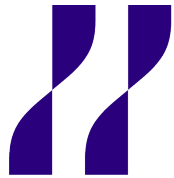




HIGH LINER FOODS

SECOND QUARTER REPORT TO SHAREHOLDERS

Twenty-six weeks ended June 28, 2025



HIGH LINER FOODS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the thirteen and twenty-six weeks ended June 28, 2025

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

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INTRODUCTION

This Management's Discussion and Analysis ("MD&A"), dated August 7, 2025, relates to the consolidated financial condition and results of operations of High Liner Foods Incorporated for the thirteen and twenty-six weeks ended June 28, 2025, compared to the thirteen and twenty-six weeks ended June 29, 2024. Throughout this discussion, "We", "Us", "Our", "Company" and "High Liner Foods" refer to High Liner Foods Incorporated and its businesses and subsidiaries.

This document should be read in conjunction with the Company's 2024 Annual Consolidated Financial Statements, 2024 Annual MD&A, and Unaudited Condensed Interim Consolidated Financial Statements as at and for the twenty-six weeks ended June 28, 2025 ("Condensed Consolidated Financial Statements"), prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. The information contained in this document, including forward-looking statements, is based on information available to Management as of August 7, 2025, except as otherwise noted.

Currency

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

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

In some parts of this document, the impact of foreign currency fluctuations are discussed to demonstrate how changes in the exchange rate effect operating results. The Company's share price and dividend rate are referenced in the CAD functional currency in parts of this document, as the Company's shares are traded and dividends are paid in Canadian dollars.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking information" within the meaning of applicable securities laws, including the provincial securities laws in Canada, and are based on expectations, estimates and projections as of the date on which the statements are made in this MD&A. These statements relate to future events or future performance and reflect the Company's expectations and assumptions regarding the growth, results of operations, performance, business prospects and opportunities of the Company. Forward-looking statements are often, but not always, identified by the use of words such as "may", "would", "could", "will", "should", "expect", "expects", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential", "pursue", "continue", "seek", or the negative of these terms or other similar expressions concerning matters that are not historical facts. Specific forward-looking statements in this MD&A include, but are not limited, to statements regarding: imposed and threatened tariffs, including in the U.S. and Canada, and the impact, timing and resolution thereof; future growth strategies and their impact on the Company's market share and shareholder value; sustainability goals and targets; achievement, and timing of achievement, of strategic goals and publicly stated financial targets, including to increase our market share, acquire and integrate other businesses and reduce operating and supply chain costs; the ability to develop new and innovative products that result in increased sales and market share; increased demand for the Company's products whether due to the recognition of the health benefits of

seafood or otherwise; inflation, changes in costs for seafood and other raw materials; increases or decreases in processing costs; the USD/CAD exchange rate; percentage of sales from the Company's brands; expectations with regards to sales volume, earnings, product margins, product innovations, brand development and anticipated financial performance; competitor reaction to Company strategies and actions; impact of price increases or decreases on future profitability; sufficiency of working capital facilities; future income tax rates; the expected amount and timing of integration activities related to acquisitions; expected leverage levels and expected Net Debt to Adjusted EBITDA; demand expectations; sales of new product; the efficiency of plant production; economic and geopolitical conditions such as Russia's invasion of Ukraine and the implementation and/or expansion of related sanctions; impact of the inflationary environment; expected amount and timing of cost savings related to the optimization of the Company's structure; estimated capital spending; future inventory trends and seasonality; market forces and the maintenance of existing customer and supplier relationships; availability of credit facilities; the projection of excess cash flow and minimum repayments under the Company's long-term loan facility; expected decreases in debt-to-capitalization ratio; dividend payments; the amount and timing of the capital expenditures in excess of normal requirements to allow the movement of production between plants; expectations regarding the potential future impact of a global pandemic on the Company's operations and performance, customer and consumer behavior and economic patterns; mergers and acquisitions and other investment and growth strategies; product innovation and distribution, consumer preferences and purchasing decisions; growth in alternative species and other diversification of products and the Company's supply chain; the markets and industries in which the Company operates; and the business strategies and operational activities of the Company.

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

Forward-looking information is inherently subject to risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections, or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A number of known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, could cause actual events, performance, or results to differ materially from what is projected in the forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: compliance with food safety laws and regulations; timely identification of and response to events that could lead to a product recall; volatility in the CAD/USD exchange rate; competitive developments including increases in overseas seafood production and industry consolidation; ability to import seafood into North America while adhering to updated government sanctions; ability to adapt to regulatory changes and increase flexibility on seafood substitutions in certain products with customers; availability and price of seafood raw materials and finished goods and the impact of geopolitical events (and related economic sanctions) on the same; tariffs, trade wars and other trade barriers (including in the U.S. and Canada) and the associated impacts, including on certain seafood products and other supplies; costs of commodity products, freight, storage and other production inputs, and the ability to pass cost increases on to customers; successful integration of acquired

operations and other acquisition-related risk; potential increases in maintenance and operating costs; shifts in market demands for seafood; performance of new products launched and existing products in the market place; changes in laws and regulations, including environmental, taxation and regulatory requirements; technology changes with respect to production and other equipment and software programs; enterprise resource planning system risk; adverse impacts of cybersecurity attacks or breach of sensitive information; supplier fulfillment of contractual agreements and obligations; competitor reactions; completion and/or advancement of sustainability initiatives, including, without limitation, initiatives relating to the carbon workplan, waste reduction and/or seafood sustainability and traceability initiatives; High Liner Foods' ability to generate adequate cash flow or to finance its future business requirements through outside sources; credit risk associated with receivables from customers; volatility associated with the funding status of the Company's post-retirement pension benefits; adverse weather conditions and natural disasters; the availability of adequate levels of insurance; management retention and development; economic and geopolitical conditions such as Russia's invasion of Ukraine and the implementation and/or expansion of related sanctions; and the potential impact of a pandemic outbreak of a contagious illness, on general economic and business conditions and therefore the Company's operations and financial performance. In evaluating these forward-looking statements, investors and prospective investors should specifically consider these and various other risks, uncertainties and other factors which may cause actual events, performance, or results to differ materially from any forward-looking statement and not put undue reliance on forward-looking statements.

The risk factors below are not intended to represent a complete list of the factors that may affect the Company and its forward-looking statements. For further details concerning these factors and other risks applicable to the Company refer to our 2024 Annual MD&A.

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

COMPANY OVERVIEW

High Liner Foods, through its predecessor companies, has been in business since 1899 and has been a publicly traded Canadian company since 1967, trading under the symbol 'HLF' on the Toronto Stock Exchange ("TSX"). We are a leading North American processor and marketer of value-added (i.e. processed) frozen seafood, producing a wide range of products from breaded and battered items to seafood entrées, that are sold to North American food retailers and foodservice distributors. In addition, we are a major supplier of commodity products in the North American market. The retail channel includes grocery and club stores, and our products are sold throughout the U.S. and Canada under the **High Liner**, **Fisher Boy**, **Sea Cuisine**, **C. Wirthy** and **Catch of the Day** labels. Most recently, the Company acquired **Mrs. Paul's®** and **Van de Kamp's®** frozen seafood brands from Conagra Brands, Inc. The foodservice channel includes sales of seafood that is usually eaten outside the home, and our branded products are sold through distributors to restaurants and institutions under the **High Liner**, **Mirabel**, **Icelandic Seafood¹** and **FPI** labels. The Company is also a major supplier of private-label value-added frozen premium seafood products to North American food retailers and foodservice distributors.

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

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

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

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

RECENT DEVELOPMENTS

Tariffs

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

On February 1, 2025 an Executive Order was signed by the U.S. President enacting measures which would impose additional tariffs on Chinese and Canadian imports into the United States. Since that date, there have been several announcements of additional global tariffs, retaliatory tariffs, and pauses on tariffs. As at June 28, 2025, the imposed tariffs included 20% on all Chinese goods imported into the United States and an additional 10% tariff on certain Chinese goods imported into the United States. These tariffs are incremental to the 2018 U.S.-China tariffs, bringing total tariffs on certain Chinese imports to 55%. On April 10, 2025 the U.S. issued increased "reciprocal" tariffs on certain goods from China totaling 170% (including all other applicable tariffs). A subsequent trade agreement on May 14, 2025 led to a temporary reduction of the reciprocal tariff back to 55%. This temporary reduction expires on August 12, 2025.

The Executive Order also introduced a 25% tariff on most Canadian imports (the "2025 US-Canada Tariffs"), excluding Canadian energy products, which are subject to a 10% tariff. In response, the Canadian government announced retaliatory measures (the "2025 Canada-US Tariffs"), including a 25% tariff on CAD\$155 billion worth of U.S. goods, with CAD\$30 billion effective February 4, 2025, and the remainder delayed by 21 days to allow businesses time to adjust. On February 3, 2025, it was announced that implementation of the 2025 US-Canada Tariffs and most of the 2025 Canada-US Tariffs would be delayed, with the exception of the CAD\$30 billion tranche of Canadian tariffs. On April 2, 2025 the U.S. announced reciprocal tariffs declaring a 10 percent baseline tariff on imports from all countries, as well as higher rates for additional countries that run trade surpluses with the U.S., which higher rates have been subsequently delayed until August 1, 2025.

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

The Company will continue to monitor trade developments and adjust its mitigation strategies as necessary to address additional tariff risks or policy changes that may arise in 2025. However, the amount and timing for

implementation of the tariffs described above and their impact on the Company, its supply chains, and the macroeconomic environment are inherently difficult to predict given the high level of uncertainty regarding trade negotiations and responses that may occur in the future.

Investment in Andfjord Salmon AS

In the second quarter of 2025, High Liner Foods completed an additional investment in one of the leading aquaculture companies of which it is a shareholder, Andfjord Salmon Group AS ("Andfjord"). The Company invested an additional \$6.9 million in Andfjord for 1,902,174 common shares. With this additional investment, total ownership, is approximately 9.2% of the total shares of Andfjord. This investment is in addition to the previously disclosed investments made in Andfjord in 2024 and Q1 2025.

The Company believes this investment aligns with High Liner Foods' long-term growth strategy, including gaining exposure to salmon aquaculture. This investment support Andfjords' continued growth, innovation and expansion, while preserving High Liner Food's strategic ownership stake.

Acquisition of U.S. Retail Brands

On June 30, 2025, subsequent to the end of the second quarter, the Company completed the acquisition of the Mrs. Paul's® and Van de Kamp's® frozen seafood brands from Conagra Brands, Inc. ("Conagra") for total consideration of approximately \$42.4 million ("Conagra Brands Acquisition"). The purchase price includes approximately \$23.8 million of inventory, subject to customary post-closing adjustments.

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

The transaction was funded through the Company's existing asset-based lending facility.

PERFORMANCE

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

Seasonality

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

A significant percentage of advertising and promotional activity is typically done in the first quarter. Customer-specific promotional expenditures such as trade spending, listing allowances and couponing are deducted from "Sales" and non-customer-specific consumer marketing expenditures are included in selling, general and administrative expenses.

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

events typically result in significantly higher inventories in December, January, February and March than during the rest of the year.

