *Forward Looking Statements*) of the change in the value of options (the put options) held by non-controlling shareholders of certain subsidiaries of the Company that entitle such shareholders to require the Company to purchase their interest in the applicable subsidiary (see *Liquidity and Capital Resources – Corporate Investments – Puttable Interest in Subsidiaries*).

Equity Earnings (Losses) from Investments in Associates

Equity earnings (losses) from investments in associates includes the Company's proportionate share of the earnings and losses of its investments in associates (see *Liquidity and Capital Resources – Corporate Investments – Investments in Associates*).

<i>(in millions of dollars)</i>	13 weeks ended Dec 28, 2024	13 weeks ended Dec 30, 2023	52 weeks ended Dec 28, 2024	52 weeks ended Dec 30, 2023
Clearwater:				
Revenue	152.8	168.1	576.7	580.1
Earnings (loss) before payments to shareholders	3.8	3.7	6.6	28.3
Net loss	(19.3)	(8.5)	(82.1)	(48.1)
The Company:				
Equity loss in Clearwater	(9.6)	(4.3)	(41.0)	(24.1)
Other net equity earnings (losses)	1.0	0.8	1.3	1.6
Equity earnings (losses) from investments in associates	(8.6)	(3.5)	(39.7)	(22.5)

Clearwater Seafoods Incorporated (Clearwater)

Clearwater's revenue for the fourth quarter of 2024 as compared to the fourth quarter of 2023 decreased by \$15.3 million primarily due to poor catch rates for most of its core Canadian species but mainly scallops which were down significantly as a result of natural variability in the resource. This was partially offset by stronger procured product sales in its Macduff business due to improved landings.

Clearwater's earnings before payments to shareholders for the fourth quarter of 2024 as compared to the fourth quarter of 2023 were relatively flat despite the inefficiencies and lost contribution margin associated with the below average harvesting conditions for its core Canadian species primarily due

to: (i) the recognition of \$6.7 million in tax assets mostly relating to prior years; and (ii) lower restructuring and start-up costs.

Other Expense (Income)

During the quarter the Company recognized other income of \$8.4 million primarily consisting of a \$20.1 million gain on the sale of redundant real estate partially offset by: (i) provisions for \$8.5 million in active claims that the Company is pursuing against third parties; and (ii) the \$2.6 million write-off of a failed insurance claim.

Income Taxes

The Company's provision for income taxes as a percentage of earnings (tax rate) can be impacted by a variety of factors including: (i) changes in enacted tax laws, in general, and tax rates, in particular, in the tax jurisdictions in which the Company operates; (ii) the proportionate mix of the Company's taxable income by tax jurisdiction; (iii) differences in the treatment of certain income and expense items for income tax and accounting purposes; and (iv) the Company's equity losses or earnings from investments in associates not held in an income flow-through structure as this amount is excluded in the calculation of the Company's tax provision.

Based on current enacted tax rates in the tax jurisdictions the Company operates, the expected mix of its taxable income by tax jurisdiction (see *Forward Looking Statements*), the Company's general structuring of its tax affairs, there being no unusual revenue and/or expenses that are treated differently for income tax and accounting purposes, and excluding from the calculation equity earnings or losses from investments in associates relating to businesses not held in an income flow-through structure, the expected range for the Company's tax rate is approximately 24% to 26% (see *Forward Looking Statements*).

The Company's tax rate for 2024 is 24.7% after adjusting its pre-tax earnings for items that are non-taxable or not eligible to be deducted for income tax purposes including: (i) \$40.9 million in equity losses relating to investments in associates not held in an income flow-through structure; (ii) \$13.6 million for contingent consideration provisions released, accretion of provisions and change in value of puttable interest in subsidiaries; and (iii) a \$5.5 million acquisition bargain purchase option.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of select quarterly consolidated financial information. All amounts, except adjusted EBITDA (see *Results of Operations – Adjusted EBITDA*), are derived from the Company's unaudited interim condensed consolidated financial statements for each of the eight most recently completed quarters.

<i>(in millions of dollars except per share amounts)</i>								
	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24
Revenue	1,430.5	1,630.9	1,644.9	1,554.7	1,461.8	1,702.7	1,666.9	1,639.1
Adjusted EBITDA	110.7	152.4	158.8	137.2	121.0	164.6	159.4	148.7
Earnings	5.9	33.9	39.4	15.0	6.3	52.5	25.4	37.3
Earnings per share – basic	0.13	0.76	0.89	0.34	0.14	1.18	0.57	0.84
Earnings per share – diluted	0.13	0.76	0.88	0.34	0.14	1.18	0.57	0.84

The financial performance of many of the Company's businesses is subject to fluctuations associated with the impact on consumer demand from seasonal changes in weather. As a result, the Company's performance varies with the seasons (see *Forward Looking Statements*).

In general terms, its results are weakest in the first quarter of the year due to winter weather conditions which result in: (i) less consumer travelling and outdoor activities and, in turn, reduced consumer traffic through many of the Company's convenience oriented customers' stores such as restaurants, convenience stores, gas stations and concessionary venues; and (ii) reduced consumer demand for its outdoor oriented products including barbeque and on-the-go convenience foods. The Company's results then generally peak in the spring and summer months due to favorable weather conditions and decline in the fourth quarter due to a return to poorer weather conditions (see *Forward Looking Statements*).

In addition to seasonal factors, over the last eight quarters, the trends in the Company's sales, adjusted EBITDA, earnings and earnings per share have been impacted by business acquisitions and a variety of organic growth initiatives that have generally resulted in year over year increases.

The trends in the Company's earnings and earnings per share over the last eight quarters were also impacted by: (i) investments in a number of large capacity expansion and production automation projects that resulted in rising plant start-up and restructuring costs as well as additional interest, depreciation and lease related expenses; (ii) rising interest rates over the course of 2023; (iii) a \$20.0 million favorable change in the fair value of option liabilities in the first quarter of 2024; (iv) the release of a \$20.5 million contingent consideration provision in the second quarter of 2024; (v) other income of \$8.4 million in the fourth quarter of 2024; and (vi) a \$5.5 million dollar bargain purchase option in the fourth quarter of 2024.

LIQUIDITY AND CAPITAL RESOURCES

Net Working Capital Requirements

Net working capital is not defined under IFRS Accounting Standards, and as a result, may not be comparable to similarly titled measures presented by other publicly traded entities. The Company believes that net working capital is a useful indicator of the cash needed to fund the Company's working capital requirements.

The following table provides the calculation of net working capital:

<i>(in millions of dollars)</i>	As at Dec 28, 2024	As at Dec 30, 2023
Accounts receivable	495.8	509.9
Inventories	900.7	746.7
Prepaid expenses	55.0	41.8
Accounts payable and accrued liabilities	(579.3)	(470.9)
Net working capital	872.2	827.5

The Company's net working capital needs are seasonal in nature and generally peak (see *Forward Looking Statements*) in the spring and summer months and around festive holiday seasons (e.g. Easter, Thanksgiving and Christmas) as inventories are built up in anticipation of, and accounts receivable grow because of, increased consumer demand (see *Summary of Quarterly Results*). The cash requirements resulting from seasonal fluctuations in the Company's net working capital are managed primarily through draws and repayments on its revolving senior credit facility. The cash requirements for increases in the Company's net working capital resulting from its growth initiatives are, over the longer term, financed through the associated growth in the Company's free cash flow.

The following table shows certain non-GAAP ratios relating to the Company's accounts receivable and inventory balances:

<i>(in days)</i>	As at Dec 28, 2024	As at Dec 30, 2023
Days sales in accounts receivable ⁽¹⁾	27.5	29.8
Days cost of sales in inventory ⁽²⁾	62.2	53.9

(1) Calculated as accounts receivable divided by sales for the applicable quarter multiplied by the number of days in the quarter.

(2) Calculated as inventory divided by cost of sales for the applicable quarter multiplied by the number of days in the quarter.

The Company's days sales in accounts receivable at the end 2024 as compared to the end of 2023 decreased by 2.3 days primarily due to: (i) the expansion of its trade receivable finance program; and (ii) general fluctuations in the timing of sales and accounts receivable collections. These factors were partially offset by the impact of acquisitions completed at the end of the fourth quarter of 2024 - normalizing for this factor, the Company's days sales in accounts receivable is 26.6 days.

The Company's days cost of sales in inventory at the end of 2024, as compared to the end of 2023, increased by 8.3 days primarily due to: (i) the impact of acquisitions completed at the end of the fourth quarter of 2024 - normalizing for this factor the Company's days cost of sales in inventory is 59.4 days; (ii) opportunistic raw materials purchases, which are expected to generate improved margin performance in future quarters (see *Forward Looking Statements*); (iii) the temporary build up of inventories to support sales initiatives launching in the first quarter of 2025; (iv) the temporary build up of inventories prior to: a) the start-up of new production capacity at one of the Company's cooked protein facilities; and b) the shutdown at one of its bakeries to allow for production line improvements to be made; and (v) general fluctuations in the timing of sales, production and purchasing of inventory.

