

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 3, 2026

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File No. 001-34198

SUNOPTA INC.

(Exact Name of Registrant as Specified in Its Charter)

CANADA

(Jurisdiction of Incorporation)

Not Applicable

(I.R.S. Employer Identification No.)

7078 Shady Oak Road

Eden Prairie, Minnesota, 55344

(Address of Principal Executive Offices)

(952) 820-2518

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares	STKL	The Nasdaq Stock Market LLC
Common Shares	SOY	Toronto Stock Exchange

Securities registered pursuant Section to 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing

reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officer during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Aggregate market value of the common equity held by non-affiliates of the registrant, computed using the closing price of \$5.87 as reported on the Nasdaq Global Select Market for the registrant's common shares on June 27, 2025, the last business day of the registrant's most recently completed second fiscal quarter, was \$563.8 million. Common shares beneficially owned by Oaktree Fund GP, LLC and held by reporting directors and officers of the registrant have been excluded from this calculation because such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of shares of the registrant's common stock outstanding as of February 27, 2026 was 118,358,568.

Documents Incorporated by Reference: The registrant intends that the information required by Part III of this Annual Report on Form 10-K will either be (i) incorporated by reference from certain portions of the registrant's Definitive Proxy Statement for the 2026 Annual Meeting of Shareholders or (ii) included in an amendment to this Annual Report on Form 10-K.

SUNOPTA INC.
FORM 10-K
For the year ended January 3, 2026
TABLE OF CONTENTS

Basis of Presentation	2
Forward-Looking Statements	2

[PART I](#)

Item 1	Business	4
Item 1A	Risk Factors	9
Item 1B	Unresolved Staff Comments	21
Item 1C	Cybersecurity	21
Item 2	Properties	22
Item 3	Legal Proceedings	22
Item 4	Mine Safety Disclosures	22

[PART II](#)

Item 5	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	22
Item 6	[Reserved]	23
Item 7	Management's Discussion and Analysis of Financial Condition and Results of Operations	24
Item 7A	Quantitative and Qualitative Disclosures About Market Risk	38
Item 8	Financial Statements and Supplementary Data	39
Item 9	Changes in and Disagreements With Accountants on Accounting and Financial Disclosure	39
Item 9A	Controls and Procedures	39
Item 9B	Other Information	42
Item 9C	Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	42

[PART III](#)

Item 10	Directors, Executive Officers and Corporate Governance	42
Item 11	Executive Compensation	42
Item 12	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	42
Item 13	Certain Relationships and Related Transactions, and Director Independence	43
Item 14	Principal Accounting Fees and Services	43

[PART IV](#)

Item 15	Exhibits, Financial Statement Schedules	43
Item 16	Form 10-K Summary	48

Basis of Presentation

Except where the context otherwise requires, all references in this Annual Report on Form 10-K for the fiscal year ended January 3, 2026 ("Form 10-K") to "SunOpta," the "Company," "we," "us," "our" or similar words and phrases are to SunOpta Inc. and its subsidiaries, taken together.

In this report, all currency amounts presented are expressed in United States ("U.S.") dollars ("\$"), unless otherwise stated.

Forward-Looking Statements

This Form 10-K contains forward-looking statements that are based on management's current expectations and assumptions and involve a number of risks and uncertainties. Generally, forward-looking statements do not relate strictly to historical or current facts and are typically accompanied by words such as "anticipate," "estimate," "target," "intend," "project," "potential," "predict," "continue," "believe," "expect," "can," "could," "would," "should," "may," "might," "plan," "will," "budget," "forecast," the negatives of such terms, and words and phrases of similar impact and include, but are not limited to, statements regarding the proposed Arrangement (as defined below under Part I, Item 1, *Business - Arrangement Agreement*), including the anticipated timing and the various steps to be completed in connection with the Arrangement, including receipt of shareholder, court and regulatory approvals, the anticipated timing for closing of the Arrangement, and the anticipated delisting of the shares from The Nasdaq Stock Market and the Toronto Stock Exchange; references to future financial and operating results, plans, objectives, expectations, and intentions; our expectations regarding the future profitability of our business, including anticipated results of operations, revenue trends, and gross margin profile; our expectations regarding customer demand, consumer preferences, competition, sales pricing, and availability and pricing of raw material inputs; the expected cost and timing to complete planned capital expenditures; the uncertainty of the tariff environment and the potential effects on our business; ability and timing to achieve the expected benefits from our margin improvement investments; the adequacy of internally generated funds and existing sources of liquidity, such as the availability of bank financing; the anticipated sufficiency of future cash flows to enable the payments of interest and repayment of debt, working capital needs, and planned capital expenditures; our ability to obtain additional financing or issue additional debt or equity securities; our estimate of insurance recoveries associated with the withdrawal of certain batches of aseptically-packaged products in 2024; the outcome of litigation to which we may, from time to time, be a party; and other statements that are not historical facts. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on certain assumptions, expectations and analyses we make in light of our experience and our interpretation of current conditions, historical trends and expected future developments, as well as other factors that we believe are appropriate in the circumstances.

Whether actual results and developments will be consistent with and meet our expectations and predictions is subject to many risks and uncertainties. Accordingly, there are important factors that could cause our actual results to differ materially from our expectations and predictions. We believe these factors include, but are not limited to, the risk that the closing of the Arrangement might be delayed or not occur at all, due to the failure of one or more conditions to closing, or due to other factors; potential litigation against us in respect of the Arrangement; disruption and uncertainty from the Arrangement making it more difficult to maintain customer, supplier, key personnel and other strategic relationships; the effects that any termination of the Arrangement Agreement may have on us and our business, including the risk that our share price may decline significantly if the proposed transaction is not completed or the risk that we may be required to pay a termination fee; the fact that our management's or employees' attention may be diverted from other important matters while the Arrangement is pending; the effect of limitations that the Arrangement Agreement places on our ability to operate our business, return capital to shareholders or engage in alternative transactions; the impact of global economic conditions, including inflation, interest rates, and energy availability on our business; the potential for economic disruption due to geopolitical events and health crises; our ability to increase pricing to offset, or partially offset, inflationary pressures on the cost of our products; issues affecting our supply chain and procurement of raw materials, including fluctuations in the cost and availability of raw and packaging materials; our ability to increase pricing or absorb additional expenses in response to the potential impact of new or increased tariffs; labor shortages, employee turnover, and labor cost increases; business interruptions due to weather events, natural disasters, other unexpected events or public health crises; the potential loss of one or more of our key customers; our ability to identify, interpret and react to changes in consumer preferences and demand; our ability to effectively respond to competitive factors, including product innovations of our competitors; a failure to realize some or all of the anticipated benefits from our capital investment plans; a failure to successfully integrate or divest businesses, operations, or assets; impairments of long-lived assets or goodwill; a failure of our internal control over financial reporting; occurrence of product recall and withdrawal events; results of litigation and other legal proceedings; changes in government regulations and policies; infringements of our intellectual property; risks associated with our information technology systems, including the threat of data breaches and cyber-attacks; the impacts of severe weather events, natural disasters, and climate change on the supply and cost of raw and packaging materials, as well as energy, fuel and water; the availability and pricing of non-GMO and organic ingredients; global economic and financial conditions on availability of financing and interest rates; the effects of increased debt levels and service obligations on our ability to borrow or the cost of any such additional borrowing on our ability to react to certain economic and industry conditions; and other risks described herein under Part I, Item 1A, *Risk Factors*.

All forward-looking statements made herein are qualified by these cautionary statements, and our actual results or the developments we anticipate may not be realized. Our forward-looking statements are based only on information currently available to us and speak only as of the date on which they are made. We do not undertake any obligation to publicly update our forward-looking statements, whether written or oral, after the date of this report for any reason, even if new information becomes available or other events occur in the future, except as may be required under applicable securities laws. The foregoing factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report.

PART I

Item 1. Business

The Company

SunOpta Inc. was organized under the laws of Canada in 1973. We deliver customized supply chain solutions and innovation for top brands, retailers, and foodservice providers across a broad portfolio of beverages, broths, and better-for-you snacks. Our plant-based beverage offerings include oat, almond, soy, coconut and rice milks, which have a favorable climate profile relative to traditional dairy milks in terms of lower carbon emissions and water usage. Our portfolio includes non-genetically modified ("non-GMO"), organic, and gluten-free products. We distribute our products through retail, club, foodservice and e-commerce channels. We also produce liquid ingredients for internal use and for sale to other food and beverage manufacturers.

Our employees and production facilities are principally located in the U.S., as well as Canada. Our corporate headquarters is located in Eden Prairie, Minnesota, together with our innovation center and pilot plant.

Arrangement Agreement

On February 6, 2026, we entered into an Arrangement Agreement (the "Arrangement Agreement") with Pegasus BidCo B.V. ("Parent"), a private company with limited liability incorporated under the laws of the Netherlands, and 2786694 Alberta Ltd., a corporation formed under the laws of the Province of Alberta and a wholly-owned subsidiary of Parent ("Purchaser" and together with Parent, "Refresco"), pursuant to which, on the terms and subject to the conditions set forth therein, Purchaser has agreed to acquire all of our issued and outstanding common shares, including the common shares issuable on the exchange of our issued and outstanding shares of Series B-1 Preferred Stock, by way of a court-approved statutory plan of arrangement under the *Canada Business Corporations Act* (the "Arrangement"). Pursuant to the Arrangement, at the closing, each of our issued and outstanding common shares (other than shares held by dissenting shareholders, if any) will be transferred to Purchaser for consideration of \$6.50 per share in cash, less applicable withholdings. The Arrangement is expected to close in the second quarter of 2026, subject to satisfaction or waiver of the closing conditions, including receipt of court and regulatory approvals, and subject to the approval of our shareholders. Upon completion of the transaction, we will become a wholly-owned subsidiary of Refresco, and our common shares will be delisted from The Nasdaq Stock Market and the Toronto Stock Exchange.

Customers and Competition

We sell our products through various distribution channels, including grocery retailers and club stores, foodservice operators, branded food companies, and food manufacturers, located principally in the U.S., as well as e-commerce channels. We generally conduct our business with customers based on purchase orders or pursuant to contracts that are terminable by either party following a designated notice period. However, some of our contracts may extend for several years and/or include volume purchase commitments. A relatively limited number of customers account for a large percentage of our revenues. In 2025, our ten largest customers accounted for approximately 84% of our revenues.

We compete with major branded and private-label food manufacturers that may have significantly greater resources and brand recognition than we do. However, we believe that the strategic locations of our manufacturing and distribution facilities, our in-house processing and packaging capabilities, and our innovation center and pilot plant, allows us to compete effectively. For sales of private label and co-manufactured products, the principal competitive factors are product quality, reliability of service, innovation, and price. For sales of our own branded products, the principal competitive factors are consumer brand recognition and loyalty, product quality, promotion, and price.

Raw Materials

Our raw materials primarily consist of ingredients and packaging materials. Principal ingredients used in our products include oats, almonds, soybeans, coconut, apple, and sugar. For critical raw materials, we identify and qualify alternate sources of supply, where possible. Ingredients are subject to fluctuations in market price caused by weather, growing and harvesting conditions, inflation, tariffs, commodity speculation, and other factors beyond our control. Where possible, we mitigate market price volatility by entering into annual purchase arrangements with our suppliers and by incorporating pass-through pricing adjustment clauses into our contracts with customers. The costs of raw materials used in our products also fluctuate due to energy costs, fuel prices, labor availability, and freight and storage demand. Additionally, certain jurisdictions have either enacted or are considering enacting extended producer responsibility ("EPR") laws and regulations that require manufacturers to be responsible for the collection, recycling, and disposal of the packaging materials they introduce into the market. Volatility in the cost of our raw materials can adversely affect our performance, as price changes may lag behind changes in costs, and we are not always able to adjust our pricing to reflect changes in raw material costs.

We rely on our packaging suppliers to ensure delivery of often unique, portable, and convenient consumer packaging formats. In our plant-based beverage processing facilities, we specialize in the use of Tetra Pak processing and packaging equipment in a variety of package sizes, and an array of opening types and extended shelf-life options. Over 95% of our packaging by weight is recyclable, and we are committed to working with our suppliers to innovate and develop new packaging technologies to further reduce the impact on the environment, while maintaining the quality and safety of our products.

Natural gas and electricity are the primary sources of energy used to power our plants and processing equipment, and water is the principal ingredient in many of our products and is essential to our production processes.

Diesel fuel is used in connection with the distribution of our products, and we rely on third-party transportation providers to deliver raw materials, as well as our products to our customers.

Seasonality

Overall, the demand for most of our products does not typically fluctuate significantly in any particular season; however, broth sales are generally higher in the fourth quarter of each year.

Product Development

Our 24,000 square foot innovation center and pilot plant located in Eden Prairie, Minnesota, supports our product development team of 19 highly trained and experienced food scientists and technologists that are dedicated to the development of innovative food and beverage offerings and addressing product development opportunities for our customers. These opportunities include new and custom product formulations, innovations in packaging formats, and new production processes and applications. Applications and technical support provided to our customers include all aspects of product development from concept to commercial launch, as well as ongoing manufacturing and processing support.

Trademarks

We market our own consumer brands under trademarks that we own, including SOWN®, Dream® and West Life™. While we consider these trademarks to be valuable to the marketing and sale of our proprietary brands, we do not consider any trademark to be of such material importance that its absence would cause a material disruption of our business.

Human Capital

At SunOpta, we develop employee programs, benefits, and compensation to align with four pillars of well-being: physical, financial, social, and emotional. SunOpta's goal is to offer applicable benefits and experience for employees based on their stage in life and personal circumstances. Our Human Capital Management strategy is based on our goal of "Putting the YOU in SunOpta." Examples of these initiatives are:

- Offering a competitive compensation and benefit package that includes "choices" for each employee to select which works best for them. Our comprehensive benefits package includes health insurance, company-paid life, accident, and disability insurance, 401(k), employee stock purchase plan, paid time off, paid parental and maternity leave programs, flexible schedules, caregiving benefits, voluntary benefits (such as, pet insurance, identification theft, legal services, hospital indemnity, and critical illness) and a tuition reimbursement program. Our regular, full-time employees receive two additional personal holidays called "You Days," which can be taken in recognition of an employee's birthday and work anniversary date. The mental health benefit for our employees has been successful in providing faster access to care at the individual level of need for employees and their families. Eligibility for our 401(k) plan allows employees to participate following one month of service, so employees can realize the benefits of planning for retirement with employer match earlier in their tenure.
- We believe it is key to give back to the communities in which we live and work as evidenced by our community service and volunteerism program, which we refer to as "SunOpta Cares." This program provides 24 hours of paid time off for our employees to volunteer with community programs that align with their values. Throughout the year, employees have several opportunities to donate talent and gifts to local charitable organizations.

- Talent management and growth is instrumental in developing a sustainable workforce. We provide various opportunities for our employees to learn and grow within SunOpta through individual development plans, on-the-job training, special project assignments, monthly safety training, and interpersonal skills learning events. Our Foundational Manager Program has been offered to all of our plant locations. This offering was created for managers and supervisors with a focus on cross-functional leadership, effective communication, leading through change, influencing with integrity, negotiating, and creative problem solving. We are committed to identifying and developing the talents of our next generation leaders. On an annual basis, we conduct talent assessments across the organization and succession planning for our most critical roles within the organization to identify high potential employees, gaps in capabilities or skills, and bench strength.
- We believe in the power of diversity in thought, perspectives, opinions, and experiences, as it is key to our success. By providing learning events regarding inclusion and belonging for our employees they are better equipped to understand how we can all work together, and be better, by embracing our differences. We foster an inclusive workplace culture that emphasizes mutual respect, collaboration, and merit-based achievement, where employees feel valued and encouraged to contribute to the Company's success.