Consolidated Performance

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

(in \$000s, except sales volume, per share amounts, percentage amounts, and exchange rates)	Thirteen weeks ended			Twenty-six weeks ended		
	June 28, 2025	June 29, 2024	Change	June 28, 2025	June 29, 2024	Change
Sales volume (millions of lbs)	54.8	51.7	3.1	120.8	118.6	2.2
Average foreign exchange rate (USD/CAD)	1.3854	1.3682	\$0.0172	1.4102	1.3586	\$0.0516
Sales	\$239,610	\$218,323	\$21,287	\$508,046	\$495,295	\$12,751
Gross profit	\$ 53,325	\$ 52,505	\$ 820	\$116,825	\$117,960	\$(1,135)
Gross profit as a percentage of sales	22.3%	24.0%	(1.7%)	23.0%	23.8%	(0.8%)
Distribution expenses	\$ 11,436	\$ 10,487	\$ 949	\$ 23,926	\$ 22,763	\$ 1,163
Selling, general and administrative expenses	\$ 25,027	\$ 25,754	\$ (727)	\$ 51,523	\$ 52,148	\$ (625)
Adjusted EBITDA ⁽¹⁾	\$ 25,075	\$ 23,824	\$ 1,251	\$ 57,222	\$ 58,064	\$ (842)
Adjusted EBITDA as a percentage of sales	10.5%	10.9%	(0.4%)	11.3%	11.7%	(0.4%)
Net income	\$ 8,470	\$ 19,291	\$(10,821)	\$ 23,765	\$ 35,889	\$(12,124)
Basic Earnings per Share ("EPS")	\$ 0.28	\$ 0.59	\$ (0.31)	\$ 0.79	\$ 1.08	\$ (0.29)
Diluted EPS	\$ 0.28	\$ 0.59	\$ (0.31)	\$ 0.79	\$ 1.08	\$ (0.29)
Adjusted Net Income ⁽¹⁾	\$ 11,497	\$ 11,237	\$ 260	\$ 28,051	\$ 29,828	\$(1,777)
Adjusted Diluted EPS ⁽¹⁾	\$ 0.38	\$ 0.35	\$ 0.03	\$ 0.93	\$ 0.90	\$ 0.03
Total assets				\$873,859	\$801,584	\$72,275
Total long-term financial liabilities				\$254,596	\$242,624	\$11,972
Dividends paid per common share (in CAD)	\$ 0.17	\$ 0.15	\$ 0.02	\$ 0.34	\$ 0.30	\$ 0.04

⁽¹⁾ Refer to the *Non-IFRS Financial Measures* section starting on page 19 for further explanation of Adjusted EBITDA, Adjusted Net Income, and Adjusted Diluted EPS.

Sales

Thirteen weeks

Sales volume for the thirteen weeks ended June 28, 2025, or the second quarter of 2025, increased by 3.1 million pounds, or 6.0%, to 54.8 million pounds compared to 51.7 million pounds in the thirteen weeks ended June 29,

2024, driven by increased demand across our retail and foodservice businesses, supported by strong execution and the benefit of the later timing of the Lenten period in 2025.

Sales in the second quarter of 2025 increased by \$21.3 million, or 9.8%, to \$239.6 million compared to \$218.3 million in the same period last year, driven by the previously mentioned volume increase across our business, as well as favourable product mix.

The weaker Canadian dollar in the second quarter of 2025 compared to the same period in 2024 decreased the value of USD sales from our CAD-denominated operations by approximately \$0.7 million relative to the conversion impact last year.

Twenty-six weeks

Sales volume in the first half of 2025 increased by 2.2 million pounds, or 1.9%, to 120.8 million pounds compared to 118.6 million pounds in the same period in the prior year, increasing in both retail and foodservice. In retail, the Company's growth is a result of a continued targeted approach to value-driven promotions and product innovation, supporting expanded distribution and growth in the club channel. While the foodservice business experienced slowdowns as consumers continue to pull back on dining outside of the home, the Company offset market pressures with growth in our contract manufacturing business.

Sales in the first half of 2025 increased by \$12.7 million, or 2.6%, to \$508.0 million compared to \$495.3 million in the same period in the prior year. The increase in sales is mainly driven by increased volumes, as well as a favourable product mix supporting the Company's branded value added strategy. This was partially offset by unfavourable pricing, reflecting the highly promotional environment.

The weaker Canadian dollar in the first half of 2025 compared to the first half of 2024 decreased the value of reported USD sales from our CAD-denominated operations by approximately \$4.3 million relative to the conversion impact last year.

Gross Profit

Thirteen weeks

Gross profit increased in the second quarter of 2025 by \$0.8 million, or 1.5%, to \$53.3 million compared to \$52.5 million in the same period in 2024, while gross profit as a percentage of sales decreased to 22.3% compared to 24.0%. The increase in gross profit is driven by the increase in sales volume previously mentioned. This was partially offset by increased expenses related to the introduction of tariffs on seafood imported into the U.S., as well as higher raw material pricing on select species, which is reflected in the decline in gross profit as a percentage of sales. High Liner Foods continues to drive improvements across operations to ensure prudent cost management and is actively working to mitigate the ongoing impact of tariffs while maintaining a balanced approach to pricing focused on supporting both the bottom and top line of the business.

In addition, the weaker Canadian dollar decreased the value of reported USD gross profit from our Canadian operations in 2025 by \$0.2 million relative to the conversion impact last year.

Twenty-six weeks

Gross profit decreased in the first half of 2025 by \$1.2 million, or 1.0%, to \$116.8 million compared to \$118.0 million in the same period in the prior year, and gross profit as a percentage of sales decreased to 23.0%, compared to 23.8%. The decrease in gross profit reflects increased costs and promotional activity previously discussed, partially mitigated by the increase in sales.

The weaker Canadian dollar decreased the value of reported USD gross profit from our Canadian operations in 2025 by \$1.0 million relative to the conversion impact last year.

Distribution Expenses

Thirteen weeks

Distribution expenses, consisting of freight and storage, increased in the second quarter of 2025 by \$0.9 million or 8.6% to \$11.4 million compared to \$10.5 million in the same period in the prior year. The increase in distribution expenses reflects increased storage costs, resulting from higher rates. Freight costs also increased compared to the prior year, resulting from increased sales volume. As a percentage of sales, distribution expenses remained consistent at 4.8% in the second quarter of 2025 and 2024.

Twenty-six weeks

Distribution expenses increased in the first half of 2025 by \$1.1 million, or 4.8%, to \$23.9 million compared to \$22.8 million in the same period in the prior year. This increase reflects higher storage costs in the first half of 2025, while freight expenses remained flat year-over-year. This increase in storage is attributed to higher external warehousing costs and higher rates, in addition to increased inventory levels to mitigate tariff and supply chain risk. As a percentage of sales, distribution expenses increased unfavourably to 4.7% in the first half of 2025 compared to 4.6% in the same period in 2024.

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

(Amounts in \$000s)	Thirteen weeks ended		Twenty-six weeks ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
SG&A expenses, as reported	\$ 25,027	\$ 25,754	\$ 51,523	\$ 52,148
Less:				
Share-based compensation expense ⁽¹⁾	2,278	1,688	3,866	3,527
Depreciation and amortization expense ⁽¹⁾	2,243	2,368	4,683	4,714
SG&A expenses, net ⁽²⁾	\$ 20,506	\$ 21,698	\$ 42,974	\$ 43,907
SG&A expenses, net as a percentage of sales	8.6%	9.9%	8.5%	8.9%

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

⁽²⁾ Net SG&A expenses is a non-IFRS financial measure representing the selling, general and administrative expenses that impact Adjusted EBITDA. Refer to the *Non-IFRS Financial Measures* section starting on page 19 for further explanation of Adjusted EBITDA.

SG&A Expenses

Thirteen weeks

SG&A expenses decreased in the second quarter of 2025 by \$0.8 million to \$25.0 million compared to \$25.8 million in the same period last year. SG&A expenses included share-based compensation expense of \$2.3 million in the second quarter of 2025, compared with an expense of \$1.7 million in the second quarter of 2024, primarily due to improved share price performance, a higher expected performance multiplier for performance-based awards, and a higher number of units outstanding compared to the same period last year. SG&A expenses also included depreciation and amortization expense of \$2.2 million in the second quarter of 2025 compared to \$2.4 million in the same period in 2024.

Excluding share-based compensation and depreciation and amortization expenses, SG&A expenses decreased in the second quarter of 2025 by \$1.2 million to \$20.5 million compared to \$21.7 million in the same period last year. This is due to a decrease in consumer marketing and IT costs, lower salaries, benefits and other human resources-related costs, and increased absorption of overhead costs. This is partially offset with increased consulting, travel, and other administrative costs. As a percentage of sales, SG&A excluding share-based compensation and depreciation and amortization expense was 8.6% in the second quarter of 2025 compared to 9.9% in the same period last year.

Twenty-six weeks

SG&A expenses decreased by \$0.6 million, or 1.2%, to \$51.5 million in the first half of 2025 as compared to \$52.1 million in the same period in the prior year. SG&A expenses included share-based compensation expense of \$3.9 million in the first half of 2025 compared to \$3.5 million in the same period in the prior year, driven by the same factors described above for the thirteen weeks ended June 28, 2025. SG&A expenses also included depreciation and amortization expense of \$4.7 million in the first half of 2025, consistent with an expense of \$4.7 million in the same period in the prior year.

Excluding share-based compensation and depreciation and amortization expenses, SG&A expenses decreased in the first half of 2025 by \$0.9 million, or 2.1%, to \$43.0 million compared to \$43.9 million in 2024, due to decreased consumer marketing costs, increased absorption of overhead costs and lower administrative expenses including salary, benefits, incentives and other human resources-related costs, information technology expenses and insurance. This decrease is partially offset with increased consulting and professional fees and travel-related expenses. As a percentage of sales, SG&A excluding share-based compensation and depreciation and amortization expense decreased to 8.5% in the first half of 2025 compared to 8.9% for the same period in 2024.

Adjusted EBITDA

We refer to Adjusted EBITDA throughout this MD&A in discussing our results for the thirteen and twenty-six weeks ended June 28, 2025. See the *Non-IFRS Financial Measures* section starting on page 19 for further explanation of this non-IFRS measure.

Thirteen weeks

Adjusted EBITDA increased in the second quarter of 2025 by \$1.3 million, or 5.5%, to \$25.1 million compared to \$23.8 million in the same period in the prior year. As a percentage of sales, Adjusted EBITDA decreased to 10.5% compared to 10.9%. The increase in Adjusted EBITDA reflects the increase in net sales and gross profit and decrease in net SG&A expenses, offset with the increase in distribution expenses, all discussed previously.

The weaker Canadian dollar decreased the value of reported Adjusted EBITDA in USD from our Canadian operations in 2025 by \$0.1 million relative to the conversion impact last year.

Twenty-six weeks

Adjusted EBITDA decreased in the first half of 2025 by \$0.9 million, or 1.5%, to \$57.2 million compared to \$58.1 million in the same period in the prior year, and as a percentage of sales, Adjusted EBITDA decreased to 11.3% compared to 11.7%. The decrease in Adjusted EBITDA is a result of the decreased gross profit and increased distribution expenses, partially offset by lower SG&A expenses.

In addition, the weaker Canadian dollar decreased the value of reported Adjusted EBITDA in USD from our Canadian operations in 2025 by \$0.4 million relative to the conversion impact last year.

Net Income

We refer to Adjusted Net Income and Adjusted Diluted EPS throughout this MD&A. See the *Non-IFRS Financial Measures* section starting on page 19 for further explanation of these non-IFRS measures.

Thirteen weeks

Net income decreased in the second quarter of 2025 by \$10.8 million, or 56.0%, to net income of \$8.5 million compared to net income of \$19.3 million in the same period in the prior year, while diluted EPS decreased to \$0.28 compared to \$0.59 in 2024. In the second quarter of 2025, net income included "business acquisition, integration and other expense (income)" (as explained in the *Business Acquisition, Integration and Other Expense (Income)* section on page 12 of this MD&A) related to certain non-routine expenses. The decrease in net income reflects the business acquisition, integration, and other income recorded in the second quarter of 2024 which was in an income position as a result of the Rubicon legal settlement, as compared to a net expense in 2025, which includes costs relating to the Company's Conagra Brands Acquisition (refer to *Recent Developments*). The decrease in net income is also attributed to an increase in finance costs, partially offset with the increase in Adjusted EBITDA (as discussed previously in the *Adjusted EBITDA* section above) and lower income tax expense.

Excluding the impact of these non-routine items or other non-cash expenses and share-based compensation, Adjusted Net Income in the second quarter of 2025 increased by \$0.3 million, or 2.7%, to \$11.5 million compared to \$11.2 million in the same period in the prior year. Refer to the *Non-IFRS Financial Measures* section starting on page 19 for further explanation of Adjusted Net Income.

Adjusted Diluted EPS increased to \$0.38 from \$0.35 in 2024.

Twenty-six weeks

Net income decreased in the first half of 2025 by \$12.1 million, or 33.7%, to \$23.8 million compared to \$35.9 million in the same period in the prior year, while diluted EPS decreased to \$0.79 compared to \$1.08 in 2024. The decrease in net income is due to the decrease in Adjusted EBITDA (as discussed previously in the *Adjusted EBITDA* section above), and the decrease in business acquisition, integration, and other expense (income), as described above for the thirteen weeks ended June 28, 2025.

