

HIGH LINER REPORTS OPERATING RESULTS FOR THE SECOND QUARTER OF 2024

Continued Adjusted EBITDA growth of 8.2% to \$23.8M

LUNENBURG, NS, Aug. 7, 2024 /CNW/ - High Liner Foods Incorporated (TSX: HLF) ("High Liner Foods" or the "Company"), a leading North American value-added frozen seafood company, today announced financial results for the 13 weeks ended June 29, 2024.

"We continued to grow the profitability of our business during the second quarter, increasing EBITDA and gross profit, while continuing to take action to improve our topline performance," said Paul Jewer, President and Chief Executive Officer of High Liner Foods. "While market softness certainly presents headwinds, the year over year volume decline in Q2 is once again a result of lower levels of contract manufacturing, intentional exit of low margin business and a return to normalized inventory levels compared to 2023."

"As we navigate a dynamic market, we remain focused on leveraging the diversity of our supply chain, customer base and portfolio across price points and species to showcase value and choice to customers and consumers. We believe that this approach, paired with targeted promotional activity, is the path to sustainable improvements aligned with our longer-term growth agenda. We are well positioned to execute with a strong balance sheet and enhanced financial flexibility as a result of continued improvements to our leverage ratio and recent successful refinancing ahead of schedule."

Key financial results, reported in U.S. dollars ("USD"), for the thirteen weeks ended June 29, 2024, or the second quarter of 2024, are as follows (unless otherwise noted, all comparisons are relative to the second quarter of 2023):

- Gross profit increased by \$0.5 million, or 1.0%, to \$52.5 million compared to \$52.0 million, and gross profit as a percentage of sales increased to 24.0% compared to 20.4%;
- Adjusted EBITDA⁽¹⁾ increased by \$1.8 million, or 8.2%, to \$23.8 million compared to \$22.0 million, and Adjusted EBITDA as a percentage of sales increased to 10.9% compared to 8.7%;
- Net income⁽²⁾ increased by \$13.4 million, or 227.1%, to \$19.3 million compared to \$5.9 million and diluted earnings per share ("EPS") increased to \$0.59 per share, compared to \$0.17 per share;
- Adjusted Net Income⁽¹⁾ increased by \$1.2 million, or 12.0%, to \$11.2 million compared to \$10.0 million and Adjusted Diluted EPS⁽¹⁾ increased to \$0.35 per share compared to \$0.29 per share;
- Sales volume decreased by 7.7 million pounds, or 13.0%, to 51.7 million pounds compared to 59.4 million pounds and sales decreased by \$36.0 million, or 14.2%, to \$218.3 million compared to \$254.3 million;
- Cash Flows from Operations decreased by \$6.4 million, or 14.1%, to an inflow of \$39.0 million compared to an inflow of \$45.4 million; and
- Net Debt⁽¹⁾ to Rolling Twelve-Month Adjusted EBITDA⁽¹⁾ was 2.3x at June 29, 2024 compared to 2.6x at the end of Fiscal 2023 and 3.7x at end of Fiscal 2022. The Company reverted to normal working capital levels, leading to an improvement in the Net Debt to Rolling Twelve-Month Adjusted EBITDA ratio by the second half of Fiscal 2023.

⁽¹⁾ This is a non-IFRS financial measure. For more information on non-IFRS financial measures, see "Non-IFRS Measures" below and see "Non-IFRS Financial Measures" in our Second Quarter 2024 Management's Discussion and Analysis ("2Q2024 MD&A").

⁽²⁾ For the thirteen and twenty-six weeks ended June 29, 2024, this amount also includes 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.