We encourage our employees to be guided by our MVBs (Most Valued Behaviors) of speed, dedication, problem solving, passion, entrepreneurship, and customer centricity. We have a peer recognition program which allows employees to recognize others who are demonstrating our MVBs. Our leaders also recognize employees through our quarterly awards program. SunOpta conducts an organizational health survey annually to check the pulse of our workforce and look for areas of improvement through the lens of all our employees. We engage in communication efforts such as quarterly town halls and monthly all-company huddles that we believe help employees feel they are a part of SunOpta as a whole, not just their individual department or location.

As of January 3, 2026, we employed 1,331 full-time employees, all in North America. Our average employee has over five years of service. In 2025, our voluntary turnover was 13.5% (down from 16.3% in 2024) across the Company. We continue to focus on increasing employee retention by implementing retention programs and initiatives to increase employee engagement. Employee health and safety is paramount to our success. In addition to our safety training and initiatives at our manufacturing facilities, we track our Total Recordable Incident Rate (TRIR) which ended the year at 2.08 (down from 2.25 in 2024).

Sustainability

We are committed to incorporating sustainability principles into our business strategies and organizational culture and working to meet our sustainability-related commitments and goals. The Corporate Governance Committee of our Board of Directors provides oversight on sustainability matters. Details on our sustainability commitments and progress are set out in our most recent Sustainability Report (available at www.sunopta.com/sustainability), which shall not be deemed to be a part of this Form 10-K or incorporated into any of our other filings made with the U.S. Securities and Exchange Commission (the "SEC") or Canadian Securities Administrators (the "CSA").

Human Rights

We are committed to preventing slavery and human trafficking from taking place in our supply chain or business. In Canada, we are required to comply with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Modern Slavery Act"), which came into force on January 1, 2024. Under the provisions of this legislation, corporate entities that meet certain criteria are required to examine their supply chains and submit public reports to Public Safety Canada on measures they have taken to identify, address and reduce the risk that forced labor or child labor are used in their supply chains, and such report must be submitted before May 31st of each year. Our most recent Modern Slavery Act Report is available on our website at www.sunopta.com, which shall not be deemed to be a part of this Form 10-K or incorporated into any of our other filings made with the SEC or the CSA.

Regulations

We are subject to a wide range of governmental regulations and policies in the U.S. and Canada. These laws, regulations and policies are implemented, as applicable in each jurisdiction, on the national, federal, state, provincial, and local levels. For example, we are affected by laws and regulations related to seed, fertilizer, and pesticides; the purchasing, harvesting, transportation, and warehousing of agricultural products; the processing, packaging, and sale of food and beverages, including wholesale operations; and product labeling and marketing, food safety, and food defense. We are also affected by government-sponsored price supports, acreage set aside programs, and a number of environmental regulations.

U.S. Regulations

Our activities in the U.S. are subject to regulation by various governmental agencies, including the Food and Drug Administration ("FDA"), the Federal Trade Commission ("FTC"), the Environmental Protection Agency ("EPA"), the U.S. Department of Agriculture ("USDA"), Occupational Safety and Health Administration ("OSHA"), and the Departments of Commerce and Labor, as well as voluntary regulation by other bodies. Various state and local agencies also regulate our activities.

USDA National Organic Program and Similar Regulations

We manufacture and distribute a number of organic products that are subject to the standards set forth in the *Organic Foods Production Act* and the regulations adopted thereunder by the National Organic Standards Board. In addition, our organic products may be subject to various state regulations. We believe that we are in material compliance with the organic regulations applicable to our business, and we maintain an organic testing and verification process. Generally, organic food products are produced using:

- agricultural management practices intended to promote and enhance ecosystem health;
- ingredients produced without genetically engineered seeds or crops, sewage sludge, long-lasting pesticides, herbicides, or fungicides; and
- food processing practices intended to protect the integrity of the organic product and disallow irradiation, genetically modified organisms, or synthetic preservatives.

After becoming certified, organic operations must retain records concerning the production, harvesting, and handling of agricultural products that are to be sold as organic for a period of five years. Any organic operation found to be in violation of the USDA organic regulations is subject to potential enforcement actions, which can include financial penalties or suspension or revocation of their organic certificate.

Food Safety, Labeling and Packaging Regulations

As a manufacturer and distributor of food products, we are subject to the *Federal Food, Drug and Cosmetic Act*, the *Fair Packaging and Labeling Act* and regulations promulgated thereunder by the FDA and the FTC. This regulatory framework governs the manufacture (including composition and ingredients), labeling, packaging, and safety of food in the U.S. state and local statutes and regulations may impose additional food safety, labeling, and packaging requirements. For instance, the *California Safe Drinking Water and Toxic Enforcement Act of 1986* (commonly referred to as "Proposition 65") requires, with a few exceptions, that a specific warning appear on any consumer product sold in California that contains a substance, above certain levels, listed by that state as having been found to cause cancer or birth defects. We believe we are in material compliance with state and local statutes and regulations as they apply to our business.

Environmental Regulations

We are also subject to various U.S. federal, state, and local environmental regulations. Some of the key environmental regulations in the U.S. include, but are not limited to, the following:

- Air quality regulations - air quality is regulated by the EPA and certain city/state air pollution control groups. Emission reports are filed annually.
- Waste treatment/disposal regulations - solid waste is either disposed of by a third-party or, in some cases, we have a permit to haul and apply the sludge to land. Agreements exist with local city sewer districts to treat waste at specified levels of Biological Oxygen Demand ("BOD"), Total Suspended Solids ("TSS") and other constituents. This can require weekly/monthly reporting as well as annual inspection.
- Sewer regulations - we have agreements with the local city sewer districts to treat waste at specified limits of BOD and TSS. This requires weekly/monthly reporting as well as annual inspection.
- Hazardous chemicals regulations - various reports are filed with local, city, and state emergency response agencies to identify potential hazardous chemicals being used in our U.S. facilities.

- Storm-water - all of our U.S. facilities are inspected annually and must comply with an approved storm-water plan to protect water supplies.

Employee Safety Regulations

We are subject to certain safety regulations, including OSHA regulations. These regulations require us to comply with certain manufacturing safety standards to protect our employees from accidents. We believe that we are in material compliance with all employee safety regulations applicable to our business.

Canadian Regulations

In Canada, the sale of food is regulated under various federal and provincial laws, principally (but not limited to) the *Safe Food for Canadians Act* ("SFCA"), the *Food and Drugs Act* ("FADA"), the *Canada Consumer Product Safety Act* ("CCPSA"), the *Canadian Food Inspection Agency Act* ("CFIAA") and the *Canadian Environmental Protection Act, 1999* ("CEPA"), along with their supporting regulations. The following is a summary of each of these statutes to the extent that they apply or potentially apply to the Company and its operations:

- *Safe Food for Canadians Regulations* ("SFCR") (under the SFCA) - the SFCR and SFCA regulate imported, exported, or inter-provincially traded food products. Some provisions of the SFCA and SFCR also apply intra-provincially. Principal elements of the SFCR that may impact the Company include licensing requirements, preventative controls, traceability requirements, commodity-specific requirements, reporting requirements and timelines, an export certificate request process, packaging and labeling requirements to ensure food safety and prevent false or misleading labeling, regulation of the use of grades and grade names, standards of identity and expansion of the certification process for organic products, and other requirements.
- *Food and Drug Regulations* (under the FADA) - food and drugs are subject to specific regulatory requirements, including composition (such as food additives, fortification, and food standards), packaging, labeling, advertising, marketing, and licensing requirements. Effective January 1, 2026, amendments announced in 2022 to modernize Canada's requirements for labeling prepackaged food products came into force. These amendments require front-of-package nutrition symbols on prepackaged foods high in saturated fat, sodium or sugars. All newly manufactured or imported products must comply with these rules, which prescribe standardized bilingual symbols placed prominently on the principal display panel. The Canadian Food Inspection Agency is responsible for monitoring and enforcing compliance, with transitional allowances limited to products manufactured, imported, or packaged before December 31, 2025.
- *Canadian Food Inspection Agency Act* ("CFIAA") - the CFIAA grants power to the CFIA, which is tasked with the administration and enforcement of certain Canadian food legislation. By virtue of the CFIAA and the SFCA, the CFIA has the power to inspect and, if deemed necessary, recall certain products, including fresh fruit and vegetables, processed foods, and organic foods, if the Minister of Health believes that such products pose a risk to the public, animal or plant health.
- *Substance Regulations* - various regulations under CEPA regulate the importation and use of certain substances in Canada. For example, prior to the importation and use in products, the importer must ensure that all ingredients are found on the Domestic Substances List ("DSL") maintained by Environment and Climate Change Canada. In the event that an ingredient is not found on the DSL, then subject to the amount of the substance imported into Canada and used in products sold in Canada, a filing may become necessary under the New Substances Notification Regulations.
- *Canada Consumer Product Safety Act* ("CCPSA") - the CCPSA provides oversight and regulation of consumer products with respect to manufacturers, importers, and retailers. It includes, without limitation, the ability to require product recalls, mandatory incident reporting, document retention requirements, increased fines and penalties, and packaging and labeling requirements. While the CCPSA does not apply to food, it does apply to its packaging with respect to safety. It is possible that there will be amendments introduced to the FADA, to capture the essence of the regulatory oversight found in the CCPSA. We have no way of anticipating if and when that may occur.

Environmental Compliance

As described above, we are subject to environmental regulations in the U.S. and Canada. Our business also requires that we have certain permits from various state, provincial and local authorities related to air quality, water consumption and treatment, stormwater discharge, solid waste, land spreading, and hazardous waste. We are committed to meeting all applicable environmental compliance requirements.

Intellectual Property

The nature of a number of our products and processes requires that we create and maintain patents, trade secrets and trademarks. Our policy is to protect our technology, brands, and trademarks by, among other things, filing patent applications for technology relating to the development of our business in the U.S. and in selected foreign jurisdictions, registering trademarks in the U.S., Canada and selected foreign jurisdictions where we sell products, and maintaining confidentiality agreements with outside parties and employees.

Our continued success depends, in part, on our ability to protect our products, trade names and technology under U.S. and international patent laws and other intellectual property laws. We believe that we own or have sufficient rights to use all of the proprietary technology, information and trademarks necessary to manufacture and market our products; however, there is always a risk that patent applications relating to our products or technologies will not result in patents being issued, or, if issued, will be later challenged by a third party, or that current or additional patents will not afford protection against competitors with similar technology.

We also rely on trade secrets and proprietary know-how and confidentiality agreements to protect certain technologies and processes. However, even with these steps taken, our outside partners and contract manufacturers could gain access to our proprietary technology and confidential information. All employees are required to adhere to internal policies, which are intended to further protect our technologies, processes, and trade secrets.

Available Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the *Securities Exchange Act of 1934* (the "Exchange Act"), are available free of charge on our website at www.sunopta.com as soon as reasonably practicable after we file such information electronically with, or furnish it to, the SEC and the CSA.

Additionally, the SEC and CSA maintain internet sites that contain reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC and CSA, which can be found at www.sec.gov and www.sedarplus.ca, respectively.

Item 1A. Risk Factors

Our business, financial condition and results of operations are subject to various risks and uncertainties, including those described below and elsewhere in this report. We believe the most significant of these risks and uncertainties are described below, any of which could adversely affect our business, financial condition, and results of operations, as well as our cash flows, liquidity, share price, and/or reputation, and could cause actual results to differ materially from the results contemplated by the forward-looking statements contained in this report. There may be additional risks and uncertainties not presently known to us or that we currently consider immaterial. Consequently, you should not consider the following to be a complete discussion of all possible risks or uncertainties applicable to our business. These risk factors should be read in conjunction with the other information in this report and in the other documents that we file from time to time with the SEC and the CSA.

Risks Related to the Arrangement Agreement

The proposed Arrangement is subject to the receipt of court and regulatory approvals, and subject to the approval of our shareholders, as well as the satisfaction of other closing conditions, some or all of which may not be satisfied or completed within the expected timeframe, if at all

We have entered into the Arrangement Agreement with Refresco pursuant to which the Arrangement would be completed. Completion of the Arrangement is subject to a number of closing conditions, some of which are outside of the control of the parties, including, without limitation, the receipt of court and regulatory approvals, including under applicable antitrust laws, and the approval of the Arrangement by the requisite vote of our shareholders. In addition, the completion of the Arrangement is conditional on, among other things, dissenters rights not having been exercised by the holders of more than 5% of our common shares and no material adverse effect having occurred and continuing since the date of the Arrangement Agreement. We can provide no assurance that all required consents and approvals will be obtained or that all closing conditions will otherwise be satisfied (or waived, if applicable), and, even if all required consents and approvals can be obtained and all closing conditions are satisfied (or waived, if applicable), we can provide no assurance as to the terms, conditions and timing of such consents and approvals or the timing of the completion of the Arrangement. Risks related to the consummation of the Arrangement, include:

- the risks that shareholder approval may not be obtained on the expected timeline, or at all,
- the risks that the parties fail to secure the termination or expiration of any waiting period, or fail to receive any required approvals or clearances, under applicable antitrust laws,
- the risk that any other condition to closing may not be satisfied,
- the risk that the closing of the Arrangement might be delayed or not occur at all,
- the possibility we fail to obtain the interim and final orders in respect of the Arrangement from the Ontario Superior Court of Justice (Commercial List) on the expected timeline, or at all,
- the possibility that the Arrangement may be more expensive to complete than anticipated, including as a result of unexpected factors or events,
- the risk that the anticipated timing of mailing the management information circular and proxy statement or the timing of the holding of the special meeting of shareholders to be called to consider the Arrangement may not be possible or achieved, and
- the risk of any event, change or other circumstance that could give rise to the termination of the Arrangement Agreement.

Uncertainties and limitations associated with the Arrangement could adversely affect our business, results of operations, financial condition and share price

The announcement and pendency of the proposed Arrangement, as well as any delays in the expected timeframe, could cause disruption and create uncertainties, which could have an adverse effect on our business, results of operations, financial condition and share price, regardless of whether the Arrangement is completed. These risks include, but are not limited to:

- our business, operating results or share price may suffer,
- our current plans and operations may be disrupted,
- our ability to retain or recruit key employees may be adversely affected,
- our business relationships (including customers and suppliers) may be adversely affected,
- our management's or employees' attention may be diverted from other important matters,
- the effect of limitations that the Arrangement Agreement places on our ability to operate our business, return capital to shareholders or engage in alternative transactions,
- the risk of any litigation relating to the proposed Arrangement,
- the risk of changes in governmental regulations or enforcement practices, or
- the fact that operating costs and business disruption may be greater than expected following the public announcement or consummation of the Arrangement.

Lawsuits may be filed against us and the members of our Board of Directors arising out of the proposed Arrangement, which may delay or prevent the proposed Arrangement or otherwise negatively affect our business and operations

Putative shareholder complaints, including shareholder class action complaints, and other complaints may be filed against us, our Board of Directors and others in connection with the transactions contemplated by the Arrangement. The outcome of litigation is uncertain, and we may not be successful in defending against any such future claims. Lawsuits that may be filed against us, our Board of Directors or others could delay or prevent the Arrangement, divert the attention of our management and employees from our day-to-day business, and otherwise adversely affect our business, results of operations, and financial condition.

