PREMIUM BRANDS HOLDINGS CORPORATION REPORTS RECORD FOURTH QUARTER AND 2021 RESULTS, FOUR NEW ACQUISITIONS AND A 10.2% DIVIDEND INCREASE

VANCOUVER, B.C., March 10, 2022. Premium Brands Holdings Corporation (TSX: PBH), a leading producer, marketer and distributor of branded specialty food products, announced today its results for the fourth quarter of 2021.

FOURTH QUARTER HIGHLIGHTS

- Record fourth quarter revenue of $1.35 billion representing a 27.4%, or $289.2 million, increase as compared to the fourth quarter of 2020
- Record fourth quarter adjusted EBITDA[1] of $113.4 million representing a 29.3%, or $25.7 million, increase as compared to the fourth quarter of 2020
- Record fourth quarter adjusted EPS[1] of $1.19 per share representing a 38.4%, or $0.33 per share increase as compared to the fourth quarter of 2020
- Clearwater Seafoods, which is accounted for using the equity method, continued to generate significantly improved results posting quarterly sales and adjusted EBITDA of $141.7 million and $26.9 million, respectively, as compared to $128.6 million and $22.7 million, respectively in the fourth quarter of 2020
- While conditions in many of the Company's selling channels have returned to normal, its customers in the airline and cruise line channels, as well as in certain segments of the foodservice channel, continue to be impacted by pandemic related challenges
- Subsequent to the quarter, the Company increased its quarterly dividend by 10.2% to $0.70 per share or $2.80 per share on an annualized basis
- Also subsequent to the quarter, the Company completed the acquisitions of: (i) Beechgrove Country Foods, an Ontario based manufacturer of dry cured and cooked protein products; (ii) Leonetti's Frozen Foods, a Pennsylvania based manufacturer of premium handheld enrobed sandwiches; and (iii) Rocky Mountain Flatbread, a British Columbia based artisan pizza business. In addition, the Company increased its ownership position in California-based artisan breads manufacturer Shaw Bakers from 50% to 73.72%
- Also subsequent to the quarter, the Company issued its sales and adjusted EBITDA guidance for 2022 with its sales expected to be in the range of $5.60 billion to $5.85 billion and its adjusted EBITDA[1] to be in the range of $510 million and $530 million

2021 HIGHLIGHTS

- Record revenue of $4.93 billion representing a 21.2%, or $862.8 million, increase as compared to 2020
- Record adjusted EBITDA[1] of $430.7 million representing a 37.8%, or $118.1 million, increase as compared to 2020
- Record adjusted EPS[1] of $4.48 per share representing a 46.9%, or $1.43 per share increase as compared to the fourth quarter of 2020

[1] *The Company reports its financial results in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). Adjusted EBITDA and adjusted EPS are non-IFRS financial measures. Reconciliations and explanations for all non-IFRS measures are included in the Non-IFRS Financial Measures section of this press release.*

CONFERENCE CALL

The Company will hold a conference call to discuss its fourth quarter 2021 results today at 10:30 a.m. PDT (1:30 p.m. EDT). An investor presentation that will be referenced on the conference call is available here or on the Company's website at www.premiumbrandsholdings.com.

Access to the call may be obtained by calling the operator at (833) 300-9218 / (647) 689-4551 (Conference ID: 4991117) 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 March 24, 2022 at (855) 859-2056 / (404) 537-3406 (passcode: 4991117). Alternatively, a recording of the conference call will be available at the Company's website at www.premiumbrandsholdings.com.

SUMMARY FINANCIAL INFORMATION

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

	13 weeks ended Dec 25, 2021	13 weeks ended Dec 26, 2020	52 weeks ended Dec 25, 2021	52 weeks ended Dec 26, 2020
Revenue	1,345.4	1,056.2	4,931.7	4,068.9
Adjusted EBITDA[1]	113.4	87.7	430.7	312.6
Earnings	38.0	23.3	132.7	83.7
EPS[1]	0.87	0.57	3.05	2.16
Adjusted earnings[1]	52.2	35.3	194.8	118.4
Adjusted EPS[1]	1.19	0.86	4.48	3.05
Free cash flow[1]			263.3	188.8
Declared dividends			111.5	92.0
Declared dividend per share			2.5400	2.3100
Payout ratio[1]			42.3%	48.7%

1 *Reconciliations for all non-IFRS measures are included in the Non-IFRS Financial Measures section of this press release*.