Debt Financing Activities

Credit Facilities

As at December 28, 2024, the Company's credit facilities and the unutilized portion of those facilities were as follows:

<i>(in millions of dollars)</i>	Credit Facilities	Amount Drawn on Facility	Unutilized Credit Capacity
Revolving senior credit facility ⁽¹⁾	2,388.5	1,935.4	453.1
4.65% debentures ⁽²⁾	171.7	171.7	-
4.20% debentures ⁽³⁾	155.0	155.0	-
5.40% debentures ⁽⁴⁾	144.2	144.2	-
Industrial Development Revenue Bond ⁽⁵⁾	8.8	8.8	-
Vendor take-back notes	2.8	2.8	-
Other term loans	0.3	0.3	-
Other revolving credit facilities	110.6	-	110.6
Cheques outstanding	-	29.9	(29.9)
Cash and cash equivalents	-	(49.2)	49.2
	2,981.9	2,398.9	583.0

- (1) Represents the Company's main revolving senior credit facility, consisting of an \$1.5 billion Canadian dollar denominated line of credit and a US\$625.0 million U.S. dollar denominated line of credit, less approximately \$12.5 million in outstanding letters of credit. The facility matures in July 2028, can be used to fund the Company's working capital and general operating needs, capital projects and acquisitions, and has no principal payments prior to its maturity date.
- (2) Represents the present value of the outstanding portion of the \$172.5 million in 4.65% convertible unsecured subordinated debentures issued by the Company in April 2018 plus the value attributed to the cash conversion option associated with the debentures. The outstanding face value of these debentures, which mature on April 30, 2025 and have no principal payments prior to that date, was \$172.5 million as at December 28, 2024. The 4.65% debentures trade on the Toronto Stock Exchange under the symbol PBH.DB.G.
- (3) Represents the present value of the outstanding portion of the \$150.0 million in 4.20% convertible unsecured subordinated debentures issued by the Company in July 2020 plus the value attributed to the cash conversion option associated with the debentures. The outstanding face value of these debentures, which mature on September 30, 2027 and have no principal payments prior to that date, was \$150.0 million as at December 28, 2024. The 4.20% debentures trade on the Toronto Stock Exchange under the symbol PBH.DB.H.
- (4) Represents the present value of the outstanding portion of the \$150.0 million in 5.40% convertible unsecured subordinated debentures issued by the Company in June 2022 plus the value attributed to the cash conversion option associated with the debentures. The outstanding face value of these debentures, which mature on September 30, 2029 and have no principal payments prior to that date, was \$150.0 million as at December 28, 2024. The 5.40% debentures trade on the Toronto Stock Exchange under the symbol PBH.DB.I.
- (5) The bond, which was issued by one of the Company's U.S. subsidiaries, is denominated in U.S. dollars (US\$6.1 million), matures in 2036 and has no principal payments due prior to its maturity date.

In the third quarter of 2024, the Company increased its revolving senior credit facility by US\$150.0 million to approximately \$2.35 billion and extended the facility's maturity date to July 30, 2028.

Subsequent to 2024, the Company issued \$150.0 million of convertible unsecured subordinated debentures (5.50% Debentures) resulting in net proceeds of \$143.0 million after underwriting fees of \$6.0 million and transaction costs of approximately \$1.0 million. The 5.50% Debentures bear interest at an annual rate of 5.50% payable semi-annually, have a maturity date of March 31, 2030 and are convertible into common shares of the Company at a price of \$126.15 per share. Proceeds from the issuance will initially be used to repay indebtedness under the Company's revolving senior credit facility, which will then be drawn on to fund the redemption in full of \$172.5 million of convertible debentures that mature on April 30, 2025.

The Company has also granted the underwriters of the offering an over-allotment option, which expires 30 days after the close of the offering, to purchase up to an additional \$22.5 million of the 5.50% Debentures.

Funded Debt

Senior funded debt and total funded debt are not defined under IFRS Accounting Standards and, as a result, may not be comparable to similarly titled measures presented by other publicly traded entities. The Company believes that senior funded debt and total funded debt, used in conjunction with its adjusted EBITDA, are useful indicators of its financial strength and ability to access additional debt financing. Senior funded debt is also used in the calculation of certain debt covenants associated with the Company's revolving senior credit facility (see *Liquidity and Capital Resources – Debt Financing Activities – Banking Covenants*).

The following table provides the calculation of senior funded debt and total funded debt:

<i>(in millions of dollars)</i>	As at Dec 28, 2024	As at Dec 30, 2023
Cheques outstanding	29.9	16.4
Bank indebtedness	19.1	-
Current portion of long-term debt	1.0	2.0
Long-term debt	1,921.1	1,510.4
Deferred financing costs ⁽¹⁾	6.1	3.6
	1,977.2	1,532.4
Less: cash and cash equivalents	(49.2)	(27.6)
Senior funded debt	1,928.0	1,504.8
4.65% debentures	171.7	174.3
4.20% debentures	155.0	164.2
5.40% debentures	144.2	146.0
Total funded debt	2,398.9	1,989.3

(1) Deferred financing costs are included as an offsetting amount in long-term debt in the Company's consolidated financial statements.

Debt Activities

During 2024, the Company's significant debt activities consisted of the following:

<i>(in millions of dollars)</i>	52 weeks ended Dec 28, 2024
Opening total funded debt at December 30, 2023	1,989.3
Funding for capital expenditures	364.8
Payment of dividends	148.1
Foreign currency translation adjustment ⁽¹⁾	129.7
Changes in net working capital	74.9
Funding for business acquisitions	61.5
Payment of provisions	10.7
Accretion of debentures	6.4
Payments to shareholders of non-wholly owned subsidiaries	3.6
Notes issued for the settlement of puttable interests in a non-wholly owned subsidiary	1.6
Scheduled principal payments	(1.9)
Cash flows relating to investments in and advances to associates	(3.9)
Revaluation of options on convertible debentures	(20.0)
Net proceeds from sale of assets and leaseback	(119.9)
Net cash flow applied to revolving senior credit facility and other term loans	(246.0)
	<hr/>
	2,398.9

(1) Adjustment is the result of changes in the currency exchange rate used to translate the Company's U.S. dollar denominated debt into Canadian dollars.

Financial Leverage

Two of the key indicators that the Company uses to assess the appropriateness of its financial leverage are its senior funded debt to adjusted EBITDA and total funded debt to adjusted EBITDA ratios. The Company has set 2.5 : 1.0 to 3.0 : 1.0 as the long-term targeted range for its senior funded debt to adjusted EBITDA ratio and 3.5 : 1.0 to 4.0 : 1.0 as the long-term targeted range for its total funded debt to adjusted EBITDA ratio. These ranges are based on several considerations including:

- The risks associated with the consistency and sustainability of the Company's cash flows;
- The financial covenants associated with the Company's senior credit facilities;
- The Company's dividend policy;
- The tax benefits associated with financing the Company's operations with debt; and
- The terms and risk characteristics of the convertible debentures issued by the Company.

At the end of the fourth quarter of 2024, the Company's senior funded debt to adjusted EBITDA ratio of 3.5 : 1 and its total funded debt to adjusted EBITDA ratio of 4.5 : 1 were both above their respective long-term targeted ranges. This is primarily due to the significant investments that the Company has been making in new production capacity to support its various growth initiatives. The Company's year end leverage ratios were also impacted by: (i) a rapid weakening of the Canadian dollar relative to the U.S. dollar occurring towards the end of the quarter, which resulted in the Company's U.S. dollar denominated debt being valued much differently than the U.S. dollar denominated cash flows being used to service it - normalizing for this factor the Company's senior funded debt to adjusted EBITDA ratio is 3.3 : 1; and (ii) large strategic inventory positions taken by the Company towards the end of the quarter (see *Liquidity and Capital Resources - Net Working Capital Requirements*).

Looking forward, (see *Forward Looking Statements*) the Company expects to significantly grow its adjusted EBITDA as it realizes its growth objectives, which will help to bring its debt ratios in line with or below its long-term targeted ranges. In the interim, these ratios are well within the Company's shorter-term operating parameters.

Banking Covenants

The financial covenants associated with the Company's revolving senior credit facility are as follows:

	Covenant Requirement	Dec 28, 2024 Ratio
Senior funded debt to adjusted EBITDA ratio ^{(1) (3)}	=< 4.0 : 1.0	3.5 : 1.0
Interest coverage ratio ^{(2) (3)}	>= 3.0 : 1.0	3.8 : 1.0

- (1) Adjusted EBITDA includes a full year's adjusted EBITDA for new acquisitions and senior funded debt excludes cheques outstanding.
- (2) Ratio is calculated based on the combined statements of operations of certain subsidiaries of the Company and therefore will not necessarily equal the ratio calculated based on the Company's consolidated statement of operations.
- (3) Ratio excludes the impact of adopting IFRS-16 accounting standard, which is the basis on which its banking covenants are calculated.

Dividends

Free Cash Flow

Free cash flow is not defined under IFRS Accounting Standards and, as a result, may not be comparable to similarly titled measures presented by other publicly traded entities, nor should it be construed as an alternative to other cash flow measures determined in accordance with IFRS Accounting Standards.

The Company believes that free cash flow is a useful indicator of the amount of cash it generates that is available for the payment of dividends to shareholders, debt repayment, project capital expenditures (see *Liquidity and Capital Resources – Capital Expenditures*), plant start-up and business restructuring initiatives and business acquisitions.

The following table provides a reconciliation of free cash flow to cash flow from operating activities:

<i>(in millions of dollars)</i>	52 weeks ended Dec 28, 2024	52 weeks ended Dec 30, 2023
Cash flow from operating activities	253.1	433.9
Changes in non-cash working capital ⁽¹⁾	74.9	(110.6)
	328.0	323.3
Lease obligation payments ⁽²⁾	(81.5)	(74.0)
Business acquisition transaction costs ⁽³⁾	5.8	4.4
Plant start-up and restructuring costs ⁽⁴⁾	43.7	45.3
Maintenance capital expenditures ⁽⁵⁾	(45.2)	(46.0)
Free cash flow	250.8	253.0

(1) Cash used for increases in the Company's non-cash working capital is funded primarily through draws on its revolving credit facilities, while cash resulting from decreases in its non-cash working capital is used primarily to pay down these facilities. Item is excluded from calculation based on increases over the long-term generally being due to the Company's growth.

(2) Amount normalizes for the Company's adoption of IFRS-16 accounting standard.

(3) Amount relates to the Company's business acquisition activities.

(4) Amount relates to the Company's plant start-up and restructuring initiatives.

(5) Amount represents the portion of the Company's capital expenditures necessary for maintaining its existing capital asset base (see *Liquidity and Capital Resources – Capital Expenditures*).

The Company's free cash flow for 2024 decreased as compared to 2023 primarily due to: (i) increased interest and lease costs associated with its recent investments in new production capacity; and (ii) a higher interest rate environment. These factors were partially offset by growth in its adjusted EBITDA.

Dividend Policy

The Company considers a variety of factors in setting its dividend policy including the following:

- The ratio of its dividends to its free cash flow on a rolling four quarter basis;
- Its financial leverage ratios relative to targeted ranges (see *Liquidity and Capital Resources – Debt Financing Activities – Financial Leverage*);
- Debt principal repayment and senior lender loan covenant obligations;
- Financing requirements for project capital expenditures (see *Liquidity and Capital Resources – Capital Expenditures*), plant start-up and business restructuring initiatives and business acquisitions;
- Ability to access reasonably priced debt and equity financing;
- The ratio of its annual dividend per share to the trading price of its shares on the Toronto Stock Exchange (i.e. dividend yield);
- Maintaining a stable quarterly dividend per share;
- Maintaining regular annual increases in its dividend per share; and
- Significant changes, if any, in the status of one or more of the risk factors facing the Company.

