PREMIUM BRANDS HOLDINGS CORPORATION REPORTS FIRST QUARTER 2021 RESULTS AND DECLARES SECOND QUARTER DIVIDEND

VANCOUVER, B.C., May 6, 2021. Premium Brands Holdings Corporation (TSX: PBH), a leading producer, marketer and distributor of branded specialty food products, announced today its results for the first quarter of 2021.

HIGHLIGHTS

- First quarter record revenue of $1.0 billion representing an 8.0%, or $74.8 million, increase as compared to the first quarter of 2020
- Organic volume growth of 2.7%, or 7.6% after excluding the estimated impact of the pandemic on the Company's sales in the foodservice, airline and cruise line channels
- Record first quarter adjusted EBITDA of $82.5 million representing a 28.3%, or $18.2 million, increase as compared to the first quarter of 2020
- Record first quarter adjusted EPS of $0.72 per share as compared to $0.53 per share in the first quarter of 2020
- During the quarter, the Company completed the acquisitions of a 50% interest in Clearwater Seafood and 100% interests in Starboard Seafood, Distribution Côte-Nord and Confederation Freezers resulting in $637.3 million of capital being allocated
- Great progress was made in introducing Clearwater Seafood into the PB Ecosystem. This, along with improving demand in the Asian and U.S. foodservice markets, were key drivers of the solid improvement in its year over year results, including a 940 basis points increase in its gross profit margin

CONFERENCE CALL

The Company will hold a conference call to discuss its first quarter 2021 results on Thursday, May 6, 2021 at 10:30 a.m. PST (1:30 p.m. EST). An investor presentation that will be referenced on the conference call is available here or on the Company's website at http://www.premiumbrandsholdings.com.

Access to the call may be obtained by calling the operator at (833) 300-9218 / (647) 689-4551 (Conference ID: 5298429) up to ten minutes prior to the scheduled start time. For those who are unable to participate, a recording of the conference call will be available through to 8:59 p.m. PST on May 20, 2021 at (855) 859-2056 / (404) 537-3406 (passcode: 5298429). Alternatively, a recording of the conference call will be available at the Company's website at http://www.premiumbrandsholdings.com.

SUMMARY FINANCIAL INFORMATION

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

	13 weeks ended Mar 27, 2021	13 weeks ended Mar 28, 2020
Revenue	1,009.8	935.0
Adjusted EBITDA	82.5	64.3
Earnings	19.8	12.2
EPS	0.45	0.33
Adjusted earnings	31.3	19.9
Adjusted EPS	0.72	0.53

	Trailing Four Quarters Ended	
	Mar 27, 2021	Mar 28, 2020
Free cash flow	203.0	182.2
Declared dividends	98.0	80.7
Declared dividend per share	2.37	2.15
Payout ratio	48.3%	44.3%

“While we continue to face many pandemic related challenges, including the most recent one involving disruptions in global shipping networks, we are pleased to announce another quarter of record sales and earnings,” said Mr. George Paleologou, President and CEO.

“We are also very pleased to have hit another historic milestone with our Specialty Foods’ segment’s U.S. based businesses now accounting for more than 50% of its revenue. This is not a surprise as our U.S. based initiatives in the artisan sandwich, meat snack, charcuterie and cooked protein categories have consistently been major drivers of our growth in recent quarters and are a core part of our long-term growth strategy. Looking forward, we expect these, along with our Premium Food Distribution segment’s U.S. based seafood initiatives, to become even bigger contributors to our growth as many of them are just starting to gain meaningful traction.

“Our foodservice businesses also started the quarter on a positive note showing a solid recovery in sales as we saw some easing of pandemic related restrictions. Unfortunately, this quickly reversed as an acceleration of infection rates in British Columbia, Ontario and Quebec resulted in increased lockdown measures. While the current status of the pandemic in many Canadian provinces is clearly bad news, the silver lining is that our experience from earlier in the quarter, combined with what we are seeing in the U.S. foodservice market, gives us great confidence that our foodservice businesses will be able to quickly recover and resume their core growth strategies as pandemic related restrictions are lifted.