In the first half of 2025, net income included "business acquisition, integration and other expense (income)" (as explained in the *Business Acquisition, Integration and Other Expense (Income)* section on page 12 of this MD&A) related to certain non-routine expenses. Excluding the impact of these non-routine items, other non-cash expenses, and share-based compensation, Adjusted Net Income in the first half of 2025 decreased by \$1.7 million, or 5.7%, to \$28.1 million compared to \$29.8 million in the same period in the prior year.

Adjusted Diluted EPS increased \$0.03 in the first half of 2025 to \$0.93 compared to \$0.90 in the same period in the prior year.

RESULTS BY QUARTER

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

(Amounts in \$000s, except per share amounts)	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Sales	\$239,610	\$268,436	\$235,039	\$228,884	\$218,323	\$276,972	\$237,126	\$259,699	\$254,349
Adjusted EBITDA ⁽¹⁾	\$ 25,075	\$ 32,147	\$ 23,782	\$ 21,493	\$ 23,824	\$ 34,240	\$ 21,887	\$ 19,974	\$ 22,032
Net Income	\$ 8,470	\$ 15,295	\$ 5,928	\$ 18,347	\$ 19,291	\$ 16,598	\$ 6,416	\$ 5,486	\$ 5,887
Adjusted Net Income ⁽¹⁾	\$ 11,497	\$ 16,554	\$ 12,533	\$ 5,601	\$ 11,237	\$ 18,590	\$ 7,293	\$ 4,906	\$ 10,044
EPS, based on Net Income									
Basic	\$ 0.28	\$ 0.51	\$ 0.20	\$ 0.61	\$ 0.59	\$ 0.49	\$ 0.19	\$ 0.16	\$ 0.18
Diluted	\$ 0.28	\$ 0.51	\$ 0.20	\$ 0.61	\$ 0.59	\$ 0.49	\$ 0.20	\$ 0.16	\$ 0.17
EPS, based on Adjusted Net Income ⁽¹⁾									
Diluted ⁽¹⁾	\$ 0.38	\$ 0.55	\$ 0.41	\$ 0.20	\$ 0.35	\$ 0.55	\$ 0.23	\$ 0.14	\$ 0.29
Dividends paid per common share (CAD)									
	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.13	\$ 0.13
Net non-cash working capital ⁽²⁾									
	\$270,724	\$268,584	\$235,914	\$241,392	\$237,221	\$262,840	\$255,151	\$306,131	\$352,189

⁽¹⁾ See the *Non-IFRS Financial Measures* section starting on page 19 for further explanation of Adjusted EBITDA, Adjusted Net Income and Adjusted Diluted EPS.

⁽²⁾ Net non-cash working capital is a non-IFRS financial measure comprised of accounts receivable, inventories and prepaid expenses, less accounts payable and accrued liabilities, contract liabilities and provisions.

As discussed in the *Performance* section on page 5 of this MD&A, the first quarter of the year historically emerges as the peak period for both sales and profit. This pattern holds true for both our retail and foodservice businesses, strengthened by heightened seafood promotion during the Lenten period.

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

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

Throughout the first three quarters of fiscal 2023, net non-cash working capital levels were heightened, largely stemming from increased inventory investments aimed at mitigating global supply chain disruptions during fiscal 2022. Subsequently, as supply chain challenges eased, the Company progressively reduced inflated inventory levels, returning to normal inventory levels by the end of fiscal 2023. Net non-cash working capital increased again in Q1 2025, driven by higher inventory levels resulting from elevated tariff and raw material costs.

BUSINESS ACQUISITION, INTEGRATION AND OTHER EXPENSE (INCOME)

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

(Amounts in \$000s)	Thirteen weeks ended		Twenty-six weeks ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Business acquisition, integration and other expense (income)	\$ 1,807	\$ (9,684)	\$ 1,930	\$ (8,992)

Business acquisition, integration and other expense (income) for the thirteen and twenty-six weeks ended June 28, 2025, and June 29, 2024, also included certain non-routine expenses, such as legal and consulting fees, that are not representative of the Company's ongoing operational activities. During the thirteen and twenty-six weeks ended June 28, 2025, this expense included costs associated with the Conagra Brands Acquisition (refer to *Recent Developments* above). During the thirteen and twenty-six weeks ended June 29, 2024 the Company recognized a gain of \$9.8M relating to the shares reacquired in result of the litigation settlement reached between High Liner Foods and the former shareholders of Rubicon. This gain was offset by legal and consulting fees relating to the lawsuit, as well as other legal and consulting costs associated with the Company's business acquisition activities.

FINANCE COSTS

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

(Amounts in \$000s)	Thirteen weeks ended		Twenty-six weeks ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Interest paid in cash during the period	\$ 5,641	\$ 4,553	\$ 9,386	\$ 10,508
Change in cash interest accrued during the period	(972)	123	(1,091)	(625)
Total interest to be paid in cash	4,669	4,676	8,295	9,883
Interest expense on lease liabilities	199	110	430	413
Deferred financing cost & net modification amortization	842	329	1,687	733
Total finance costs	\$ 5,710	\$ 5,115	\$ 10,412	\$ 11,029

Finance costs were \$0.6 million higher in the second quarter of 2025 and \$0.6 million lower in the twenty-six weeks ended June 28, 2025, compared to the same periods last year. The increase during the thirteen weeks ended June 28, 2025 reflects higher interest expense on bank loans due to higher balances outstanding, partially offset by the lower principal balance outstanding on long-term debt and lower interest rates. The decrease during the twenty-six weeks ended June 28, 2025 is attributed to lower interest on long-term debt due to the lower principal balance outstanding in the first half of 2025 compared to the same period last year and lower interest rates, partially offset with increased interest expense on bank loans due to the higher balances outstanding.

INCOME TAXES

The Company's statutory tax rate for the thirteen and twenty-six weeks ended June 28, 2025 was 28.0% (thirteen and twenty-six weeks ended June 29, 2024: 28.1%). The Company's effective income tax rate for the thirteen and twenty-six weeks ended June 28, 2025 was an expense of 10.3% and 18.5% respectively (thirteen and twenty-six weeks ended June 29, 2024: an expense of 7.4% and 12.5% respectively). The higher effective tax rate for the thirteen and twenty-six weeks ended June 28, 2025, reflects the implications of the Global Minimum Tax, as described below in more detail, partially offset with income tax effects resulting from the Rubicon settlement in the

thirteen and twenty-six weeks ended June 29, 2024. The effective tax rate remained lower than the statutory rate as a result of the Company's tax efficient financing structure offset with the implications of the Global Minimum Tax.

On June 20, 2024, the Global Minimum Tax Act was enacted by the Government of Canada. The Global Minimum Tax Act is the Canadian implementation of the Pillar Two model rules published by the Organization for Economic Co-operation and Development. The Company intends to rely on certain transitional safe harbours for certain jurisdictions in which it operates. For the thirteen and twenty-six weeks ended June 28, 2025, a provision of \$0.4 million and \$1.2 million was recorded, respectively (thirteen and twenty-six weeks ended June 29, 2024: a provision of \$0.3 million).

OUTLOOK

High Liner Foods remains confident in the long-term outlook for its business and is well positioned with a diversified supply chain and a strong balance sheet to mitigate the ongoing challenges posed by tariffs and related uncertainty in the global operating environment.

The Company's second quarter performance demonstrates the underlying strength of the business and the Company's ability to grow despite headwinds. While operating challenges are anticipated to continue in the second half of the year, the Company is aggressively pursuing targeted strategies to support volume growth while preserving margin to deliver year over year Adjusted EBITDA growth. Through the recently completed Conagra Brands Acquisition, High Liner has enhanced the Company's product portfolio, providing new opportunities for innovation and market expansion, unlocking long-term, sustainable growth opportunities.

CONTINGENCIES

The Company has no material outstanding contingencies.

LIQUIDITY AND CAPITAL RESOURCES

The Company's condensed consolidated statements of financial position are affected by foreign currency fluctuations, the effect of which is discussed in the *Introduction* section on page 1 of this MD&A (under the heading "Currency") and in the *Foreign Currency* risk section in the Annual 2024 MD&A.

Our capital management practices are described in Note 24, "*Capital management*" in the 2024 Annual Consolidated Financial Statements.

Bank Loans ("Working Capital Credit Facility")

The Company has a \$200.0 million asset-based working capital credit facility, with the Royal Bank of Canada as the Administrative and Collateral agent, which was amended on October 6, 2022, to increase the borrowing limit from \$150.0 million to \$200.0 million. Additionally, on April 28, 2022, the working capital credit facility was amended to extend the term expiry from April 2023 to April 2027. The amendment also included a necessary update from LIBOR to Secured Overnight Financing Rate ("SOFR") based loans. The working capital credit facility requires the Company to maintain certain financial and non-financial covenants. The primary financial covenant requires the Company to maintain, on a continual basis, the average adjusted aggregate availability above a certain threshold, or otherwise a fixed charge coverage ratio above a specified threshold. As at June 28, 2025, the Company was in compliance with all of these covenants.

The rates provided by the working capital credit facility are noted in the following table, based on the "Average Adjusted Aggregate Availability" as defined in the credit agreement. The Company's borrowing rates as of June 28, 2025 are also noted in the following table:

Per Credit Agreement	As at June 28, 2025	
Canadian Prime Rate, Canadian Base Rate and U.S. Prime Rate revolving loans, at their respective rates	plus 0.00% to 0.25%	plus 0.00%
CORRA revolving loans at CORRA rates ⁽¹⁾	plus 1.25% to 1.50%	plus 1.25%
SOFR revolving loans at SOFR rates ⁽²⁾	plus 1.25% to 1.50%	plus 1.25%
Letters of credit, with fees	of 1.25% to 1.50%	of 1.25%
Standby fees required to be paid on the unutilized facility	of 0.25%	of 0.25%

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

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

The working capital credit facility is classified as a non-current liability on the Company's condensed consolidated statements of financial position. Average working capital credit facility balances outstanding during the first half of 2025 was \$21.3 million compared to \$5.5 million in the same period in the prior year. The \$15.8 million increase in the average working capital credit facility is attributed to increased working capital requirements as a result of lower cash flows from operations (discussed below on page 16), particularly to support working capital requirements during the Lenten period and increased inventory purchases in the second quarter of 2025.

As at June 28, 2025, the Company had \$160.2 million of unused borrowing availability (June 29, 2024: \$161.2 million), taking into account the current borrowing base and letters of credit, which reduce the availability under the working capital credit facility. On June 28, 2025, letters of credit and standby letters of credit were outstanding in the amount of \$6.8 million (June 29, 2024: \$7.2 million) to secure certain contractual obligations, including those related to the Company's Supplemental Executive Retirement Plan ("SERP").

The working capital credit facility is asset-based and collateralized by the Company's inventories, accounts receivable and other personal property in North America. Under the Company's term loan facility, it is subject to a first charge on brands, trade names and related intangibles. A second charge over the Company's property, plant and equipment is also in place. Additional details regarding the Company's working capital credit facility are provided in Note 3 "Bank loans" to the Condensed Consolidated Financial Statements.

In the absence of any additional major acquisitions or significant adverse economic developments, we expect average working capital credit facility balances in Fiscal 2025 to be higher than in Fiscal 2024, due to funding the recently announced Conagra Brands Acquisition (see *Recent Developments* section), as well as investments in working capital, and we believe the asset-based working capital credit facility should be sufficient to fund all the Company's anticipated cash requirements.

Long-Term Debt ("Term Loan Facility")

As at June 28, 2025, the Company had a \$240.0 million term loan facility with an applicable interest rate of SOFR plus 3.25% (0.50% SOFR floor), maturing in July 2031.

Quarterly principal repayments of \$1.5 million are required on the term loan as regularly scheduled repayments. On an annual basis, based on a leverage test, additional prepayments could be required of up to 50% of the previous year's defined excess cash flow ("mandatory prepayments"). Any mandatory and voluntary repayments after the refinancing are applied to future regularly scheduled principal repayments. During the twenty-six weeks ended June 28, 2025, regularly scheduled repayments of \$3.0 million were made. There are regularly scheduled repayments of \$7.5 million to be paid in the next fifty-three weeks. There are no mandatory prepayments to be paid in 2025 related to excess cash flows from 2024. Substantially all tangible and intangible assets (excluding working capital) of the Company are pledged as collateral for the term loan. The term loan facility requires the Company to

maintain certain financial and non-financial covenants. The primary financial covenant requires the Company to maintain a total leverage ratio below a specified threshold as of the last day of each quarterly reporting period. As at June 28, 2025, the Company was in compliance with all of these covenants.