Key financial results, reported in U.S. dollars ("USD"), for the twenty-six weeks ended June 29,

2024, or Fiscal 2024, are as follows (unless otherwise noted, all comparisons are relative to the twenty-six weeks ended July 1, 2023, or "Fiscal 2023"):

- Gross profit decreased by \$2.4 million, or 2.0%, to \$118.0 million compared to \$120.4 million, while gross profit as a percentage of sales increased to 23.8% compared to 20.6%;
- Adjusted EBITDA⁽¹⁾ increased by \$4.9 million, or 9.2%, to \$58.1 million compared to \$53.2 million, and Adjusted EBITDA as a percentage of sales⁽¹⁾ increased to 11.7% compared to 9.1%;
- Net income⁽²⁾ increased by \$16.1 million, or 81.3%, to \$35.9 million compared to \$19.8 million and diluted earnings per share ("EPS") increased to \$1.08 per share compared to \$0.57 per share; and
- Adjusted Net Income⁽¹⁾ increased by \$3.3 million, or 12.5%, to \$29.8 million compared to \$26.5 million and Adjusted Diluted EPS⁽¹⁾ increased to \$0.90 per share compared to \$0.77 per share.
- Sales volume decreased by 17.8 million pounds, or 13.0%, to 118.6 million pounds compared to 136.4 million pounds and sales decreased by \$88.2 million, or 15.1%, to \$495.3 million compared to \$583.5 million;
- Cash Flows from Operations decreased by \$1.8 million, or 3.1%, to an inflow of \$56.5 million compared to an inflow of \$58.3 million.

Financial Results and Operational Update

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

Investors are reminded for purposes of calculating financial ratios, including dividend payout and share price-to-earnings ratios, to take into consideration that the Company's share price and dividend rate are reported in CAD and its earnings, EPS and financial statements are reported in USD.

The financial results in USD for the thirteen and twenty-six weeks ended June 29, 2024 and July 1, 2023 are summarized in the following table:

(Amounts in 000s, except per share amounts, unless otherwise noted)	Thirteen weeks ended		Twenty-six weeks ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Sales volume (millions of lbs)	51.7	59.4	118.6	136.4
Average foreign exchange rate (USD/CAD)	1.3682	1.3429	1.3586	1.3478
Sales	\$ 218,323	\$ 254,349	\$ 495,295	\$ 583,513
Gross profit	\$ 52,505	\$ 51,983	\$ 117,960	\$ 120,388
Gross profit as a percentage of sales	24.0 %	20.4 %	23.8 %	20.6 %
Adjusted EBITDA	\$ 23,824	\$ 22,032	\$ 58,064	\$ 53,231
Adjusted EBITDA as a percentage of sales	10.9 %	8.7 %	11.7 %	9.1 %
Net income	\$ 19,291	\$ 5,887	\$ 35,889	\$ 19,775
Diluted EPS	\$ 0.59	\$ 0.17	\$ 1.08	\$ 0.57
Adjusted Net Income	\$ 11,237	\$ 10,044	\$ 29,828	\$ 26,480
Adjusted Diluted EPS	\$ 0.35	\$ 0.29	\$ 0.90	\$ 0.77
Diluted weighted average number of shares outstanding	32,770	34,604	33,171	34,514

During the quarter, the Company continued to operate in challenging market conditions driven by consumer pull back and increased competitive pressures. Sales volume for the thirteen weeks ended June 29, 2024, or the second quarter of 2024, decreased by 7.7 million pounds, or 13.0%, to 51.7 million pounds compared to 59.4 million pounds in the thirteen weeks ended July 1, 2023, primarily driven by the decline of the same contract manufacturing business and the exiting of low margin business disclosed in Q1 2024 and lower sales volume in our retail and foodservice business. In the

Company's retail business, while High Liner Foods experienced year over year decline in volumes, the Company expanded distribution in strategic areas including club, value and premium offerings. In the Company's foodservice business, High Liner Foods saw continued success of new value-added innovations in terms of volume and expanded distribution, and saw continued growth in alternative species despite the overall year over year decline in volume.

Sales in the second quarter of 2024 decreased by \$36.0 million, or 14.2%, to \$218.3 million compared to \$254.3 million in the same period in 2023, driven by volume declines and reduced pricing reflecting deflationary markets. Given the highly promotional and price sensitive retail and foodservice markets, the Company continues to take actions on price, innovation and distribution to strengthen its competitive positioning and to mitigate the impact of external pressures while preserving profitability. The weaker Canadian dollar in the first half of 2024 compared to the same period in 2023 decreased the value of reported USD sales from our CAD-denominated operations by approximately \$1.1 million relative to the conversion impact last year.