“In terms of our recent historic transaction involving Clearwater Seafood, we are making excellent progress in bringing them into our ecosystem and on the development of the many benefits and synergies expected from this transaction. It is still early days, but our optimism continues to grow on the value to be created by combining Clearwater’s well managed, best-in-class operations and access to some of the world’s top seafood resources, with our downstream, value-added and branding capabilities. For the quarter, Clearwater’s gross profit margin increased by 940 basis points reflecting several positive developments, including its leveraging of our resources and the broader trend of improving demand in the Asian and U.S. foodservice markets.

“Looking forward, I am very encouraged by the progress being made by all of our business platforms during this very difficult period in human history and I am confident that they are very well positioned to take advantage of the growth opportunities that will inevitably come with the re-opening of the Canadian and U.S. economies.

“In terms of our five-year targets of achieving $6 billion in sales and $600 million in EBITDA by 2023, we remain very bullish,” stated Mr. Paleologou. “The major consumer trends that have been key drivers of our success over the last decade continue to strengthen and, in some cases, have been bolstered by the events of the past year. This combined with the capital projects that we have either recently completed or are underway, as well as our full pipeline of acquisition opportunities, gives us great confidence that we will meet or exceed these," added Mr. Paleologou.

SECOND QUARTER 2021 DIVIDEND

The Company also announced that its Board of Directors approved a cash dividend of $0.635 per share for the second quarter of 2021, which will be payable on July 15, 2021 to shareholders of record at the close of business on June 30, 2021.

Unless indicated otherwise in writing at or before the time the dividend is paid, each dividend paid by the Company in 2021 or a subsequent year is an eligible dividend for the purposes of the Enhanced Dividend Tax Credit System.

ABOUT PREMIUM BRANDS

Premium Brands owns a broad range of leading specialty food manufacturing and differentiated food distribution businesses with operations across Canada and the United States. For further information, please contact George Paleologou, President and CEO or Will Kalutycz, CFO at (604) 656-3100.

www.premiumbrandsholdings.com

RESULTS OF OPERATIONS

The Company reports on two reportable segments, Specialty Foods and Premium Food Distribution, as well as 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. 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 Mar 27, 2021	% (1)	13 weeks ended Mar 28, 2020	% (1)
Revenue by segment:				
Specialty Foods	655.9	65.0%	631.0	67.5%
Premium Food Distribution	353.9	35.0%	304.0	32.5%
Consolidated	1,009.8	100.0%	935.0	100.0%

(1) Expressed as a percentage of consolidated revenue.

Specialty Foods' (SF) revenue for the quarter increased by $24.9 million or 3.9% primarily due to: (i) organic volume growth of $25.1 million representing a growth rate of 4.0%. After adjusting for approximately $26.6 million in pandemic related sales impacts associated with demand destruction in the airline and foodservice channels, SF's normalized organic volume growth rate (OVGR) is 8.2%. Unlike the last three quarters, SF did not see a significant year over year pandemic related increase in its retail channel sales due to a similar increase in the first quarter of 2020; (ii) business acquisitions, which accounted for $14.9 million of SF's growth; and (iii) net selling price inflation of $6.5 million, which was driven mainly by increases implemented by SF's businesses in reaction to inflationary pressures across a range of commodity input costs. These factors were partially offset by a $21.6 million reduction in the translated value of sales generated by the Company's U.S. based businesses due to a stronger Canadian dollar – approximately 50.3% of SF's revenue for the quarter was generated by these businesses.

SF's normalized OVGR of 8.2% was driven primarily by its meat snack, artisan sandwich, charcuterie and cooked meat products growth initiatives, including the ramping up of its U.S. expansion and the launch of several new items. While SF's normalized OVGR is above its long-term targeted range of 4% to 6%, it was lower than expected due to labor related capacity constraints in its U.S. sandwich operations that resulted in approximately $7.8 million in temporary lost sales. Normalizing for these, SF's OVGR is 9.4%.

Premium Food Distribution's (PFD) revenue for the quarter increased by $49.9 million or 16.4% due to business acquisitions, which accounted for $44.1 million of PFD's growth; (ii) net selling price inflation of $10.1 million, which was driven by an above average pricing environment on certain live seafood products relative to a below average environment in the first quarter of 2020, as well as selling price increases implemented by PFD's businesses in reaction to inflationary pressures across a range of commodity input costs; and (iii) modest organic volume growth of $0.2 million. After adjusting for $19.2 million in pandemic related sales impacts associated with demand destruction in the fine dining segment of the foodservice channel and the shutdown of the global cruise line industry, PFD's organic volume growth is $19.4 million representing an OVGR of 6.4%. The above factors were partially offset by a $4.5 million reduction in the translated value of sales generated by the Company's U.S. based businesses due to a stronger Canadian dollar – approximately 18.3% of PFD's revenue for the quarter was generated by these businesses.