The Arrangement may not be completed within the expected timeframe, or at all, and significant delay or the failure to complete the Arrangement could adversely affect our business

We cannot assure that our business, our relationships or our financial condition will not be adversely affected if the Arrangement is not consummated within the expected timeframe, or at all. While it is currently anticipated that the Arrangement will be consummated in the second quarter of 2026, we cannot assure that the closing conditions will be satisfied in a timely manner or at all, that an effect, event, development, or change will not transpire that could delay or prevent these conditions from being satisfied, or that we or Refresco will not terminate the Arrangement Agreement if entitled to do so.

Failure to complete the Arrangement within the expected timeframe, or at all, could adversely affect our business and the market price of our common shares in several ways, including the following:

- to the extent that the current market price of our common shares reflects an assumption that the Arrangement will be completed, it may be negatively impacted because of a failure to complete the Arrangement within the expected timeframe or at all,
- investor and customer confidence in our business could decline, litigation could be brought against us, relationships with vendors, service providers, investors, and other business partners may be adversely impacted, and we may be unable to retain key personnel,
- we have incurred, and will continue to incur, significant costs, expenses and fees for professional services and other costs in connection with the Arrangement for which we may receive little or no benefit if the Arrangement is not completed; many of these fees and costs will be payable by us even if the Arrangement is not completed and may relate to activities that we would not have undertaken other than to complete the Arrangement,
- failure to complete the Arrangement may result in negative publicity and a negative impression of us in the investment and vendor community, and
- if the Arrangement Agreement is terminated in certain circumstances, we must pay a termination fee to Refresco.

The occurrence of any of these events individually or in combination could materially and adversely affect our business, results of operations, financial condition and the price of our common shares.

Risks Related to Our Company, Business and Operations

Deterioration of global economic conditions, an economic recession, periods of inflation, or economic uncertainty in our key markets may adversely affect customer and consumer spending, as well as demand for our products

Global economic conditions can be uncertain and volatile. Our business and results of operations have in the past been, and may continue to be, adversely affected by changes in global economic conditions including inflation, tariff and trade policies, interest rates, energy availability and costs, the negative impacts caused by public health crises, as well as the potential impacts of geopolitical events, and the effect of governmental initiatives to manage economic conditions. As global economic conditions continue to be volatile or economic uncertainty remains, trends in consumer spending also remain unpredictable and subject to reductions due to credit constraints and uncertainties about the future. Most of our products are purchased by our customers based on end-user demand from consumers. Some of the factors that may influence consumer spending include general economic conditions, employment levels, consumer debt levels, reductions in net worth based on market declines and uncertainty, home foreclosures and reductions in home values, fluctuating interest rates and credit availability, fluctuating fuel and other energy costs, fluctuating commodity prices, inflationary pressure, tariff impacts, tax rates, health crises, and general uncertainty regarding the overall future economic environment. Unfavorable economic conditions may lead customers and consumers to delay or reduce purchases of our products and could present challenges in collecting our account receivables on a timely basis. Customer demand for our products may not reach our targets or may decline as distributors and retailers seek to reduce inventory positions if there is an economic downturn or economic uncertainty in our key markets. Economic cycles and related fluctuations in customer demand may have a material adverse effect on our business, financial condition and results of operations.

We may not be able to increase prices to fully offset inflationary pressures on costs, such as raw and packaging materials, labor, energy, fuel and distribution costs, which may impact our business, financial condition and results of operations

In recent years, we have experienced elevated commodity and supply chain costs, including the costs of raw materials, packaging, labor, energy, fuel, freight and other inputs necessary for the production and distribution of our products. Many of these materials and costs are subject to price fluctuations from a number of factors, including, but not limited to, market conditions, geopolitical events, demand for raw materials, weather, growing and harvesting conditions, energy and fuel costs, tariffs, environmental and other sustainability regulations (including potential impacts of EPR laws and regulations), changes to immigration policies, currency fluctuations, and other factors beyond our control.

Our attempts to offset these cost pressures, such as through increases in the selling prices of some of our products, may not be successful. Higher product prices may result in lower sales volumes. Consumers may shift to lower priced product offerings, or may forego some purchases altogether, particularly during an economic downturn or times of increased inflationary pressure. To the extent that our efforts to offset cost inflation through price increases, and/or through cost containment measures and productivity initiatives, are not sufficient to offset these increased costs adequately or in a timely manner, and/or if they result in significant decreases in sales volume, our business, financial condition, and results of operations may be materially and adversely affected.

The imposition of new or increased tariffs, and the uncertainty associated with changes in tariff policies, could have a material adverse effect on our business, financial condition and results of operations

The imposition of new or additional tariffs may result in additional costs for us, as well as certain of our suppliers, and may increase the landed cost in the U.S. of our products produced in Canada, which could have a material adverse effect on our business, financial condition and results of operations. In addition, the imposition of tariffs, the uncertainty about tariff policies and tariff rates, and the actual or potential imposition of retaliatory tariffs could weaken the global economy, which may result in lower demand for our products. Further, the potential inflationary impact of tariffs may also slow economic growth and reduce household savings, which may impact the level of consumption of certain of our products in the event consumers reduce overall spending and/or shift to lower-cost product alternatives. Any of these outcomes could have a material adverse effect on our business, financial condition and results of operations.

In March 2025, the Trump Administration in the U.S. imposed 25% additional tariffs under the International Emergency Economic Powers Act ("IEEPA") on goods from Canada and Mexico that are not exempt under the U.S.-Mexico-Canada Agreement ("USMCA"). Effective August 1, 2025, the IEEPA tariff rate on goods from Canada was increased to 35%. We source a portion of our raw material ingredients and packaging globally, including from Canada and Mexico. Additionally, a portion of our total revenues are generated from the sale of fruit snack products imported into the U.S. from our Niagara, Ontario, facility. As a result, the imposition of the IEEPA tariffs resulted in additional costs for us, as well as certain of our suppliers, and increased the landed cost in the U.S. of our products produced in Canada that are not exempt under the USMCA.

On February 20, 2026, the U.S. Supreme Court ruled against the Trump Administration's use of tariffs under the IEEPA, and U.S. Customs and Border Protection halted collections of IEEPA tariffs on February 24, 2026. However, the decision creates uncertainty related to various aspects of the tariffs previously collected under the IEEPA, including whether, and if so, how, companies may be able to recover any portion of IEEPA tariffs previously paid. Additionally, in response to the U.S. Supreme Court ruling, the Trump Administration imposed a new, 10% worldwide tariff effective for 150 days from February 24, 2026. The imposition of these new, worldwide tariffs, as well as the potential for further tariff actions by the Trump Administration, represents a significant source of uncertainty and could have a material adverse effect on our business, financial condition and results of operations.

If we do not manage our supply chain effectively, our operating results may be adversely affected

Our supply chain is complex and critical to our ability to manufacture, move and sell products. We rely on third-party suppliers for our raw materials and packaging, as well as the distribution of our products. The inability of any of these suppliers to deliver or perform for us in a timely or cost-effective manner could cause our operating costs to rise and our margins to fall. Many of our products are perishable and require timely processing and transportation to our customers. Additionally, many of our products can only be stored for a limited amount of time before they spoil and cannot be sold. We must continually monitor our inventory and product sales mix against forecasted demand to reduce the risk of not having adequate supplies to meet consumer demand or the risk of having too much inventory that may reach its expiration date. In recent years, general macroeconomic conditions, geopolitical events and health crises have increased the challenges of managing our supply chain, and these factors could continue to cause unpredictable supply chain interruptions or other adverse effects on our supply chain. If we are unable to manage our supply chain effectively and ensure that our products are available to meet consumer demand, our operating costs could increase and our margins could decline, which could have a material adverse effect on our business, financial condition and results of operations.

If we face labor shortages or increased labor costs, our business, financial condition and results of operations could be adversely affected

Labor is a primary component of operating our business. Our ability to achieve our operating goals depends on our ability to identify, hire, train, and retain qualified employees. We compete with other companies both within and outside of our industry for talented employees. If we are unable to hire and retain employees capable of performing at a high-level, our ability to efficiently operate our manufacturing facilities and overall business could be adversely affected. Our ability to meet our labor needs while controlling labor costs is subject to external factors, such as employment levels, prevailing wage rates, minimum wage legislation, changing demographics, health and other insurance costs, and governmental labor and employment requirements. In addition, a sustained labor shortage or increased turnover rates within our employee base could lead to increased costs, such as increased overtime to meet demand, costs to hire and train new employees, and increased wage rates and employee benefits to attract and retain employees. An overall labor shortage, lack of skilled labor, increased turnover, labor inflation, or changes in applicable employment laws and regulations, could lead to increased labor costs and/or reduced operating efficiencies, which could have a material adverse impact on our business, financial condition and results of operations.

An interruption at one or more of our manufacturing facilities could negatively affect our business, and our business continuity plan may prove inadequate

We own or lease, manage and operate a number of processing, packaging, warehouse and office facilities. We may be unable to accept and fulfill customer orders as a result of adverse weather conditions, natural disasters, health crises, business interruptions, or other similar events. Some of our inventory and manufacturing facilities are located in areas that are susceptible to harsh weather, and the production of certain of our products is concentrated in a few geographic areas. Although we have a business continuity plan, our plan might not address all of the issues we may encounter in the event of a disaster or other unanticipated issues. Our business interruption insurance may not adequately compensate us for losses that may occur from any of the foregoing. In the event that a disaster, or other catastrophic event, were to destroy any part of any of our facilities or interrupt our operations for any extended period of time, or if harsh weather or health crises prevent us from producing and/or delivering products in a timely manner, our business, financial condition and results of operations could be materially and adversely affected.

Our customers generally are not obligated to continue purchasing products from us

Many of our customers buy from us under short-term, binding purchase orders. As a result, these customers are not committed to maintain or increase their purchase volumes or orders for the products supplied by us. Decreases in our customers' purchase volumes or orders for products supplied by us may have a material adverse effect on our business, financial condition and results of operations. In addition, some customer buying decisions are based on a periodic bidding process. Our sales volume may decrease if our offer is too high and rejected, or, alternatively, we risk reducing our margins if our offer is successful but less than our desired price point. Either of these outcomes could have a material adverse impact on our business, financial condition and results of operations.

Loss of a key customer could materially reduce revenues and earnings

Our relationships with our key customers are critical to the success of our business. For the year ended January 3, 2026, our ten largest customers accounted for approximately 84% of our revenues. The loss, decrease or cancellation of business with any of our large customers could materially and adversely affect our business, financial condition and results of operations.

We operate in a highly competitive industry

We operate in the highly competitive food industry in North America. We compete with large U.S. and international food ingredient and consumer-packaged food companies. These competitors may have financial resources larger than ours and may be able to benefit from economies of scale, pricing advantages, long-standing customer relationships, and greater resources for product innovation, marketing and promotional activities, and technological advancements (including advancements in artificial intelligence technologies). In addition, we may have to compete for limited supplies of certain raw materials with competitors having greater resources and stronger supplier relationships than we have. If we are unable to effectively respond to these competitive factors or if the competition in any of our product markets results in price reductions or decreased demand for our products, our business, financial condition, and results of operations may be materially and adversely affected.

Product innovations by our competitors could make our food products less competitive

Our competitors include major food manufacturers and consumer-packaged food companies. Many of these companies are engaged in the development of food ingredients and packaged food products and frequently introduce new products into the market. If our competitors introduce products that are more appealing to the tastes and dietary habits of consumers or considered to be of higher quality or value than our products, our sales and market share could decline, which may have a material adverse effect on our profitability.

Consumer food preferences are difficult to predict and may change

Our success depends, in part, on our ability to predict, identify, and interpret the tastes and dietary habits of consumers and to offer products to our customers that appeal to those preferences on a timely and affordable basis. Consumer preferences and trends change based on a number of factors, including product taste and nutrition, food allergies, sustainability values, and animal welfare concerns. Our failure to anticipate and respond to changing consumer preferences on a timely basis could result in reduced demand and price decreases for our products, which could have a material adverse effect on our business, financial condition and results of operations.

We may not realize some or all of the anticipated benefits of our capital investment plans in the anticipated time frame or at all

Our capital investment plans often require a substantial amount of management, operational, and financial resources, which may divert our attention and resources from our existing business, potentially disrupting our operations and adversely affecting our relationships with customers and suppliers. In addition, we may incur delays and unexpected costs in connection with the construction of capital expansion projects and/or the start-up of commercial production, or be affected by changes in demand and pricing for our products, which could result in us not realizing all of the anticipated benefits of our capital investment plans on our expected timetable or at all, and there can be no assurance that any benefits we realize from our capital investments will be sufficient to offset the costs that we may incur.

Our operations are subject to the general risks associated with acquisitions and divestitures

We regularly review strategic opportunities to grow our business through acquisitions of complementary businesses or assets. Additionally, we have made several significant divestitures in recent years, including the divestiture of our frozen fruit business ("Frozen Fruit") in 2023, that aligned with our strategic priority of optimizing our non-core, commodity-based businesses and focusing on value-add opportunities. Potential risks associated with these transactions include the inability to consummate a transaction on favorable terms, the diversion of management's attention from other business concerns, the potential loss of key employees and customers of current or acquired companies, the inability to integrate or divest operations successfully, the possible assumptions of unknown liabilities, potential disputes with buyers or sellers, potential impairment charges, and the inherent risks in entering markets or lines of business in which we have limited or no prior experience. Any or all of these risks could have a material and adverse impact on our business, financial condition and results of operations. In addition, acquisitions outside the U.S. or Canada may present unique challenges and increase our exposure to the risks associated with foreign operations.

In connection with the sale of Frozen Fruit to Natures Touch Mexico, S. de R.L. de C.V. and Nature's Touch Frozen Fruits, LLC (the "Purchasers"), a portion of the aggregate purchase price is in the form of secured promissory notes that we entered into with the Purchasers and Nature's Touch Frozen Foods, LLC (collectively the "Loan Parties"). The promissory notes have a stated principal amount of \$20.0 million in the aggregate, with the principal and interest thereon due from the Purchasers on October 12, 2026. The promissory notes are secured by a second-priority lien on certain assets of Frozen Fruit acquired by the Purchasers. While we assessed the promissory notes to be collectible as at January 3, 2026, a deterioration in the liquidity of the Loan Parties could impact the collectability of the promissory notes.

Impairment charges related to long-lived assets or goodwill could adversely impact our financial condition and results of operations

As at January 3, 2026, we had \$333.8 million of property, plant and equipment, \$111.2 million of operating lease right-of-use assets, and \$21.0 million of intangible assets, as well as \$4.0 million of goodwill. In addition, prior to fiscal 2019, we recognized accumulated impairment losses of \$213.8 million related to goodwill that arose from business acquisitions.

We perform impairment assessments for our long-lived assets whenever events occur that could affect the value of these assets. If the results of such assessments were to show that the carrying value of our long-lived assets was not recoverable and the fair value of these assets was less than the carrying value, we would be required to recognize a charge for impairment, and the amount of the impairment charge could be material. Factors which could result in an impairment of a long-lived assets include, but are not limited to, reduced demand or pricing for our products due to increased competition, the loss of a significant customer or market share, or a current expectation that, more likely than not, a long-lived asset may be disposed of before the end of its previously estimated useful life.

We perform an annual impairment test for goodwill, or at any time when events occur that could indicate that more likely than not the carrying value of a reporting unit exceeds its fair value. Indicators of goodwill impairment include, but are not limited to, a decline in general economic conditions, an increased competitive environment in which a reporting unit operates, a negative trend in the financial performance and cash flows of the reporting unit, and a more-likely-than-not expectation of selling or disposing of all, or a portion, of a reporting unit.