Gross profit in the second quarter of 2024 increased by \$0.5 million to \$52.5 million compared to \$52.0 million in the same period in 2023 and gross profit as a percentage of sales increased by 360 basis points to 24.0% compared to 20.4%. The increase in gross profit reflects lower raw material costs, normalized inventory levels, a more profitable mix and a balanced approach to pricing focused on supporting both bottom and top line of the business. High Liner Foods continues to drive continuous improvements across operations to ensure prudent cost management. In addition, the weaker Canadian dollar decreased the value of reported USD gross profit from our CAD-denominated operations by \$0.3 million relative to the conversion impact last year.

Adjusted EBITDA in the second quarter of 2024 increased by \$1.8 million to \$23.8 million compared to \$22.0 million in the same period in 2023 and Adjusted EBITDA as a percentage of sales increased to 10.9% compared to 8.7%. The increase in Adjusted EBITDA reflects the increase in gross profit and favourable distribution expenses, offset by an increase in net SG&A expenses.

Reported net income in the second quarter of 2024 increased by \$13.4 million to net income of \$19.3 million (diluted EPS of \$0.59) compared to \$5.9 million (diluted EPS of \$0.17) in the same period in 2023. The increase in net income reflects the increase in Adjusted EBITDA, discussed previously, a decrease in finance costs, lower depreciation and amortization costs and an increase in business acquisition, integration and other (income) expense, partially offset by higher income taxes.

Reported net income in the second quarter of 2024 and 2023 included certain non-routine expenses classified as "business acquisition, integration and other (income) 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 2024 increased by \$1.2 million, or 12.0% to \$11.2 million compared to \$10.0 million in the same period in the prior year and Adjusted Diluted EPS increased \$0.06 in the second quarter of 2024 to \$0.35 as compared to \$0.29 in the same period in the prior year. The cancellation of 2.4 million shares in the second quarter of 2024 related to the Rubicon settlement also supported the growth in Adjusted Diluted EPS.

Net cash flows provided by operating activities in the second quarter of 2024 decreased by \$6.4 million to an inflow of \$39.0 million compared to an inflow of \$45.4 million in the same period in 2023 due to lower cash flows provided by operations, including lower positive changes in non-cash working capital balances in comparison to the first half of the previous year, non-cash gain on shares reacquired in a legal settlement, lower depreciation and amortization and higher income taxes paid. This was partially offset by higher net income, higher share-based compensation expense and lower interest paid. Capital expenditures were \$10.1 million in the first half of 2024 compared to \$9.1 million in the prior year reflecting the continued significant investment in the business.

Net Debt decreased by \$17.2 million to \$232.7 million at June 29, 2024 compared to \$249.9 million at December 30, 2023, reflecting lower bank loans, long-term debt, lease liabilities, and a higher

cash balance as at June 29, 2024.

Net Debt to Rolling Twelve-Month Adjusted EBITDA was 2.3x at June 29, 2024 compared to 2.6x at the end of Fiscal 2023 and 3.7x at December 31, 2022. The ratio has continued to improve into the first half of 2024 due to lower net debt and higher Rolling Twelve-Month Adjusted EBITDA compared to Fiscal 2023. In the absence of any major acquisitions or unplanned capital expenditures in 2024, we expect this ratio to continue to be lower than the Company's long-term target of 3.0x at the end of Fiscal 2024.

Investment in Andfjord Salmon AS

On May 22, 2024, High Liner Foods invested \$10.0 million in exchange for 3,234,970 common shares of Andfjord Salmon AL ("Andfjord"), a market leader in sustainable salmon aquaculture based in Dverberg, Norway. The Company believes this investment aligns with the Company's long-term growth strategy, including gaining exposure to salmon aquaculture.

Refinancing of term loan facility

The Company also completed a refinancing of its Term Loan B subsequent to the quarter. The \$240 million Term Loan B was refinanced to bear interest at SOFR plus 3.25% with a SOFR floor of 0.50%, which represents a 60-basis point reduction that replaces the prior interest rate of SOFR plus 3.75% and the 0.10% credit spread adjustment with a SOFR floor of 0.75%. The maturity was also extended from October 2026 to July 2031. The Company anticipates saving approximately \$1.4 million in annual cash interest expenses based on current borrowings and SOFR rates.