PFD's normalized OVGR of 6.4%, which was slightly above its long-term target of 4% to 6%, was driven primarily by new customers and product sales initiatives that leveraged recent capacity investments, including a new lobster processing facility in Saco, Maine, a recently expanded protein and seafood distribution facility in Montreal, and a new distribution and custom cutting operation in the Greater Toronto Area.

Gross Profit

(in millions of dollars except percentages)	13 weeks ended Mar 27, 2021	% (1)	13 weeks ended Mar 28, 2020	% (1)
Gross profit by segment:				
Specialty Foods	141.2	21.5%	139.2	22.1%
Premium Food Distribution	52.2	14.7%	41.8	13.8%
Consolidated	193.4	19.2%	181.0	19.4%

(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 decreased by 60 basis points primarily due to: (i) higher input costs for a range of commodities including beef, pork, chicken, cheese, corrugated boxes and packaging. Many of SF's businesses implemented price increases in the quarter and/or the fourth quarter of 2020 in response to higher input costs, however, these were not sufficient to fully offset the impacts of cost inflation. SF's businesses are in the process of putting through additional selling price increases to both address this shortfall, as well as expected continued commodity cost and wage inflation; (ii) pandemic related costs consisting primarily of employee thank-you bonuses, investments in additional employee safety measures and production inefficiencies; partially offset by government wage subsidies; (iii) wage inflation; and (iv) continued investment by a number of SF's businesses in production infrastructure to support its growth initiatives. These factors were partially offset by: (i) sales deleveraging associated with SF's higher production volumes; and (ii) improved plant efficiencies.

PFD's gross margins for the quarter increased by 90 basis points primarily due to: (i) the normalization of PFD's margins on certain live seafood products, which came under pressure in the first quarter of 2020 because of pandemic related demand destruction in China; and (ii) leveraging favorable frozen seafood, beef and pork inventories and/or forward buy positions in an inflationary market. These factors were partially offset by: (i) pandemic related sales mix changes, namely the loss of sales in the fine dining segment of the foodservice channel; and (ii) investments by a number of PFD's businesses in production infrastructure to support its growth initiatives.

Selling, General and Administrative Expenses (SG&A)

(in millions of dollars except percentages)	13 weeks ended Mar 27, 2021	% (1)	13 weeks ended Mar 28, 2020	% (1)
SG&A by segment:				
Specialty Foods	80.5	12.3%	79.6	12.6%
Premium Food Distribution	35.1	9.9%	32.5	10.7%
Corporate	5.4		5.7	
Investment Income	(10.1)		(1.1)	
Consolidated	110.9	11.0%	116.7	12.5%

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

SF's SG&A for the quarter increased by $0.9 million primarily due to: (i) additional variable selling costs; (ii) business acquisitions; and (iii) higher discretionary compensation. These factors were partially offset by: (i) pandemic related travel cost savings and government wage subsidies; and (ii) a lower translated value of the SG&A associated with the Company's U.S. based businesses due to a stronger Canadian dollar.

SF's SG&A as a percentage of sales (SG&A ratio) for the quarter decreased by 30 basis points primarily due to sales deleveraging and the pandemic impacts outlined above; partially offset by increased discretionary compensation.

PFD's SG&A for the quarter increased by $2.6 million primarily due to business acquisitions and higher discretionary compensation; partially offset by pandemic related travel cost savings and government wage subsidies.

PFD's SG&A ratios for the quarter decreased by 80 basis points primarily due to pandemic related impacts and acquisitions partially offset by increased discretionary compensation.

Investment income increased by $9.0 million primarily due to $9.5 million in interest and management fees relating to the acquisition of a 50% interest in Clearwater partially offset by less interest earned from other associated companies.