In the first quarter of 2024, the Company increased its quarterly dividend by 10.4% to \$0.85 per share, or \$3.40 per share on an annual basis.

The Company is continually assessing its dividend policy based on the considerations outlined above as well as other possible factors that may become relevant in the future. Looking forward (see *Forward Looking Statements*), it intends to continue increasing its dividend, however, due to the

general risks and uncertainties inherent in its business (see *Risks and Uncertainties*), there can be no assurance that it will be able to do so or that its current quarterly dividend will be maintained.

Dividend History

The Company declared its first distribution to equity holders in August 2005. The following table outlines the Company's distribution / dividend payment history since 2006, which was its first full year of declared distributions.

(in millions of dollars except per share amounts and ratios)

	Declared Shareholder Dividends / Distributions	Nature of Distribution	Free Cash Flow	Ratio ⁽¹⁾	Average Dividend / Distribution Per Share / Unit
Trailing four quarters ended:					
December 28, 2024	151.8	Dividend	250.8	60.5%	\$3.4000
December 30, 2023	137.5	Dividend	253.0	54.3%	\$3.0800
December 31, 2022	125.3	Dividend	285.8	43.8%	\$2.8000
December 25, 2021	111.5	Dividend	263.3	42.3%	\$2.5400
December 26, 2020	92.0	Dividend	188.8	48.7%	\$2.3100
December 28, 2019	76.7	Dividend	177.8	43.1%	\$2.1000
December 29, 2018	62.7	Dividend	164.6	38.1%	\$1.9000
December 30, 2017	50.6	Dividend	131.3	38.5%	\$1.6800
December 31, 2016	44.5	Dividend	121.5	36.6%	\$1.5200
December 26, 2015	35.0	Dividend	81.1	43.2%	\$1.3800
December 27, 2014	27.8	Dividend	57.4	48.4%	\$1.2500
December 28, 2013	26.5	Dividend	49.2	53.9%	\$1.2315
December 29, 2012	24.4	Dividend	46.0	53.0%	\$1.1760
December 31, 2011	22.7	Dividend	38.2	59.4%	\$1.1760
December 25, 2010	21.0	Dividend	32.2	65.2%	\$1.1760
December 26, 2009	20.7	(2)	29.3	70.6%	\$1.1760
December 31, 2008	20.6	Trust distribution	29.6	69.6%	\$1.1760
December 31, 2007	20.5	Trust distribution	26.4	77.7%	\$1.1760
December 31, 2006	18.4	Trust distribution	17.3	106.4%	\$1.1760

(1) Ratio of dividends / distributions declared to free cash flow for the corresponding trailing four quarter period.

(2) Consisted of trust distributions for the first two quarters of the period and dividends for the last two quarters of the period.

Capital Expenditures

Expenditure Classification

The Company categorizes its capital expenditures into project capital expenditures and maintenance capital expenditures. Project capital expenditures are capital expenditures that are generally expected to earn an internal rate of return of 15% or more on an after tax, unlevered basis (see *Forward Looking Statements*). Maintenance capital expenditures include all capital expenditures that do not qualify as a project capital expenditure, and consist mainly of expenditures necessary for maintaining the Company's existing level of production capacity and operating efficiencies.

Maintenance capital expenditures are financed primarily through free cash flow (see *Liquidity and Capital Resources – Dividends*) while project capital expenditures are generally funded through the Company's credit facilities; however, larger expenditures, such as the building of a new plant or a major expansion of an existing plant, may also be funded through the issuance of new debt and/or equity (see *Forward Looking Statements*).

Project Capital Expenditures

During 2024, the Company invested \$319.6 million in project capital expenditures consisting of: (i) \$262.9 million for larger projects as outlined below; and (ii) \$56.7 million for a variety of smaller projects.

<i>(in millions of dollars)</i>			
Project ⁽¹⁾	2024 Expenditure	Future Expenditure ⁽¹⁾	Expected Completion Date ⁽¹⁾
An 8,000 square foot expansion combined with major production line reconfigurations and upgrades at a 100,500 square foot cooked protein production facility in Versailles, OH	2.7	-	Complete
Set up of a 165,000 square foot refrigerated distribution facility in Columbus, OH in conjunction with the conversion of existing warehouse and distribution space at the Company's Columbus, OH sandwich facility into production space	18.5	-	Complete
New processing equipment to expand the capacity of a 106,000 square foot meat snack production facility in Brantford, ON	2.8	-	Complete
New 60,000 square foot value-add cooked seafood facility in Auburn, ME that will replace an existing 6,000 square foot processing facility in Topsham, ME	3.2	-	Complete
New processing equipment and building modifications to gain processing efficiencies and increase the capacity of a 120,000 square foot cooked protein production facility in Scranton, PA	24.6	2.6	Q1-2025
107,000 square foot expansion of a 52,000 square foot meat snack and processed meats production facility in Ferndale, WA	17.8	2.4	Q1-2025
New processing equipment to expand the capacity and improve efficiencies of a 146,000 square foot sandwich production facility in Shannon, MS	4.1	4.3	Q2-2025
New processing equipment to increase the capacity of a 85,000 square foot cooked protein production facility in Owasso, OK	-	13.0	Q2-2025
Phase II buildout of a new 91,000 square foot USDA inspected artisan bakery in San Francisco, CA	8.1	2.3	Q2-2025
Conversion of a deli meats processing facility in Arthur, ON to dry cured meats production, and the upgrade and reconfiguration of a deli meats production facility in Waterloo, ON to gain production capacity and improve operating efficiencies	25.1	19.3	Q2-2025
Phase I of a three phased project that will result in a new sandwich production facility of up to 500,000 square feet in Cleveland, TN by 2030. The first phase will result in a new 352,000 square foot facility. The future expenditure amount is before expected proceeds from the sale & leaseback of the facility	150.1	33.6	Q2-2025
New processing equipment and building modifications to increase the capacity of a 84,000 square foot cooked protein production facility in Vineland, NJ	4.6	17.9	Q3-2025
Consolidation of three ON production facilities into a new 108,000 square foot facility to gain production capacity and improve operating efficiencies. The future expenditure amount is before expected proceeds from the sale & leaseback of the facility	0.7	43.2	Q4-2025
Reconfiguration of kettle cooking facility in Richmond, BC to expand capacity and improve operating efficiencies	0.6	6.8	Q4-2025
	262.9	145.4	

(1) See *Forward Looking Statements*.

Maintenance Capital Expenditures

The following table outlines the Company's historical maintenance capital expenditures since 2019:

<i>(in millions of dollars)</i>	
Trailing four quarters ended:	
December 28, 2024	45.2
December 30, 2023	46.0
December 31, 2022	43.2
December 25, 2021	29.3
December 26, 2020	27.1
December 28, 2019	26.5

Looking forward, for 2025 the Company expects its maintenance capital expenditures to be between \$60.0 million and \$65.0 million (see *Forward Looking Statements*).

Sale and Leaseback

In December 2024, the Company completed a sale and leaseback of its recently expanded production facility in Ferndale, WA (see *Project Capital Expenditures*) resulting in net proceeds of US\$65.6 million.

Corporate Investments

Corporate investments consist primarily of three activities: (i) business acquisitions; (ii) equity investments in non-controlled businesses; and (iii) loans to non-controlled businesses. Corporate investments, in general, and business acquisitions, in particular, are a core part of the Company's growth strategy.

The financing for corporate investments depends primarily on the size of the transaction. Smaller transactions are generally financed through the Company's credit facilities (see *Liquidity and Capital Resources – Debt Financing Activities*), while larger transactions can be financed through a variety of sources including existing credit facilities and the issuance of new debt and/or equity.

Business Acquisitions

During 2024 the Company invested \$91.5 million, consisting of \$61.5 million in cash, \$7.3 million in cash payable, \$14.1 million in the Company's common shares and \$8.6 million in contingent consideration, in the following business and asset acquisitions:

<i>(in millions of dollars except percentages)</i>					
Business	Primary Business Activity	Annual Sales	Investment Interest	Segment	Purchase Date
Italia Salami Company Limited	Dry cured Italian meat production	4.5	100%	SF	Nov 25, 2024
National Steak Processors (2024), LLC	Cooked protein and deli meat production	US129.0	100%	SF	Dec 18, 2024
Casa Di Bertacchi LLC	Cooked protein production	US72.0	100%	SF	Dec 23, 2024

Subsequent to the quarter, the Company acquired Denmark Sausage, LLC for US\$21.0 million consisting US\$15.7 million in cash and the issuance of 97,438 of the Company's common shares. Denmark is a manufacturer of premium branded fresh sausages and other value-added food products with a plant in Peoria, AZ and annual sales of approximately US\$30 million.

OUTLOOK

See *Forward Looking Statements* for a discussion of the risks and assumptions associated with forward looking statements.

See *Results of Operations* for details on the Company's revenue, adjusted EBITDA, and income tax rate outlooks.

See *Liquidity and Capital Resources – Debt Financing Activities* for details on the Company's liquidity outlook.

See *Liquidity and Capital Resources – Dividends – Dividend Policy* for details on the Company's dividend payment policy.

See *Liquidity and Capital Resources – Capital Expenditures* for details on the Company's project and maintenance capital expenditure outlooks.

In terms of business acquisitions, the Company intends (see *Forward Looking Statements*) to continue to pursue opportunities and, correspondingly, is in the process of evaluating several potential transactions.

SUBSEQUENT EVENTS

Subsequent to December 28, 2024 the Company: (i) issued \$150.0 million of convertible debentures (see *Liquidity and Capital Resources - Debt Financing Activities - Credit Facilities*); and (ii) acquired Denmark Sausage, LLC, a manufacturer of premium branded fresh sausages and other value-added food with a plant in Peoria, AZ (see *Liquidity and Capital Resources - Corporate Investments - Business Acquisitions*).