For the year ended January 3, 2026, we did not recognize any material impairment charges related to our long-lived assets or goodwill. However, future impairments of long-lived assets and/or goodwill could materially and adversely impact our business, financial condition and results of operations.

If we lose the services of our key executives, our business could suffer

Our prospects depend to a significant extent on the continued service of our key executives, and our continued growth depends on our ability to identify, recruit, and retain key management personnel. We do not typically carry key person life insurance on our executive officers. If we lose the services of our key executives or fail to identify, recruit, and retain key management personnel, our business, financial condition, and results of operations may be materially and adversely impacted.

Failure of our internal control over financial reporting could harm our business and financial results

Our management is responsible for establishing and maintaining effective internal control over financial reporting. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with U.S. generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that we would prevent or detect a misstatement of our financial statements or fraud. Any failure to maintain an effective system of internal control over financial reporting could limit our ability to report our financial results accurately and in a timely manner, or to detect and prevent fraud. A significant financial reporting failure or material weakness in internal control over financial reporting could cause a loss of investor confidence and/or a decline in the market price of our common shares.

Risks Related to Product Liability Litigation and Government Regulations

Product recalls and withdrawals and product liability claims could have a material adverse effect on our business

We sell products for human consumption, which involves risks such as product contamination or spoilage, misbranding, product tampering, and other adulteration of food products. Consumption of a contaminated, spoiled, tampered, or adulterated product may result in personal illness or injury. Under certain circumstances, we may be required to recall or withdraw products, which may be costly and time consuming, and may require the diversion of management's time and resources from business operations. The costs of a recall or withdrawal may include product destruction costs, temporary plant closings, and compliance or remediation costs. In addition, a product recall or withdrawal may cause us to lose future revenues from, or relationships with, one or more material customers, and the impact of the recall or withdrawal could affect our customers' willingness to continue to purchase related or unrelated products from us or could otherwise hinder our ability to grow our business with those customers. Further, we could be subject to claims or lawsuits relating to an actual or alleged illness or injury, and we could incur liabilities that are not insured or that exceed our insurance coverage. Even if product liability claims against us are not successful or fully pursued, these claims could be costly and time consuming to defend against, and the negative publicity surrounding any such claims could adversely affect our reputation. Any of these events could have a material and adverse effect on our business, results of operations, financial condition and cash flows.

In 2024, we conducted a voluntary withdrawal from customers of certain batches of aseptically-packaged products that may have had the potential for non-pathogenic microbial contamination. None of the withdrawn product made it into the consumer marketplace. We incurred direct costs related to this withdrawal of \$2.1 million in 2024, net of expected insurance recoveries. To date, we have recovered \$3.0 million of withdrawal-related costs through our insurance coverage and are seeking to recover an additional \$4.7 million. Our recovery estimate may need to be revised as we work with our insurance providers to substantiate our losses.

Potential liabilities and costs from litigation could adversely affect our business

We are, or may become, party to various lawsuits and claims arising in the normal course of business, which may include lawsuits or claims relating to commercial contracts, product recalls, product liability, the marketing and labeling of products, employment matters, environmental matters, data protection, intellectual property, and other aspects of our business. There is no guarantee that we will be successful in defending ourselves in these actions and we could incur substantial costs and fees in defending ourselves or in asserting our rights in these actions. The results of litigation and other legal proceedings are inherently unpredictable and resolutions or dispositions of lawsuits and claims by settlement or otherwise could have a material adverse effect on our business, results of operations, financial condition and cash flows.

New laws or regulations or changes in existing laws or regulations could adversely affect our business

The food industry is subject to a variety of federal, state, local, and foreign laws and regulations, including, but not limited to, those related to food safety, food labeling, and environmental, social and governance matters (for example, in Canada, we are required to comply with the Modern Slavery Act). Governmental regulations also affect taxes and tariffs, healthcare costs, energy usage, and labor and immigration issues, all of which may have a direct or indirect effect on our business or those of our customers or suppliers. Changes in these laws or regulations, or the introduction of new laws or regulations (for example, the new requirements for labeling prepackaged food products in Canada, which became effective January 1, 2026) could increase the costs of doing business for us, our customers, or suppliers, or restrict our actions, causing our results of operations to be adversely affected.

The Organization for Economic Co-operation and Development has introduced the Pillar Two framework, which establishes a global minimum corporate tax rate of 15% for multinational enterprises with consolidated annual revenues of €750 million or more. During 2024, Canada enacted legislation to adopt Pillar Two effective for fiscal years beginning on or after December 31, 2023. Although we do not currently expect that this global minimum tax will materially impact our consolidated financial statements, we will continue to monitor legislative and regulatory developments with respect to this initiative.

Risks Related to Intellectual Property and Information Technology

We rely on protection of our intellectual property and proprietary rights

Our success depends in part on our ability to protect our intellectual property rights. We rely primarily on patent, copyright, trademark, and trade secret laws to protect our proprietary technologies. Our policy is to protect our technology by, among other things, filing patent applications for technology relating to the development of our business in the U.S. and in selected foreign jurisdictions. Our trademarks and brand names are registered in the U.S., Canada, and other jurisdictions. We intend to keep these filings current and seek protection for new trademarks to the extent consistent with business needs. We also rely on trade secrets and proprietary know-how and confidentiality agreements to protect certain of the technologies and processes that we use. The failure of any patents, trademarks, trade secrets or other intellectual property rights to provide protection to our technologies would make it easier for our competitors to offer similar products, which could result in lower revenues and/or margins and could have a material adverse effect on our business, financial condition and results of operations.

Our business operations could be disrupted if our information technology systems fail to perform adequately or are breached

The efficient operation of our business depends on our information technology systems to process, transmit, and store electronic information. We rely on our information technology systems, including the internet, to effectively manage our business data, supply chain, order entry and fulfillment, payroll and personnel records, and other business processes. Information technology systems are also integral to our internal and external financial reporting. Furthermore, a significant portion of the communications between, and storage of personal data of our personnel, customers and suppliers depends on information technology. Our information technology systems, some of which are dependent on services provided by third parties, may be susceptible to physical or electronic break-in, damage, disruption, or shutdown due to computer viruses, hacker attacks, and other cybersecurity risks, hardware failures, telecommunications failures, user errors or malfeasance, catastrophic events, natural disasters, fires, or other factors which may be beyond our control. Furthermore, the rapid evolution and increased adoption of artificial intelligence technologies may intensify our cybersecurity risks. If we are unable to anticipate, prevent, or adequately respond to and resolve these failures, disruptions or breaches, our business may be materially disrupted, and we may suffer other adverse consequences such as significant data loss, financial or reputational damage or penalties, legal claims or proceedings, remediation costs, or loss of revenues or customers. Consequently, any failure or breach of our information technology systems could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Weather, Climate Change, and Other External Factors

Adverse weather conditions and natural disasters could impose costs on our business

Ingredients for our products are vulnerable to adverse weather conditions and natural disasters, including windstorms, hurricanes, earthquakes, floods, droughts, fires, and temperature and precipitation extremes, some of which are recurring but difficult to predict, as well as crop disease and infestation. Severe weather conditions may occur with higher frequency or may be less predictable in the future due to the effects of climate change. Unfavorable growing and harvesting conditions could reduce both crop size and crop quality. In extreme cases, entire harvests may be lost in some geographic areas. Adverse weather conditions or natural disasters may adversely affect our supply of raw materials or prevent or impair our ability to ship products as planned. These factors may increase raw material acquisition and production costs, decrease our sales volumes and revenues, and lead to additional charges to earnings, which could have a material adverse effect on our business, financial condition and results of operations.

Climate change, or legal, regulatory or market measures to address climate change, may negatively affect our business, financial condition and results of operations

Long-term climate change impacts on global temperatures, weather patterns, and the frequency and severity of extreme weather and natural disasters may negatively impact the price or availability of ingredients and packaging materials (such as corrugated cardboard) that are necessary for our products. We may also be subjected to decreased availability of and/or less favorable pricing for water, which could adversely impact our manufacturing operations.

In recent years, there has been increased focus from regulators and legislative bodies regarding environmental policies relating to climate change, regulating greenhouse gas emissions, energy policies, and sustainability (including EPR laws and regulations). Increased compliance costs and expenses due to the impacts of climate change and additional legal or regulatory requirements regarding climate change may cause disruptions in, or an increase in the costs associated with, the running of our manufacturing facilities and our business, as well as increase distribution and supply chain costs. In addition, compliance with any such legal or regulatory requirements may require us to make significant changes in our business operations and strategy, which will likely require us to devote substantial time and attention to these matters and cause us to incur additional costs. Even if we make changes to align ourselves with such legal or regulatory requirements, we may still be subject to significant penalties or potential litigation if such laws and regulations are interpreted and applied in a manner inconsistent with our practices. The effects of climate change and legal or regulatory initiatives to address climate change could have a long-term adverse impact on our business and results of operations.

Additionally, we might fail to effectively address increased attention from customers, consumers, investors, activists and other stakeholders on climate change and related environmental sustainability matters. Such failure, or the perception that we have failed to act responsibly regarding climate change, whether or not valid, could result in adverse publicity and negatively affect our business and reputation. At the same time, certain stakeholders and regulators have increasingly expressed or pursued opposing views, legislation, and investment expectations with respect to sustainability initiatives and policies.

Furthermore, we may from time to time establish and publicly announce goals and commitments to reduce our impact on the environment. Our ability to achieve any stated goal or commitment is subject to numerous factors and conditions, many of which are outside of our control. Examples of such factors include evolving regulatory requirements affecting sustainability standards or disclosures, the development of new environmental technologies to address climate change, and the availability of financing to support climate-related projects. In addition, we may determine that it is in the best interest of our company and our shareholders to prioritize other business investments over the achievement of our current environmental goals and commitments based on economic conditions, changes in our business strategy, or pressure from investors or other stakeholders. If we fail to achieve or are perceived to have failed or been delayed in achieving, or improperly report our progress toward achieving our goals and commitments, it could negatively affect customer and consumer preference for our products or investor confidence in our business, as well as expose us to enforcement actions and litigation.

Our business may be adversely affected by the availability of non-GMO and organic commodities and ingredients

Our ability to ensure a continuing supply of non-GMO and organic commodities and ingredients at competitive prices depends on many factors beyond our control, including the number and size of farms that grow non-GMO and organic crops. The non-GMO and organic raw materials that we use in the production of our products, including, among others, grains, nuts, fruits, sweeteners, and flavorings, are vulnerable to adverse weather conditions and natural disasters, such as floods, droughts, water scarcity, temperature extremes, frosts, earthquakes, and pestilences. Natural disasters and adverse weather conditions can reduce crop size and crop quality, which in turn could reduce our supplies of and/or increase the price of non-GMO and organic raw materials. If our supplies of non-GMO and organic raw materials are reduced, we may not be able to find enough supplemental supply sources on favorable terms, if at all, which could impact our ability to supply product to our customers and adversely affect our business, financial condition and results of operations.

Risks Related to Our Indebtedness and Liquidity

Our level of indebtedness could adversely affect our financial condition and prevent us from fulfilling our debt obligations

As at January 3, 2026, we have a significant amount of indebtedness outstanding as a result of the capital investments we have made in recent years. The level of our indebtedness and the degree to which we are leveraged could adversely affect our business, financial condition and results of operations, including, without limitation, increasing our exposure to rising or sustained elevated interest rates, and impairing our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions, or other general corporate purposes. In addition, we may have to use a substantial portion of our cash flow to pay principal and interest on our indebtedness, which may reduce the funds available to us for other purposes. If we do not generate sufficient cash flows to satisfy our debt service obligations, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital expenditures, or seeking to raise additional capital. A high level of indebtedness and leverage could also make us more vulnerable to economic downturns and adverse industry conditions and may compromise our ability to capitalize on business opportunities, and to react to competitive pressures as compared to our competitors.

Our debt and equity agreements restrict how we may operate our business, and our business may be materially and adversely affected if these restrictions prevent us from implementing our business plan

The agreements governing our debt and preferred equity instruments contain restrictive covenants that limit the discretion of our management with respect to certain business matters. These covenants place restrictions on, among other things, our ability to obtain additional debt financing or preferred equity, to create other liens, to complete a merger, amalgamation, or consolidation, to make certain distributions or make certain payments, investments and guarantees, and to sell or otherwise dispose of certain assets. These restrictions may hinder our ability to execute on our growth strategy or prevent us from implementing parts of our business plan.

Our business could be materially and adversely affected if we are unable to meet the financial covenants of our credit agreement

Our credit agreement requires us to maintain a minimum fixed charge coverage ratio and a maximum consolidated total net leverage ratio. Our ability to comply with the financial covenants under the credit agreement depends on the success of our business, our operating results, and our ability to achieve our financial forecasts. Various risks, uncertainties and events beyond our control could affect our ability to comply with the financial covenants and terms of the credit agreement. Failure to comply with the financial covenants and other terms could result in an event of default and the acceleration of amounts owing under the credit agreement unless we are able to negotiate a waiver. The lenders could condition any such waiver on an amendment to the credit agreement on terms including, but not limited to, the payment of consent fees, which may be unfavorable to us. If we fail to comply with the financial covenants and we are unable to negotiate a covenant waiver or replace or refinance the credit agreement on favorable terms, our business, financial condition and results of operations could be materially and adversely impacted.

We may require additional capital, which may not be available on favorable terms or at all

Our working capital requirements, capital investment plans, and our ability to acquire complementary businesses or assets often require significant financial resources. Our ability to raise capital, through debt or equity financing, is directly related to our ability to both continue to grow our revenues and improve the profitability of our operations. Debt or equity financing may not be available to us on favorable terms or at all. In addition, any potential debt financing could adversely affect our financial condition and increase our exposure to interest rate changes, while any potential equity financing would dilute our current shareholders and may result in a decrease in our share price if we are unable to realize adequate returns.

Our ability to maintain current levels of working capital may be adversely affected if we are unable to utilize receivables financing programs to accelerate payment terms for certain customers

In order to accelerate cash flows and to improve working capital efficiency, we entered into a receivables sales program with a third-party financial institution, whereby we may sell certain eligible trade receivables to the financial institution in exchange for cash proceeds. The program may be terminated by the financial institution at any time with 30 days' notice. Additionally, from time to time, we may utilize supply chain financing programs offered by some of our major customers that allow us to monetize our trade receivables from those customers earlier than our payment terms would provide. To the extent any of these programs were terminated, our financial condition, cash flows, and liquidity could be adversely affected by higher working capital levels due to longer payment terms or delays in collecting trade receivables. If working capital is negatively impacted by the termination of these programs, and we are unable to secure alternative financing sources, we may have to increase our debt borrowings, along with the associated interest expense.

Risks Related to Significant Investors and Shareholder Activism

Our significant investor may have interests that conflict with those of our debtholders and other stakeholders

As at January 3, 2026, Oaktree Fund GP, LLC, a private equity investor (together with its affiliates, "Oaktree") held an approximately 20% voting interest in the Company and has nominated two members of our Board of Directors. The interests of Oaktree may differ from the interests of our other stakeholders in material respects. For example, Oaktree may have an interest in directly or indirectly pursuing acquisitions, divestitures, financings, or other transactions that, in their judgment, could enhance their other equity investments, even though such transactions might involve risks to us, including risks to our liquidity and financial condition. Oaktree is in the business of making or advising on investments in companies, including businesses that may directly or indirectly compete with certain portions of our business. Oaktree may also pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us.

Our other large investors do not have specific rights beyond those of smaller holders of our common shares. However, a concentration of ownership within our large investors could potentially be disadvantageous to, or conflict with, interests of our debtholders or smaller shareholders. In addition, if any significant shareholder were to sell or otherwise transfer all or a large percentage of its holdings, it could have an adverse effect on the market price of our common shares.