Adjusted EBITDA

(in millions of dollars except percentages)	13 weeks ended Mar 27, 2021	% (1)	13 weeks ended Mar 28, 2020	% (1)
Adjusted EBITDA by segment:				
Specialty Foods	60.7	9.3%	59.6	9.4%
Premium Food Distribution	17.1	4.8%	9.3	3.1%
Corporate	(5.4)		(5.7)	
Investment Income	10.1		1.1	
Consolidated	82.5	8.2%	64.3	6.9%

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

Adjusted EBITDA for the quarter increased by $18.2 million or 28.3% primarily due to the Company's growth initiatives, including business acquisitions, and plant efficiency gains; partially offset by: (i) pandemic related factors; (ii) investments in plant and staffing infrastructure to support the Company's current and future growth; (iii) wage inflation; (iv) increased discretionary compensation; and (v) a lower translated value of the adjusted EBITDA generated by the Company's U.S. based businesses due to a stronger Canadian dollar.

Normalizing for the impact of the pandemic, which is estimated to be $9.7 million, consisting of $11.0 million in lost margin on $45.8 million of lost sales partially offset by $1.3 million in net cost savings, the Company's adjusted EBITDA and adjusted EBITDA margin are approximately $92.2 million and 8.7%, respectively.

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 the first quarter of 2021, the Company incurred $0.5 million, in plant start-up and restructuring costs related to: (i) the installation of a new cooking line at the Company's cooked protein plant in Montreal; and (ii) a 42,000 square foot expansion of the Company's artisan bakery in Vancouver.

Equity Loss in Investment in Associates

Equity loss in investment in associates includes the Company's proportionate share of the earnings and losses of its investments in associates.

(in millions of dollars)	First Quarter of 2021	First Quarter of 2020
Clearwater:		
Sales	93.9	100.3
Gross profit	31.2	23.9
SG&A	11.1	11.6
	20.1	12.3
Depreciation	7.2	7.7
Amortization	0.4	0.4
Interest – senior debt	4.5	6.7
Non-controlling interest	1.4	2.4
Unrealized foreign exchange (gain) loss	(5.1)	24.9
Other	-	2.0
	11.7	(31.8)
Interest – shareholders	8.4	-
Management and quota license fees paid to shareholders	5.4	-
Acquisition costs	12.1	-
Closing risk fee paid to Premium Brands	2.4	-
Taxes	0.4	2.7
Earnings (loss)	(17.0)	(34.5)
Pre-close earning	(4.3)	(34.5)
	(12.7)	-
Ownership	50.0%	-
Clearwater net equity loss	(6.4)	-
Other net equity earnings (loss)	0.4	(0.5)
Equity loss in investment in associates	6.0	0.5

Clearwater Seafoods Incorporated (Clearwater)

Clearwater's sales for the quarter decreased by $6.4 million as compared to the first quarter of 2020 primarily due to: (i) logistical disruptions caused by Brexit, all of which were resolved by the end of the quarter; (ii) a stronger Canadian dollar relative to the U.S. dollar as a significant portion of Clearwater's sales are denominated in U.S. dollars; (iii) lower frozen-at-sea shrimp sales due to excess global inventory resulting from COVID demand destruction in 2020 – this market is expected to normalize by the third quarter of 2021 (see *Forward Looking Statements*); and (iv) more disciplined selling based on Clearwater leveraging its stronger financial position (post its acquisition by the Company in partnership with seven First Nations communities), including deferring the sale of certain frozen-at-sea products to later in the year when, for seasonal reasons, selling prices are generally higher. These factors were partially offset by higher exports of clams and live lobsters to China as a result of the reopening of its economy after significant pandemic related lockdowns in the first quarter of 2020.

Clearwater's gross margin for the quarter increased by 940 basis points to 33.2% as compared to 23.8% in the first quarter of 2020 primarily due to: (i) operational efficiencies driven by larger and higher quality catches, and to a lesser extent, continuous improvement initiatives; (ii) a stronger pricing environment driven by increased foodservice channel demand in China and the U.S. and increased retail demand in Europe – Clearwater's gross margin in the first quarter of 2020 as compared to the first quarter of 2019 was down 230 basis points largely due to pandemic related demand destruction; (iii) a more disciplined selling strategy based on leveraging its stronger financial position; and (iv) leveraging the market intelligence and insights of the Company’s other seafood businesses. These factors were partially offset by sales mix changes associated with the timing of landings.

Clearwater’s SG&A decreased by $0.5 million primarily due to pandemic related savings associated with reduced discretionary marketing and less travel partially offset by additional discretionary compensation accruals – no discretionary compensation was accrued for in first quarter of 2020 because of uncertainties associated with the pandemic.