Outlook

"Our performance in the second quarter reaffirms my confidence in the outlook for our business." said Mr. Jewer. "Our strong start to the year on the bottom-line of positions us to navigate ongoing market challenges which will continue to impact our performance in the second half of the year. With a strong balance sheet, low debt ratio and strong free cash flow generation, I am confident that we can withstand short-term pressures and deliver year-over-year Adjusted EBITDA growth, while continuing to invest in the business, return capital to shareholders and support long-term value creation."

The Company is focused on executing against its branded and value-added strategy and ongoing supply chain diversification and innovation within the frozen seafood category as the means to reinforce its competitive positioning in a dynamic global seafood market. In addition, High Liner Foods continues to explore opportunities across the value-chain to position the Company for long-term growth, through potential M&A activities, as illustrated by High Liner Foods' recent investments in aquaculture leaders, Norcod and Andfjord.

The Company cautions that additional challenges in the geopolitical and economic environment may impact the timeline for improvements to its financial performance and growth agenda.

Dividend

Today, the Company's Board of Directors approved a quarterly dividend of CAD\$0.15 per share on the Company's common shares, payable on September 15, 2024 to holders of record on September 1, 2024. These dividends are considered "eligible dividends" for Canadian income tax purposes.

Conference Call

The Company will host a conference call on Thursday, August 8, 2024, at 10:00 a.m. ET (11:00 a.m. AT) during which Paul Jewer, Chief Executive Officer, Darryl Bergman, Chief Financial Officer

and Anthony Rasetta, Chief Commercial Officer, will discuss the financial results for the second quarter of 2024. To access the conference call by telephone, dial 289-819-1350 or 1-800-836-8184. Please connect approximately 10 minutes prior to the beginning of the call to ensure participation. The conference call will be archived for replay by telephone until Sunday, September 8, 2024 at midnight (ET). To access the archived conference call, dial 1-888-660-6345 and enter the replay entry code 82442#.

A live audio webcast of the conference call will be available at www.highlinerfoods.com. Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be required to join the webcast.

The Company's Unaudited Condensed Interim Consolidated Financial Statements and MD&A as at and for the thirteen and twenty-six weeks ended June 29, 2024 were filed concurrently on SEDAR+ with this news release and are also available at www.highlinerfoods.com.

Non-IFRS Measures

The Company reports its financial results in accordance with International Financial Reporting Standards ("IFRS"). Included in this media release are the following non-IFRS financial measures: Adjusted EBITDA, Adjusted EBITDA as a Percentage of Net Sales, Adjusted Net Income, Adjusted Diluted EPS, Net Debt and Net Debt to Rolling Twelve-Month 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 a Percentage of Sales

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

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

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

(Amounts in \$000s)		Thirteen weeks ended	
	June 29, 2024		July 1, 2023
Net income	\$ 19,291	\$	5,887
Add back (deduct):			
Depreciation and amortization expense	5,650		5,961

Finance costs	5,115	6,815
Income tax expense (recovery)	1,542	(872)
Standardized EBITDA	31,598	17,791
Add back (deduct):		
Business acquisition, integration and other expenses (income) ⁽¹⁾	(9,684)	3,849
Loss (gain) on disposal of assets	222	(104)
Share-based compensation expense	1,688	496
Adjusted EBITDA	\$ 23,824	\$ 22,032
Net Sales	\$ 218,323	\$ 254,349
Adjusted EBITDA as Percentage of Sales	10.9 %	8.7 %

(Amounts in \$000s)		Twenty-six weeks ended	
	June 29, 2024		July 1, 2023
Net income	\$ 35,889	\$	19,775
Add back (deduct):			
Depreciation and amortization expense	11,274		12,029
Finance costs	11,029		13,859
Income tax expense (recovery)	5,123		(276)
Standardized EBITDA	63,315		45,387
Add back (deduct):			
Business acquisition, integration and other expenses (income) ⁽¹⁾	(8,992)		5,616
Loss (gain) on disposal of assets	214		(175)
Share-based compensation expense	3,527		2,403
Adjusted EBITDA	\$ 58,064	\$	53,231
Net Sales	\$ 495,295	\$	583,513
Adjusted EBITDA as a Percentage of Sales	11.7 %		9.1 %

⁽¹⁾ The business acquisition, integration and other expenses (income) for the thirteen and twenty-six weeks ended June 29, 2024 and July 1, 2023, include legal and consulting fees relating to the law suit High Liner Foods filed against Mr. Brian Wynn. For the thirteen and twenty-six weeks ended June 29, 2024, this amount also includes 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.