"2021 was a very challenging year for our industry and for many of our businesses. A once in a century pandemic, unprecedented raw material cost inflation, persistent supply chain disruptions and acute labor shortages created the perfect storm," said Mr. George Paleologou. "Despite these challenges we were able to generate our 18th consecutive year of record financial results while also making many strategic investments that well position us for the future. I have no doubt that our continued success is due to the combination of the incredibly talented people that run our businesses and our decentralized, entrepreneurial focused culture that enables them to respond to challenges with agility and creativity.

"The operating environment in the fourth quarter was particularly difficult with cost inflation and supply chain disruptions hitting peak levels for the year and the emergence of the Omicron variant towards the end of the quarter resulting in significant employee absenteeism and further government mandated restrictions on the foodservice industry. Our businesses once again responded with a variety of strategies, including proactive inventory management and selling price increases, however, due to the severity of the challenges, our results were negatively impacted. Nevertheless, we were still able to generate another quarter of record performance.

"Looking to the future, we made exceptional progress in 2021 in moving towards our goal of becoming North America's leading specialty food company having made significant capital allocations in all our platforms including major investments in acquisitions, capacity, automation and product innovation. In the short term, a number of these initiatives are not yet meeting our long-term targeted returns due to our investments being based on ten-year plus business plans, but we are very pleased with how they are progressing, and in particular with how our Seafood Platform is quickly becoming a leading player in the global seafood arena with its proprietary access to best-in-class resources, full value-chain vertical integration, best-in-class and dedicated management team and a unique and historic partnership with several Mi'kmaq First Nations.

"Based on the momentum generated and investments made in 2021, we are confident that we will exceed our objective of $6 billion in sales and $600 million in adjusted EBITDA by 2023 and look forward to presenting our next five-year plan later this year," added Mr. Paleologou.

FIRST QUARTER 2022 DIVIDEND

The Company announced that it will be increasing its quarterly dividend by 10.2% to $0.70 per share or $2.80 per share on an annualized basis. Correspondingly, the Company's Board of Directors approved a cash dividend of $0.70 per share for the first quarter of 2022, which will be payable on April 15, 2022 to shareholders of record at the close of business on March 31, 2022.

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 Holdings Corporation 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 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. 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 25, 2021	% (1)	13 weeks ended Dec 26, 2020	% (1)	52 weeks ended Dec 25, 2021	% (1)	52 weeks ended Dec 26, 2020	% (1)
Revenue by segment:								
Specialty Foods	779.4	57.9%	678.1	64.2%	2,987.1	60.6%	2,667.3	65.6%
Premium Food Distribution	566.0	42.1%	378.1	35.8%	1,944.6	39.4%	1,401.6	34.4%
Consolidated	1,345.4	100.0%	1,056.2	100.0%	4,931.7	100.0%	4,068.9	100.0%

(1) Expressed as a percentage of consolidated revenue.

Specialty Foods' (SF) revenue for the quarter increased by $101.3 million or 14.9% primarily due to: (i) selling price inflation of $41.6 million, which was driven by increases implemented in reaction to inflationary pressures across a broad range of raw materials; (ii) organic volume growth of $41.2 million representing an organic volume growth rate (OVGR) of 6.1% – after adjusting for transitory pandemic related impacts of approximately $1.9 million, SF's normalized OVGR is 5.8%; (iii) business acquisitions, which accounted for $29.8 million of SF's growth; and (iv) the reclassification of $2.6 million of promotion costs to selling, general and administrative expense. These factors were partially offset by a $13.9 million reduction in the translated value of sales generated by SF's U.S. based businesses due to a stronger Canadian dollar – approximately 52.3% of SF's revenue for the quarter was generated by these businesses.

SF's normalized OVGR of 5.8% was driven primarily by its artisan sandwich, meat snack, cooked meat and charcuterie growth initiatives, including the ramping up of its U.S. expansion and the launch of several new product lines. While this rate is at the top end of the long-term targeted range of 4% to 6%, it was lower than potential due to: (i) approximately $29.4 million in lost sales opportunities caused by supply chain disruptions and labor shortages that resulted in lower than normal customer order fill rates by the segment's U.S. meat snack and sandwich businesses – adjusting for these, SF's normalized OVGR is 10.1%; and (ii) less featuring of branded products in the retail channel by the SF's Canadian protein businesses, which was done on a temporary basis to mitigate the margin impact of record increases in the cost of a variety of raw materials while selling price increases were being implemented.