CONTRACTUAL OBLIGATIONS

Principal payments due on the Company's significant contractual obligations as at December 28, 2024 are as follows:

<i>(in millions of dollars)</i>	Total	1 year out	2 years out	3 years out	4 years out	5 years out	There-after
Long-term debt	1,928.2	1.0	0.7	0.6	1,916.9	0.2	8.8
4.65% debentures	172.5	172.5	-	-	-	-	-
4.20% debentures	150.0	-	-	150.0	-	-	-
5.40% debentures	150.0	-	-	-	-	150.0	-
Lease obligations ⁽¹⁾	1,102.2	91.4	90.3	84.0	78.4	78.3	679.8
Total	3,502.9	264.9	91.0	234.6	1,995.3	228.5	688.6

(1) Includes the impact of lease renewal options based on the likelihood of renewal (see *Forward Looking Statements*).

FORWARD LOOKING STATEMENTS

This MD&A contains forward looking statements with respect to the Company, including, without limitation, statements regarding its business operations, strategy and financial performance and condition, cash distributions, proposed acquisitions, budgets, projected costs and plans and objectives of or involving the Company. While management believes that the expectations reflected in such forward looking statements are reasonable and represent the Company's internal expectations and belief as of March 20, 2025, there can be no assurance that such expectations will prove to be correct as such forward looking statements involve unknown risks and uncertainties beyond the Company's control which may cause its actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward looking statements.

Forward looking statements generally can be identified by the use of the words "may", "could", "should", "would", "will", "expect", "intend", "plan", "estimate", "project", "anticipate", "believe" or "continue", or the negative thereof or similar variations. Forward looking statements in this MD&A include statements with respect to the Company's expectations and/or projections on its: revenue; adjusted EBITDA; plant start-up and restructuring costs; income tax rates; dividends and dividend policy; capital expenditures and business acquisitions; convertible debentures; net working capital; liquidity outlook; provisions; financial leverage ratios; value of puttable interests; property sales; and sale and leaseback and lease renewal transactions.

Some of the factors that could cause actual results to differ materially from the Company's expectations are outlined below under *Risks and Uncertainties*.

Assumptions used by the Company to develop forward looking statements contained or incorporated by reference in this MD&A are based on information currently available to it and include those outlined below as well as those outlined elsewhere in this document. Readers are cautioned that this information is not exhaustive.

- The Company will be able to achieve the projected sales growth and operating efficiencies associated with the capital investments it has made in recent years.
- There will not be any material changes in the long-term food trends that have been driving growth in many of the Company's businesses. These include: (i) growing demand for higher quality foods made with simpler, more wholesome ingredients and/or with differentiated attributes such as zero sugar, antibiotic free, no added hormones or use of organic ingredients; (ii) increased reliance on healthier and less processed convenience-oriented foods both for on-the-go snacking as well as easy meal preparation, both at home and in

foodservice; (iii) healthier eating, including reduced sugar consumption and an increased emphasis on animal protein and seafood; (iv) increased snacking in between and in place of meals; (v) increased interest in understanding the provenance of individual food products; and (vi) increased social awareness of issues such as reconciliation with Indigenous Peoples, sustainability, and ethical supply chain practices.

- There will not be any material changes in the competitive environment of the markets in which the Company's businesses compete.
- There will not be any material changes in the Company's relationships with its larger customers including the loss of a major product listing and/or being forced to give significant product pricing concessions.
- The average cost of the basket of procured products and raw materials purchased by the Company will remain relatively stable.
- The Company will be able to access sufficient goods and services at reasonable prices.
- The Company will be able to access sufficient skilled and unskilled labor at reasonable wage levels.
- The value of the Canadian dollar relative to the U.S. dollar will fluctuate in line with the levels seen over the last several months.
- The Company's major capital projects, plant start-up and restructuring, and business acquisition initiatives will progress in line with its expectations.
- Weather conditions in the Company's core markets will not have a significant impact on any of its businesses.
- The Company will be able to negotiate new collective agreements with no labor disruptions.
- The Company will be able to access reasonably priced debt and equity capital.
- Contractual counterparties will continue to fulfill their obligations to the Company.
- There will be no material changes to the tax, environmental and other regulatory requirements governing the Company.

Management has set out the above summary of assumptions related to forward looking statements included in this discussion and analysis to provide a more complete perspective on the Company's future operations. Readers are cautioned that these statements may not be appropriate for other purposes.

Unless otherwise indicated, the forward looking statements in this discussion and analysis are made as of March 20, 2025 and, except as required by applicable law, will not be publicly updated or revised. This cautionary statement expressly qualifies the forward looking statements in this discussion and analysis.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties related to its businesses that may have adverse effects on its results of operations and financial position. Some of these risks and uncertainties are outlined below. Prospective investors should carefully review and evaluate these risk factors together with all other information contained in this discussion and analysis. Furthermore, it should be noted that the risk factors described below are not the only risk factors facing the Company and it may be subject to risks and uncertainties not described therein or that it is not presently aware of or that it may currently deem insignificant (see *Forward Looking Statements*).

Growth Risk

A key component of the Company's strategy is to continue to grow by: (i) increasing sales and earnings in existing markets with existing products; (ii) expanding into new markets and products; and (iii) continuing to acquire new businesses. There can be no assurance that the Company will be successful in growing its business or in managing its growth. Furthermore, high growth rates may place a significant amount of strain on the Company's senior management team and other key personnel as well as its business processes, operations, information systems, availability of capital and other resources. Any inability to properly manage growth could result in cancellation of customer orders, increased operating costs and lower employee retention rates, and correspondingly, could have a material adverse effect on the Company.

Furthermore, the Company's organic growth initiatives often involve significant investments in new production and/or distribution capacity. The outcome and success of these investments often depend on several factors that are outside of the Company's control, including: (i) disruptions caused by availability and cost of labor; (ii) new competing operational priorities; (iii) timing for completion; (iv) regulatory and governmental approvals; (v) pandemics; (vi) materials and equipment; (vii) contractor non-performance; (viii) cost of engineering, construction, and other consulting services; and (ix) weather conditions. In the event of unanticipated delays or costs, the Company's business operations may be adversely affected.

The Company mitigates these risks through: (i) pursuing a wide variety of growth strategies across a diverse base of food companies with manufacturing facilities geographically dispersed; and (ii) the development of monitoring processes and controls that enable it to identify early and respond quickly to any potential and/or actual issues.

Raw Material Risk

The Company purchases a variety of raw materials, including beef, pork, seafood, poultry, lamb, flour, corrugated packing materials, dairy products and energy, the markets for which are characterized by relatively volatile supply and demand market forces over which the Company has limited or no control.

The cost of many of these raw materials is highly cyclical, being characterized by periods of supply and demand imbalance, and sensitive to changes in industry capacity. To the extent the Company has negotiated agreements for the purchase of raw materials, there is no guarantee that the Company will be able to renew such contracts, or find replacement suppliers or brokers, on similar or more favorable terms. While most of the raw materials purchased by the Company are generally readily available from a variety of suppliers and brokers, there are a number of factors that increase the risk that the Company cannot adequately source adequate quantities of raw materials at reasonable prices. These include the potential impact of: (i) climate change in general, and droughts in particular, on livestock production; (ii) unusual weather conditions on the availability of certain species of wild seafood, both in terms of preventing fishing fleets from accessing wild seafood stocks during extreme storms and a general lack of availability of certain species of seafood during times of abnormal water temperatures; (iii) Canada's supply management system for certain agricultural commodities which, in the past, has created supply and demand imbalances that have resulted in the Company not being able to source adequate amounts of reasonably priced turkey and chicken raw materials; (iv) an outbreak of a health epidemic or pandemic (including those affecting humans or livestock) which could result in material disruptions in the Company's supply chain logistics and/or its suppliers' production capacities; (v)

livestock related risks; (vi) international trade related risks, including tariffs and non-tariff barriers to trade; and (vii) international conflicts.

If there is a sudden or severe increase in the cost of such raw materials and the Company is unable to pass the additional costs onto its customers through increased selling prices, this could have a material adverse effect on its selling margins. Furthermore, even if the Company is able to pass the additional costs on to its customers, there is a risk that this could result in higher selling prices for end consumers which, in turn, could negatively impact consumer demand for the Company's products.

The Company mitigates these risks by: (i) maintaining a broad network of suppliers including developing global procurement relationships; (ii) entering into contractual relationships with certain key suppliers; and (iii) focusing on differentiated products and niche markets where consumer demand is less price sensitive. Furthermore, the Company's general business and product diversification strategies help to reduce its exposure to any single commodity.

International Trade Risk

The Company imports products from and, to a lesser extent, exports products to other countries and as such may be adversely affected by international events, disputes and/or conflicts, including, but not limited to: (i) changes in trade agreements or policies; (ii) the implementation of export controls, tariffs, quotas, and other trade barriers; (iii) the introduction of subsidies for competing products; or (iv) shifts in political attitude, that affect the price of commodities or the free flow of product between countries. International trade and the associated access to markets can be influenced by geopolitical events and disputes between Canada and other countries beyond the Company's control.

For example, on March 4, 2025, the U.S. imposed 25% tariffs on all goods imported from Canada (excluding energy and energy resources, which are subject to a 10% tariff) which were then delayed on March 6, 2025 for potential resumption on April 2, 2025. U.S. tariffs on Canadian aluminum and steel imports became effective on March 12, 2025. Canada has also imposed two rounds of tariffs on approximately \$60 billion of certain U.S. goods, with a further round on a wider list of U.S. goods valued at \$125 billion expected to come into effect in early April. Discussions between the U.S. and Canadian governments remain ongoing, but there is no assurance that these discussions will result in a successful withdrawal or reduction of tariffs.

The effects of any such tariffs remain highly uncertain and will depend in part on future developments, including, but not limited to: (i) the ultimate determination, implementation and duration of the tariffs; (ii) the introduction of new or additional tariffs, or changes to pre-existing tariffs; and (iii) other potential retaliatory actions. Furthermore, the significance of the effects of any such tariffs will depend on how successful the Company's mitigation strategies are, which includes general initiatives such as: (i) maintaining a broad network of suppliers and customers; (ii) continuously developing global procurement and selling relationships; and (iii) implementing general business and product diversification strategies; as well as a variety of more specific initiatives in the event that new tariffs are implemented by the U.S. government, which include: (i) moving production of certain products currently produced in Canada to the Company's U.S. manufacturing facilities; (ii) implementing selling price increases; (iii) renegotiating purchase terms on certain raw materials; and (iv) developing new selling opportunities in Canada as retailers look to replace products currently being procured from U.S. manufacturers.