Rolling Twelve-Month Adjusted EBITDA

(Amounts in \$000s)		Rolling twelve months ended		
		June 29, 2024	December 30, 2023	July 1, 2023
Net income	\$	47,791	31,677	40,883
Add back (deduct):				
Depreciation and amortization expense		25,618	26,373	24,244
Finance costs		23,348	26,178	24,520
Income tax expense		7,833	2,434	1,742
Standardized EBITDA		104,590	86,662	91,389
Add back (deduct):				
Business acquisition, integration and other (income) expenses ⁽¹⁾		(7,538)	7,070	7,209
Impairment of property, plant and equipment		—	—	281
Loss on disposal of assets		280	(109)	(26)
Share-based compensation expense		2,593	1,469	4,572
Rolling Twelve-Month Adjusted EBITDA	\$	99,925	95,092	103,425

⁽¹⁾ The business acquisition, integration and other (income) expenses for the rolling twelve months ended June 29, 2024, December 31, 2023 and July 1, 2023, include legal and consulting fees relating to the law suit High Liner Foods filed against Mr. Brian Wynn. The rolling twelve months ended June 29, 2024 also includes 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.

Adjusted Net Income and Adjusted Diluted EPS

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

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

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

Thirteen weeks ended
June 29, 2024

Thirteen weeks ended
July 1, 2023

		\$000s	Adjusted Diluted EPS		\$000s	Adjusted Diluted EPS
Net income	\$	19,291	\$ 0.59	\$	5,887	\$ 0.17
Add back (deduct):						
Business acquisition, integration and other (income) expenses ⁽¹⁾		(9,684)	(0.30)		3,849	0.11
Share-based compensation expense		1,688	0.05		496	0.02
Tax impact of reconciling items		(58)	—		(188)	(0.01)
Adjusted Net Income	\$	11,237	\$ 0.35	\$	10,044	\$ 0.29
Average shares for the period (000s)			32,770			34,604

			Twenty-six weeks ended June 29, 2024			Twenty-six weeks ended July 1, 2023
		\$000s	Adjusted Diluted EPS		\$000s	Adjusted Diluted EPS
Net income	\$	35,889	\$ 1.08	\$	19,775	\$ 0.57
Add back (deduct):						
Business acquisition, integration and other (income) expenses ⁽¹⁾		(8,992)	(0.27)		5,616	0.16
Impairment of property, plant and equipment		—	—		—	—
Share-based compensation expense		3,527	0.11		2,403	0.07
Tax impact of reconciling items		(596)	(0.03)		(1,314)	(0.03)
Adjusted Net Income	\$	29,828	\$ 0.90	\$	26,480	\$ 0.77
Average shares for the period (000s)			33,171			34,514

⁽¹⁾ The business acquisition, integration and other expenses (income) for the thirteen and twenty-six weeks ended June 29, 2024, includes legal and consulting fees relating to the lawsuit High Liner Foods filed against Mr. Brian Wynn. For the thirteen and twenty-six weeks ended June 29, 2024 this amount also includes 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 is excluded in Adjusted Net Income.

Net Debt and Net Debt to Rolling Twelve-Month Adjusted EBITDA

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

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

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

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

(Amounts in \$000s)	June 29, 2024	December 30, 2023	July 1, 2023
Bank loans	\$ —	\$ 2,559	\$ 90,476
Add-back: Deferred finance costs included in bank loans ⁽¹⁾	—	441	507
Total bank loans	—	3,000	90,983
Long-term debt	228,760	233,791	235,062
Current portion of long-term debt	7,500	5,625	7,500
Add-back: Deferred finance costs included in long-term debt ⁽²⁾	2,940	3,607	4,285
Less: Net loss on modification of debt ⁽³⁾	(320)	(393)	(467)
Total term loan debt	238,880	242,630	246,380
Long-term portion of lease liabilities	5,236	6,997	2,005
Current portion of lease liabilities	4,122	4,589	4,867
Total lease liabilities	9,358	11,586	6,872
Less: Cash	(15,586)	(7,300)	(87)
Net Debt	\$ 232,652	\$ 249,916	\$ 344,148
Rolling Twelve-Month Adjusted EBITDA	\$ 99,925	\$ 95,092	\$ 103,425
Net Debt to Rolling Twelve-Month Adjusted EBITDA	2.3x	2.6x	3.3x

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

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

⁽³⁾ The net gain/loss 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.