SF's revenue for 2021 increased by $319.8 million or 12.0% primarily due to: (i) organic volume growth of 9.6% or approximately 8.3% after normalizing for the estimated impacts of the pandemic; (ii) net selling price inflation of $103.2 million; and (iii) business acquisitions, which accounted for $62.4 million of the increase; partially offset by a $103.6 million reduction in the translated value of sales generated by the Company's U.S. based businesses.

Premium Food Distribution's (PFD) revenue for the quarter increased by $187.9 million or 49.7% due to: (i) business acquisitions, which accounted for $89.5 million of PFD's growth; (ii) selling price inflation of $69.7 million, which was driven by increases implemented in reaction to inflationary pressures across a broad range of procured products and raw materials; and (iii) organic volume growth of $33.9 million representing an OVGR of 9.0% – after adjusting for transitory pandemic related impacts of approximately $29.4 million, PFD's normalized OVGR is 1.2%. These factors were partially offset by a $5.2 million reduction in the translated value of sales generated by PFD's U.S. based businesses due to a stronger Canadian dollar.

PFD's normalized OVGR of 1.2% is below its long-term target of 4.0% to 6.0% primarily due to: (i) approximately $10.1 million in lost sales opportunities caused by supply chain disruptions that resulted in reduced lobster exports to Asia and lower than normal customer order fill rates – adjusting for these, PFD's normalized OVGR is 3.9%, which was driven by a variety of factors including the continued development of new supply and product solutions for the retail channel; and (ii) continuing impacts of pandemic related restrictions on the foodservice channel – as a result PFD's foodservice businesses are still in recovery mode and are not yet generating organic growth in this channel relative to their 2019 sales levels.

PFD's revenue for 2021 increased by $543.0 million or 38.7% primarily due to: (i) business acquisitions, which accounted for $295.4 million of the increase; (ii) net selling price inflation of $203.9 million; and (iii) organic volume growth of 5.1% or approximately 2.4% after normalizing for the estimated impacts of the pandemic; partially offset by a $27.1 million reduction in the translated value of sales generated by the Company's U.S. based businesses.

Gross Profit

(in millions of dollars except percentages)	13 weeks ended Dec 25, 2021	% (1)	13 weeks ended Dec 26, 2020	% (1)	52 weeks ended Dec 25, 2021	% (1)	52 weeks ended Dec 26, 2020	% (1)
Gross profit by segment:								
Specialty Foods	150.3	19.3%	144.3	21.3%	606.5	20.3%	567.9	21.3%
Premium Food Distribution	83.8	14.8%	57.8	15.3%	295.4	15.2%	212.3	15.1%
Consolidated	234.1	17.4%	202.1	19.1%	901.9	18.3%	780.2	19.2%

(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 200 basis points primarily due to: (i) significantly higher costs for a broad range of raw materials, which exceeded SF's selling price increases due mainly to many of these taking effect part way through the quarter – adjusting for a full quarter's impact of price increases implemented during the quarter, SF's normalized gross margin is approximately 21.1%; (ii) wage, freight and general cost inflation; and (iii) additional outside storage costs associated with inventory strategies used to help mitigate the impact of rising production input costs and industry wide supply chain disruptions. These factors were partially offset by: (i) sales leveraging associated with SF's organic growth; and (ii) the reclassification of $3.1 million in costs to selling, general and administrative expenses.

SF's gross margin for 2021 decreased by 100 basis points primarily due to the factors outlined above partially offset by: (i) unusually low margins in the second quarter of 2020 as a result of lost sales leveraging caused by pandemic related shutdowns of large portions of the U.S. and Canadian economies; and (ii) plant production efficiency improvements in the first three quarters of 2021, driven by automation and improved throughputs.

PFD's gross margin for the quarter decreased by 50 basis points primarily due to: (i) significantly higher costs for a broad range of procured products and raw materials. PFD was able to more than offset these increased costs with selling price increases (in general, PFD's businesses have much more dynamic pricing structures relative to SF's businesses) but did not maintain the same margin percentage due to a variety of factors including providing its customers with time to adapt to the higher price environment and a portion of its business being structured on a cost-plus basis; (ii) wage, freight and general cost inflation; and (iii) additional outside storage costs associated with inventory strategies used to help mitigate the impact of rising production input costs and industry wide supply chain disruptions. These factors were partially offset by: (i) sales leveraging associated with its organic growth; and (ii) higher margins generated by recently acquired businesses.