During the twenty-six weeks ended June 28, 2025, the Company had the following interest rate swaps outstanding to hedge interest rate risk resulting from the term loan facility:

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

As of June 28, 2025, the combined impact of the outstanding interest rate swaps listed above effectively fix the interest rate on \$95.0 million of the \$240.0 million face value of the term loan, while the remaining portion of the debt continues to be at variable interest rates. As such, we expect that there will be fluctuations in interest expense due to changes in interest rates when SOFR is higher than the embedded floor of 0.50%.

Additional details regarding the Company's term loan are provided in Note 4, "Long-term debt" to the Condensed Consolidated Financial Statements.

Net Debt

The Company's Net Debt (as calculated in the *Non-IFRS Financial Measures* section on page 19 of this MD&A) is comprised of the working capital credit and term loan facilities (excluding deferred finance costs and modification gains/losses) and lease liabilities, less cash. Net Debt increased by \$42.7 million to \$275.9 million at June 28, 2025, compared to \$233.2 million at December 28, 2024, reflecting higher bank loans and a lower cash balance, partially offset by lower long-term debt and lease liabilities as at June 28, 2025, as compared to December 28, 2024.

Net Debt to Rolling fifty-two weeks Adjusted EBITDA (see the *Non-IFRS Financial Measures* section on page 19 of this MD&A) increased to 2.7x at June 28, 2025, compared to 2.3x at December 28, 2024, and 2.6x at December 30, 2023. This ratio is currently below the Company's long-term target of 3.0x, however we expect the ratio to be slightly above Company's long-term target at the end of Fiscal 2025 due to the recently announced Conagra Brands Acquisition (see *Recent Developments*).

(Amounts in \$000s, except as otherwise noted)	Fifty-two weeks ended	
	June 28, 2025	December 28, 2024
Net Debt	\$ 275,920	\$ 233,206
Adjusted EBITDA	\$ 102,497	\$ 103,339
Net Debt to Adjusted EBITDA ratio (times)	2.7	2.3

Capital Structure

At June 28, 2025, Net Debt was 39.8% of total capitalization compared to 36.6% at December 28, 2024 and 37.1% at June 29, 2024.

(Amounts in \$000s)	June 28, 2025		December 28, 2024		June 29, 2024
Net Debt	\$	275,920	\$	233,206	\$ 232,652
Shareholders' equity		418,577		405,729	397,441
Unrealized gains on derivative financial instruments included in AOCI		(367)		(1,708)	(2,571)
Total capitalization	\$	694,130	\$	637,227	\$ 627,522
Net Debt as a percentage of total capitalization		39.8%		36.6%	37.1%

Using our June 28, 2025 market capitalization of \$382.5 million, based on the TSX closing share price of CAD\$17.98 on June 28, 2025 (USD\$13.16 equivalent), instead of the book value of equity, Net Debt as a percentage of total capitalization increased to 41.9% (June 29, 2024: 44.2%).

Cash Flow

(Amounts in \$000s)	Thirteen weeks ended			Twenty-six weeks ended		
	June 28, 2025	June 29, 2024	Change	June 28, 2025	June 29, 2024	Change
Net cash flows provided by operating activities	\$ 15,571	\$ 39,040	\$ (23,469)	\$ 4,939	\$ 56,539	\$ (51,600)
Net cash flows used in financing activities	(5,567)	(19,382)	13,815	10,774	(22,423)	33,197
Net cash flows used in investing activities	(11,736)	(17,715)	5,979	(32,522)	(25,097)	(7,425)
Foreign exchange increase (decrease) on cash	1,846	(228)	2,074	1,683	(733)	2,416
Net change in cash during the period	\$ 114	\$ 1,715	\$ (1,601)	\$ (15,126)	\$ 8,286	\$ (23,412)

Cash Flows from Operating Activities

Cash flows from operating activities were \$51.6 million lower in the first half of 2025 compared to the same period in the prior year. The decrease is driven by lower cash flows from operations, higher income taxes paid and unfavourable changes in non-cash working capital balances, specifically an increase in inventory balances compared to a decrease in the prior year. This was partially offset with lower repayments of accounts payable balances in the first half of 2025 compared to the same period last year, primarily due to the later timing of the Lenten period in 2025, and lower interest paid.

Cash Flows from Financing Activities

Cash flows provided by financing activities were \$33.2 million higher in the first half of 2025 compared to the same period in the prior year mainly due an increase in bank loans and lower long-term debt repayments resulting from the refinancing of the Company's Term Loan in fiscal 2024, partially offset by an increase in cash outflows related to the repurchase of common shares and an increase in dividends paid.

Cash Flows from Investing Activities

Cash outflows from investing activities were \$7.4 million higher in the first half of 2025 compared to the same period last year primarily due to the additional investments in Norcod and Andfjord in the first half of 2025 (refer to the *Recent Developments* section on page 4 for more details), partially offset with reduced capital expenditures (see the *Capital Expenditures* section on page 17 of this MD&A).

Standardized Free Cash Flow

Standardized Free Cash Flow (see the *Non-IFRS Financial Measures* section on page 19 for further explanation of Standardized Free Cash Flow) for the fifty-two weeks ended June 28, 2025 decreased by \$140.0 million to an inflow of \$17.4 million compared to an inflow of \$157.4 million for the fifty-two weeks ended June 29, 2024. This decrease is due to unfavourable changes in non-cash working capital balances, higher capital expenditures (as defined further below), and decreased cash flows from operations; partially offset with lower interest and income taxes paid during the last fifty-two weeks as compared to the fifty-two weeks ended June 29, 2024.

Net Non-Cash Working Capital

(Amounts in \$000s)	June 28, 2025	December 28, 2024	Change
Accounts receivable	\$ 98,422	\$ 92,218	\$ 6,204
Inventories	299,096	289,162	9,934
Prepaid expenses	6,296	4,550	1,746
Accounts payable and accrued liabilities	(132,944)	(149,895)	16,951
Provisions	(146)	(121)	(25)
Net non-cash working capital	\$ 270,724	\$ 235,914	\$ 34,810

Net non-cash working capital consists of accounts receivable, inventories and prepaid expenses, less accounts payable and accrued liabilities, and provisions. Net non-cash working capital increased by \$34.8 million to \$270.7 million at June 28, 2025, as compared to \$235.9 million at December 28, 2024, primarily reflecting higher accounts receivable and inventories, and lower accounts payable and accrued liabilities balances.

The Company's working capital requirements fluctuate during the year, usually peaking between December and March as our inventory is the highest at that time, as described in the *"Seasonality"* section on page 5 of this MD&A. Going forward we do expect the trend of inventory peaking between December and March to continue, and believe we have sufficient availability on our working capital credit facility to finance our working capital requirements throughout the remainder of 2025.

Capital Expenditures

Capital expenditures (including computer software) were \$4.8 million and \$7.9 million during the thirteen and twenty-six weeks ended June 28, 2025, respectively, as compared to capital expenditures of \$7.7 million and \$10.1 million during the thirteen and twenty-six weeks ended June 29, 2024, respectively. Capital expenditures decreased in the first half of 2025 compared to the same period in the prior year, due to later timing of projects in 2025 compared to the prior year.

Excluding strategic initiatives that may arise, management expects that capital expenditures in 2025 will be between \$20.0 million to \$24.0 million, funded by cash generated from operations and working capital credit facility borrowings.

Dividends

The Company paid a CAD \$0.17 per share quarterly dividend on June 15, 2025 to common shareholders of record on June 1, 2025.

On August 7, 2025, the Company's Board of Directors approved a quarterly dividend of CAD \$0.17 per share on the Company's common shares, payable on September 15, 2025 to holders of record as of September 1, 2025. These dividends are considered "eligible dividends" for Canadian income tax purposes.

Dividends and Normal Course Issuer Bids ("NCIB"), if applicable, are subject to the following restrictions in our credit agreements:

- Under the working capital credit facility, Average Adjusted Aggregate Availability, as defined in the credit agreement, needs to be \$25.0 million or higher and was \$162.6 million on June 28, 2025, and NCIBs are subject to an annual limit of \$10.0 million with a provision to carry forward unused amounts subject to a maximum of \$20.0 million per annum; and
- Under the term loan facility, annual dividends cannot exceed the greater of \$32.5 million or 32.5% of EBITDA, as defined in the loan agreement. This amount can be increased to include any defined excess cash flows when the defined total leverage ratio is below 4.0x and becomes unlimited when the defined total leverage ratio is below 3.0x. The defined total leverage ratio was 2.7x on June 28, 2025. NCIBs are subject to an annual limit of \$10.0 million under the term loan facility with a provision to carry forward unused amounts subject to a maximum of \$20.0 million per annum.

Contractual Obligations

Contractual obligations relating to our bank loans, long-term debt, lease liabilities, and purchase obligations as at June 28, 2025 were as follows:

(Amounts in \$000s)	Total	Less than 1 year	1–5 Years	Thereafter
Bank loans	\$ 32,366	\$ —	\$ —	\$ 32,366
Long-term debt	328,217	24,981	84,159	219,077
Lease liabilities	10,225	4,774	2,875	2,576
Purchase obligations	133,693	133,693	—	—
Total contractual obligations	\$ 504,501	\$ 163,448	\$ 87,034	\$ 254,019

Purchase obligations are for the purchase of seafood and other non-seafood inputs, including flour, paper products, and frying oils. For further details of *Procurement* and *Foreign Currency* risks, refer to the *Risk Factors* section of our 2024 Annual MD&A.

Financial Instruments and Risk Management

The Company has exposure to the following risks as a result of its use of financial instruments: foreign currency risk, interest rate risk, credit risk and liquidity risk. The Company enters into interest rate swaps, foreign currency contracts, and insurance contracts to manage these risks that arise from the Company's operations and its sources of financing, in accordance with a written policy that is reviewed and approved by the Audit Committee of the Board of Directors. The policy prohibits the use of derivative financial instruments for trading or speculative purposes.

Readers are directed to Note 9 "*Fair value measurement*" of the Condensed Consolidated Financial Statements for a complete description of the Company's use of derivative financial instruments and their impact on the financial results, and to Note 25 "*Financial risk management objectives and policies*" of the 2024 Annual Consolidated Financial Statements for further discussion of the Company's financial risks and policies.

Disclosure of Outstanding Share Data

On August 7, 2025, 29,029,464 common shares and 458,091 options were outstanding. The options are exercisable on a one-for-one basis for common shares of the Company.

RELATED PARTY TRANSACTIONS

The Company had no related party transactions, excluding key management personnel compensation, for the thirteen and twenty-six weeks ended June 28, 2025 and June 29, 2024. Refer to Note 21, "*Related party*"

disclosures" to the 2024 Annual Consolidated Financial Statements, for a further description of the Company's related party transactions, which are substantially unchanged in 2025.

EVENTS AFTER THE REPORTING PERIOD

Acquisition of U.S. Retail Brands

On June 30, 2025, the Company completed the acquisition of the Mrs. Paul's® and Van de Kamp's® frozen seafood brands from Conagra Brands, Inc. for total consideration of approximately \$42.4 million. The purchase price includes approximately \$23.8 million of inventory, subject to customary post-closing adjustments. The transaction was funded through the Company's existing asset-based lending facility. Given the timing of the closing of the transaction and the release of these financial statements, the disclosure of the preliminary allocation of the purchase price to identifiable assets, including intangible assets and inventory, has not been completed and the Company is evaluating the impact.

U.S. Tax Legislation

On July 4, 2025, the One Big Beautiful Bill Act was signed into law in the U.S., which contains a broad range of tax reform provisions affecting businesses. The Company is evaluating the full effects of the legislation on our estimated annual effective tax rate and cash tax position, however it is expected that the legislation is unlikely to have a material impact on the Company's financial statements. As the legislation was signed into law after the close of the Company's second quarter, the impacts are not included in the operating results for the thirteen and twenty-six weeks ended June 28, 2025.