Our business could be negatively impacted as a result of shareholder activism or an unsolicited takeover proposal or a proxy contest

In recent years, proxy contests and other forms of shareholder activism have been directed against numerous public companies. If a proxy contest or an unsolicited takeover proposal is made with respect to us, we could incur significant costs in defending the Company, which would have an adverse effect on our financial results. Shareholder activists may also seek to involve themselves in the governance, strategic direction, and operations of the Company. Such proposals may disrupt our business and divert the attention of our management and employees, and any perceived uncertainties as to our future direction resulting from such a situation could result in the loss of potential business opportunities, be exploited by our competitors, cause concern to our current or potential customers, and make it more difficult to attract and retain qualified personnel and business partners, all of which could adversely affect our business. In addition, actions of activist shareholders may cause significant fluctuations in our share price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business.

Risks Related to Ownership of our Common Shares

Our share price is subject to significant volatility

Our share price may be highly volatile compared to larger public companies, which increases the chance of larger than normal price swings that could reduce predictability in the price of our common shares and impair investment decisions. In addition, price and volume trading volatility in the stock markets can have a substantial effect on our share price, frequently for reasons other than our operating performance. These broad market fluctuations could adversely affect the market price of our common shares.

Periods of volatility in the overall market and the market price of a company's securities is often followed by securities class action litigation alleging material misstatements or omissions in disclosures provided to shareholders. Such litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

Our debt instruments restrict, and our future debt instruments may restrict, our ability to pay dividends to our shareholders, and we do not currently intend to pay any cash dividends on our common shares in the foreseeable future; therefore, our shareholders may not be able to receive a return on their common shares until their shares are sold

We have never paid or declared any cash dividends on our common shares, and we do not currently anticipate paying any cash dividends on our common shares in the foreseeable future. Any future payment of dividends will be dependent on factors such as covenant restrictions, cash on hand, or achieving and maintaining profitability, the financial requirements to fund growth, our general financial condition, and other factors we may consider appropriate in the circumstances. Until we pay dividends, which we may never do, our shareholders will not receive a return on their common shares until their shares are sold, and any return will depend on the ability to sell their shares at a price higher than they paid to acquire them.

The future issuance of additional common shares in connection with the exchange of convertible preferred stock, vesting of equity-based awards, participation in our employee stock purchase plan and issuance of additional securities could dilute the value of our common shares

We have unlimited common shares authorized but unissued. Our articles of amalgamation authorize us to issue these common shares, and we may also issue options, rights, warrants and appreciation rights relating to common shares for consideration and on terms and conditions established by our Board of Directors in its sole discretion.

The exchange of outstanding convertible preferred stock, vesting of equity-based awards, participation in our employee stock purchase plan, and issuance of additional securities in connection with acquisitions or otherwise could result in dilution in the value of our common shares and the voting power represented thereby. Furthermore, to the extent common shares are issued pursuant to the exchange of outstanding convertible preferred stock, vesting of equity-based awards, participation in our employee stock purchase plan, and issuance of additional securities, our share price may decrease due to the additional amount of common shares available in the market. The subsequent sales of these shares could encourage short sales by our shareholders and others, which could place further downward pressure on our share price.

If securities or industry research analysts do not publish or cease publishing research or reports about our business or if they issue unfavorable commentary or downgrade our common shares, our share price and trading volume could decline

The trading market for our common shares relies in part on the research and reports that securities and industry research analysts publish about us, our industry, our competitors and our business. We do not have any control over these analysts. Our share price and trading volumes could decline if one or more securities or industry analysts downgrade our common shares, issue unfavorable commentary about us, our industry or our business, cease to cover the Company or fail to regularly publish reports about us, our industry, or our business.

A portion of our assets and certain of our directors are located outside of the U.S.; it may be difficult to effect service of process and enforce legal judgments upon us and certain of our directors

A portion of our assets and certain of our directors are located outside of the U.S. As a result, it may be difficult to effect service of process within the U.S. and enforce judgment of a U.S. court obtained against us and certain of our directors. Particularly, our stakeholders may not be able to:

- effect service of process within the U.S. on us or certain of our directors;
- enforce judgments obtained in U.S. courts against us or certain of directors based upon the civil liability provisions of the U.S. federal securities laws;
- enforce, in a court outside of the U.S., judgments of U.S. courts based on the civil liability provisions of the U.S. federal securities laws; or
- bring an original action in a court outside of the U.S. to enforce liabilities against us or any of our executive officers and directors based upon the U.S. federal securities laws.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

Our cybersecurity program is strategically crafted to achieve the paramount goals of identifying, protecting, detecting, and responding to all potential risks and threats. Employing a defense-in-depth strategy, we proactively identify, investigate, and resolve vulnerabilities and security incidents in a timely manner.

Continuous improvement is integral to our cybersecurity approach. Regular assessments conducted against national security standards, together with annual internal and external penetration testing performed by a third-party security firm, allow us to quantify our program's effectiveness. The insights gained from these assessments serve as a foundation for continuous improvement efforts. Outcomes are reported to our Audit Committee for transparency and accountability. We rely on services from a variety of third-party providers to supply things such as cloud storage and networks. On an annual basis, we review these providers to assess their risk profiles. We rely on these third parties to have their own cybersecurity programs commensurate with their risk, and we cannot ensure in all circumstances that their efforts will be successful.

Impact of Cybersecurity Risks and Threats

Despite facing directed attacks, our systems have withstood such challenges without material interruptions to our business operations. As of the date of this filing, we have not identified any cybersecurity threats or incidents that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, there can be no assurance that we, or our third-party business partners or service providers, will not experience a cybersecurity threat or incident in the future that could materially adversely affect our business strategy, results of operations, or financial condition. Recognizing the potential impact of significant disruptions, we remain steadfast in our commitment to fortify our systems against evolving threats. Any significant disruption to our ability to transact business could adversely affect our business performance as well as our reputation. Refer to Item 1A "Risk Factors - Our business operations could be disrupted if our information technology systems fail to perform adequately or are breached."

Governance

Heading our cybersecurity program is our Chief Information Officer ("CIO"). Our CIO has over 30 years of experience in Software Engineering and Information Technology/Cybersecurity and is supported by skilled professionals from our Information Technology team. This seasoned team provides regular updates to our Enterprise Risk Management Steering Committee (the "ERM"), composed of our Chief Executive Officer, Chief Financial Officer, General Counsel, and other members of our senior leadership. Our Audit Committee and Board of Directors receive regular reports from the ERM, as well as directly from our CIO on a quarterly basis. These reports cover various cybersecurity matters, including risk assessments, mitigation strategies, areas of emerging risks, incidents and industry trends, and other areas of importance.

Furthermore, our Board of Directors takes a proactive stance in overseeing our annual enterprise risk assessment. This comprehensive evaluation encompasses key risks, including those associated with security, technology, and cybersecurity threats, demonstrating our commitment to robust governance and risk management.

Item 2. Properties

Our leased executive offices, innovation center and pilot plant are located in Eden Prairie, Minnesota. The table below lists the location, description and ownership of our production facilities. We believe our owned and leased facilities are suitable for our operations and provide sufficient capacity to meet our requirements for the foreseeable future.

Location	Facility Description	Owned/Leased	Noncancellable Lease Term End Date
Alexandria, Minnesota	Aseptic beverage processing	Owned	N/A
Alexandria, Minnesota	Ingredient processing	Owned	N/A
Allentown, Pennsylvania	Aseptic beverage processing	Leased	April 2027 ⁽¹⁾
Midlothian, Texas	Aseptic beverage processing	Leased	September 2037 ⁽²⁾
Modesto, California	Aseptic beverage and ingredient processing	Leased	May 2029 ⁽³⁾
Omak, Washington	Fruit snack processing	Leased	May 2027
St. Davids, Ontario	Fruit snack processing	Leased	December 2031 ⁽⁴⁾

(1) Lease includes two five-year renewal options.

(2) Lease includes three five-year renewal options.

(3) Lease includes a five-year renewal option.

(4) Lease includes a three-year renewal option.

Item 3. Legal Proceedings

For a discussion of legal proceedings, see note 18 of the consolidated financial statements included in Item 15 of this Form 10-K.

Item 4. Mine Safety Disclosures

Not Applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common shares are listed in U.S. dollars on The Nasdaq Stock Market LLC under the symbol "STKL," and in Canadian dollars on the Toronto Stock Exchange ("TSX") under the symbol "SOY."

As at February 27, 2026, we had 307 shareholders of record. We have never paid cash dividends on our common stock and do not anticipate paying dividends in the foreseeable future. Our future dividend policy will depend on our results of operations, financial condition and capital requirements, restrictions of debt and equity agreements to which we are a party, and other factors considered relevant by our Board of Directors. The receipt of cash dividends by U.S. shareholders from a Canadian corporation, such as we are, may be subject to Canadian withholding tax.

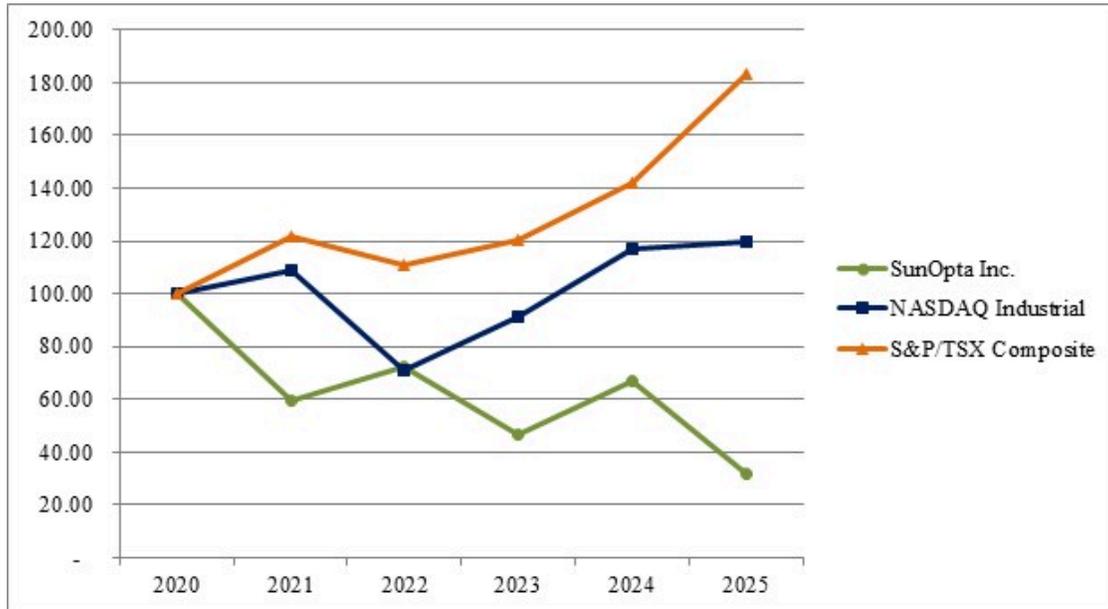
Issuer Purchases of Equity Securities

On May 7, 2025, we announced that our Board of Directors authorized a share repurchase program for the repurchase of up to \$25 million of our outstanding common shares (the "Share Repurchase Program"). The Share Repurchase Program does not obligate us to acquire any shares on a particular timeline. Any repurchases under the Share Repurchase Program may be made by means of open market transactions effected through the facilities of The Nasdaq Stock Market LLC in compliance with Rule 10b-18 of the Securities Exchange Act of 1934, as amended, and other applicable legal requirements. The actual number of shares purchased, the timing of purchases, and the price at which shares will be purchased under the Share Repurchase Program will be determined by our management, and will depend on factors including, but not limited to, our progress towards our leverage target, financial position, capital allocation priorities, market conditions, and regulatory requirements. Any shares that we acquire under the Share Repurchase Program will be cancelled. We may elect to suspend or discontinue the program without notice at any time. We did not repurchase any shares during the quarter ended January 3, 2026. As at January 3, 2026, \$24.0 million of the authorized amount remained available under the Share Repurchase Program.

Shareholder Return Performance Graph

This performance graph shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or incorporated by reference into any filing of SunOpta under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

The following graph compares the five-year cumulative shareholder return on our common shares to the cumulative total return of the S&P/TSX Composite and the Nasdaq Industrial Indices for the period from December 31, 2020 through January 3, 2026.



	2020	2021	2022	2023	2024	2025
SunOpta Inc.	100.00	59.55	72.32	46.87	66.92	31.79
Nasdaq Industrial Index	100.00	108.81	70.67	91.12	117.17	119.53
S&P/TSX Composite Index	100.00	121.74	111.19	120.22	142.24	182.89

Assumes that \$100.00 was invested in our common shares and in each index on December 31, 2020.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Financial Information

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") section provides analysis of our operations and financial position for the fiscal year ended January 3, 2026 and includes certain information available to March 4, 2026, unless otherwise indicated herein. It is supplementary information and should be read in conjunction with the consolidated financial statements, and notes thereto, included in Item 15 of this Form 10-K (the "Consolidated Financial Statements").

Certain statements contained in this MD&A may constitute forward-looking statements as defined under securities laws. Forward-looking statements may relate to our future outlook and anticipated events or results and may include statements regarding our future financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, taxes, plans and objectives. In some cases, forward-looking statements can be identified by terms such as "anticipate," "estimate," "target," "intend," "project," "potential," "predict," "continue," "believe," "expect," "can," "could," "would," "should," "may," "might," "plan," "will," "budget," "forecast," or other similar expressions concerning matters that are not historical facts, or the negative of such terms are intended to identify forward-looking statements; however, the absence of these words does not necessarily mean that a statement is not forward-looking. To the extent any forward-looking statements contain future-oriented financial information or financial outlooks, such information is being provided to enable a reader to assess our financial condition, material changes in our financial condition, our results of operations, and our liquidity and capital resources. Readers are cautioned that this information may not be appropriate for any other purpose, including investment decisions.

Forward-looking statements contained in this MD&A are based on certain factors and assumptions regarding expected growth, results of operations, performance, and business prospects and opportunities. While we consider these assumptions to be reasonable based on information currently available, they may prove to be incorrect. These factors are more fully described in Part I, Item 1A, *Risk Factors* of this Form 10-K.

Forward-looking statements contained in this commentary are based on our current estimates, expectations, and projections, which we believe are reasonable as of the date of this report. Forward-looking statements are not guarantees of future performance or events. You should not place undue importance on forward-looking statements and should not rely upon this information as of any other date. Other than as required under securities laws, we do not undertake to update any forward-looking information at any particular time. Neither we nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements, and we hereby qualify all our forward-looking statements by these cautionary statements.

All currency amounts in this MD&A are expressed in U.S. dollars. All tabular dollar amounts are expressed in thousands of U.S. dollars, except per share amounts.

Overview

We deliver customized supply chain solutions and innovation for top brands, retailers, and foodservice providers across a broad portfolio of beverages, broths, and better-for-you snacks. Our products are distributed through retail, club, foodservice and e-commerce channels across North America.

Fiscal Year

We operate on a fiscal calendar that results in a given fiscal year consisting of a 52- or 53-week period ending on the Saturday closest to December 31. Fiscal year 2025 was a 53-week period ending on January 3, 2026, and fiscal years 2024 and 2023 were each 52-week periods ending on December 28, 2024 and December 30, 2023, respectively. The impact of the additional week in fiscal year 2025 on our results of operations and cash flows was insignificant relative to the two preceding fiscal years.