Overall, Clearwater’s results for the quarter exceeded the Company’s expectations, largely due to a faster than expected improvement in its margins. In terms of acquisition related synergies, while it has only been a little over three months since the closing of the transaction, significant progress has been made including: (i) Clearwater leveraging its stronger financial position to pursue a more disciplined selling strategy – this was a meaningful contributor to its margin improvement in the quarter; (ii) Clearwater leveraging the market intelligence and insights of the Company’s other seafood businesses – this was also a significant contributor to its margin improvement in the quarter; (iii) expanding the distribution of Clearwater’s products in North American by leveraging the Company’s distribution businesses and customer relationships; (iv) Clearwater developing new procurement sources by working with its First Nations partners; and (v) the Company’s businesses leveraging Clearwater’s global sales network to develop new sales opportunities.

Sales and Adjusted EBITDA Outlook

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

2021

At this time, the Company is not providing annual sales and adjusted EBITDA guidance for 2021 based on the significant uncertainties associated with the potential impacts of the pandemic over the next several quarters. While the Company is expecting to continue generating year over year improvement in its sales and adjusted EBITDA through 2021 (see *Forward Looking Statements*), there remains considerable uncertainty on what impacts pandemic related factors will have on it over the coming quarters and how consumer behavior will change if, and when, the pandemic is over.

5 Year Plan

Despite the near-term uncertainty on what the impacts of the pandemic will be, the Company remains confident in its ability to achieve the five-year targets set in 2018 of $6 billion in sales and $600 million in adjusted EBITDA. While pandemic related factors have impacted many areas of the Company’s business, substantially all of these are expected to be temporary (see *Forward Looking Statements*). Furthermore, the pandemic has enabled many of its businesses to develop new sustainable sales opportunities as well as strengthen customer and supply chain relationships, all of which will enhance its ability to achieve its five-year targets.

Premium Brands Holdings Corporation

Consolidated Balance Sheets

(in millions of Canadian dollars)

	Mar 27, 2021	Dec 26, 2020	Mar 28, 2020
Current assets:			
Cash and cash equivalents	29.9	363.0	11.2
Accounts receivable	536.1	387.0	378.0
Inventories	481.5	448.8	464.3
Prepaid expenses and other assets	25.3	25.8	21.1
	1,072.8	1,224.6	874.6
Capital assets	544.3	524.9	530.0
Right of use assets	573.2	328.5	312.2
Intangible assets	520.1	517.9	514.2
Goodwill	866.7	853.4	815.0
Investment in and advances to associates	541.4	74.2	77.6
Other assets	18.0	18.4	18.6
	4,136.5	3,541.9	3,142.2
Current liabilities:			
Cheques outstanding	12.3	19.1	12.4
Bank indebtedness	1.4	-	4.5
Dividends payable	27.7	25.2	21.7
Accounts payable and accrued liabilities	380.5	369.3	311.0
Puttable interest in subsidiaries	28.1	28.1	58.2
Current portion of long-term debt	7.3	9.5	8.5
Current portion of lease obligations	21.7	26.2	30.7
Current portion of provisions	10.2	16.4	11.8
	489.2	493.8	458.8
Long-term debt	869.3	525.6	772.0
Lease obligations	593.1	342.7	318.7
Deferred revenue	4.1	2.8	-
Provisions	61.6	57.2	57.1
Pension obligation	1.6	1.6	1.1
Deferred income taxes	98.7	94.5	78.6
	2,117.6	1,518.2	1,686.3
Convertible unsecured subordinated debentures	426.7	425.7	365.0
Equity attributable to shareholders:			
Retained earnings	3.3	11.2	10.4
Share capital	1,569.7	1,569.7	1,032.8
Reserves	19.2	17.1	47.7
	1,592.2	1,598.0	1,090.9
	4,136.5	3,541.9	3,142.2

Premium Brands Holdings Corporation

Consolidated Statements of Operations

(in millions of Canadian dollars except per share amounts)