Tariffs and retaliatory actions may also dampen or amplify the effect of other risk factors, including risks relating to consumer preference, interest rates, currency exchange, consumer discretionary spending, supply chain and inflation. Demand for the products the Company sells may also be impacted by general macroeconomic conditions, which could worsen as a result of the imposition of new, additional or changes to pre-existing tariffs and other trade restrictions or other similar measures. These risks may lead to decreased revenues or increased costs for the Company, either of which could have a material adverse effect on the Company's financial condition and/or results of operations.

Consumer Discretionary Spending Risk

The Company's sales could be adversely affected by reduced consumer discretionary spending resulting from actual or perceived changes in the condition of the economy, including the impacts of tariffs and rising inflation, interest and unemployment rates. The Company's foodservice and convenience-related businesses are particularly sensitive to this risk since reduced consumer discretionary spending generally results in a decrease in the frequency and amount spent for food prepared away from home and on convenience-related items.

The Company mitigates this risk through its sales diversification strategies, which include the development of sales in both the retail and foodservice segments of the food industry as a decline in sales in the foodservice segment resulting from poor economic conditions is often partially offset by an increase in sales in the retail segment.

Sales and Margin Risk

The Company's profitability depends on its ability to maintain its sales and profit margins. If the cost of the products sold by the Company increases, including through: (i) increased prices from suppliers for products distributed by the Company; (ii) increased costs for raw materials used by the Company in the manufacturing of its products; (iii) increased operating costs; and/or (iv) new or modified tariffs or other barriers to trade, its sales and/or selling margins could be adversely affected. There can be a misalignment between the impact of rising cost pressures on the Company's operations and inputs, and its ability to price its products. Accordingly, any failure by the Company to price its products in light of such increases could have a material adverse effect on the Company's financial condition and results of operations.

In addition, competition in the markets in which the Company competes may require it to reduce the prices it charges, which may adversely affect the Company's sales and/or selling margins. If competitors offer discounts on certain products or services in an effort to capture or gain market share or to sell other products, the Company may be required to lower its prices or offer other favorable terms to compete successfully.

The Company mitigates these risks by focusing on differentiated and innovative products in niche markets that are less sensitive to price.

Cybersecurity and Information Technology Systems Risk

The Company relies heavily on information technology systems for the efficient and effective operation of many aspects of its business, including: (i) managing business data; (ii) processing financial information; and (iii) complying with various legal, tax, and other regulatory requirements. The Company also stores confidential, sensitive and personal information including trade secrets and employee data (Confidential Information) on its information technology network infrastructure systems or those maintained by third-party service providers, and uses such systems for electronic communications with its personnel, customers, business partners and suppliers. The continuous and uninterrupted uptime of these core technology systems, as well as the security and integrity of Confidential Information, is key for the Company's business operations and reputation amongst customers, suppliers, employees and other stakeholders.

The Company's information technology systems and networks are subject to potential threats such as: (i) system downtime or failure; (ii) the requirement to upgrade or replace its software, databases, systems or key components thereof; (iii) natural disasters; (iv) unauthorized access; (v) theft of information; (vi) malware; (vii) viruses; and (viii) other cybersecurity incidents, any of which could result in the theft, manipulation and/or destruction of key information that the Company relies on for its operations. The addition of and increased reliance on such systems and networks may further increase the Company's risk to such potential threats.

Furthermore, as some of the Company's employees work remotely, its traditional network boundaries have been extended past its physical facilities, requiring the Company to protect its systems and data in environments that it does not fully control. Third parties in the Company's supply chain and other

third-party providers, including the Company's third-party suppliers, distributors and service providers (some of which provide core information technology solutions and services), also operate in environments that the Company does not fully control, and could be a source of security risk to the Company. Cybersecurity incidents or other negative events in these environments could, directly or indirectly, disrupt the Company's normal operations and adversely impact the Company and/or its reputation, operations and financial performance.

Any significant failure of the Company's systems, including failures that prevent its systems from functioning as intended, or the Company's failure to timely identify or appropriately respond to cyber-attacks or other cybersecurity incidents, could result in an adverse effect on the Company through: (i) processing inefficiencies; (ii) the loss of customers and sales; (iii) negative consequences on employees and business partners; (iv) negative impacts on operations or business reputation; (v) litigation; and/or (vi) regulatory enforcement actions. In addition, if the Company is unable to prevent against cybersecurity incidents, it may suffer financial and reputational damage or penalties because of the unauthorized disclosure of Confidential Information belonging to the Company or to its business partners, customers, consumers or suppliers.

The Company mitigates these risks by: (i) maintaining and testing systems of internal controls over its information technology systems and networks; (ii) educating its employees on potential sources of cyber risks; (iii) maintaining disaster recovery and response plans; (iv) maintaining relevant insurance coverage; (v) upgrading or replacing legacy systems as needed; and (vi) investing in dedicated information technology security personnel and software (including MDR software). Given the rapidly evolving nature of information technology (including the increase in the adoption and capabilities of generative artificial intelligence), the increasing sophistication of groups and individuals with a wide range of motives and expertise, the high rate of change in the threat landscape, and the challenged labor market for employees with expertise in cybersecurity or information technology systems, the Company may not be able to mitigate all risks associated with its information technology systems and networks. Additionally, employee mistakes, faulty password management or other instances of human error may result in a breach of the Company's or its third-party service providers' security measures, which could result in unintended disclosure of Confidential Information. Furthermore, increasingly demanding laws and regulations surrounding personal and/or sensitive information, and/or ever-evolving cybersecurity threats, may result in the Company needing to incur additional costs to maintain compliance or increase protection, as applicable.

Reputation and Public Opinion

The risk of the Company's reputation being negatively impacted can arise in various situations. The Company's reputation is tied heavily to its products, specifically their quality, safety, and environmental attributes. The Company's commitment to good corporate citizenship, including its various social and environmental initiatives, also plays an increasing role in its reputation. Additionally, how the Company interacts with business partners, consumers, employees or other persons, may affect the public's perception of the Company, in part due to the speed and extent at which social media can spread (mis)information and opinions.

The Company's businesses are in the process of implementing a Supplier Code of Conduct that establishes standards for their suppliers in a variety of areas, including product quality and safety, ethical conduct, environmental impact, raw material sourcing, child labor, forced labor and animal rights. However, the Company cannot guarantee that all third-party suppliers will comply with the Supplier Code of Conduct or that the Company will immediately discover such non-compliance. Any failure of such suppliers to comply with the Supplier Code of Conduct could result in damage to the Company's reputation and adversely affect the Company's operations and financial results.

The growing use of social and digital media platforms by consumers and third parties increases the speed and extent that (mis)information and opinions can be shared. Correspondingly, the cost of maintaining and enhancing the Company's reputation is increasing, and failure to maintain a positive reputation in any given context, or the emergence of negative publicity about the Company, even if unfounded, may create a risk to the Company's reputation and adversely affect the Company's operations and financial results. General public disillusionment with corporate environmental performance could expose the Company to allegations of greenwashing, even if it is taking appropriate

actions. Media coverage related to food inflation and pricing allegations could also negatively impact the Company's reputation.

The Company mitigates these risks through a variety of strategies including continuous monitoring of social and digital media, trends and best practices relating to corporate governance, social and environmental initiatives and the development and monitoring of corporate policies and codes of conduct.

Climate Risk

The potential effects of climate change, including the frequency and severity of weather-related events, changes in rainfall patterns, water shortages, wildfires, rising sea levels, changing storm patterns and intensities and more extreme temperature levels, may materially impact the Company in a wide variety of ways including: (i) increased raw material costs; (ii) changing consumer buying habits; (iii) higher compliance costs; (iv) increased operating costs; (v) damage to its manufacturing and distribution infrastructure; and (vi) disruptions to operations and supply chains.

Risks also arise from a wide variety of policy, regulatory, legal, technological and market responses and requirements relating to the challenges posed by climate change. The potential impact or financial costs associated with these risks is highly uncertain and may adversely impact the Company's strategy, business, reputation and financial performance.

The Company mitigates these risks through a variety of strategies including: (i) diversifying its supply chains; (ii) implementing clear policies and objectives to minimize its impact on the environment; (iii) adopting business continuity and disaster recovery programs; and (iv) maintaining relevant insurance coverage. Furthermore, the risks are assessed on an ongoing basis by management and reviewed by the Company's Board of Directors from a strategic and risk management perspective, as well as considered by the Company's Corporate Governance and Nominating Committee in its ongoing oversight of Environmental, Social and Governance matters. Due to the significant amount of uncertainty associated with these risks, there can be no assurance that any of the Company's mitigation efforts will be successful.

Customer Risk

The Company's sales to a relatively small group of large-format food retailers accounted for approximately 41.7% of its total revenue for 2024 with one such retailer (Customer A) accounting for approximately 14.4% of its total revenue for 2024. As is customary in the food industry, the Company does not have long-term contracts with any of these customers, and such contracts can typically be terminated at will. The Company's customers typically make purchase decisions based on a combination of price, product quality, customer service performance, and occasionally, dual-sourcing capabilities. The Company's inability to remain competitive on such factors may result in a potential decline in sales.

The Company also sells, directly or indirectly, to a foodservice operator (Customer B) who represents approximately 13.5% of its total revenue in 2024. The balance of the Company's sales is to a broad and diversified base of customers. The loss of sales to a large-format retail customer, Customer A or Customer B could have a material adverse effect on the Company.

The Company mitigates its exposure to any single large-format retail customer, including Customer A, by ensuring each of its individual businesses: (i) maintains a distinct and separate relationship with the customer; and (ii) provides the customer with a differentiated and unique product offering. The Company's exposure to Customer B is mitigated by a variety of factors including: (i) a long-term supply agreement; (ii) the Company's strong past performance as a strategic supplier; and (iii) a solid long-term relationship.

Product Liability Risk

Many of the Company's products require a high degree of quality control to ensure their safety for consumption. Furthermore, a significant portion of the Company's products must be kept refrigerated prior to consumption. Improper production, handling or storage of the Company's products could result in the development of bacteria in the product that may cause food-borne illness. Product defects and/or withdrawals may also be caused by other factors such as: (i) accidental contamination; (ii) product tampering; (iii) mislabeling; and/or (iv) the unintentional use of defective raw materials received from third-party suppliers. The occurrence of a product defect could have a material adverse effect on the Company's: (i) sales due to reduced consumer demand and/or product availability; and/or (ii) expenses due to a variety of potential items including product recall costs, disposal costs, compliance and remediation costs and lawsuits.