NON-IFRS FINANCIAL MEASURES

The Company uses the following non-IFRS financial measures and ratios (together, "measures") in this MD&A: Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA"); Adjusted EBITDA as a Percentage of Sales; Adjusted Net Income; Adjusted Diluted Earnings per Share ("Adjusted Diluted EPS"); Standardized Free Cash Flow; Net Debt; and Net Debt to Rolling fifty-two weeks Adjusted EBITDA. The Company believes these non-IFRS financial measures provide useful information to both management and investors in measuring the financial performance and financial condition of the Company for the reasons outlined below. These measures do not have any standardized meaning as prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS.

Adjusted EBITDA and Adjusted EBITDA as Percentage of Sales

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

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

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

(Amounts in \$000s)	Thirteen weeks ended June 28, 2025		Thirteen weeks ended June 29, 2024	
Net income	\$	8,470	\$	19,291
Add back:				
Depreciation and amortization expense		5,924		5,650
Finance costs		5,710		5,115
Income tax expense		875		1,542
Standardized EBITDA		20,979		31,598
Add back (deduct):				
Business acquisition, integration and other expenses (income) ⁽¹⁾		1,806		(9,684)
Loss on disposal of assets		12		222
Share-based compensation expense		2,278		1,688
Adjusted EBITDA	\$	25,075	\$	23,824
Net Sales	\$	239,610	\$	218,323
Adjusted EBITDA as a Percentage of Sales		10.5%		10.9%

(Amounts in \$000s)	Twenty-six weeks ended June 28, 2025		Twenty-six weeks ended June 29, 2024	
Net income	\$	23,765	\$	35,889
Add back:				
Depreciation and amortization expense		11,971		11,274
Finance costs		10,412		11,029
Income tax expense		5,269		5,123
Standardized EBITDA		51,417		63,315
Add back (deduct):				
Business acquisition, integration and other expenses (income) ⁽¹⁾		1,929		(8,992)
Loss on disposal of assets		10		214
Share-based compensation expense		3,866		3,527
Adjusted EBITDA	\$	57,222	\$	58,064
Net Sales	\$	508,046	\$	495,295
Adjusted EBITDA as a Percentage of Sales		11.3%		11.7%

⁽¹⁾ The business acquisition, integration and other expenses (income) for the thirteen and twenty-six weeks ended June 29, 2024, this amount included a gain of \$9.8M relating to the shares reacquired in result of the litigation settlement reached between High Liner Foods and the former shareholders of Rubicon, which was excluded in Adjusted EBITDA. This amount also included legal and consulting fees relating to the lawsuit.

Rolling fifty-two weeks Adjusted EBITDA

(Amounts in \$000s)	Rolling fifty-two weeks ended		
	June 28, 2025	December 28, 2024	June 29, 2024
Net income	\$ 48,040	\$ 60,164	\$ 47,791
Add back:			
Depreciation and amortization expense	23,702	23,005	25,618
Finance costs ⁽¹⁾	7,899	8,516	23,348
Income tax expense	12,014	11,867	7,833
Standardized EBITDA	91,655	103,552	104,590
Add back (deduct):			
Business acquisition, integration and other expenses (income) ⁽²⁾	2,392	(8,528)	(7,538)
Loss on disposal of assets	551	756	280
Share-based compensation expense	7,899	7,559	2,593
Rolling fifty-two weeks Adjusted EBITDA	\$ 102,497	\$ 103,339	\$ 99,925

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

⁽²⁾ Business acquisition, integration and other expenses (income) for the rolling fifty-two weeks ended June 29, 2024 and December 28, 2024 include a gain of \$9.8 million relating to the shares reacquired in result of the litigation settlement reached between High Liner Foods and the former shareholders of Rubicon.

Adjusted Net Income and Adjusted Diluted EPS

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

We use Adjusted Net Income and Adjusted Diluted EPS to assess the performance of our business without the effects of the above-mentioned items, and we believe our investors and analysts also use these measures. We exclude these items because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. The most comparable IFRS financial measures are net income and EPS.

The table below reconciles our Adjusted Net Income with measures that are found in our Condensed Consolidated Financial Statements and calculates Adjusted Diluted EPS.

	Thirteen weeks ended		Thirteen weeks ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
	\$000s	Adjusted Diluted EPS	\$000s	Adjusted Diluted EPS
Net income	\$ 8,470	\$ 0.28	\$ 19,291	\$ 0.59
Add back (deduct):				
Business acquisition, integration and other expenses (income) ⁽¹⁾	1,806	0.06	(9,684)	(0.30)
Share-based compensation expense	2,278	0.08	1,688	0.05
Tax impact of reconciling items	(1,057)	(0.04)	(58)	—
Adjusted Net Income	\$ 11,497	\$ 0.38	\$ 11,237	\$ 0.35
Weighted average shares for the period (000s)		29,978		32,770

	Twenty-six weeks ended		Twenty-six weeks ended	
	June 28, 2025		June 29, 2024	
	\$000s	Adjusted Diluted EPS	\$000s	Adjusted Diluted EPS
Net income	\$ 23,765	\$ 0.79	\$ 35,889	\$ 1.08
Add back (deduct):				
Business acquisition, integration and other expenses (income) ⁽¹⁾	1,929	0.06	(8,992)	(0.27)
Share-based compensation expense	3,866	0.13	3,527	0.11
Tax impact of reconciling items	(1,509)	(0.05)	(596)	(0.03)
Adjusted Net Income	\$ 28,051	\$ 0.93	\$ 29,828	\$ 0.90
Weighted average shares for the period (000s)		30,123		33,171

⁽¹⁾ The business acquisition, integration and other expenses (income) for the thirteen and twenty-six weeks ended June 29, 2024 includes a gain of \$9.8 million relating to the shares reacquired in result of the litigation settlement reached between High Liner Foods and the former shareholders of Rubicon. For the thirteen and twenty-six weeks ended June 29, 2024, this amount includes legal and consulting fees relating to the lawsuit High Liner Foods filed against Mr. Brian Wynn.

Standardized Free Cash Flow

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

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

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

(Amounts in \$000s)	Fifty-two weeks ended		
	June 28, 2025	June 29, 2024	Change
Cash flows provided by operations before changes in non-cash working capital, interest and income taxes paid	\$ 96,906	\$ 97,922	\$ (1,016)
Net change in non-cash working capital balances	(34,347)	111,733	(146,080)
Interest paid	(17,365)	(22,464)	5,099
Income taxes paid	(6,207)	(9,663)	3,456
Cash flows provided by operating activities	38,987	177,528	(138,541)
Less:			
Purchase of property, plant and equipment, and intangible assets	(21,609)	(20,083)	(1,526)
Standardized Free Cash Flow	\$ 17,378	\$ 157,445	\$ (140,067)

Net Debt and Net Debt to Rolling fifty-two weeks Adjusted EBITDA

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

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

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

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

(Amounts in \$000s)	June 28, 2025	December 28, 2024	June 29, 2024
Bank loans	\$ 32,103	\$ —	\$ —
Add-back: Deferred finance costs included in bank loans ⁽¹⁾	263	—	—
Total bank loans	32,366	—	—
Long-term debt	209,873	211,312	228,760
Current portion of long-term debt	7,500	7,500	7,500
Add-back: Deferred finance costs included in long-term debt ⁽²⁾	7,455	8,063	2,940
Net gain (loss) on modification of debt ⁽³⁾	10,672	11,625	(320)
Total term loan debt	235,500	238,500	238,880
Long-term portion of lease liabilities	4,155	5,799	5,236
Current portion of lease liabilities	4,236	4,370	4,122
Total lease liabilities	8,391	10,169	9,358
Less: Cash	(337)	(15,463)	(15,586)
Net Debt	\$ 275,920	\$ 233,206	\$ 232,652
Rolling fifty-two weeks Adjusted EBITDA	\$ 102,497	\$ 103,339	\$ 99,925
Net Debt to Rolling fifty-two weeks Adjusted EBITDA	2.7x	2.3x	2.3x

⁽¹⁾ Represents deferred finance costs that are included in "Bank loans" in the condensed consolidated statements of financial position. See Note 3 to the Condensed Consolidated Financial Statements.

⁽²⁾ Represents deferred finance costs that are included in "Long-term debt" in the condensed consolidated statements of financial position. See Note 4 to the Condensed Consolidated Financial Statements.

⁽³⁾ The net gain on modification of debt has been excluded from the calculation of Net Debt as it does not represent the expected cash outflows from the term loan facility. See Note 4 to the Condensed Consolidated Financial Statements.

GOVERNANCE

In accordance with National Instrument 52-109, "*Certification of Disclosure in Issuers' Annual and Interim Filings*", our certifying officers have evaluated the design effectiveness of Disclosure Controls and Procedures ("DC&P"), and our Company's Internal Control over Financial Reporting ("ICFR"). There were no changes in the Company's ICFR during the period beginning on March 30, 2025, and ending on June 28, 2025, that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

ACCOUNTING ESTIMATES AND STANDARDS

Critical Accounting Estimates

Critical accounting judgments and estimates used in preparing our Condensed Consolidated Financial Statements are described in the Company's 2024 Annual Consolidated Financial Statements. The preparation of the Company's Condensed Consolidated Financial Statements requires management to make critical judgments, estimates and assumptions that affect the reported amounts of sales, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. On an ongoing basis, management evaluates its judgments, estimates and assumptions using historical experience and various other factors it believes to be reasonable under the given circumstances. Actual outcomes may differ from these estimates under different assumptions and conditions that could require a material adjustment to the reported carrying amounts in the future.

Accounting Standards

The accounting policies used in the preparation of the Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the Company's Audited Consolidated Financial Statements for the year ended December 28, 2024, except for the adoption of the following new amendments that were effective for annual periods beginning on or after January 1, 2024 and that the Company has adopted on December 29, 2024:

IAS 1, Presentation of Financial Statements

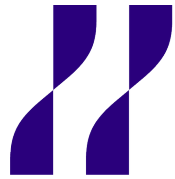
In January 2020 and October 2022, the IASB issued amendments to IAS 1, Presentation of Financial Statements to clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and is unaffected by expectations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

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

RISK FACTORS

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

Readers should refer to the risks discussed above in this MD&A and the 2024 Annual Consolidated Financial Statements, MD&A and AIF for a more detailed description of risk factors applicable to the Company, which are available at www.sedarplus.ca and at www.highlinerfoods.com.



HIGH LINER FOODS

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the thirteen and twenty-six weeks ended June 28, 2025

With comparative figures as at and for the thirteen and twenty-six weeks ended June 29, 2024

HIGH LINER FOODS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(unaudited, in thousands of United States dollars)

	Notes	June 28, 2025	December 28, 2024
ASSETS			
Current assets			
Cash	\$	337	\$ 15,463
Accounts receivable		98,422	92,218
Income taxes receivable		5,079	9,682
Other financial assets	9	2,003	4,490
Inventories		299,096	289,162
Deferred finance costs	3	—	145
Prepaid expenses		6,296	4,550
Total current assets		411,233	415,710
Non-current assets			
Property, plant and equipment		137,175	133,811
Right-of-use assets		8,435	9,836
Deferred finance costs	3	—	188
Deferred income taxes	7	4,628	1,156
Equity investments and other assets	9	45,120	18,707
Intangible assets		110,223	113,344
Goodwill		157,045	156,560
Total non-current assets		462,626	433,602
Total assets	3, 4	\$ 873,859	\$ 849,312
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		132,456	147,276
Contract liability		488	2,619
Provisions		146	121
Other current financial liabilities	9	1,356	246
Other current liabilities	6	11,036	2,348
Income taxes payable		431	6,185
Current portion of long-term debt	4	7,500	7,500
Current portion of lease liabilities		4,236	4,370
Total current liabilities		157,649	170,665
Non-current liabilities			
Bank loans	3	32,103	—
Income taxes payable		4,018	2,755
Long-term debt	4	209,873	211,312
Other long-term financial liabilities	9	58	16
Other long-term liabilities	6	3,026	9,712
Long-term lease liabilities		4,155	5,799
Deferred income taxes	7	35,993	35,098
Future employee benefits		8,407	8,226
Total non-current liabilities		297,633	272,918
Total liabilities		455,282	443,583
Shareholders' equity			
Common shares	5	84,457	85,549
Contributed surplus		15,486	15,472
Retained earnings		348,763	338,778
Accumulated other comprehensive loss		(30,129)	(34,070)
Total shareholders' equity		418,577	405,729
Total liabilities and shareholders' equity	\$	\$ 873,859	\$ 849,312