PFD's gross margin for 2021 increased by 10 basis points primarily due to unusually low margins on certain live seafood products in the first quarter of 2020 because of pandemic related demand destruction in Asia partially offset by the net impact of the factors outlined above.

Selling, General and Administrative Expenses (SG&A)

(in millions of dollars except percentages)	13 weeks ended Dec 25, 2021	% (1)	13 weeks ended Dec 26, 2020	% (1)	52 weeks ended Dec 25, 2021	% (1)	52 weeks ended Dec 26, 2020	% (1)
SG&A by segment:								
Specialty Foods	87.1	11.2%	77.3	11.4%	342.0	11.4%	320.2	12.0%
Premium Food Distribution	43.3	7.7%	31.2	8.3%	161.8	8.3%	128.6	9.2%
Corporate	5.0		6.1		21.1		21.1	
Consolidated	135.4	10.1%	114.6	10.9%	524.9	10.6%	469.9	11.5%
Interest Income from Investments	(14.7)		(0.2)		(53.7)		(2.3)	

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

SF's SG&A for the quarter increased by $9.8 million primarily due to: (i) freight and wage inflation; (ii) business acquisitions; (iii) additional variable selling costs associated with SF's organic growth; and (iv) the reclassification of $3.1 million in costs from cost of sales. These factors were partially offset by: (i) lower incentive-based compensation; 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 for 2021 increased by $21.8 million primarily due to the factors outlined above, partially offset by lower discretionary marketing costs as a result of unusually high marketing costs in the third quarter of 2020 and some of SF's businesses using reduced promotion earlier in 2021 as a transitory measure to manage the margin impact of record high cost inflation across a broad range of raw materials.

SF's SG&A as a percentage of sales (SG&A ratio) for the quarter and for 2021 decreased by 20 basis points and 60 basis points, respectively, primarily due to: (i) sales leveraging; (ii) lower incentive-based compensation; and (iii) reduced discretionary marketing costs. These factors were partially offset by: (i) freight and wage inflation; and (ii) the reclassification of $3.1 million in costs from cost of sales.

PFD's SG&A for the quarter increased by $12.1 million primarily due to: (i) business acquisitions; (ii) additional variable and infrastructure costs associated with PFD's organic growth; and (iii) higher incentive-based compensation.

PFD's SG&A for 2021 increased by $33.2 million primarily due to the factors outlined above partially offset by pandemic related travel cost savings and government wage subsidies earlier in 2021.

PFD's SG&A ratios for the quarter and for 2021 decreased by 60 basis points and 90 basis points, respectively, primarily due to: (i) sales leveraging; and (ii) PFD's recently acquired businesses having lower SG&A ratios relative to its average.

Interest income from investments in associates for the quarter and for 2021 increased by $14.5 million and $51.4 million, respectively, primarily due to interest and management fees relating to the acquisition of a 50% interest in Clearwater.

Adjusted EBITDA

(in millions of dollars except percentages)

	13 weeks ended Dec 25, 2021	% (1)	13 weeks ended Dec 26, 2020	% (1)	52 weeks ended Dec 25, 2021	% (1)	52 weeks ended Dec 26, 2020	% (1)
Adjusted EBITDA by segment:								
Specialty Foods	63.2	8.1%	67.0	9.9%	264.5	8.9%	247.7	9.3%
Premium Food Distribution	40.5	7.2%	26.6	7.0%	133.6	6.9%	83.7	6.0%
Corporate	(5.0)		(6.1)		(21.1)		(21.1)	
Interest Income from Investments	14.7		0.2		53.7		2.3	
Consolidated	113.4	8.4%	87.7	8.3%	430.7	8.7%	312.6	7.7%

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

The Company's adjusted EBITDA for the quarter of $113.4 million, while being up $25.7 million or 29.3% as compared to the fourth quarter of 2020, was significantly below what it would have been in a normal operating environment. The three primary challenges impacting the Company's fourth quarter adjusted EBITDA were: (i) lost sales opportunities caused by supply chain disruptions and labor shortages; (ii) delays in the timing of selling price increases implemented to address significant cost inflation; and (iii) the ongoing impacts of the pandemic. Correspondingly, the Company's adjusted EBITDA margin for the quarter of 8.4% was below its long-term target of 10%. Adjusting for the three challenges outlined above, the Company's normalized EBITDA margin is in line with its long-term target.