The Company mitigates these risks by: (i) maintaining strict and rigorous quality controls and processes in its manufacturing and distribution facilities; (ii) maintaining product liability and other insurance coverage that it believes to be in accordance with industry practices; (iii) participating in third-party food safety certification programs (such as the SQF and BRC programs); and (iv) complying with good manufacturing practices and regulatory bodies (including the Canadian Food Inspection Agency and United States Department of Agriculture). Its insurance coverage may not, however, be adequate to fully protect the Company against damage claims and other costs resulting from product defects. In addition, even if a claim is unsuccessful, the negative publicity associated with a claim and/or a product recall could harm the Company's reputation and result in a material adverse effect on the Company.

Consumer Preference Risk

The Company's business is dependent on continued consumer interest in its products. While the Company believes it is well positioned to benefit from several consumer trends, there is no assurance that these trends will continue or that contrary trends will not emerge. If consumer preferences, perceptions of certain ingredients, purchasing behaviors (including preference in product source, and changes in method or avenue of purchase) and/or dietary habits change, the Company's success will depend on its ability to respond to these changes and its failure to anticipate, identify or react to them could result in declining demand and prices for the Company's products, which in turn could have a material adverse effect on the Company. Economic factors such as economic downturns, recessions, interest rates, inflation, tariffs and unemployment levels may exert pressure on end consumers that, at times, affect consumers' ability or willingness to purchase the Company's products. Furthermore, the increased use and/or prevalence of certain weight loss drugs that suppress a person's appetite, such as GLP-1 agonists, may impact the demand or consumption patterns for some of the Company's products.

The Company mitigates these risks through: (i) its various growth strategies, including the continuous development of new and innovative products and product extensions, as well as improving consumers' access to its products; (ii) investing in a diverse base of food companies, most of which have their own proprietary and distinct marketing and product development teams; (iii) promoting cultures that prioritize awareness of trends and innovation; and (iv) dedicating corporate resources to the study of both current and potential consumer food trends.

Competition Risk

The Company competes with many local, regional and national food manufacturers and distributors and its competition varies by distribution channel, product category and geographic market. Some of the Company's competitors have greater financial and other resources than those of the Company or may have access to labor or products that are not available to the Company. Other competitors may be better suited to be more innovative or be able to bring new products to market faster (including through the use of technological advancements such as AI and machine learning, which may become critical in understanding consumer preferences in the future). In addition, the Company's competitors may be able to withstand market volatility better than the Company. There can be no assurance that the Company's principal competitors will not be successful in capturing, or that new competitors will not emerge and capture, a share of the Company's present or potential market share and/or customer

base. Even if the Company has maintained or grown its market share and customer base in the past, there is no guarantee that it can continue to do so. Additionally, the Company's new or existing products may fail to achieve sales expectations set by the Company's customers, which can negatively affect the Company's ability to maintain or grow its market share and/or customer base.

The Company mitigates these risks through: (i) its various growth strategies including the continuous development of new and innovative products and product extensions, as well as improving consumers' access to its products; (ii) investing in a diverse base of food companies; and (iii) its "big fish in a small pond" strategy whereby its businesses can leverage the Company's overall size to gain competitive advantages.

Interest Rate Risk

The Company is exposed to interest rate fluctuations on most of its senior credit facilities and correspondingly a major increase in interest rates could have a material adverse effect on it. The Company mitigates this risk using interest rate swaps and the issuance of fixed rate convertible debentures, as necessary.

Litigation

The Company's industry has been subject to an increasing number of proceedings and claims under federal, provincial, state, municipal and foreign laws or regulations. The Company is, or may become, party to various lawsuits and claims arising in the normal course of business, which may include lawsuits or claims relating to contracts, intellectual property, product quality and safety, product liability, the marketing and labeling of products, commercial matters, employment matters, environmental matters (including those relating to greenwashing), personal injury, or other aspects of the Company's business. Even when not merited, the defense of these lawsuits may divert the attention of the Company's management, and the Company may incur significant expenses in defending such lawsuits. In addition, the Company may be required to pay damage awards or settlements or become subject to injunctions or other equitable remedies, which could have a material adverse effect on its business, consolidated financial condition, results of operations or liquidity.

International Conflict

The onset of an international conflict, including wars, tensions between nations (including between the U.S. and other countries such as Canada), insurrections and political and economic instability, or the threat of any such an event, could have a material adverse effect on the Company in a variety of ways including: (i) disruptions in international trade which, in the case of the Russia Conflict (as defined below), could have severe impacts on global energy, food (particularly wheat and corn) and metal markets that may result in further inflationary pressures on a variety of goods and services sourced by the Company; (ii) supply chain disruptions due to tariffs or restrictions on trade lanes, resulting in sudden and severe increases in the cost and/or shortages of raw materials, equipment, parts, supplies and/or logistics services; (iii) general decreases in consumer spending resulting from lower confidence levels and severe price inflation; (iv) increased financial pressure on the Company's customers; and (v) disruptions in capital and financial markets.

In February 2022, Russia, a major exporter of oil, natural gas and wheat, undertook a military invasion of Ukraine (Russia Conflict), and in response to these actions, many countries throughout the world began and continue to provide aid directly to Ukraine, while imposing severe sanctions on Russia and certain Russian citizens. These sanctions include, but are not limited to, restrictions on trade, international financing, air traffic access and asset seizures. The Russia Conflict's future impacts on the Company remain highly uncertain and will depend on the outcome of current sanctions as well as future developments, including, but not limited to: (i) the duration of the conflict; (ii) further sanctions against Russia; and (iii) Russia's response to sanctions, which may include military aggression against countries in the North Atlantic Treaty Organization.

The Company continues to monitor evolving geopolitical situations very closely, and as is needed, will take further actions that are in its best interest as well as those of its employees, customers, suppliers and other stakeholders.

Currency Exchange Risk

The Company is exposed to changes in the value of the Canadian dollar relative to the U.S. dollar as (i) a significant portion of the Company's Canadian operations' raw material and finished product purchases are either denominated in U.S. dollars or are priced off of U.S. commodity markets and (ii) a portion of the Company's U.S. based operations' sales consist of product exports to Canada. Correspondingly, an increase in the U.S. dollar relative to the Canadian dollar could (i) result in an increase, in Canadian dollar terms, in the cost of these products, (ii) reduce the selling margins on these products if the Company's U.S. based operations were unable to increase their selling prices, in Canadian dollar terms, to compensate for the stronger U.S. dollar; and (iii) increase the valuation of cash flows transferred from the Company's U.S. based operations. A decrease in the U.S. dollar relative to the Canadian dollar would (i) reduce the value of cash flows transferred from the Company's U.S. based operations and (ii) reduce the translated earnings and net asset values of the Company's U.S. based operations, for purposes of its consolidated financial statements.

The Company is also exposed to changes in the value of the Canadian and U.S. dollar relative to the Euro as a portion of the Company's operations' raw material and finished product purchases are denominated in Euros. Correspondingly, an increase in the Euro relative to the Canadian and/or U.S. dollar can result in an increase, in Canadian and/or U.S. dollar terms, in the cost of these products.

Where appropriate the Company partially mitigates currency exchange risks through the use of foreign currency forward contracts.

Labor and Employment Risk

Approximately 9.8% of the Company's non-management employees are represented by labor unions or employee associations and the Company cannot predict with certainty which, if any, groups of employees that are not currently represented by a trade union or employee association may seek such representation in the future. There is also no guarantee that new collective bargaining or employee association agreements will be successfully negotiated and entered into upon the expiry of such agreements. A labor disruption, whether at one of the Company's businesses or involving one of the Company's significant suppliers or service providers, could impair the Company's ability to produce and/or source an adequate supply of products. Furthermore, labor disruptions involving one or more of the Company's significant customers could impair the Company's sales.

The Company is dependent on having sufficient production and distribution labor for the continued efficient operation and growth of its business. The Company's ability to attract qualified labor may be impacted by a range of factors including inflationary pressures, general shortages in the labor market and increased competition for certain skilled labor. In the event the Company experiences challenges in hiring and/or retaining adequate labor resources, this could: (i) impair its ability to produce an adequate supply of finished products; and/or (ii) have an adverse effect on its labor and operating costs.

The Company may from time to time fill vacancies with foreign workers, however, availability of these workers in some regions could be reduced by changes in government regulations, potentially resulting in disruptions to the Company's operations and/or increases in labor costs.

The Company's employees are located in various jurisdictions, each such jurisdiction having differing employment laws. While the Company maintains systems and procedures to comply with the applicable requirements, there is a risk that failures or lapses by individual managers could result in a violation or a lawsuit. Employee claims against the Company based on, among other things, alleged wage and hour violations, pay equity violations, discrimination, harassment or wrongful termination may create not only legal and financial liability, but also negative publicity that could adversely affect the Company and divert financial and management resources that would otherwise be used to benefit the future performance of the Company's operations.

The Company mitigates its labor and employment-related risks by: (i) devoting significant resources to the management of its labor force, including investments in information technology, as well as

employee training and retention programs; (ii) developing and investing in automation including robotics and artificial intelligence capabilities; and (iii) continuous operational improvement initiatives.

Public Health Threat

An outbreak of disease, epidemic or pandemic such as the global pandemic related to a novel strain of coronavirus (COVID-19), or similar public threat, or fear of such an event, could have a material adverse effect on the Company in a variety of ways including: (i) reduced consumer demand for certain products, particularly those associated with out-of-home dining, air travel, cruise ship travel or those that require extra in-store handling by staff; (ii) a general decrease in consumer spending resulting from lower confidence levels; (iii) supply chain disruptions, resulting in sudden and severe increases in costs and/or shortages of raw materials, equipment, parts, supplies and/or logistics services; (iv) internal production disruptions and/or inefficiencies resulting from a range of factors including employee absenteeism and new operating processes; (v) extra costs associated with mitigating the risk of employees contracting the disease and maintaining their safety and well-being; (vi) increased financial pressure on the Company's customers; (vii) delays in the completion of capital projects; (viii) disruptions in international trade and access to markets; and (ix) unfavorable impacts on debt and equity markets that could impact the Company's ability to raise capital.