See accompanying notes to the Unaudited Condensed Interim Consolidated Financial Statements

HIGH LINER FOODS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited, in thousands of United States dollars, except share and per share amounts)

	Notes	Thirteen weeks ended		Twenty-six weeks ended	
		June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Sales	8	\$ 239,610	\$ 218,323	\$ 508,046	\$ 495,295
Cost of sales		186,285	165,818	391,221	377,335
Gross profit		53,325	52,505	116,825	117,960
Distribution expenses		11,436	10,487	23,926	22,763
Selling, general and administrative expenses		25,027	25,754	51,523	52,148
Business acquisition, integration and other expense (income)		1,807	(9,684)	1,930	(8,992)
Results from operating activities		15,055	25,948	39,446	52,041
Finance costs, net		5,710	5,115	10,412	11,029
Income before income taxes		9,345	20,833	29,034	41,012
Income taxes					
Income tax expense	7	875	1,542	5,269	5,123
Net income		\$ 8,470	\$ 19,291	\$ 23,765	\$ 35,889
Earnings per common share					
Basic		\$ 0.28	\$ 0.59	\$ 0.79	\$ 1.08
Diluted		\$ 0.28	\$ 0.59	\$ 0.79	\$ 1.08
Weighted average number of shares outstanding					
Basic		29,913,928	32,729,710	30,058,883	33,130,551
Diluted		29,978,269	32,769,920	30,123,223	33,170,760

See accompanying notes to the Unaudited Condensed Interim Consolidated Financial Statements

HIGH LINER FOODS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited, in thousands of United States dollars)

	Thirteen weeks ended		Twenty-six weeks ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Net income	\$ 8,470	\$ 19,291	\$ 23,765	\$ 35,889
Other comprehensive income (loss), net of income tax				
Other comprehensive income (loss) to be reclassified to net income:				
Gain (loss) on hedge of net investment in foreign operations	10,306	(2,656)	12,525	(8,535)
Gain (loss) on translation of net investment in foreign operations	(21,670)	5,173	(26,355)	16,394
Translation impact on Canadian dollar denominated non-AOCI items	16,078	(3,888)	19,476	(12,432)
Translation impact on Canadian dollar denominated AOCI items	(351)	173	(364)	661
Total exchange gains (losses) on translation of foreign operations and Canadian dollar denominated items	4,363	(1,198)	5,282	(3,912)
Effective portion of changes in fair value of cash flow hedges	(671)	480	(813)	1,725
Net change in fair value of cash flow hedges transferred to carrying amount of hedged item	(247)	(65)	(613)	72
Net change in fair value of cash flow hedges transferred to income	(267)	(646)	(540)	(1,298)
Translation impact on Canadian dollar denominated AOCI items	509	(142)	625	(442)
Total exchange gains (losses) on cash flow hedges	(676)	(373)	(1,341)	57
Net other comprehensive gain (loss) to be reclassified to net income	3,687	(1,571)	3,941	(3,855)
Other comprehensive income (loss) not reclassified to net income				
Defined benefit plan actuarial gains (losses)	(316)	1,078	(590)	547
Net unrealized gain on equity investments	1,381	1,729	515	1,596
Net other comprehensive income (loss) not reclassified to net income	1,065	2,807	(75)	2,143
Other comprehensive income (loss), net of income tax	4,752	1,236	3,866	(1,712)
Total comprehensive income	\$ 13,222	\$ 20,527	\$ 27,631	\$ 34,177

HIGH LINER FOODS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(unaudited, in thousands of United States dollars)

				Accumulated other comprehensive income (loss)		Total
	Common shares	Contributed surplus	Retained earnings	Foreign currency translation differences	Net exchange differences on cash flow hedges	
Balance at December 28, 2024	\$ 85,549	\$ 15,472	\$ 338,778	\$ (35,778)	\$ 1,708	\$ 405,729
Other comprehensive income (loss)	—	—	(75)	5,282	(1,341)	3,866
Net income	—	—	23,765	—	—	23,765
Common share dividends	—	—	(7,137)	—	—	(7,137)
Share-based compensation (Notes 5, 6)	57	14	—	—	—	71
Common shares repurchased for cancellation (Note 5)	(1,149)	—	(6,568)	—	—	(7,717)
Balance at June 28, 2025	\$ 84,457	\$ 15,486	\$ 348,763	\$ (30,496)	\$ 367	\$ 418,577
Balance at December 30, 2023	\$ 113,203	\$ 15,414	\$ 280,615	\$ (25,890)	\$ 2,514	\$ 385,856
Other comprehensive income (loss)	—	—	547	(2,316)	57	(1,712)
Net income	—	—	35,889	—	—	35,889
Common share dividends	—	—	(6,680)	—	—	(6,680)
Share-based compensation (Notes 5, 6)	336	107	—	—	—	443
Common shares repurchased for cancellation (Note 5)	(1,707)	—	(4,800)	—	—	(6,507)
Cancellation of treasury shares	(25,758)	—	15,910	—	—	(9,848)
Balance at June 29, 2024	\$ 86,074	\$ 15,521	\$ 321,481	\$ (28,206)	\$ 2,571	\$ 397,441

See accompanying notes to the Unaudited Condensed Interim Consolidated Financial Statements

HIGH LINER FOODS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands of United States dollars)

	Notes	Thirteen weeks ended		Twenty-six weeks ended	
		June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Cash flows provided by (used in):					
Operating activities					
Net income		\$ 8,470	\$ 19,291	\$ 23,765	\$ 35,889
Adjustments to net income not involving cash from operations:					
Depreciation and amortization		5,924	5,650	11,971	11,274
Share-based compensation expense	6	2,278	1,688	3,866	3,527
(Gain) loss on asset disposals and impairment		(18)	244	(2)	236
Future employee benefits contribution, net of expense		(446)	(327)	(723)	(514)
Finance costs		5,710	5,115	10,412	11,029
Income tax expense	7	875	1,542	5,269	5,123
Gain on legal settlement		—	(9,839)	—	(9,839)
Unrealized foreign exchange (gain) loss		(1,022)	(233)	(1,245)	894
Cash flows provided by operations before changes in non-cash working capital, interest and income taxes paid		21,771	23,131	53,313	57,619
Changes in non-cash working capital balances:					
Accounts receivable		21,175	22,626	(4,860)	7,430
Inventories		(12,467)	6,501	(4,739)	40,663
Prepaid expenses		(1,028)	24	(1,566)	169
Accounts payable and accrued liabilities		(7,733)	(3,957)	(20,985)	(34,169)
Provisions		(17)	(51)	22	133
Net change in non-cash working capital balances		(70)	25,143	(32,128)	14,226
Interest paid		(5,641)	(4,553)	(9,386)	(10,508)
Income taxes paid		(489)	(4,681)	(6,860)	(4,798)
Net cash flows provided by operating activities		15,571	39,040	4,939	56,539
Financing activities					
Increase (decrease) in bank loans		3,005	(7,349)	31,500	(2,942)
Repayment of lease liabilities		(1,150)	(1,399)	(2,796)	(2,824)
Repayment of long-term debt	4	(1,527)	(1,875)	(3,027)	(3,750)
Deferred finance costs	4	21	—	(53)	—
Common share dividends paid		(3,643)	(3,297)	(7,137)	(6,680)
Common shares repurchased for cancellation	5	(2,273)	(5,462)	(7,713)	(6,507)
Options exercised for shares	6	—	—	—	280
Net cash flows (used in) provided by financing activities		(5,567)	(19,382)	10,774	(22,423)
Investing activities					
Purchase of property, plant and equipment, and intangible assets		(4,833)	(7,715)	(7,901)	(10,097)
Purchase of equity investments	9	(6,903)	(10,000)	(24,621)	(15,000)
Net cash flows (used in) provided by investing activities		(11,736)	(17,715)	(32,522)	(25,097)
Foreign exchange increase (decrease) on cash		1,846	(228)	1,683	(733)
Net change in cash during the period		114	1,715	(15,126)	8,286
Cash, beginning of period		223	13,871	15,463	7,300
Cash, end of period		\$ 337	\$ 15,586	\$ 337	\$ 15,586

See accompanying notes to the Unaudited Condensed Interim Consolidated Financial Statements

HIGH LINER FOODS INCORPORATED
Notes to the Condensed Consolidated Financial Statements
In United States dollars, unless otherwise noted

1. Corporate information

High Liner Foods Incorporated (the "Company" or "High Liner Foods") is a company incorporated and domiciled in Canada. The address of the Company's registered office is 100 Battery Point, P.O. Box 910, Lunenburg, Nova Scotia, B0J 2C0. The Unaudited Condensed Interim Consolidated Financial Statements ("Condensed Consolidated Financial Statements") of the Company as at and for the thirteen and twenty-six weeks ended June 28, 2025, comprise High Liner Foods' Canadian company (the "Parent") and its subsidiaries (herein together referred to as the "Company" or "High Liner Foods"). The Company is primarily involved in the processing and marketing of prepared and packaged frozen seafood products.

These Condensed Consolidated Financial Statements were authorized for issue in accordance with a resolution of the Company's Board of Directors on August 7, 2025.

2. Basis of preparation

(a) Statement of compliance

These Condensed Consolidated Financial Statements are in compliance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. Accordingly, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. These Condensed Consolidated Financial Statements should be read in conjunction with the Company's Audited Consolidated Financial Statements for the year ended December 28, 2024.

(b) Functional and presentation currency

The Company determines its functional currency based on the currency of the primary economic environment in which it operates. The Parent's functional currency is the Canadian dollar ("CAD"), while the functional currencies of its subsidiaries is the CAD and the United States dollar ("U.S. dollar" or "USD"). The Company has chosen a USD presentation currency for its financial statements because the USD better reflects the Company's overall business activities and improves investors' ability to compare the Company's consolidated financial results with other publicly traded businesses in the packaged foods industry.

(c) Seasonality of operations

The Company's operating results are affected by the timing of holidays. Inventory levels fluctuate throughout the year, and are at their highest in the first quarter to support strong sales during the Lenten period. In addition, the timing of ordering raw materials is earlier than typically required in order to have adequate quantities available during the seasonal closure of plants in Asia during the Lunar New Year period. In the normal course of operations, these events typically result in significantly higher inventories in December, January, February and March than during the rest of the year.

(d) New standards, interpretations and amendments thereof, adopted by the Company

The accounting policies used in the preparation of the Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the Company's Audited Consolidated Financial Statements for the year ended December 28, 2024, except for the adoption of the following new amendments that were effective for annual periods beginning on or after January 1, 2024 and that the Company has adopted on December 29, 2024:

IAS 1, Presentation of Financial Statements

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

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

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3. Bank loans

<i>(Amounts in \$000s)</i>	June 28, 2025	December 28, 2024
Bank loans, denominated in CAD (average variable rate of 4.46%; December 28, 2024: 5.45%)	\$ 27,205	\$ —
Bank loans, denominated in USD (average variable rate of 7.81%; December 28, 2024: 7.50%)	5,161	—
	32,366	—
Less: deferred finance costs ⁽¹⁾	(263)	—
	\$ 32,103	\$ —

⁽¹⁾ As at December 28, 2024, there are deferred financing costs classified as current assets and non-current assets on the consolidated statements of financial position of \$0.1 million and \$0.2 million, respectively.

The Company has a \$200.0 million working capital facility (the "Facility"), with the Royal Bank of Canada as Administrative Agent, which expires in April 2027. The Facility is asset-based and collateralized by the Company's inventories, accounts receivable and other personal property in North America, subject to a first charge on brands, trade names and related intangibles under the Company's term loan facility (see Note 4). A second charge over the Company's property, plant and equipment is also in place. The Facility requires the Company to maintain certain financial and non-financial covenants. The primary financial covenant requires the Company to maintain on a continual basis the average adjusted aggregate availability above a certain threshold, or otherwise a fixed charge coverage ratio above a specified threshold. As at June 28, 2025, the Company was in compliance with all of these covenants.

Taking into account the current borrowing base and letters of credit as at June 28, 2025, the Company had \$160.2 million of borrowing availability (December 28, 2024: \$169.1 million).