	13 weeks ended Mar 27, 2021	13 weeks ended Mar 28, 2020
Revenue	1,009.8	935.0
Cost of goods sold	816.4	754.0
Gross profit before depreciation, amortization and plant start-up and restructuring costs	193.4	181.0
Selling, general and administrative expenses before depreciation, amortization and plant start-up and restructuring costs	110.9	116.7
	82.5	64.3
Plant start-up and restructuring costs	0.5	2.0
Depreciation of capital assets	17.6	15.9
Amortization of intangible assets	6.6	6.3
Amortization of right of use assets	8.1	7.7
Accretion of lease obligations	3.8	3.7
Interest and other financing costs	10.4	11.5
Acquisition transaction costs	3.3	1.4
Accretion of provisions	1.8	1.7
Provisions not earned	-	(2.0)
Equity loss in investments in associates	6.0	0.5
Clearwater closing risk fee	(2.4)	-
Acquisition bargain purchase gain	(1.8)	-
Earnings before income taxes	28.6	15.6
Provision for income taxes		
Current	23.3	4.1
Deferred	(14.5)	(0.7)
	8.8	3.4
Earnings	19.8	12.2
Earnings per share:		
Basic	0.45	0.33
Diluted	0.45	0.33
Weighted average shares outstanding (in millions):		
Basic	43.5	37.4
Diluted	43.6	37.5

Premium Brands Holdings Corporation

Consolidated Statements of Cash Flows

(in millions of Canadian dollars)

	13 weeks ended Mar 27, 2021	13 weeks ended Mar 28, 2020
Cash flows from (used in) operating activities:		
Earnings	19.8	12.2
Items not involving cash:		
Depreciation of capital assets	17.6	15.9
Amortization of intangible assets	6.6	6.3
Amortization of right of use assets	8.1	7.7
Accretion of lease obligations	3.8	3.7
Equity loss in investments in associates	6.0	0.5
Non-cash financing costs	1.3	1.2
Accretion of provisions	1.8	1.7
Provisions not earned	-	(2.0)
Deferred income taxes	(14.5)	(0.7)
Acquisition bargain purchase gain	(1.8)	-
	48.7	46.5
Change in non-cash working capital	(26.7)	(67.2)
	22.0	(20.7)
Cash flows from (used in) financing activities:		
Long-term debt, net	351.7	125.6
Payments for lease obligations	(10.5)	(9.7)
Bank indebtedness and cheques outstanding	(5.4)	(24.4)
Dividends paid to shareholders	(25.2)	(19.7)
	310.6	71.8
Cash flows from (used in) investing activities:		
Capital asset additions	(34.2)	(29.3)
Business acquisitions	(177.4)	(11.8)
Payment of provisions	(6.3)	(7.0)
Net change in share purchase loans and notes receivable	0.2	0.5
Investment in and advances to associates – net of distributions	(448.0)	(10.7)
	(665.7)	(58.3)
Change in cash and cash equivalents	(333.1)	(7.2)
Cash and cash equivalents – beginning of period	363.0	18.4
Cash and cash equivalents – end of period	29.9	11.2
Interest and other financing costs paid	6.8	8.8
Income taxes paid	14.9	4.6

NON-IFRS FINANCIAL MEASURES

The Company uses certain non-IFRS financial measures including adjusted EBITDA, free cash flow, adjusted earnings and adjusted earnings per share, which are not defined under IFRS and, as a result, may not be comparable to similarly titled measures presented by other publicly traded entities, nor should they be construed as an alternative to other earnings measures determined in accordance with IFRS. These non-IFRS measures are calculated as follows:

Adjusted EBITDA

(in millions of dollars)	13 weeks ended Mar 27, 2021	13 weeks ended Mar 28, 2020
Earnings before income taxes	28.6	15.6
Plant start-up and restructuring costs	0.5	2.0
Depreciation of capital assets	17.6	15.9
Amortization of intangible assets	6.6	6.3
Amortization of right of use assets	8.1	7.7
Accretion of lease obligations	3.8	3.7
Interest and other financing costs	10.4	11.5
Acquisition transaction costs	3.3	1.4
Accretion of provisions	1.8	1.7
Provisions not earned	-	(2.0)
Equity loss in investments in associates	6.0	0.5
Clearwater closing risk fee	(2.4)	-
Acquisition bargain purchase gain	(1.8)	-
Adjusted EBITDA	82.5	64.3