Arrangement Agreement with Refresco

On February 6, 2026, we entered into an Arrangement Agreement with Refresco, pursuant to which Refresco has agreed, subject to the satisfaction of various conditions, to acquire all of our issued and outstanding common shares for \$6.50 per share in cash. Upon completion of the transaction, which is expected to close in the second quarter of 2026, we will become a wholly-owned subsidiary of Refresco, and our common shares will no longer be publicly traded. Refer to note 20 to the Consolidated Financial Statements for additional information regarding the Arrangement Agreement.

Tariffs

In March 2025, the Trump Administration in the U.S. imposed 25% additional tariffs under the International Emergency Economic Powers Act ("IEEPA") on goods from Canada and Mexico that are not exempt under the U.S.-Mexico-Canada Agreement ("USMCA"). Effective August 1, 2025, the IEEPA tariff rate on goods from Canada was increased to 35%.

Although our employees, production facilities, and customers are predominately located in the U.S., we source a portion of our raw material ingredients and packaging globally, including from Canada and Mexico. Additionally, a portion of our total revenues, less than 8%, are generated from the sale of fruit snack products imported into the U.S. from our Niagara, Ontario, facility. During 2025, the imposition of IEEPA tariffs by the U.S. on goods from Canada and Mexico resulted in additional costs for us, as well as certain of our suppliers, and increased the landed cost in the U.S. of our products produced in Canada that are not exempt under the USMCA. In response to these additional tariffs, we implemented alternative sourcing strategies and pricing arrangements that allowed us to mitigate our known tariff exposure.

On February 20, 2026, the U.S. Supreme Court ruled against the Trump Administration's use of tariffs under the IEEPA and U.S. Customs and Border Protection halted collections IEEPA tariffs on February 24, 2026. In response, the Trump Administration imposed a new, 10% worldwide tariff effective for 150 days from February 24, 2026. We are currently assessing the impact that the imposition of these new worldwide tariffs may have on our business, as well as our ability to recover any portion of the IEEPA tariffs previously paid.

Consolidated Results of Operations for Fiscal Years 2025 and 2024

For the year ended	January 3, 2026	December 28, 2024	Change	Change
	\$	\$	\$	%
Revenues	817,715	723,728	93,987	13.0%
Cost of goods sold	701,768	627,424	74,344	11.8%
Gross profit	115,947	96,304	19,643	20.4%
Gross margin	14.2%	13.3%		0.9%
Operating expenses				
Selling, general and administrative expenses	70,988	79,406	(8,418)	-10.6%
Intangible asset amortization	2,024	1,784	240	13.5%
Other expense (income), net	3,303	(1,833)	5,136	*
Foreign exchange loss (gain)	(54)	1,357	(1,411)	*
Total operating expenses	76,261	80,714	(4,453)	-5.5%
Operating income	39,686	15,590	24,096	154.6%
Interest expense, net	21,078	24,908	(3,830)	-15.4%
Other non-operating expense	2,149	686	1,463	213.3%
Earnings (loss) from continuing operations before income taxes	16,459	(10,004)	26,463	*
Income tax expense	691	1,470	(779)	-53.0%
Earnings (loss) from continuing operations	15,768	(11,474)	27,242	*
Net loss from discontinued operations	-	(5,919)	5,919	100.0%
Net earnings (loss)	15,768	(17,393)	33,161	*
Dividends and accretion on preferred stock	(175)	(539)	364	67.5%
Earnings (loss) attributable to common shareholders	15,593	(17,932)	33,525	*

* Percentage not meaningful

Revenues for the year ended January 3, 2026 increased by 13.0% to \$817.7 million from \$723.7 million for the year ended December 28, 2024. The change in revenues from 2024 to 2025 was due to the following:

	\$	%
2024 revenues	723,728	
Volume/Mix	97,383	13.5%
Price	(1,090)	-0.2%
Exit from smoothie bowls	(2,306)	-0.3%
2025 revenues	817,715	13.0%

For the year ended January 3, 2026, the 13.0% increase in revenues reflected a favorable volume/mix impact of 13.5%, partially offset by a 0.2% overall price reduction, together with a 0.3% revenue loss related to our exit from the smoothie bowls category in 2024. The favorable volume/mix impact reflected organic growth across our beverage, broth and fruit snack product categories and new product launches. The unfavorable pricing impact reflected pass-through pricing adjustments for certain raw material cost savings, partially offset by incremental pass-through pricing increases for tariff costs.

Gross profit increased \$19.6 million, or 20.4%, to \$115.9 million for the year ended January 3, 2026, compared with \$96.3 million for the year ended December 28, 2024. Gross margin was 14.2% for the year ended January 3, 2026, compared with 13.3% for the year ended December 28, 2024, an increase of 90 basis points.

For the years ended January 3, 2026 and December 28, 2024, we incurred temporary third-party haul-off charges of \$3.2 million and \$4.4 million, respectively, for excess wastewater produced at our Midlothian, Texas, facility, due to temporary volume constraints within our current treatment system. Additionally, for the year ended January 3, 2026, we incurred inventory write-offs and employee severance costs of \$2.0 million in cost of goods sold related to our decision to exit from the packaging of aseptic totes within our Ingredients product portfolio. For the year ended December 28, 2024, we also incurred start-up costs of \$16.3 million, mainly related to the scale-up of production at our Midlothian, Texas, facility, and we incurred product withdrawal costs of \$2.1 million. Excluding the impact of these charges and costs, adjusted gross margin was 14.8% for the year ended January 3, 2026, compared with 16.4% for the year ended December 28, 2024, a decrease of 160 basis points. See below under "Non-GAAP Measures" for a reconciliation of adjusted gross margin from gross margin calculated in accordance with U.S. GAAP.

The decrease in adjusted gross margin reflected investments in labor and infrastructure designed to improve long-term margins, incremental depreciation related to assets recently placed in service but not fully utilized as production ramps up, and the dilutive effect of pass-through tariff pricing. Additionally, we experienced certain manufacturing inefficiencies while servicing our increased volume growth in 2025, which resulted in periods of higher waste, labor and maintenance costs, together with temporary volume limitations and increased downtime resulting from the excess wastewater issue at our Midlothian, Texas, facility. All of these factors were partially offset by higher sales and production volumes for beverages, broths and fruit snacks driving improved plant utilization.

Operating income increased \$24.1 million to \$39.7 million for the year ended January 3, 2026, compared with \$15.6 million for the year ended December 28, 2024, which mainly reflected the \$19.6 million increase in gross profit, as described above, as well as non-recurring consultancy fees related to operational productivity initiatives undertaken in 2024, lower employee salary and benefit compensation costs, and lower employee bonus accruals based on performance. Additionally, the increase in operating income reflected a favorable foreign exchange impact on peso-denominated restricted cash held in Mexico prior to November 2025 (refer to note 5 to the Consolidated Financial Statements for additional details). All of these factors were partially offset by non-cash asset impairment charges of \$3.2 million in 2025 related to the decommissioning of the tote filling equipment and the early retirement of certain non-production assets, and the inclusion of a non-recurring gain of \$1.8 million on the sale of smoothie bowl product line in 2024.

(Further details on the changes in revenue, gross profit and operating income are provided in the rollforward tables below.)

Net interest expense decreased by \$3.8 million to \$21.1 million for the year ended January 3, 2026, compared with \$24.9 million for the year ended December 28, 2024, which reflected reduced borrowings, favorable interest rate movements, and increased interest income.

Other non-operating expense of \$2.1 million and \$0.7 million for the years ended January 3, 2026 and December 28, 2024, respectively, reflected the loss on sale of certain trade receivables to a third-party financial institution under the Receivables Sales Program (as described below under "Liquidity and Capital Resources").

Income taxes were recognized at effective tax rates of 4.2% and (14.7)% for the years ended January 3, 2026 and December 28, 2024, respectively. The effective tax rate in 2025 reflected changes in the valuation allowance against certain deferred tax assets in Canada and the U.S., while the effective tax rate in 2024 reflected the recognition of a full valuation allowance against deferred tax assets in Canada and the U.S. The enactment of the One Big Beautiful Bill Act on July 4, 2025, did not have a material impact on our fiscal 2025 effective tax rate.

Earnings from continuing operations were \$15.8 million (diluted earnings per share of \$0.13) for the year ended January 3, 2026, compared with a loss from continuing operations of \$11.5 million (diluted loss per share of \$0.10) for the year ended December 28, 2024.

For the year ended December 28, 2024, we recognized a loss from discontinued operations related to our divested frozen fruit business ("Frozen Fruit") of \$5.9 million (diluted loss per share of \$0.05). Refer to note 2 to the Consolidated Financial Statements for additional details.

We realized earnings attributable to common shareholders of \$15.6 million (diluted earnings per share of \$0.13) for the year ended January 3, 2026, compared with a loss attributable to common shareholders of \$17.9 million (diluted loss per share of \$0.15) for the year ended December 28, 2024.

Adjusted earnings from continuing operations were \$23.9 million, or \$0.19 earnings per diluted share, for the year ended January 3, 2026, compared with adjusted earnings from continuing operations of \$13.4 million, or \$0.11 earnings per diluted share, for the year ended December 28, 2024.

Adjusted EBITDA from continuing operations increased \$6.2 million, or 7.0%, to \$94.9 million for the year ended January 3, 2026, compared with \$88.7 million for the year ended December 28, 2024.

Adjusted earnings from continuing operations and adjusted EBITDA from continuing operations are non-GAAP financial measures. See below under "Non-GAAP Measures" for a reconciliation of adjusted earnings from continuing operations and adjusted EBITDA from continuing operations from earnings (loss) from continuing operations, which we consider to be the most directly comparable U.S. GAAP financial measure.

Rollforward of Revenue, Gross Profit and Operating Income

For the year ended	January 3, 2026	December 28, 2024	Change	% Change
Revenues	\$ 817,715	\$ 723,728	\$ 93,987	13.0%
Gross profit	115,947	96,304	19,643	20.4%
Gross margin	14.2%	13.3%		0.9%pt
Operating income	\$ 39,686	\$ 15,590	\$ 24,096	154.6%
Operating margin	4.9%	2.2%		2.7%pt

Revenues

The table below explains the \$94.0 million increase in revenues from \$723.7 million for the year ended December 28, 2024 to \$817.7 million for the year ended January 3, 2026:

Revenues for the year ended December 28, 2024	\$723,728
Sales volume increases for beverages and broths, together with incremental pass-through pricing increases for tariff costs, partially offset by pass-through pricing adjustments for certain raw material cost savings	69,793
Higher sales of fruit snacks driven by volume growth, together with incremental pass-through pricing increases for tariff costs	26,500
Impact of the exit from the smoothie bowls category in March 2024	(2,306)
Revenues for the year ended January 3, 2026	\$817,715

Gross Profit

The table below explains the \$19.6 million increase in gross profit from \$96.3 million for the year ended December 28, 2024 to \$115.9 million for the year ended January 3, 2026:

Gross profit for the year ended December 28, 2024	\$96,304
Decrease in start-up costs related to capital expansion projects	16,335
Higher sales and production volumes for beverages, broths, and fruit snacks	14,194
Non-recurring direct costs, net of expected insurance recoveries, related to a voluntary product withdrawal in the second quarter of 2024	2,145
Decrease in excess wastewater haul-off charges, related to temporary volume constraints within the current treatment system at our Midlothian, Texas, facility	1,135
Incremental investments in labor and infrastructure designed to improve long-term margins	(9,755)
Incremental depreciation related to capital expansion projects	(2,387)
Inventory write-offs and employee severance costs related to the exit from aseptic totes	(2,024)
Gross profit for the year ended January 3, 2026	\$115,947

Operating Income

The table below explains the \$24.1 million increase in operating income from \$15.6 million for the year ended December 28, 2024 to \$39.7 million for the year ended January 3, 2026:

Operating income for the year ended December 28, 2024	\$15,590
Increase in gross profit, as explained above	19,643
Non-recurring consultancy costs related to operational productivity initiatives in 2024, together with favorable foreign exchange impact on peso-denominated restricted cash held in Mexico, lower employee salary and benefit compensation costs, and lower employee bonus accruals based on performance, partially offset by higher business development costs	5,595
Lower variable stock-based compensation expense based on performance and a reduced equity component within our short-term incentive plan, together with increased forfeitures related to employee turnover in 2025, and the non-recurring impact of the accelerated vesting of certain awards in connection with the retirement of our former Chief Executive Officer in 2024	3,809
Non-cash asset impairment charges in 2025, related to the decommissioned tote filling equipment and the early retirement of certain non-production assets	(3,151)
Non-recurring gain on sale of smoothie bowl product line in 2024	(1,800)
Operating income for the year ended January 3, 2026	\$39,686

Consolidated Results of Operations for Fiscal Years 2024 and 2023

For the year ended	December 28, 2024 \$	December 30, 2023 \$	Change \$	Change %
Revenues	723,728	626,730	96,998	15.5%
Cost of goods sold	627,424	540,730	86,694	16.0%
Gross profit	96,304	86,000	10,304	12.0%
Gross margin	13.3%	13.7%		-0.4%
Operating expenses				
Selling, general and administrative expenses	79,406	78,654	752	1.0%
Intangible asset amortization	1,784	1,784	-	0.0%
Other expense (income), net	(1,833)	455	(2,288)	*
Foreign exchange loss	1,357	110	1,247	*
Total operating expenses	80,714	81,003	(289)	-0.4%
Operating income	15,590	4,997	10,593	212.0%
Interest expense, net	24,908	26,909	(2,001)	-7.4%
Other non-operating expense	686	-	686	*
Loss from continuing operations before income taxes	(10,004)	(21,912)	11,908	54.3%
Income tax expense	1,470	3,269	(1,799)	-55.0%
Loss from continuing operations	(11,474)	(25,181)	13,707	54.4%
Net loss from discontinued operations	(5,919)	(153,608)	147,689	96.1%
Net loss	(17,393)	(178,789)	161,396	90.3%
Dividends and accretion on preferred stock	(539)	(1,981)	1,442	72.8%
Loss attributable to common shareholders	(17,932)	(180,770)	162,838	90.1%

* Percentage not meaningful

Revenues for the year ended December 28, 2024 increased by 15.5% to \$723.7 million from \$626.7 million for the year ended December 30, 2023. The change in revenues from 2023 to 2024 was due to the following:

	\$	%
2023 revenues	626,730	
Volume/Mix	128,962	20.6%
Price	(21,984)	-3.5%
Exit from smoothie bowls	(9,980)	-1.6%
2024 revenues	723,728	15.5%

For the year ended December 28, 2024, the 15.5% increase in revenues reflected a favorable volume/mix impact of 20.6%, partially offset by a 3.5% overall price reduction due to pass-through pricing adjustments for certain raw material cost savings, together with a 1.6% revenue loss related to our exit from the smoothie bowls category in March 2024. The favorable volume/mix across our beverage, broth and fruit snacks categories reflected increased production output and new product launches.

Gross profit increased \$10.3 million, or 12.0%, to \$96.3 million for the year ended December 28, 2024, compared with \$86.0 million for the year ended December 30, 2023. Gross margin was 13.3% for the year ended December 28, 2024, compared with 13.7% for the year ended December 30, 2023, a decrease of 40 basis points.

For the year ended December 28, 2024, we incurred start-up costs of \$16.3 million, compared with \$18.7 million for the year ended December 30, 2023, mainly related to the scale-up of production at our Midlothian, Texas, facility. Additionally, for the year ended December 28, 2024, we incurred temporary third-party haul-off charges of \$4.4 million for excess wastewater produced at our Midlothian, Texas, facility, and we incurred product withdrawal costs of \$2.1 million. Excluding the impact of these charges and costs, adjusted gross margin was 16.4% for the year ended December 28, 2024, compared with 17.2% for the year ended December 30, 2023, a decrease of 80 basis points. See below under "Non-GAAP Measures" for a reconciliation of adjusted gross margin from gross margin calculated in accordance with U.S. GAAP.