As at June 28, 2025 and December 28, 2024, the Facility allowed the Company to borrow:

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

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

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

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4. Long-term debt

<i>(Amounts in \$000s)</i>	June 28, 2025	December 28, 2024
Term loan	\$ 224,828	\$ 226,875
Less: current portion	(7,500)	(7,500)
	217,328	219,375
Less: deferred finance costs	(7,455)	(8,063)
	\$ 209,873	\$ 211,312

As at June 28, 2025, the Company had a \$240 million term loan facility with an interest rate of SOFR plus 3.25% (0.50% SOFR floor), maturing in July 2031. The principal balance outstanding of term loan debt was \$235.5 million on June 28, 2025 (December 28, 2024: 238.5 million).

Quarterly principal repayments of \$1.5 million are required on the term loan as regularly scheduled repayments. Any mandatory and voluntary repayments after the time of refinancing are applied to future regularly scheduled principal repayments. During the thirteen and twenty-six weeks ended June 28, 2025, regularly scheduled repayments of \$1.5 million and \$3.0 million respectively were made. There are regularly scheduled repayments of \$7.5 million to be paid in the next 53-weeks. There are no mandatory repayments related to excess cash flows from 2024 to be paid in 2025.

Substantially all tangible and intangible assets (excluding working capital) of the Company are pledged as collateral for the term loan facility. The term loan facility requires the Company to maintain certain financial and non-financial covenants. The primary financial covenant requires the Company to maintain a total leverage ratio below a specified threshold as of the last day of each quarterly reporting period. As at June 28, 2025, the Company was in compliance with all of these covenants.

5. Share capital

Purchase of shares for cancellation

In June 2025, the Company announced that the Toronto Stock Exchange approved a Normal Course Issuer Bid to repurchase up to 1,633,046 common shares. The Company's ability to repurchase the common shares commenced on June 13, 2025, and will terminate no later than June 12, 2026. During the thirteen and twenty-six weeks ended June 28, 2025, the Company purchased 10,000 common shares under this plan at an average price of \$13.33 (CAD \$18.28) per share for total cash consideration of \$0.1 million (CAD \$0.2 million). The excess of the purchase price over the book value of the shares in the amount of \$0.1 million was charged to retained earnings.

In June 2024, the Company announced that the Toronto Stock Exchange approved a Normal Course Issuer Bid to repurchase up to 700,000 common shares. The Company's ability to repurchase the common shares commenced on June 7, 2024 and terminated on June 6, 2025. In November 2024, the Company announced that the Toronto Stock Exchange approved an amendment to increase the size of the Normal Course Issuer Bid by 943,340, to a total authorized limit of 1,643,340 common shares. During the thirteen and twenty-six weeks ended June 28, 2025, the Company repurchased 169,841 and 634,261 common shares, respectively under this plan at an average price of \$ 12.35 (CAD \$17.17) and \$11.69 (CAD \$16.52) per share, respectively, for total cash consideration of \$2.1 million (CAD \$2.9 million) and \$7.4 million (CAD \$10.6 million), respectively. The excess of the purchase price over the book value of the shares in the amount of \$1.7 million and \$6.3 million, respectively were charged to retained earnings. During the thirteen and twenty-six weeks ended June 29, 2024 the Company repurchased 433,000 common shares under this plan at an average price of \$9.68 (CAD \$13.27) per share for total cash consideration of \$4.2 million (CAD \$5.8 million). The excess of the purchase price over the book value of the shares in the amount of \$3.1 million was charged to retained earnings.

In June 2023, the Company announced that the Toronto Stock Exchange approved a Normal Course Issuer Bid to repurchase up to 200,000 common shares. The Company's ability to repurchase the common shares commenced on June 7, 2023 and terminated on June 6, 2024. In December 2023, the Company announced that the Toronto Stock Exchange approved an amendment to increase the size of the Normal Course Issuer Bid by 500,000 common shares. During the thirteen and twenty-six

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weeks ended June 29, 2024, the Company repurchased 129,400 and 246,700 common shares, respectively under this plan at an average price of \$9.69 (CAD 13.25) and \$9.31 (CAD \$12.64) per share, respectively for a total cash consideration of \$1.3 million (CAD \$1.7 million) and \$2.3 million (CAD \$3.1 million), respectively. The excess of the purchase price over the book value of the shares in the amount of \$0.9 million and \$1.7 million, respectively were charged to retained earnings.

A summary of the Company's common share transactions is as follows:

	Twenty-six weeks ended		Twenty-six weeks ended	
	June 28, 2025		June 29, 2024	
	Shares	(\$000s)	Shares	(\$000s)
Balance, beginning of period	29,683,389	\$ 85,549	33,019,318	\$ 113,203
Options exercised for shares	—	—	50,597	333
Options exercised for shares via cashless exercise method (Note 6)	24,736	57	20,499	3
Shares repurchased for cancellation	(644,261)	(1,149)	(679,700)	(1,707)
Cancellation of treasury shares (Note 27)	—	—	(2,429,014)	(25,758)
Balance, end of period	29,063,864	\$ 84,457	29,981,700	\$ 86,074

During the thirteen and twenty-six weeks ended June 28, 2025, the Company distributed dividends per share of CAD\$0.17 and CAD\$0.34, respectively (thirteen and twenty-six weeks ended June 29, 2024: CAD\$0.15 and CAD\$0.30, respectively).

On August 7, 2025, the Company's Board of Directors approved a quarterly dividend of CAD\$0.17 per share on the Company's common shares, payable on September 15, 2025 to holders of record as of September 1, 2025.

6. Share-based compensation

The Company has a Share Option Plan (the "Option Plan") for designated directors, officers and certain managers of the Company, a Performance Share Unit ("PSU") Plan and a Restricted Share Units ("RSU") Plan for eligible employees, and a Deferred Share Unit ("DSU") Plan for directors of the Company.

Issuances of options, RSUs and PSUs may not result in the following limitations being exceeded: (a) the aggregate number of shares issuable to insiders pursuant to the PSU Plan, the Option Plan or any other share-based compensation arrangement of the Company exceeding 10% of the aggregate of the issued and outstanding shares at any time; and (b) the issuance from treasury to insiders, within a twelve-month period, of an aggregate number of shares under the PSU Plan, the Option Plan and any other share-based compensation arrangement of the Company exceeding 10% of the aggregate of the issued and outstanding shares.

The carrying amount of cash-settled share-based compensation arrangements recognized in other current liabilities and other long-term liabilities on the condensed consolidated statements of financial position was \$11.0 million and \$3.0 million, respectively, as at June 28, 2025 (December 28, 2024: \$2.3 million and \$9.7 million, respectively). Upon adoption of the amendments to IAS 1 in the current fiscal year, the Company classified certain liabilities relating to share-based compensation to current liabilities, previously in long-term liabilities.

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Share-based compensation expense is recognized in the condensed consolidated statements of income as follows:

<i>(Amounts in \$000s)</i>	Thirteen weeks ended		Twenty-six weeks ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Selling, general and administrative expenses resulting from:				
Cash-settled awards ⁽¹⁾	2,165	1,628	3,682	3,294
Equity-settled awards ⁽¹⁾	113	60	184	233
Share-based compensation expense	\$ 2,278	\$ 1,688	\$ 3,866	\$ 3,527

⁽¹⁾ Cash-settled awards may include PSUs, RSUs and DSUs. Equity-settled awards include options.

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, options during the period:

	Thirteen weeks ended				Twenty-six weeks ended			
	June 28, 2025		June 29, 2024		June 28, 2025		June 29, 2024	
	No.	WAEP (CAD)	No.	WAEP (CAD)	No.	WAEP (CAD)	No.	WAEP (CAD)
Outstanding, beginning of period	458,091	\$ 15.07	343,034	\$ 12.41	352,839	\$ 12.75	370,750	\$ 10.84
Granted	—	—	—	—	155,057	16.28	111,897	12.61
Exercised for shares via cashless method ⁽¹⁾	—	—	—	—	(49,805)	7.51	(68,541)	7.46
Exercised for shares ⁽¹⁾	—	—	—	—	—	—	(50,597)	7.48
Cancelled or forfeited	—	—	—	—	—	—	(20,475)	13.97
Outstanding, end of period	458,091	\$ 15.07	343,034	\$ 12.41	458,091	\$ 15.07	343,034	\$ 12.41
Exercisable, end of period	195,398	\$ 12.01	171,815	\$ 11.71	195,398	\$ 12.01	171,815	\$ 11.71

⁽¹⁾ For the twenty-six weeks ended June 28, 2025, 24,736 shares were issued related to options exercised (twenty-six weeks ended June 29, 2024: 71,096). The weighted average share price at the date of exercise for these options was CAD\$16.13 for the twenty-six weeks ended June 28, 2025 (twenty-six weeks ended June 29, 2024: CAD\$12.50).

Set forth below is a summary of the outstanding options to purchase common shares as at June 28, 2025:

Option price (CAD)	Options outstanding			Options exercisable	
	Number outstanding	Weighted average exercise price	Average life (years)	Number exercisable	Weighted average exercise price
\$ 10.01–15.00	261,936	11.95	4.51	167,999	11.50
\$ 15.01–20.00	196,155	16.04	6.27	27,399	15.14
	458,091			195,398	

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The fair value of options granted during the twenty-six weeks ended June 28, 2025 and twenty-six weeks ended June 29, 2024 was estimated on the date of grant using the Black-Scholes pricing model with the following weighted average inputs and assumptions:

	June 28, 2025	June 29, 2024
Dividend yield (%)	4.18	4.76
Expected volatility (%)	38.03	39.21
Risk-free interest rate (%)	2.67	3.54
Expected life (years)	7.00	7.00
Weighted average share price (CAD)	\$ 16.28	\$ 12.61
Weighted average fair value (CAD)	\$ 4.29	\$ 3.38

The expected life of the options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The following table illustrates the movements in the number of PSUs during the period:

	Thirteen weeks ended		Twenty-six weeks ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Outstanding, beginning of period	331,561	337,691	348,829	362,704
Granted	—	—	95,029	75,204
Reinvested dividends	2,985	3,855	6,326	7,684
Released and paid in cash	(7,881)	—	(75,133)	—
Increased (expired) due to performance factor	1,087	—	(45,950)	(96,318)
Forfeited	(1,993)	(7,094)	(3,342)	(14,822)
Outstanding, end of period	325,759	334,452	325,759	334,452

The expected performance multiplier used in determining the fair value of the liability and related share-based compensation expense for PSUs for the twenty-six weeks ended June 28, 2025 was 94% (twenty-six weeks ended June 29, 2024: 78%). PSUs will vest at the end of a three-year period, if agreed-upon performance measures are met.

The following table illustrates the movements in the number of RSUs during the period:

	Thirteen weeks ended		Twenty-six weeks ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Outstanding, beginning of period	788,085	562,777	576,166	349,331
Granted	—	16,649	309,021	351,249
Reinvested dividends	6,895	5,557	14,899	12,961
Released and paid in cash	(23,701)	—	(116,855)	(121,025)
Forfeited	(24,458)	(17,498)	(36,410)	(25,031)
Outstanding, end of period	746,821	567,485	746,821	567,485

The share price at the reporting date was CAD\$17.98 (June 29, 2024: CAD\$13.39). RSUs will vest in accordance with the terms of the agreement.

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The following table illustrates the movements in the number of DSUs during the period:

	Thirteen weeks ended		Twenty-six weeks ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Outstanding, beginning of period	598,165	491,769	590,773	486,155
Granted	47,409	73,426	48,787	73,426
Reinvested dividends	5,530	6,427	11,544	12,041
Outstanding, end of period	651,104	571,622	651,104	571,622

7. Income tax expense

The Company's statutory tax rate for the thirteen and twenty-six weeks ended June 28, 2025 was 28.0% (thirteen and twenty-six weeks ended June 29, 2024: 28.1%). The Company's effective income tax rate for the thirteen and twenty-six weeks ended June 28, 2025 was an expense of 10.3% and 18.5% respectively (thirteen and twenty-six weeks ended June 29, 2024: an expense of 7.4% and 12.5% respectively). The higher effective tax rate for the thirteen and twenty-six weeks ended June 28, 2025, reflects the implications of the Global Minimum Tax, as described below in more detail, partially offset with income tax effects resulting from the Rubicon settlement in the thirteen and twenty-six weeks ended June 29, 2024. The effective tax rate remained lower than the statutory rate as a result of the Company's tax efficient financing structure offset with the implications of the Global Minimum Tax.