The Company has taken significant actions to mitigate the effects of a pandemic and, as needed, will take further actions that are in its best interest as well as those of its employees, customers, suppliers and other stakeholders. Furthermore, the Company's business, production and geographical diversification strategies help to reduce its exposure to the effects of a pandemic in a specific region.

Indebtedness Risk

The Company's indebtedness, including borrowings under its revolving senior credit facilities, may increase from time to time for various reasons, including fluctuations in operating results, working capital needs, capital expenditures, acquisitions and/or other significant initiatives. At certain levels, the Company's consolidated indebtedness level could adversely affect its business due to: (i) limiting or impairing its ability to obtain financing in the future; (ii) reducing its flexibility to respond to changing business and economic conditions or to take advantage of new business opportunities; (iii) losing access to a portion or all its free cash flow due to having to dedicate it to interest and/or principal payments; and (iv) restricting its ability to pay dividends. The Company's revolving senior credit facilities contain affirmative and negative covenants that, among other things, may limit or restrict its ability to create liens and encumbrances, incur debt, merge, dissolve, liquidate or consolidate, make acquisitions and investments, engage in certain transactions with affiliates and enter into hedging transactions, which could have a material adverse effect on the Company.

Acquisition Risk

Business acquisitions and combinations are a key component of the Company's growth strategies, however, there can be no assurances that the Company will be able to identify and acquire appropriate businesses. Furthermore, there are inherent risks associated with acquiring a business including: (i) unanticipated transaction costs; (ii) costs associated with failed transactions; (iii) compliance issues in new jurisdictions; (iv) undisclosed liabilities, (v) diversion of management's attention from existing core businesses; (vi) adverse effects on existing relationships with key employees, suppliers and customers, (vii) integration issues; and (viii) potential disputes with the sellers.

There is also a risk that some or all the expected benefits of acquisitions, many of which can be affected by factors outside of the control of the Company, may fail to materialize or may not occur within the time periods anticipated by management. Furthermore, inherent in any acquisition, there is a risk of liabilities and contingencies that the Company may not discover in its due diligence for which it may not be indemnified by the vendor. The occurrence of one or more of the above risks could have a material adverse effect on the Company.

The Company mitigates these risks through: (i) extensive due diligence; (ii) transaction structuring; (iii) the use of third-party experts; and (iv) working closely with its businesses after acquisition.

Customer Consolidation Risk

As the retail grocery and foodservice trades continue to consolidate and customers grow larger and more sophisticated, the Company often must adjust to changes in its customers' purchasing practices including expected product price discounts and rebates. Failure to do so could result in a material adverse effect on the Company's sales.

The Company mitigates this risk through the implementation of a variety of selling strategies including its focus on providing its customers with unique and differentiated products and product solutions.

Seasonality Risk

Many of the Company's businesses are seasonal as their revenues depend partly on favorable weather conditions. Winter weather conditions generally result in less consumer traveling and outdoor activities, and in turn, reduce consumer traffic through many of the Company's businesses' convenience-oriented-customers' stores, such as restaurants, convenience stores, gas stations and concessionary venues, and consumer demand for such businesses' outdoor-oriented products, including barbecue and on-the-go convenience foods. Correspondingly, the Company's strongest financial performance is generally during the spring and summer seasons due to favorable weather conditions. Poor weather conditions during these periods could have a material adverse effect on the Company's sales.

Business Restructuring Risk

In order to maximize the profitability of one or more of the Company's businesses and/or address changes in the business environment in which one or more of its businesses operates, the Company will, from time to time, initiate major business restructuring projects. There can be no assurance that these projects will be successful in addressing the issues impacting the relevant business. Furthermore, a major restructuring project may involve significant costs and absorb significant management attention that would otherwise be available for the ongoing development of the Company's business.

Capital Project Risk

As part of the Company's growth and continuing improvement initiatives, it often invests in a variety of capital projects including the construction of new facilities and enhancements to existing facilities. The Company's ability to take on new projects may be negatively impacted by: (i) available cash flow; (ii) availability and cost of labor, materials and equipment; (iii) contractor non-performance; and (iv) cost of engineering, construction and other consulting services. The Company may incur financing costs during the planning and construction phases of its capital expenditure projects, but the expected cash flows from the projects will not materialize until after they are completed. In estimating the cost of these projects, the Company must make a variety of assumptions which are based on its experience and understanding of current facts and circumstances. If the capital expenditures associated with a capital project are greater than projected, or if the expected benefits associated with larger capital projects are not achieved, then the Company could be adversely affected.

The Company's network of assets also requires ongoing investment in maintenance capital expenditures. Failure to adequately invest in preventative maintenance and other maintenance capital requirements may adversely impact the Company's operations, resulting in increased shutdowns and manufacturing disruptions, which could have an adverse impact on the Company's financial condition and results of operations.

The Company mitigates these risks through the development of monitoring processes and controls that enable it to identify early and respond quickly to any potential and/or actual issues, and by maintaining a disciplined capital allocation strategy.

Governmental Regulation Risk

The Company is subject to extensive laws, rules, regulations and policies with respect to the production, processing, preparation, testing, packaging and labeling of its internally produced food products. Such laws, rules, regulations and policies are administered by various federal, state, provincial, regional and local health agencies and other governmental authorities, including, without limitation, Agriculture and Agri-Food Canada, the Canadian Food Inspection Agency, the United States Department of Agriculture and the United States Food and Drug Administration.

Although the Company maintains strict and rigorous controls and processes in its manufacturing facilities and strives to maintain material compliance with all applicable laws and regulations and all material permits and licenses relating to its operations, there can be no assurance that it is in compliance with all such laws and regulations or such permits and licenses, that it will maintain all material permits and licenses, or that it will be able to comply with all applicable laws and regulations which may be enacted in the future. Failure by the Company to comply with applicable laws and regulations could subject it to significant civil remedies, including fines, injunctions, recalls, seizures, criminal sanctions, negative publicity, and/or increased costs associated with complying with such standards and controls. As well, changes in packaging and labelling requirements regarding product content could materially impact consumer demand for the Company's products.

Intellectual Property

The Company's brands and other intellectual property contribute to its competitive advantages and success. The Company takes steps to protect certain intellectual property rights in Canada, the United States and in other jurisdictions, including by registering trademarks, relying on contractual responsibilities and restrictions in agreements (such as indemnification, non-disclosure and confidentiality agreements) with employees, consultants and customers, and on common law and statutory protections afforded to trademarks, trade secrets, proprietary "know-how" and other intellectual property. However, the Company cannot be certain that such steps are adequate, that any such rights can be successfully defended and asserted in the future or that such rights are fully protected from circumvention, misappropriation, infringement or invalidation by third parties.

To protect its brands and other intellectual property, the Company may be required to enforce its intellectual property rights through litigation. Similarly, a third-party may initiate litigation against the Company on the grounds that the Company has allegedly infringed certain intellectual property rights. Such litigation could result in a significant diversion of capital and human resources, which could adversely affect the Company's operations and financial results, regardless of whether the Company prevails in such litigation. If the Company is not successful in such litigation, it may be prohibited from using certain intellectual property and may be liable to the prevailing party. Such events could adversely affect the Company's operations and financial results, directly or indirectly, through a decrease in the reputation of the Company or the value of its brands.

The Company mitigates these risks through: (i) the centralization of the management of intellectual property; and (ii) the use of external legal experts.

Availability of Capital Risk

The Company's growth strategies, including its acquisition initiatives, as well as its ongoing operations are dependent on being able to access debt and equity financing at a reasonable cost. Many factors can impact the Company's ability and the associated cost to finance its activities, including general market conditions, investor sentiment, credit availability and the Company's operating performance. If the Company is unable to source financing as needed or to the extent that the Company is able to access sufficient capital but the cost of such capital is significantly higher than its current cost, its ability to execute its business strategies could be impaired.

Dependence on Key Personnel Risk

The Company is dependent on the continued services of its senior management team and its ability to retain and/or hire other highly qualified personnel. The loss of key personnel and/or the inability to attract and assimilate qualified personnel in the future (including in connection with business acquisitions) could impact the Company's ability to execute its business plans.

The Company mitigates this risk through: (i) the use of both monetary benefits that are market-driven and performance-based to attract and retain key personnel; (ii) targeted retention solutions for employees with critical skills or talents that are scarce in the marketplace; (iii) a formal succession planning process to identify top talent for senior-level positions; and (iv) providing non-monetary benefits, including training and professional development, and programs relating to career guidance, mentorship, recognition, health and wellness, best practices, respectful cultures, and community engagement.

Credit Risk

The Company extends credit to its customers which, similar to most businesses in the food industry, is generally unsecured. There is a risk that some of the Company's customers may not be able to meet their obligations when they become due, which could have a materially adverse effect on the Company's financial position or operating results. The Company mitigates this risk through its credit management system which includes credit approval processes, credit limits and the close monitoring of payments and outstanding balances.

The Company also provides capital to related parties to fund capital expenditures and working capital requirements, primarily in the form of unsecured loans. There is a risk that some of the Company's related parties may not be able to meet their obligations when they become due, which could have a material adverse effect on the Company's financial position or operating results. The Company mitigates this risk through close monitoring and continuous review of its related parties' financial results and ongoing communications with management.

Manufacturing Risk

The operation of the Company's facilities is dependent on the continued operation of certain critical equipment, such as refrigerators, freezers and processing equipment, which could incur downtime as a result of unanticipated failures, maintenance and repair time. The Company may experience plant shutdowns, periods of reduced production or unexpected interruptions in production capabilities as a result of such equipment failures and maintenance.

The Company mitigates this risk through a combination of maintaining strict and rigorous controls and processes in its manufacturing facilities, regular equipment maintenance and prudent levels of insurance.

Livestock Risk

The Company is susceptible to risks related to the health status of livestock. The outbreak of disease in Canada or elsewhere in the world could materially impact the Company in a variety of ways including: (i) raw material shortages; (ii) increased procurement costs; (iii) reduced consumer confidence about meat products associated with the particular disease (for example, avian influenza and African swine fever); (iv) restrictions on the movement of meat and livestock between jurisdictions resulting in supply surpluses and/or shortages and price volatility; and (v) adverse publicity on meat products in general.