The Company's adjusted EBITDA for 2021 of $430.7 million is in line with its previously provided guidance range of $423.0 million to $436.5 million. Its adjusted EBITDA margin for 2021 of 8.7% was, however, lower than expected due to: (i) higher than planned selling price inflation – correspondingly the Company's sales for 2021 of $4.93 billion were above its guidance range of $4.70 billion to $4.85 billion; and (ii) lower than expected margins in its SF segment as a result of significant raw materials cost inflation.

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 2021, the Company incurred $2.1 million in plant start-up and restructuring costs relating to a variety of projects, including a 42,000 square foot expansion of the Company's artisan bakery in British Columbia.

Equity Earnings (Loss) in Investment in Associates

Equity earnings (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)	13 weeks ended Dec 31, 2021	13 weeks ended Dec 31, 2020	52 weeks ended Dec 31, 2021	52 weeks ended Dec 31, 2020
Clearwater:				
Sales	141.7	128.6	532.9	468.6
Gross profit	42.1	40.4	165.9	123.4
SG&A	15.2	17.7	50.9	48.6
	26.9	22.7	115.0	74.8
Depreciation	13.7	11.1	40.4	38.0
Amortization	(0.3)	0.4	4.0	1.6
Interest – senior debt	2.8	7.3	12.9	29.7
Income from investments	1.5	0.5	3.4	5.6
Unrealized foreign exchange (gain) loss	9.8	(9.8)	7.0	(4.4)
Other	-	-	-	1.2
	(0.6)	13.2	47.3	3.1
Interest – shareholder debt	11.6	-	44.0	-
Payments to shareholders	5.3	-	28.8	-
Acquisition related costs	1.3	2.4	13.9	3.4
Closing risk fee paid to Premium Brands	-	-	2.4	-
Income tax recoveries	(3.8)	(2.1)	(8.7)	(1.7)
Earnings (loss)	(15.0)	12.9	(33.1)	1.4
Pre-close earnings (loss) (1)	(9.0)	12.9	(13.3)	1.4
	(6.0)	-	(19.8)	-
Ownership	50.0%	-	50.0%	-
Clearwater net equity earnings (loss) (2)	(3.0)	-	(9.9)	-
Other net equity earnings (loss)	0.9	0.1	2.1	(2.0)
Equity earnings (loss) in investment in associates	(2.1)	0.1	(7.8)	(2.0)

(1) Amount relates to Clearwater earnings prior to acquisition on January 25, 2021 and acquisition-related adjustments not included in Company's equity loss in investments in associates.

(2) Amount relates to Company's equity loss in Clearwater from January 25, 2021.

Clearwater Seafoods Incorporated (Clearwater)

Clearwater's sales for the fourth quarter and 2021 increased by $13.1 million and $64.3 million, respectively primarily due to the easing of pandemic related restrictions and a corresponding reopening of economies in North America and Asia, which resulted in stronger demand and higher pricing for most of the species sold by Clearwater. This was partially offset by a stronger Canadian dollar relative to the U.S. dollar and the Euro as a significant portion of Clearwater's sales are denominated in these currencies.

Clearwater's gross margin for the quarter decreased by 170 basis points to 29.7% primarily due to: (i) the impact on sales from a stronger Canadian dollar; (ii) higher shore prices for procured products; (iii) the elimination of pandemic related subsidies received in 2020; and (iii) freight inflation. These factors were partially offset by: (i) the stronger pricing environment as discussed above; and (ii) a more disciplined selling strategy based on leveraging Clearwater's stronger financial position.

Clearwater's gross margin for 2021 increased by 480 basis points to 31.1% primarily due: (i) the positive factors impacting the fourth quarter being much more pronounced in earlier quarters; (ii) operational efficiencies in the first and second quarters, driven by larger and higher quality catches, continuous improvement initiatives; and the reversal of pandemic related inefficiencies experienced in 2020; and (iii) leveraging the market intelligence and insights of the Company's other seafood businesses. These factors were partially offset by the negative factors outlined above.

Clearwater's SG&A for the quarter decreased by $2.5 million primarily due to a change in timing of when incentive-based compensation is expensed; partially offset by: (i) increased R&D expenses associated with a variety of harvesting, production and product development projects; (ii) wage inflation; and (iii) elimination of pandemic related subsidies.