On June 20, 2024, the Global Minimum Tax Act was enacted by the Government of Canada. The Global Minimum Tax Act is the Canadian implementation of the Pillar Two model rules published by the Organization for Economic Co-operation and Development. The Company intends to rely on certain transitional safe harbours for certain jurisdictions in which it operates. For the thirteen and twenty-six weeks ended June 28, 2025, a provision of \$0.4 million and \$1.2 million was recorded, respectively (thirteen and twenty-six weeks ended June 29, 2024: a provision of \$0.3 million).

8. Geographic information

The Company disaggregates revenue from contracts with customers based on its single operating segment, North America. Sales by geographic area are as follows:

(Amounts in \$000s)	Thirteen weeks ended		Twenty-six weeks ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Canada	\$ 61,758	\$ 57,537	\$ 116,622	\$ 113,863
U.S.	177,852	160,786	391,424	381,432
	\$ 239,610	\$ 218,323	\$ 508,046	\$ 495,295

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The following tables summarize the Company's non-current assets by geographic area:

(Amounts in \$000s)	June 28, 2025	December 28, 2024
Property, plant and equipment		
Canada	32,922	30,300
U.S.	104,253	103,511
	\$ 137,175	\$ 133,811
Right-of-use assets		
Canada	1,386	1,639
U.S.	7,049	8,197
	\$ 8,435	\$ 9,836
Intangible assets		
Canada	11,460	11,154
U.S.	98,763	102,190
	\$ 110,223	\$ 113,344
Goodwill		
Canada	9,129	8,644
U.S.	147,916	147,916
	\$ 157,045	\$ 156,560

9. Fair value measurement

Fair value of financial instruments

The Company uses a fair value hierarchy, based on the relative objectivity of the inputs used to measure the fair value of financial instruments, with Level 1 representing inputs with the highest level of objectivity and Level 3 representing inputs with the lowest level of objectivity. The following table sets out the Company's financial assets and liabilities by level within the fair value hierarchy:

(Amounts in \$000s)	June 28, 2025			December 28, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Fair value of financial assets						
Interest rate swaps	\$ —	\$ 1,672	\$ —	\$ —	\$ 2,607	\$ —
Foreign exchange contracts	—	575	—	—	2,634	—
Equity investments	44,876	—	—	17,956	—	—
	44,876	2,247	—	17,956	5,241	—
Fair value of financial liabilities						
Interest rate swaps	—	63	—	—	165	—
Foreign exchange contracts	—	1,351	—	—	97	—
Long-term debt	—	—	235,373	—	—	230,998
	—	1,414	235,373	—	262	230,998

The Company's Level 1 financial instruments are comprised of multiple publicly traded equity investments listed on a recognized stock exchange. The fair value adjustment accurately reflects the prevailing quoted prices observed in the active

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market, accessible as at the reporting date. The nature of the investments do not constitute significant influence and therefore they are recognized as financial instruments. In accordance with the Company's accounting policy for equity investments, these investments are measured using the fair value through other comprehensive income method.

The Company's Level 2 derivatives are valued using valuation techniques such as forward pricing and swap models. These models incorporate various market-observable inputs including foreign exchange spot and forward rates, and interest rate curves.

The fair values of long-term debt instruments, classified as Level 3 in the fair value hierarchy, are estimated based on unobservable inputs, including discounted cash flows using current rates for similar financial instruments subject to similar risks and maturities, adjusted to reflect the Company's credit risk.

The Company uses the date of the event or change in circumstances to recognize transfers between Level 1, Level 2 and Level 3 fair value measurements. During the twenty-six weeks ended June 28, 2025, no such transfers occurred.

The Company's bank loans consist of a floating rate revolving facility, where the fair value of the facility is assumed to approximate the carrying value. The Company will monitor each period for any significant changes in this assumption.

The financial liabilities not measured at fair value on the condensed consolidated statements of financial position consist of long-term debt (including current portion). The carrying amount of these instruments was \$217.4 million as at June 28, 2025 (December 28, 2024: \$218.8 million).

Hedging activities

Interest rate swaps

During the twenty-six weeks ended June 28, 2025, the Company had the following interest rate swaps outstanding to hedge interest rate risk resulting from the term loan facility (see Note 4):

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

The cash flow hedge of interest expense variability was assessed to be effective for the thirteen and twenty-six weeks ended June 28, 2025, and therefore the change in fair value for those interest rate swaps designated in a hedging relationship was included in OCI as after-tax net losses of \$nil and \$0.1 million, respectively (thirteen and twenty-six weeks ended June 29, 2024: after-tax net gains of \$0.3 million and \$1.2 million, respectively).

The Company did not hold any interest rate swaps that were not designated in a formal hedging relationship during the twenty-six weeks ended June 28, 2025 and June 29, 2024. There were \$nil amounts recognized in the condensed consolidated statements of income resulting from hedge ineffectiveness during the thirteen and twenty-six weeks ended June 28, 2025 (thirteen and twenty-six weeks ended June 29, 2024: \$nil).

Foreign currency contracts

Foreign currency forward contracts are used to hedge foreign currency risk resulting from expected future purchases denominated in USD, which the Company has qualified as highly probable forecasted transactions, and to hedge foreign currency risk resulting from USD monetary assets and liabilities, which are not covered by natural hedges.

As at June 28, 2025, the Company had outstanding notional amounts of \$37.0 million (June 29, 2024: \$26.2 million) in foreign currency average-rate forward contracts that were formally designated as a hedge and \$nil in foreign currency single-rate forward contracts that were formally designated as a hedge (June 29, 2024: \$0.7 million). With the exception of \$1.8 million (June 29, 2024: \$1.4 million) average-rate forward contracts with maturities ranging from July 2026 to December 2026, all foreign currency forward contracts have maturities that are less than one year.

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The cash flow hedges of the expected future purchases were assessed to be effective for the thirteen and twenty-six weeks ended June 28, 2025 and June 29, 2024, and therefore the change in fair value was recorded in OCI as after-tax net losses of \$0.7 million and \$0.7 million, respectively (thirteen and twenty-six weeks ended June 29, 2024: after-tax net gains of \$0.2 million and \$0.6 million, respectively). There were \$nil amounts recognized in the condensed consolidated statements of income resulting from hedge ineffectiveness during the thirteen and twenty-six weeks ended June 28, 2025 (thirteen and twenty-six weeks ended June 29, 2024: \$nil).

As at June 28, 2025, the Company had \$54.0 million (June 29, 2024: \$37.0 million) of foreign currency single-rate forward contracts to hedge foreign currency exchange risk on USD monetary assets and liabilities that were not formally designated as a hedge. The change in fair value related to hedging foreign currency exchange risk on USD monetary assets and liabilities, recognized in the condensed consolidated statements of income for the thirteen and twenty-six weeks ended June 28, 2025 were net losses of \$1.7 million and \$2.3 million, respectively (thirteen and twenty-six weeks ended June 29, 2024: net gains of \$0.3 million and \$0.7 million, respectively).

Hedge of net investment in foreign operations

As at June 28, 2025, a total borrowing of \$232.1 million (\$15.0 million included in accounts payable, \$7.5 million included in the current portion of long-term debt and \$209.9 million included in long-term debt, net of \$0.3 million in deferred financing costs related to bank loans (December 28, 2024: a total borrowing of \$218.5 million (\$7.5 million included in the current portion of long-term debt and \$211.3 million included in long-term debt, net of \$0.3 million in deferred financing costs related to bank loans)) has been designated as a hedge of the net investment in the U.S. subsidiary and is being used to hedge the Company's exposure to foreign exchange risk on this net investment. Gains or losses on the re-translation of this borrowing are recognized in OCI to offset any gains or losses on translation of the net investment in the U.S. subsidiary. There was no hedge ineffectiveness recognized during the thirteen and twenty-six weeks ended June 28, 2025 and June 29, 2024.

Equity Investments

During the thirteen and twenty-six weeks ended June 28, 2025, the Company invested \$6.9 million and \$17.6 million, respectively, in Andfjord Salmon Group AS ("Andfjord") (thirteen and twenty-six weeks ended June 29, 2024: \$10.0 million) in exchange for 1,902,174 and 5,164,960 shares, respectively (thirteen and twenty-six weeks ended June 29, 2024: 3,234,970 shares).

During the thirteen and twenty-six weeks ended June 28, 2025, the Company invested \$nil and \$7.1 million in Norcod AS ("Norcod") (thirteen and twenty-six weeks ended June 29, 2024: \$nil and \$5.0 million) in exchange for 6,250,000 shares (thirteen and twenty-six weeks ended June 29, 2024: 4,412,000 shares).

As at June 28, 2025, the Company held 8,799,930 common shares of Andfjord, with a fair value of \$28.5 million (December 28, 2024: 3,634,970 shares with a fair value of \$13.1 million) and 10,662,000 common shares of Norcod with a fair value of \$16.4 million (December 28, 2024: 4,412,000 shares with a fair value of \$4.8 million). During the thirteen and twenty-six weeks ended June 28, 2025, the Company recorded unrealized gains of \$1.4 and \$0.5 million respectively on the investments which is reflected in the condensed consolidated statements of comprehensive income (June 29, 2024: unrealized gains of \$1.7 and \$1.6 million respectively).

10. Impact of U.S. tariffs

In September 2018, the U.S. Trade Representative ("USTR") commenced trade discussions with China that resulted in various actions impacting the Company related to additional tariffs on goods imported to the U.S., including a 25% tariff on certain raw material imports. In March 2022, the Company received notice of approval of an exclusion request submitted to the USTR regarding tariffs on a certain subset of raw material imported to the U.S. from China, while the remaining raw material imports were still subject to the 25% tariff. The extension applied to tariffs already incurred, or that would otherwise have been incurred, on specific goods from China. This exclusion has been extended multiple times, including most recently on May 31 2025, which further extended the exclusion to August 31, 2025.

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On February 1, 2025 an Executive Order was signed by the U.S. President enacting measures which would impose additional tariffs on Chinese and Canadian imports into the United States. Since that date, there have been several announcements of additional global tariffs, retaliatory tariffs, and pauses on tariffs. As at June 28, 2025, the imposed tariffs included 20% on all Chinese goods imported into the United States and an additional 10% tariff on certain Chinese goods imported into the United States. These tariffs are incremental to the 2018 U.S.-China tariffs, bringing total tariffs on certain Chinese imports to 55%. Additionally, a baseline 10% tariff on imports from all other countries into the United States has also been imposed. Discussions on global tariffs remain ongoing, however there is no assurance that these discussions will result in successful withdrawal or reduction of tariffs.

The impact of these tariffs on the Company are subject to a number of factors, including effective dates, duration, amounts, scope, nature of the tariffs in the future, any government-imposed countermeasures, and any mitigating actions that may become available to the Company.

The Company has evaluated the impact of the imposed tariffs at period end on the goodwill impairment assessment and concluded no impairment exists, and continues to closely monitor these developments and implement plans to mitigate the impact of these tariffs. There is however risk that the impact of current or future tariffs could result in a material or adverse effect for the Company.

11 . Events after the reporting period

Acquisition of U.S. Retail Brands

On June 30, 2025, the Company completed the acquisition of the Mrs. Paul's® and Van de Kamp's® frozen seafood brands from Conagra Brands, Inc. for total consideration of approximately \$42.4 million. The purchase price includes approximately \$23.8 million of inventory, subject to customary post-closing adjustments. The transaction was funded through the Company's existing asset-based lending facility. Given the timing of the closing of the transaction and the release of these financial statements, the disclosure of the preliminary allocation of the purchase price to identifiable assets, including intangible assets and inventory, has not been completed and the Company is evaluating the impact.

U.S. Tax Legislation

On July 4, 2025, the One Big Beautiful Bill Act was signed into law in the U.S., which contains a broad range of tax reform provisions affecting businesses. The Company is evaluating the full effects of the legislation on our estimated annual effective tax rate and cash tax position, however it is expected that the legislation is unlikely to have a material impact on the Company's financial statements. As the legislation was signed into law after the close of the Company's second quarter, the impacts are not included in the operating results for the thirteen and twenty-six weeks ended June 28, 2025.