Forward Looking Statements

Forward-looking statements can generally be identified by the use of the conditional tense, the words "may", "should", "would", "could", "believe", "plan", "expect", "intend", "anticipate", "estimate", "foresee", "objective", "goal", "remain" or "continue" or the negative of these terms or variations of them or words and expressions of similar nature. Forward-looking statements in this press release include, but are not limited to, statements regarding the business strategies and operational activities of High Liner Foods, the markets in which High Liner Foods operates, potential M&A and other investment opportunities and the return of capital to shareholders, anticipated operating conditions, and the geopolitical and economic environment, and the future financial and operating performance of High Liner Foods, including the Company's leverage and anticipated growth in Adjusted EBITDA. Actual results could differ materially from the conclusion, forecast or projection stated in such forward-looking information. As a result, we cannot guarantee that any forward-looking statements will materialize. Assumptions, expectations and estimates made in the preparation of forward-looking statements and risks that could cause our actual results to differ materially from our current expectations are discussed in detail in the Company's materials filed with the Canadian securities regulatory authorities from time to time, including the Risk Factors section of our MD&A for the thirteen and twenty-six weeks ended June 29, 2024, the Risk Factors section of our 2023 MD&A and the Risk Factors section of our 2023 Annual Information Form. The risks and uncertainties that may affect the operations, performance, development and results of High Liner Foods' business include, but are not limited to, the following factors: compliance with food safety laws and regulations; timely identification of and response to events that could lead to a product recall; volatility in the CAD/USD exchange rate; competitive developments including increases in overseas seafood production and industry consolidation; ability to import seafood into North America while adhering to updated government sanctions; ability to adapt to regulatory changes and increase flexibility on seafood substitutions in certain products with customers; availability and price of seafood raw materials and finished goods and the impact of geopolitical events (and related economic sanctions) on the same; the impact of the U.S. Trade Representative's tariffs on certain seafood products; 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; 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 work plan, 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 policies; 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. Forward-looking information is based on management's current estimates, expectations and assumptions, which we believe are reasonable as of the current date but may prove to be incorrect, including, but not limited to, the following factors and assumptions: availability, demand and prices of raw materials, energy and supplies; 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. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. Except as required under applicable securities laws, we do not undertake to update these forward-looking statements, whether written or oral, that may be made from time to time by us or on our behalf, whether as a result of new information, future events or otherwise. We include in publicly available documents filed from time to time with securities commissions and The Toronto Stock Exchange, a discussion of the risk factors that can cause anticipated outcomes to differ from actual outcomes. Except as required under applicable securities legislation, we do not undertake to update forward-looking statements, whether written or oral, that may be made from time to time by us or on our behalf, whether as a result of new information, future events or otherwise.

About High Liner Foods Incorporated

High Liner Foods Incorporated is a leading North American processor and marketer of value-added frozen seafood. High Liner Foods' retail branded products are sold throughout the United States and Canada under the **High Liner**, **Fisher Boy**, **Mirabel**, **Sea Cuisine**, and **Catch of the Day** labels, and are available in most grocery and club stores. The Company also sells branded products to restaurants and institutions under the **High Liner**, **Mirabel**, **Icelandic Seafood** and **FPI** labels and is a major supplier of private label value-added seafood products to North American food retailers and foodservice distributors. High Liner Foods is a publicly traded Canadian company, trading under the symbol HLF on the Toronto Stock Exchange.

For further information about the Company, please visit our website at www.highlinerfoods.com or send an e-mail to investor@highlinerfoods.com.

SOURCE High Liner Foods Incorporated

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