Clearwater SG&A for 2021 increased by $2.3 million primarily due to: (i) higher annual incentive-based compensation associated with its improved performance; (ii) the reversal of pandemic related government subsidies; and (iii) a variety of cost increases mainly relating to wage inflation, R&D spending and additional staff.

Sales and Adjusted EBITDA Outlook

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

<u>2022</u>

For 2022, the Company expects its sales to be between $5.60 billion and $5.85 billion and its adjusted EBITDA to be between $510.0 million and $530.0 million. These estimates are based on a range of assumptions (see *Forward Looking Statements*) including: (i) continued easing of pandemic related restrictions in Canada and the U.S. and corresponding demand increases in the foodservice, airline, and cruise line channels; (ii) stabilization of raw material costs with some mild deflation in certain commodities in the latter half of 2022; and (iii) stabilization of the Canadian dollar relative to the U.S. dollar at current levels.

The Company's sales and adjusted EBITDA outlooks for 2022 do not incorporate any provisions for potential future acquisitions but do include acquisitions outlined in *Subsequent Events* of the Company's Management Discussion & Analysis for the 13 and 52 weeks ended December 25, 2021.

<u>5 Year Plan</u>

The Company continues to make solid progress on the execution of its growth and value creation strategies and is confident (see *Forward Looking Statements*) that it will exceed its five-year targets set in 2018 of $6 billion in sales and $600 million in adjusted EBITDA by 2023.

Premium Brands Holdings Corporation

Consolidated Balance Sheets

(in millions of Canadian dollars)

	Dec 25, 2021	Dec 26, 2020
Current assets:		
Cash and cash equivalents	16.5	363.0
Accounts receivable	521.7	387.0
Inventories	645.2	448.8
Prepaid expenses and other assets	28.6	25.8
	1,212.0	1,224.6
Capital assets	617.3	524.9
Right of use assets	464.5	328.5
Intangible assets	526.3	517.9
Goodwill	1,001.2	853.4
Investment in and advances to associates	568.8	74.2
Other assets	18.8	16.8
	4,408.9	3,540.3
Current liabilities:		
Cheques outstanding	18.7	19.1
Bank indebtedness	16.3	-
Dividends payable	28.4	25.2
Accounts payable and accrued liabilities	445.5	369.3
Puttable interest in subsidiaries	27.1	28.1
Current portion of long-term debt	4.6	9.5
Current portion of lease obligations	32.9	26.2
Current portion of provisions	7.7	16.4
	581.2	493.8
Long-term debt	1,074.0	525.6
Lease obligations	477.4	342.7
Deferred revenue	2.8	2.8
Provisions	63.4	57.2
Deferred income taxes	105.2	94.5
	2,304.0	1,516.6
Convertible unsecured subordinated debentures	331.0	425.7
Equity attributable to shareholders:		
Retained earnings	35.6	11.2
Share capital	1,713.3	1,569.7
Reserves	25.0	17.1
	1,773.9	1,598.0
	4,408.9	3,540.3

Premium Brands Holdings Corporation

Consolidated Statements of Operations

(in millions of Canadian dollars except per share amounts)

	13 weeks ended Dec 25, 2021	13 weeks ended Dec 26, 2020	52 weeks ended Dec 25, 2021	52 weeks ended Dec 26, 2020
Revenue	1,345.4	1,056.2	4,931.7	4,068.9
Cost of goods sold	1,111.3	854.1	4,029.8	3,288.7
Gross profit before depreciation, amortization and plant start-up and restructuring costs	234.1	202.1	901.9	780.2
Interest income from investment in associates	14.7	0.2	53.7	2.3
Selling, general and administrative expenses	135.4	114.6	524.9	469.9
Operating profit before depreciation, amortization and plant start-up and restructuring costs	113.4	87.7	430.7	312.6
Plant start-up and restructuring costs	1.1	2.0	2.1	8.2
Depreciation of capital assets	16.8	17.9	70.0	67.2
Amortization of intangible assets	7.1	6.9	27.3	26.2
Amortization of right of use assets	10.7	8.1	37.5	31.6
Accretion of lease obligations	5.3	3.9	19.2	15.0
Interest and other financing costs	8.3	10.6	41.3	43.0
Change in fair value of option liabilities	3.1	-	30.0	-
Acquisition transaction costs	1.9	1.3	7.7	5.6
Accretion of provisions	1.9	2.5	7.3	8.5
Equity loss (earnings) in investments in associates	2.1	(0.1)	7.8	2.0
Change in value of puttable interest in subsidiaries	-	0.5	0.5	(3.3)
Clearwater closing risk fee	-	-	(2.4)	-
Acquisition bargain purchase gain	-	-	(1.8)	-
Provisions not earned	-	-	-	(2.0)
Earnings before income taxes	55.1	34.1	184.2	110.6
Provision for income taxes				
Current	11.2	4.2	66.3	18.3
Deferred	5.9	6.6	(14.8)	8.6
	17.1	10.8	51.5	26.9
Earnings	38.0	23.3	132.7	83.7
Earnings per share:				
Basic	0.87	0.57	3.05	2.16
Diluted	0.87	0.57	3.04	2.15
Weighted average shares outstanding (in millions):				
Basic	43.7	41.3	43.5	38.8
Diluted	43.9	41.4	43.7	39.0