The decrease in adjusted gross margin reflected the impact of incremental depreciation of new production equipment related to capital expansion projects, together with manufacturing inefficiencies resulting from the excess wastewater and product withdrawal issues, and higher inventory reserves, partially offset by higher sales and production volumes for beverages, broths and fruit snacks driving improved plant utilization.

Operating income increased \$10.6 million to \$15.6 million for the year ended December 28, 2024, compared with \$5.0 million for the year ended December 30, 2023. The increase in operating income reflected higher gross profit, as described above, together with a gain on sale of the smoothie bowls product line of \$1.8 million, and lower business development costs and employee severance costs following the divestiture of Frozen Fruit and related consolidation of our continuing operations in 2023. These factors were partially offset by increased operational productivity consultancy costs and higher employee bonus accruals based on performance. Additionally, we recognized an unrealized foreign exchange loss of \$1.6 million on peso-denominated restricted cash held in Mexico during 2024.

(Further details on the changes in revenue, gross profit and operating income are provided in the rollforward tables below.)

Net interest expense decreased by \$2.0 million to \$24.9 million for the year ended December 28, 2024, compared with \$26.9 million for the year ended December 30, 2023. The net decrease was due to a \$1.9 million increase in paid-in-kind interest income from promissory notes related to the divestiture of Frozen Fruit and a non-recurring \$1.6 million loss on extinguishment of debt related to the refinancing of our credit agreement in 2023, partially offset by higher interest expense on borrowings.

Other non-operating expense of \$0.7 million for the year ended December 28, 2024, reflected the loss on sale of certain trade receivables to a third-party financial institution under the Receivables Sales Program (as described below under "Liquidity and Capital Resources").

Income taxes were recognized at an effective rate of (14.7)% for the year ended December 28, 2024, compared with (14.9)% recognized for the year ended December 30, 2023. The effective tax rates reflected the recognition of a full valuation allowance against deferred tax assets in Canada and the U.S.

Loss from continuing operations was \$11.5 million for the year ended December 28, 2024, compared with a loss of \$25.2 million for the year ended December 30, 2023. Diluted loss per share from continuing operations attributable to common shareholders (after accretion on preferred stock) was \$0.10 for the year ended December 28, 2024, compared with a diluted loss per share (after dividends and accretion on preferred stock) of \$0.24 for the year ended December 30, 2023.

We recognized a loss from discontinued operations related to Frozen Fruit of \$5.9 million (diluted loss per share of \$0.05) for the year ended December 28, 2024, compared with a loss of \$153.6 million (diluted loss per share of \$1.34) for the year ended December 30, 2023, which included pre-tax losses on the divestiture of Frozen Fruit of \$5.4 million and \$119.8 million recognized in 2024 and 2023, respectively. Refer to note 2 to the Consolidated Financial Statements for additional details.

We realized a loss attributable to common shareholders of \$17.9 million (diluted loss per share of \$0.15) for the year ended December 28, 2024, compared with a loss attributable to common shareholders of \$180.8 million (diluted loss per share of \$1.58) for the year ended December 30, 2023.

Adjusted earnings from continuing operations were \$13.4 million, or \$0.11 earnings per diluted share, for the year ended December 28, 2024, compared with adjusted earnings from continuing operations of \$5.8 million, or \$0.05 earnings per diluted share, for the year ended December 30, 2023.

Adjusted EBITDA from continuing operations increased \$12.8 million, or 16.8%, to \$88.7 million for the year ended December 28, 2024, compared with \$75.9 million for the year ended December 30, 2023.

Adjusted earnings from continuing operations and adjusted EBITDA from continuing operations are non-GAAP financial measures. See below under "Non-GAAP Measures" for a reconciliation of adjusted earnings from continuing operations and adjusted EBITDA from continuing operations from loss from continuing operations, which we consider to be the most directly comparable U.S. GAAP financial measure.

Rollforward of Revenue, Gross Profit and Operating Income

For the year ended	December 28, 2024	December 30, 2023	Change	% Change
Revenues	\$ 723,728	\$ 626,730	\$ 96,998	15.5%
Gross profit	96,304	86,000	10,304	12.0%
Gross margin	13.3%	13.7%		-0.4%pt
Operating income	\$ 15,590	\$ 4,997	\$ 10,593	212.0%
Operating margin	2.2%	0.8%		1.4%pt

Revenues

The table below explains the \$97.0 million increase in revenues from \$626.7 million for the year ended December 30, 2023 to \$723.7 million for the year ended December 28, 2024:

Revenues for the year ended December 30, 2023	\$626,730
Sales volume growth for beverages and broths, partially offset by the impact of pass-through pricing adjustments for certain raw material cost savings	77,836
Higher sales of fruit snacks driven by volume growth	29,142
Impact of the exit from the smoothie bowls category in March 2024	(9,980)
Revenues for the year ended December 28, 2024	\$723,728

Gross Profit

The table below explains the \$10.3 million increase in gross profit from \$86.0 million for the year ended December 30, 2023 to \$96.3 million for the year ended December 28, 2024:

Gross profit for the year ended December 30, 2023	\$86,000
Higher sales and production volumes for beverages, broths, and fruit snacks, together with lower commodity costs for certain raw materials, partially offset by higher inventory reserves	19,914
Decrease in start-up costs related to capital expansion projects	2,390
Incremental depreciation related to capital expansion projects	(5,494)
Excess wastewater haul-off charges, due to temporary volume constraints within the current treatment system at our Midlothian, Texas, facility	(4,361)
Direct costs, net of expected insurance recoveries, related to a voluntary product withdrawal in the second quarter of 2024	(2,145)
Gross profit for the year ended December 28, 2024	\$96,304

Operating Income

The table below explains the \$10.6 million increase in operating income from \$5.0 million for the year ended December 30, 2023 to \$15.6 million for the year ended December 28, 2024:

Operating income for the year ended December 30, 2023	\$4,997
Increase in gross profit, as explained above	10,304
Gain on sale of smoothie bowls product line	1,800
Increased consultancy costs related to operational productivity initiatives and higher employee bonus accruals based on performance, together with an unrealized foreign exchange loss on peso-denominated restricted cash held in Mexico, partially offset by lower business development costs and employee severance costs following the divestiture of Frozen Fruit and related consolidation of our continuing operations in 2023	(1,511)
Operating income for the year ended December 28, 2024	\$15,590

Liquidity and Capital Resources

On December 8, 2023, we entered into a five-year Credit Agreement providing for a \$180.0 million term loan credit facility (the "Term Loan Credit Facility") and an \$85.0 million revolving credit facility (the "Revolving Credit Facility") (collectively, the "Credit Facilities"). As at January 3, 2026, \$162.0 million remained outstanding under the Term Loan Credit Facility and we had utilized \$49.5 million of the Revolving Credit Facility, including \$4.6 million in letters of credit. For more information on our Credit Facilities, including maturity dates, see note 11 to the Consolidated Financial Statements.

On June 13, 2025, we entered into an uncommitted revolving line of credit facility (the "Line of Credit Facility") under which we may request loans and advances of up to an aggregate amount of \$15.0 million to be used solely to finance the purchase, production or sale of broth inventory. The Line of Credit Facility bears interest at a rate that is favorable to the Revolving Credit Facility. During the second half of 2025, we fully utilized and repaid the Line of Credit Facility in connection with the broth season. For more information on the Line of Credit Facility, see note 11 to the Consolidated Financial Statements.

We are able to strategically manage customer payment terms by selling, from time to time, on a revolving basis, up to \$52.0 million aggregate amount of trade receivables of eligible customers to a third-party financial institution in exchange for cash proceeds (the "Receivables Sales Program" - see note 3 to the Consolidated Financial Statements). Additionally, we utilize, from time to time, supply chain finance ("SCF") programs offered by some of our major customers that allow us to sell our receivables from those customers to such customers' financial institutions. We utilize our Receivables Sales Program and our customers' SCF programs in order to be paid earlier than our payment terms with the customers provide, and at a discount rate that leverages those customers' favorable credit ratings. Utilizing these programs accelerates our cash flows and improves working capital efficiency, while providing a lower cost access to liquidity when compared to the Revolving Credit Facility. All cash flows associated with these programs are reported as operating activities on our consolidated statements of cash flows.

In connection with our efforts to extend payment terms with certain of our major suppliers to enhance cash flows, we may, from time to time, finance certain purchases of goods and services through extended payables facilities. Under these facilities, third-party intermediaries settle the supplier invoice on the contractual due date and issue us a short-term note payable for the face amount of the invoice, which we repay, together with interest, at a later date. Proceeds from, and repayments of, the notes payable associated with these facilities are reported as financing cash flows on our consolidated statements of cash flows.

On May 5, 2025, our Board of Directors approved a share repurchase program, authorizing the purchase of up to an aggregate \$25 million of our common shares for cancellation through open market transactions. The size and timing of repurchases, if any, will be determined by management and will depend upon a multitude of factors, including our progress towards our leverage target, financial position, capital allocation priorities, market conditions, regulatory requirements, and other considerations. For the year ended January 3, 2026, we utilized \$1.0 million of the authorized amount to repurchase 0.2 million common shares.

As at January 3, 2026, we had approximately \$168 million of purchase commitments related to inventories to be used in our production processes over the next 12 months, which we intend to fund through operating cash flows, supplemented from time to time with short-term borrowings under our Revolving Credit Facility and the Line of Credit Facility. For information on our lease obligations, see note 7 to the Consolidated Financial Statements.

We estimate capital expenditures in 2026 of approximately \$35 million to \$40 million, mainly consisting of productivity and maintenance projects. We intend to fund the majority of these capital expenditures through operating cash flows and the Revolving Credit Facility. Additionally, we anticipate the addition of approximately \$60 million to \$70 million of finance lease right-of-use assets coming online in 2026, mainly related to capacity expansion projects at our beverage facility in Midlothian, Texas, and fruit snacks facility in Omak, Washington. For 2026, our estimated capital expenditures directly related to environmental projects are not expected to be material.

We believe that our operating cash flows, including the availability of our Receivables Sales Program to improve collection terms, together with available borrowings under the Revolving Credit Facility and the Line of Credit Facility, as well as anticipated access to lease financing, will be adequate to meet our operating, investing, and financing needs for the foreseeable future, including the 12-month period following the issuance of our financial statements. However, in order to finance significant investments in our existing business, or significant business acquisitions, if any, that may arise in the future, we may need additional sources of cash that we could attempt to obtain through a combination of additional bank or subordinated financing, a private or public offering of debt or equity securities, or the issuance of common stock. There can be no assurance that these types of financing would be available at all or, if so, on terms that are acceptable to us.

Cash Flows

Summarized cash flow information for the years ended January 3, 2026, December 28, 2024 and December 30, 2023 is as follows:

	January 3, 2026	December 28, 2024	December 30, 2023	Change	
				2024 to 2025	2023 to 2024
	\$	\$	\$	\$	\$
Net cash flows provided by (used in):					
Continuing operations:					
Operating activities	49,661	52,339	3,575	(2,678)	48,764
Investing activities	(29,564)	(24,980)	(46,519)	(4,584)	21,539
Financing activities	(28,940)	(31,091)	(48,337)	2,151	17,246
Discontinued operations	-	3,990	99,356	(3,990)	(95,366)

Operating Activities of Continuing Operations

Cash provided by operating activities of continuing operations decreased \$2.7 million from 2024 to 2025. The decrease in cash provided mainly reflected higher accounts receivable, due to lower utilization of customer SCF programs, partially offset by the impact of higher operating profitability, driven by revenue growth, together with the receipt of tax refund and insurance proceeds in 2025.

Cash provided by operating activities of continuing operations increased \$48.8 million from 2023 to 2024. The increase in cash provided mainly an increase in cash flows from the Receivables Sales Program, together with increased operating profitability, driven by revenue growth.

Investing Activities of Continuing Operations

Cash used in investing activities of continuing operations increased \$4.6 million from 2024 to 2025. The increase in cash used mainly reflected the non-recurring receipt of \$6.3 million from the sale of the smoothie bowls product line in 2024.

Cash used in investing activities of continuing operations decreased \$21.5 million from 2023 to 2024, which mainly reflected lower capital expenditures, together with the receipt of cash proceeds of \$6.3 million from the sale of the smoothie bowls product line.

Financing Activities of Continuing Operations

Cash used in financing activities of continuing operations was \$28.9 million and \$31.1 million for 2025 and 2024, respectively, which mainly reflected the repayment of long-term debt.

Cash used in financing activities of continuing operations was \$48.3 million for 2023, which reflected the repayment of approximately \$78 million of debt following the divestiture of Frozen Fruit, together with reduced levels of new borrowings as capital projects, including the Midlothian, Texas, facility, were completed, partially offset by net proceeds from the issuance of notes payable.

Discontinued Operations

Net cash provided by discontinued operations was \$4.0 million for 2024, which reflected remaining proceeds of \$6.3 million from a short-term note receivable related to the Frozen Fruit divestiture, partially offset by the settlement of pre-divestiture obligations.

Net cash provided by discontinued operations was \$99.4 million for 2023, which mainly reflected net cash consideration of approximately \$92 million received from the divestiture of Frozen Fruit.

Critical Accounting Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, related revenues and expenses, and disclosure of gain and loss contingencies at the date of the financial statements. The estimates and assumptions made require us to exercise our judgment and are based on historical experience and various other factors that we believe to be reasonable under the circumstances. We continually evaluate the information that forms the basis of our estimates and assumptions as our business and the business environment generally changes. The use of estimates is pervasive throughout our financial statements. The following are the accounting estimates which we believe to be most significant to our business.

Income Taxes

Deferred tax assets and liabilities are recognized for future tax effects of temporary differences between financial statement and income tax reporting using tax rates in effect for the years in which the differences are expected to reverse. We record valuation allowances when it is more likely than not that all or a portion of a deferred tax asset will not be realized. Our valuation allowances mainly relate to deferred tax assets for U.S. federal and state operating losses and Canadian federal capital losses. Changes in valuation allowances from period to period are included in our income tax provision in the period of change. In determining whether a valuation allowance is required, we consider many factors, including the specific tax jurisdiction, both historical and projected future earnings of our business, loss carryback and carryforward periods, and tax planning strategies. Many of the judgments made in recording valuation allowances involve assumptions and estimates that are highly subjective and, due to changes in facts and circumstances, differences between actual future events and prior assumptions and estimates could result in adjustments to these valuation allowances.

Contingencies

We are subject to loss contingencies, including various legal and regulatory proceedings, and asserted and potential claims that arise in the ordinary course of business. Provisions for loss contingencies are recorded when we determine that it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated. Potential insurance recoveries in connection with recognized loss contingencies are recognized in the period in which such recoveries are determined to be probable of realization. In establishing our estimates for loss contingencies and related recoveries, we consider past experience and input from external advisors and legal counsel. We re-evaluate our estimates for loss contingencies and related recoveries as additional information becomes available. Given the inherent uncertainties, the ultimate settlement of a contingent liability and/or related insurance receivable could differ from our estimates, which would impact our reported financial results. See note 18 of the Consolidated Financial Statements for disclosures related to recognized loss contingencies and related insurance recoveries.

Recent Accounting Pronouncements

Information regarding recent accounting pronouncements is provided in note 1 of the Consolidated Financial Statements.