The Company mitigates these risks by: (i) maintaining a broad network of suppliers and customers; (ii) developing global procurement relationships; (iii) developing business continuity plans for various disease scenarios that are continuously updated; and (iv) its general business and product diversification strategies.

Seafood Supply Risk

The Company is susceptible to risks related to changes in the population and biomass of seafood stocks which are subject to natural fluctuations beyond the Company's control and may be exacerbated by factors such as water temperatures, food availability, the presence of predators, disease, disruption in the food chain, reproductive problems and/or other biological issues. Supply and quality of supply can also be influenced by man-made factors such as oil spills and pollution. The Company is unable to fully predict the timing and extent of fluctuations in the population and biomass of the seafood stocks and any material reduction in the population and biomass of the stocks from which the Company and/or its suppliers source seafood could have a material adverse effect on the Company's business. In addition, any material increase in the population and biomass of seafood stocks may dramatically reduce the market price of the Company's products.

The Company mitigates these risks through the diversification of its sales across a variety of species.

Environmental, Health and Safety Regulation Risk

The Company's operations have been and are subject to extensive and increasingly stringent federal, state, provincial, regional and local laws and regulations pertaining to environmental, health and safety matters, including the discharge of materials into the environment (such as greenhouse gases) and the handling and disposition of waste material resulting from the production, processing and preparation of foods (including solid and hazardous wastes) or otherwise relating to the protection of the environment. Compliance with these laws and regulations, including any future amendments thereto, or more stringent enforcement of such laws and regulations could have a material adverse effect on the Company.

Furthermore, no assurances can be given that additional environmental, health and safety issues relating to presently known matters or identified sites, or to other matters or sites, whether presently or formerly owned by the Company or within the vicinity of one of the Company's present or formerly owned sites, will not require currently unanticipated investigation, assessment or material expenditures.

The Company mitigates these risks by, subject to certain exceptions, obtaining a Phase I environmental site assessment and baseline property condition assessment, conducted by an independent and experienced environmental consultant, prior to acquiring any interest in a property, including a leasehold interest, and to have a Phase II environmental site assessment completed where recommended in a Phase I environmental site assessment. Although such assessments provide the Company with some level of assurance about the condition of the property, the Company may become subject to liabilities for undetected contamination or other environmental conditions at its properties against which the Company cannot insure, or against which the Company may elect not to insure, which consequently could have a material adverse effect on it.

Tax Risk

Significant judgment is required in determining the Company's provision for income taxes and the Company is also subject to the examination of its tax returns and other tax matters by the Canada Revenue Agency, the U.S. Internal Revenue Service and other tax authorities. There can be no assurance as to the outcome of these examinations. If a taxing authority disagrees with the positions the Company has taken, the Company could face additional material tax liabilities, including interest and penalties.

The Company mitigates these risks through maintaining an internal tax department composed of professionals who stay current on domestic and foreign tax obligations, supplemented where appropriate with external tax advisors. In addition, as a matter of regular practice, large transactions are reviewed by the Company's external tax advisors to assess potential tax implications.

Potential Future Changes in Tax Laws, including Tax Rates

The Company's structure is based on prevailing taxation law, regulations and practices in the local jurisdictions in which it operates. New taxation rules could be enacted or existing rules could be applied in a manner that subjects the Company's profits to additional taxation or otherwise has a material adverse effect on the Company's profitability, results of operations, deferred tax assets and liabilities, and/or financial condition, including without limitation, the Pillar Two legislation, the excessive interest and financing expenses limitation rule (EIFEL), and other tax reforms.

The Company is continually monitoring changes in tax policy, tax legislation (including in relation to taxation rates), and the interpretation of tax policy or legislation or practices that could have such an effect. At any given time, the Company may face tax exposures arising out of changes in tax or transfer pricing laws, tax reassessments or otherwise. Governments around the world are increasingly seeking to regulate multinational companies and their use of differential tax rates between jurisdictions. This effort includes a greater emphasis on various nations to coordinate and share information regarding companies and the taxes they pay. Changes in governmental taxation policies and practices could adversely affect the Company or result in negative media coverage and depending on the nature of such policies and practices, could have a greater impact on the Company than other companies.

Enterprise Resource Planning System Risk

The Company is engaged in or is planning the implementation of enterprise resource planning (ERP) systems at several of its businesses. Such implementations are a major undertaking from a financial, management, and personnel perspective and, in some cases, can take several years to complete. The implementation of an ERP system may prove to be more difficult, costly and/or time consuming than expected, and there can be no assurance that the system will be beneficial to the extent anticipated. Any disruptions, delays or deficiencies in the design and implementation of a new ERP system could adversely affect the Company's ability to process orders, ship products, send invoices, track payments, fulfill contractual obligations, produce financial reports and/or otherwise operate its business.

Uninsured and Underinsured Losses Risk

The Company maintains property, equipment, business interruption, cybersecurity and liabilities insurance coverage and uses the services of a national insurance broker to continuously review the adequacy of its coverage and the pricing of its insurance policies. The Company uses its discretion in determining the amounts, coverage limits and deductibility provisions of insurance, with a view to maintaining appropriate insurance coverage on its assets and operations at a commercially reasonable cost and on suitable terms. This may result in insurance coverage that, in the event of a substantial loss, is not sufficient to pay the full current market value or current replacement cost of its assets or cover the cost of a particular claim, loss or damage, which could have a material adverse effect on the Company.

Warehousing, Distribution and Transportation Risk

The Company is dependent upon third-party service providers for the warehousing, distribution and transportation of its products in certain circumstances. In recent years, the cost of distribution has generally increased due to an increase in transportation costs. The inability of a third-party to properly perform such services for the Company in a timely or cost-effective manner could adversely impact its costs and/or negatively affect its reputation to satisfy customers' needs. Further to this, the costs of such services may be impacted by many factors beyond the Company's control, including inflation, tariffs, labor shortages, increased fuel and energy costs, and limited freight carrier availability.

Certification Risk

The Company relies on independent third-party certifications, such as certifications of the Company's products as "organic," "Non-GMO" or "kosher," or of the Company's facilities as "HACCP" or "SQF" to distinguish the Company and its products from others. The Company must comply with the

requirements of independent organizations or certification authorities to obtain and maintain such certifications, and may be subject to audits by such organizations and authorities. The loss of an independent certification could adversely affect the Company's reputation and market position as a manufacturer of such products.

Lease Risk

The majority of the Company's facility leases are long term typically ranging from five to ten years with some leases providing for a right of renewal, provided that the Company remains in compliance with the terms of the lease. Notwithstanding compliance, there is no guarantee that the Company will be able to renew such leases on acceptable terms. The potential loss of prime locations upon lease expiry could affect the financial performance, financial results and operating results of the Company.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements requires management to make certain estimates and assumptions, which are based on the Company's experience and management's understanding of current facts and circumstances. These estimates affect the reported amounts of assets, liabilities, contingencies, revenues and expenses included in the Company's consolidated financial statements and may differ materially from actual results.

Significant areas requiring the use of management estimates include inventories, goodwill and intangible assets, capital assets, right of use assets and lease obligations, income tax provisions, puttable interest in subsidiaries, convertible unsecured subordinated debentures, business acquisitions and contingent consideration, provisions, and plant start-up and restructuring costs. Details on these items can be found in the Company's 2024 audited consolidated financial statements, which are incorporated by reference herein, have been filed electronically through SEDAR+ and are available online at www.sedarplus.ca.

NEW ACCOUNTING POLICIES

The International Accounting Standards Board (IASB) periodically issues new standards and amendments or interpretations to existing standards. Details on the impact (see *Forward Looking Statements*) of any such changes can be found in the Company's 2024 audited consolidated financial statements, which are incorporated by reference herein and have been filed electronically through SEDAR+ and are available online at www.sedarplus.ca.

FINANCIAL INSTRUMENTS

Foreign Currency Contracts

To reduce the risk associated with purchases denominated in currencies other than Canadian dollars, the Company, from time to time, enters into foreign currency contracts. The Company does not hold foreign currency contracts for speculative purposes.

Details on the Company's outstanding foreign currency contracts can be found in its 2024 audited consolidated financial statements, which are incorporated by reference herein.

OTHER

Outstanding Shares

The shares outstanding in the Company as of March 20, 2025 were 44,902,074. Under IFRS Accounting Standards, which requires that shares issued under employee share benefit plans that have not yet vested be deducted from shares outstanding, the shares outstanding in the Company as of March 20, 2025 were 44,707,529.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

Management has designed, or caused to be designed under their supervision, the Company's disclosure controls and procedures (DCP) and internal control over financial reporting (ICFR) as defined under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109).

Management has evaluated the Company's DCP as of December 28, 2024 and has concluded that such procedures are adequately designed and effective for providing reasonable assurance that: (i) material information relating to the Company, including its consolidated subsidiaries, is made known to management on a timely basis to ensure adequate disclosure; and (ii) information required to be disclosed by the Company in its annual filings or other reports filed and submitted under applicable securities legislation is recorded, processed, summarized and reported within the prescribed time period.

Management has also evaluated the Company's ICFR as of December 28, 2024 and has concluded that the Company's ICFR is adequately designed and effective for providing reasonable assurance that the reliability of financial reporting and the preparation of financial statements for external purposes are in accordance with IFRS Accounting Standards.

Although the Company's assessment of DCP and ICFR are based on the integrated framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (2017 COSO), both DCP and ICFR, no matter how well designed, have inherent limitations. Therefore, DCP and ICFR can only provide reasonable assurance and thus may not prevent or detect all misstatements.

The Company's Management has also concluded that there have been no changes to the Company's ICFR during the fiscal period ending December 28, 2024 that have materially affected, or are reasonably likely to affect, its ICFR.

Responsibilities of Management and Board of Directors

Management is responsible for the reliability and timeliness of content disclosed in this MD&A, which is current as of March 20, 2025. It is the responsibility of the Company's Audit Committee to provide oversight in reviewing the MD&A and the Company's Board of Directors to approve the MD&A.

The Company's Board of Directors and its Audit Committee also review all material matters relating to the necessary systems, controls and procedures in place to ensure the appropriateness and timeliness of MD&A disclosures.

This MD&A, dated March 20, 2025, has been approved by the Company's Board of Directors.

Additional Information

Additional information, including the Company's Annual Information Form, has been filed electronically through SEDAR+ and is available online at www.sedarplus.ca.