Premium Brands Holdings Corporation

Consolidated Statements of Cash Flows

(in millions of Canadian dollars)

	13 weeks ended Dec 25, 2021	13 weeks ended Dec 26, 2020	52 weeks ended Dec 25, 2021	52 weeks ended Dec 26, 2020
Cash flows from (used in) operating activities:				
Earnings	38.0	23.3	132.7	83.7
Items not involving cash:				
Depreciation of capital assets	16.8	17.9	70.0	67.2
Amortization of intangible assets	7.1	6.9	27.3	26.2
Amortization of right of use assets	10.7	8.1	37.5	31.6
Accretion of lease obligations	5.3	3.9	19.2	15.0
Change in value of puttable interest in subsidiaries	-	0.5	0.5	(3.3)
Equity loss (earnings) in investment in associates	2.1	(0.1)	7.8	2.0
Change in fair value of option liabilities	3.1	-	30.0	-
Non-cash financing costs	0.1	1.5	4.4	5.4
Accretion of provisions	1.9	2.5	7.3	8.5
Deferred income taxes (recovery)	5.9	6.6	(14.8)	8.6
Acquisition bargain purchase gain	-	-	(1.8)	-
Provisions not earned	-	-	-	(2.0)
	91.0	71.1	320.1	242.9
Change in non-cash working capital	(112.1)	(69.6)	(253.8)	(15.6)
	(21.1)	1.5	66.3	227.3
Cash flows from (used in) financing activities:				
Long-term debt, net	263.0	(0.6)	546.8	(68.9)
Payments for lease obligations	(13.4)	(10.5)	(50.4)	(40.8)
Bank indebtedness and cheques outstanding	13.4	2.4	15.9	(22.2)
Dividends paid to shareholders	(27.6)	(23.4)	(108.2)	(86.5)
Repayment of convertible debentures	(8.0)	-	(8.0)	(5.4)
Proceeds from issuance of convertible debentures – net of issuance costs	-	-	-	143.5
Common shares issued as a result of public offering and concurrent private placement – net of issuance costs	-	275.3	-	440.5
	227.4	243.2	396.1	360.2
Cash flows from (used in) investing activities:				
Capital asset additions	(43.2)	(21.7)	(143.2)	(92.6)
Business and asset acquisitions	(174.6)	(52.6)	(359.7)	(109.0)
Payment of provisions	-	-	(14.7)	(15.9)
Payments to shareholders of non-wholly owned subsidiaries	-	-	(0.6)	(1.0)
Payment for settlement of puttable interest of non-wholly owned subsidiary	-	-	(0.9)	(21.5)
Net change in share purchase loans and notes receivable	0.5	0.2	1.2	2.3
Investment in and advances to associates – net of distributions	2.6	(0.3)	(441.0)	(11.6)
Proceeds from sale-leaseback	-	-	150.0	6.4
	(214.7)	(74.4)	(808.9)	(242.9)
Change in cash and cash equivalents	(8.4)	170.3	(346.5)	344.6
Cash and cash equivalents – beginning of period	24.9	192.7	363.0	18.4
Cash and cash equivalents – end of period	16.5	363.0	16.5	363.0
Interest and other financing costs paid	13.0	7.9	40.4	35.5
Income taxes paid	22.6	16.2	51.8	26.9