Free Cash Flow

(in millions of dollars)	52 weeks ended Dec 26, 2020	13 weeks ended Mar 27, 2021	13 weeks ended Mar 28, 2020	Rolling Four Quarters
Cash flow from operating activities	227.3	22.0	(20.7)	270.0
Changes in non-cash working capital	15.6	26.7	67.2	(24.9)
Lease obligation payments	(40.8)	(10.5)	(9.7)	(41.6)
Business acquisition transaction costs	5.6	3.3	1.4	7.5
Clearwater closing risk fee	-	(2.4)	-	(2.4)
Plant start-up and restructuring costs	8.2	0.5	2.0	6.7
Income taxes on sale and leaseback transaction	-	14.2	-	14.2
Maintenance capital expenditures	(27.1)	(6.1)	(6.7)	(26.5)
Free cash flow	188.8	47.7	33.5	203.0

Adjusted Earnings and Adjusted Earnings per Share

(in millions of dollars except per share amounts)	13 weeks ended Mar 27, 2021	13 weeks ended Mar 28, 2020
Earnings	19.8	12.2
Plant start-up and restructuring costs	0.5	2.0
Business acquisition transaction costs	3.3	1.4
Accretion of provisions	1.8	1.7
Equity loss from associates in start-up	6.0	0.5
Amortization of intangibles associated with acquisitions	6.6	6.3
Provisions not earned	-	(2.0)
Clearwater closing risk fee	(2.4)	-
Acquisition bargain purchase gain	(1.8)	-
	33.8	22.1
Current and deferred income tax effect of above items, and unusual tax cost	(2.5)	(2.2)
Adjusted earnings	31.3	19.9
Weighted average shares outstanding	43.5	37.4
Adjusted earnings per share	0.72	0.53

FORWARD LOOKING STATEMENTS

This press release 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 May 6, 2021, 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 press release include statements with respect to the Company's expectations and/or projections on its: (i) revenue; (ii) adjusted EBITDA; (iii) plant start-up and restructuring costs; (iv) income tax rates; (v) dividend policy; (vi) capital expenditures and business acquisitions; (vii) senior debt capacity utilization; (viii) convertible debentures; (ix) impacts of the COVID-19 pandemic; (x) liquidity outlook; and (xi) equity earnings or loss in investment is associates.

Some of the factors that could cause actual results to differ materially from the Company's expectations are outlined in the Company's MD&A for the 13 Weeks ended March 27, 2021.

Assumptions used by the Company to develop forward looking statements contained or incorporated by reference in this press release 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 general economic conditions in Canada and the United States will return to pre-pandemic levels in the medium term.

- The Company's businesses impacted by the pandemic will recover from the resulting disruptions in the medium term and, to the extent there are ongoing changes in their operating costs resulting from the crisis, will be able to recover these through increased selling prices.
- The Company's organic growth initiatives will progress in line with previous expectations post the pandemic.
- The average cost of the basket of food commodities purchased by the Company will be relatively stable over the medium term.
- The Company's major capital projects, plant start-up and restructuring, and business acquisition initiatives will progress in line with its expectations.
- The Company will be able to continue to access sufficient skilled and unskilled labor at reasonable wage levels.
- The Company will be able to continue to access sufficient goods and services for its manufacturing and distribution operations.
- The value of the Canadian dollar relative to the U.S. dollar will continue to fluctuate in line with recent levels.
- The Company will be able to achieve its projected operating efficiency improvements.
- There will not be any material changes in the competitive environment of the markets in which the Company's various businesses compete.
- 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 differentiating attributes such as antibiotic free, no added hormones or use of organic ingredients; (ii) increased reliance on convenience oriented foods both for on-the-go snacking as well as easy home meal preparation; (iii) healthier eating including reduced sugar consumption and increased emphasis on protein and seafood; (iv) increased snacking in between and in place of meals; (v) increased interest in understanding the background and stories behind food products being consumed; and (vi) increased social awareness on issues such as sustainability, sourcing products locally, animal welfare and food waste.
- Weather conditions in the Company's core markets will not have a significant impact on any of its businesses.
- 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.
- There will not be any material changes in the trade relationship between Canada and the U.S., particularly with respect to certain protein commodities such as beef, pork and chicken products.
- The Company will be able to negotiate new collective agreements with no labor disruptions.
- The Company will be able to continue to access reasonably priced debt and equity capital.
- The Company's average interest cost on floating rate debt will remain relatively stable in the near to medium future.
- Contractual counterparties will continue to fulfill their obligations to the Company.
- There will be no material changes to the tax and other regulatory requirements governing the Company.

Management has set out the above summary of assumptions related to forward looking statements included in this press release in order 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 press release are made as of May 6, 2021 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 press release.