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 Dec 25, 2021	13 weeks ended Dec 26, 2020	52 weeks ended Dec 25, 2021	52 weeks ended Dec 26, 2020
Earnings before income taxes	55.1	34.1	184.2	110.6
Plant start-up and restructuring costs	1.1	2.0	2.1	8.2
Depreciation of capital assets	16.8	17.9	70.0	67.2
Amortization of intangible assets	7.1	6.9	27.3	26.2
Amortization of right of use assets	10.7	8.1	37.5	31.6
Accretion of lease obligations	5.3	3.9	19.2	15.0
Interest and other financing costs	8.3	10.6	41.3	43.0
Change in fair value of option liabilities	3.1	-	30.0	-
Acquisition transaction costs	1.9	1.3	7.7	5.6
Accretion of provisions	1.9	2.5	7.3	8.5
Equity loss (earnings) in investments in associates	2.1	(0.1)	7.8	2.0
Change in value of puttable interest in subsidiaries	-	0.5	0.5	(3.3)
Clearwater closing risk fee	-	-	(2.4)	-
Acquisition bargain purchase gain	-	-	(1.8)	-
Provisions not earned	-	-	-	(2.0)
Adjusted EBITDA	113.4	87.7	430.7	312.6

Free Cash Flow

(in millions of dollars)	52 weeks ended Dec 25, 2021	52 weeks ended Dec 26, 2020
Cash flow from operating activities	66.3	227.3
Changes in non-cash working capital	253.8	15.6
Lease obligation payments	(50.4)	(40.8)
Business acquisition transaction costs	7.7	5.6
Clearwater closing risk fee	(2.4)	-
Plant start-up and restructuring costs	2.1	8.2
Income taxes on sale and leaseback transaction	15.5	-
Maintenance capital expenditures	(29.3)	(27.1)
Free cash flow	263.3	188.8

Adjusted Earnings and Adjusted Earnings per Share

(in millions of dollars except per share amounts)	13 weeks ended Dec 25, 2021	13 weeks ended Dec 26, 2020	52 weeks ended Dec 25, 2021	52 weeks ended Dec 26, 2020
Earnings	38.0	23.3	132.7	83.7
Plant start-up and restructuring costs	1.1	2.0	2.1	8.2
Acquisition transaction costs	1.9	1.3	7.7	5.6
Accretion of provisions	1.9	2.5	7.3	8.5
Provisions not earned	-	-	-	(2.0)
Equity loss (earnings) from investments in associates	2.1	(0.1)	7.8	2.0
Change in value of puttable interest in subsidiaries	-	0.5	0.5	(3.3)
Amortization of intangibles associated with acquisitions	7.1	6.9	27.3	26.2
Change in fair value of option liabilities	3.1	-	30.0	-
Clearwater closing risk fee	-	-	(2.4)	-
Acquisition bargain purchase gain	-	-	(1.8)	-
	55.2	36.4	211.2	128.9
Current and deferred income tax effect of above items, and unusual tax recovery	(3.0)	(1.1)	(16.4)	(10.5)
Adjusted earnings	52.2	35.3	194.8	118.4
Weighted average shares outstanding	43.7	41.3	43.5	38.8
Adjusted earnings per share	1.19	0.86	4.48	3.05

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, budpgets, 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 10, 2022, 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) dividends and dividend policy; (vi) capital expenditures and business acquisitions; (vii) senior debt capacity utilization; (viii) convertible debentures; (ix) impacts of the pandemic; (x) liquidity outlook; (xi) equity earnings or loss in investment in associates; and (xii) 5 year plan.

Some of the factors that could cause actual results to differ materially from the Company's expectations are outlined in the Company's Management Discussion & Analysis for the 13 and 52 weeks ended December 25, 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 and will continue to show steady improvement in the short term as pandemic related restrictions are eased.
- 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 procured products and raw materials purchased by the Company will stabilize and start to moderate in the short to medium term relative to recent increased volatility and inflationary trends.
- The Company will be able to access sufficient skilled and unskilled labor at reasonable wage levels.
- The Company will be able to access sufficient goods and services for its manufacturing and distribution operations.
- The Russian Conflict will not: (i) materially impact the cost of raw materials purchased by the Company or its ability to procure them; or (ii) result in other retaliatory actions that adversely impact the Company's operations or the operations of its customers and suppliers.
- The value of the Canadian dollar relative to the U.S. dollar will continue to 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.
- 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.
- 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.
- 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 March 10, 2022 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.