Non-GAAP Measures

Adjusted Gross Margin

Gross margin is a measure of gross profit (equal to revenues less cost of goods sold) as a percentage of revenues. We use a measure of adjusted gross margin that excludes unusual items that are identified and evaluated on an individual basis, which due to their nature or size, we would not expect to occur as part of our normal business on a regular basis. We use the measure of adjusted gross margin to evaluate the underlying profitability of our revenue-generating activities within each reporting period. We believe that disclosing this non-GAAP measure provides users with a meaningful, consistent comparison of our profitability measure for the periods presented. However, the non-GAAP measure of adjusted gross margin should not be considered in isolation or as a substitute for gross margin calculated based on revenues and gross profit determined in accordance with U.S. GAAP. The following tables present a reconciliation of adjusted gross margin from reported gross margin calculated in accordance with U.S. GAAP.

	Year Ended January 3, 2026				
	Revenues	Cost of Goods		Gross Profit	Gross Margin
		Sold			
	\$	\$	\$	%	
As reported	817,715	701,768	115,947	14.2%	
Adjustments:					
Wastewater haul-off charges ^(a)	-	(3,226)	3,226	0.4%	
Exit from aseptic totes ^(b)	-	(2,024)	2,024	0.2%	
As adjusted	817,715	696,518	121,197	14.8%	

	Year Ended December 28, 2024				
	Revenues	Cost of Goods		Gross Profit	Gross Margin
		Sold			
	\$	\$	\$	%	
As reported	723,728	627,424	96,304	13.3%	
Adjustments:					
Wastewater haul-off charges ^(a)	-	(4,361)	4,361	0.6%	
Start-up costs ^(c)	1,727	(14,608)	16,335	2.3%	
Product withdrawal costs ^(d)	-	(2,145)	2,145	0.3%	
As adjusted	725,455	606,310	119,145	16.4%	

	Year Ended December 30, 2023				
	Revenues	Cost of Goods		Gross Profit	Gross Margin
		Sold			
	\$	\$	\$	%	
As reported	626,730	540,730	86,000	13.7%	
Adjustment:					
Start-up costs ^(c)	1,728	(16,997)	18,725	3.0%	
Product withdrawal costs ^(d)	-	(3,440)	3,440	0.5%	
As adjusted	628,458	520,293	108,165	17.2%	

Note: percentages may not add due to rounding

Adjusted Earnings

When assessing our financial performance, we use an internal measure of adjusted earnings that excludes specific items recognized in other income or expense, and other unusual items that are identified and evaluated on an individual basis, which due to their nature or size, we would not expect to occur as part of our normal business on a regular basis. We believe that the identification of these excluded items enhances the analysis of the financial performance of our business when comparing those operating results between periods, as we do not consider these items to be reflective of normal business operations. The following table presents a reconciliation of adjusted earnings from continuing operations from earnings (loss) from continuing operations, which we consider to be the most directly comparable U.S. GAAP financial measure.

	Year Ended					
	January 3, 2026		December 28, 2024		December 30, 2023	
	\$	Per Share \$	\$	Per Share \$	\$	Per Share \$
Earnings (loss) from continuing operations	15,768		(11,474)		(25,181)	
Dividends and accretion on preferred stock	(175)		(539)		(1,981)	
Earnings (loss) from continuing operations attributable to common shareholders	15,593	0.13	(12,013)	(0.10)	(27,162)	(0.24)
Adjusted for:						
Wastewater haul-off charges ^(a)	3,226		4,361		-	
Exit from aseptic totes ^(b)	2,079		-		-	
Start-up costs ^(c)	-		19,149		20,249	
Product withdrawal costs ^(d)	-		2,145		3,440	
Asset impairment charges ^(e)	3,151		-		-	
Business development costs ^(f)	379		-		2,390	
Unrealized foreign exchange loss (gain) on restricted cash ^(g)	(681)		1,607		-	
Gain on sale of smoothie bowls product line ^(h)	-		(1,800)		-	
Loss on extinguishment of debt ⁽ⁱ⁾	-		-		1,584	
Severance costs ^(j)	-		-		897	
Other ^(k)	152		(33)		471	
Change in valuation allowance for deferred tax assets ^(l)	-		-		3,978	
Adjusted earnings from continuing operations	23,899	0.19	13,416	0.11	5,847	0.05

Adjusted EBITDA

We use a measure of adjusted EBITDA from continuing operations when assessing the performance of our operations, which we believe is useful to users' understanding of our operating profitability because it excludes non-operating expenses, such as interest, loss on sale of receivables, and income taxes, as well as non-cash expenses, such as depreciation, amortization, and stock-based compensation. In addition, our measure of adjusted EBITDA excludes other unusual items that affect the comparability of our operating performance, as identified in the preceding determination of adjusted earnings from continuing operations. We also use this measure of adjusted EBITDA to assess operating performance in connection with our employee incentive programs.

Although we use adjusted EBITDA as a measure to assess the performance of our business and for the other purposes set forth above, this measure has limitations as an analytical tool, and should not be considered in isolation, or as a substitute for an analysis of our results of operations as reported in accordance with U.S. GAAP. Some of these limitations are:

- adjusted EBITDA from continuing operations does not reflect interest expense, or the cash requirements necessary to service interest payments on our indebtedness;
- adjusted EBITDA from continuing operations excludes the discount taken on trade receivables sold to a third-party factor, which is a strategic means for us to improve working capital efficiency, while reducing our indebtedness and interest expense;
- adjusted EBITDA from continuing operations does not include the payment or recovery of income taxes, which is a necessary element of our operations;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and adjusted EBITDA from continuing operations does not reflect any cash requirements for such replacements; and
- adjusted EBITDA from continuing operations does not include non-cash stock-based compensation, which is an important component of our total compensation program for employees and directors.

Because of these limitations, adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business.

The following table presents a reconciliation of adjusted EBITDA from continuing operations from earnings (loss) from continuing operations, which we consider to be the most directly comparable U.S. GAAP financial measure.

	Year Ended		
	January 3, 2026	December 28, 2024	December 30, 2023
	\$	\$	\$
Earnings (loss) from continuing operations	15,768	(11,474)	(25,181)
Interest expense, net	21,078	24,908	26,909
Loss on sale of receivables*	2,149	686	-
Income tax expense	691	1,470	3,269
Depreciation and amortization	39,534	36,497	31,039
Stock-based compensation	7,381	11,190	12,432
Adjusted for:			
Wastewater haul-off charges ^(a)	3,226	4,361	-
Exit from aseptic totes ^(b)	2,079	-	-
Start-up costs ^(c)	-	19,149	20,249
Product withdrawal costs ^(d)	-	2,145	3,440
Asset impairment charges ^(e)	3,151	-	-
Business development costs ^(f)	379	-	2,390
Unrealized foreign exchange loss (gain) on restricted cash ^(g)	(681)	1,607	-
Gain on sale of smoothie bowls product line ^(h)	-	(1,800)	-
Severance costs ⁽ⁱ⁾	-	-	897
Other ^(k)	152	(33)	471
Adjusted EBITDA from continuing operations	94,907	88,706	75,915

* Included in other non-operating expense.

Footnotes

- (a) Reflects third-party haul-off charges for excess wastewater produced at our Midlothian, Texas, facility, due to temporary volume constraints within our current treatment system. These charges are recorded in cost of goods sold.
- (b) Reflects costs related to the exit from the packaging of aseptic totes within our Ingredients product portfolio. Costs incurred reflect inventory write-offs of \$2.0 million recorded in cost of goods sold, and employee severance costs of \$0.1 million recorded in cost of goods sold and selling, general and administrative ("SG&A") expenses.
- (c) For 2024 and 2023, reflects start-up costs recorded as either a reduction to revenues or an increase to cost of goods sold that were related to the scale-up of production at our Midlothian, Texas, facility. Additionally, for 2024 and 2023, start-up costs included \$2.8 million and \$1.5 million, respectively, of consultancy fees related to operational productivity initiatives, which are recorded in SG&A expenses.
- (d) For 2024, reflects certain direct costs, net of expected insurance recoveries, related to the voluntary withdrawals from customers in the second quarter of 2024 of certain batches of aseptically packaged products. For 2023, reflects direct costs, net of insurance recoveries, related to the withdrawal from customers of specific batches of aseptically-packaged product due to a faulty seal caused by an equipment misconfiguration by a third-party service provider. These costs are recorded in cost of goods sold.
- (e) Reflects non-cash impairment charges related to the decommissioned tote filling equipment and the early retirement of certain non-production assets, which are recorded in other expense.

- (f) For 2025, reflects third-party costs incurred in connection with our consideration of potential strategic opportunities, including the Arrangement. For 2023, business development costs were related to the divestiture of Frozen Fruit. These costs are recorded in SG&A expenses.
- (g) Reflects an unrealized foreign exchange (gain) or loss associated with peso-denominated restricted cash formerly held in Mexico.
- (h) Reflects the pre-tax gain on sale of the smoothie bowls product line in 2024, which is recorded in other income.
- (i) Reflects the loss on the extinguishment of debt in connection with the refinancing of our credit agreement in 2023, which is recorded in interest expense, net.
- (j) Reflects employee severance costs recognized in connection with the consolidation of our continuing operations following the divestiture of Frozen Fruit, which are recorded in SG&A expenses.
- (k) For 2025, Other mainly reflects net losses on legal settlements, partially offset by a gain on sale of property, plant and equipment. For 2024, Other reflects a gain on sale of a former warehouse facility and legal settlement gains, partially offset by accrued demolition costs related to a former facility, which was abandoned in 2018. For 2023, Other includes a foreign exchange hedge loss in connection with the divestiture of Frozen Fruit and reserves for legal settlements. These other amounts are recorded in other expense or income.
- (l) Reflects an increase to the valuation allowance for U.S. deferred tax assets based on an assessment of the future realizability of the related tax benefits.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest rate risk

Variable and fixed rate borrowings carry different types of interest rate risk. Variable rate debt gives less predictability to earnings and cash flows as interest rates change, while the fair value of fixed rate debt is affected by changes in interest rates. As at January 3, 2026, we had approximately \$207 million of variable rate debt, mainly comprised of our Credit Facilities, and approximately \$44 million principal amount of fixed rate debt, comprised of finance lease obligations. A one percent, or 100 basis-point, change in interest rates would have a pre-tax effect of approximately \$2.1 million on our results of operations and cash flows, based on current outstanding borrowings of variable rate debt, and the fair value of the fixed-rate finance lease liabilities would increase or decrease by approximately \$0.7 million.

Foreign currency risk

Our operations, assets and customers are principally located in the U.S. All of our U.S. subsidiaries use the U.S. dollar as their functional currency, and the U.S. dollar is also our reporting currency. In addition, the functional and reporting currencies of our Canadian operations are the U.S. dollar. Our U.S. and Canadian operations also have limited exposure to foreign currency transactions since sales and purchases are predominately made in U.S. dollars. As a result, a 10% change in foreign exchange rates would not have a material impact on our consolidated financial position, results of operations, or cash flows.

Price risk

Certain agricultural commodities and ingredients we use in the production of our products are exposed to market price risk, including grains, nuts, sweeteners, and flavorings. In addition, other inputs, such as packaging materials, energy, fuel, storage, and freight, are exposed to price fluctuations due to weather conditions, energy costs, fuel prices, transportation and storage demands, tariffs, environmental and other sustainability regulations, currency fluctuations, and other factors that are beyond our control. In addition, the impacts of global macroeconomic conditions have contributed to higher commodity inflation and input costs over the past few years. We currently do not utilize derivative contracts to hedge our exposure to fluctuations in input prices.

Changes in the prices of our products may lag changes in the costs to produce and ship our products due to contractual restrictions in our revenue contracts with customers, or competitive pressures. If we are unable to increase our prices to offset increasing costs, our gross margins, operating results, and cash flows could be materially affected.

Our ability to pass through higher input costs to our customers on a timely basis depends on how we go-to-market, that is private label, co-manufacturing, or branded products. In our private label contracts, the timing of pass-through pricing adjustments tends to lag impacts from cost inflation. As a result, with private label we have greater exposure to price risk, including the impact of changing freight rates as these products are typically delivered to the customers. On the other hand, the cost-plus pricing mechanisms built into most of our co-manufacturing arrangements generally result in our customers bearing the majority of the raw material and packaging price risk. In addition, co-manufactured products are typically picked up by our customers, so they bear the impact of changing freight rates. With our branded portfolio, we are exposed to price risks for input costs, including raw materials, packaging, plant operating costs and freight, that we may not be able to fully recover through price increases due to competitive factors, or be able to fully offset with compensating productivity gains.

Item 8. Financial Statements and Supplementary Data

The consolidated financial statements required by this item are set forth immediately following the signature page to this Form 10-K beginning on page F1 and are incorporated herein by reference.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A - Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management has established disclosure controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within time periods specified in the Securities and Exchange Commission's rules and forms. Such disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to its management to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of our disclosure controls and procedures (as such term is defined under Rule 13a-15(e) promulgated under the Exchange Act) as of the end of the period covered by this annual report. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective as of January 3, 2026.

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of the Company's financial reporting for external purposes in accordance with United States generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, even effective internal control over financial reporting can only provide reasonable assurance of achieving their control objectives.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management conducted an evaluation of the effectiveness of the internal control over financial reporting as of January 3, 2026, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control - Integrated Framework (2013). Based on the evaluation performed, management concluded that our internal control over financial reporting was effective as of January 3, 2026 based on those criteria.

Our internal control over financial reporting as of January 3, 2026 has been audited by Ernst & Young LLP, Independent Registered Public Accounting Firm, as stated in its report which contains an unqualified opinion on the effectiveness of our internal control over financial reporting. This report appears herein.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended January 3, 2026 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of SunOpta Inc.

Opinion on Internal Control Over Financial Reporting

We have audited SunOpta Inc.'s internal control over financial reporting as of January 3, 2026, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway (2013 framework) (the COSO criteria). In our opinion, SunOpta Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of January 3, 2026, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of January 3, 2026 and December 28, 2024, the related consolidated statements of operations, comprehensive earnings (loss), shareholders' equity and cash flows for each of the three years in the period ended January 3, 2026 and the related notes and our report dated March 4, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Minneapolis, Minnesota

March 4, 2026

Item 9B. Other Information

Insider Trading Arrangements

During the quarter ended January 3, 2026, none of our directors or officers adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required under this item will either be (i) incorporated herein by reference to our Definitive Proxy Statement for the 2026 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission not later than 120 days after January 3, 2026 (the "2026 Proxy Statement") or (ii) included in an amendment to this Form 10-K.

Item 11. Executive Compensation

The information required under this item will either be (i) incorporated herein by reference to the 2026 Proxy Statement or (ii) included in an amendment to this Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Equity Compensation Plan Information

The following table provides information as at January 3, 2026, with respect to our common shares that may be issued under the Company's equity compensation plans:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Equity compensation plans approved by securities holders:			
Stock Incentive Plan	3,275,859 ⁽¹⁾	\$ 5.36 ⁽³⁾	1,895,341
Employee Stock Purchase Plan	-	-	255,941
Equity compensation plans not approved by securities holders	592,414 ⁽²⁾	\$ 5.54 ⁽³⁾	-
Total	3,868,273	\$ 5.39⁽³⁾	2,151,282

(1) Represents common shares of the Company issuable in respect of 1,079,612 stock options, 854,188 restricted stock units ("RSUs") and 1,342,059 performance share units ("PSUs") granted under the Company's Stock Incentive Plan.

(2) Represents common shares of the Company issuable in respect of a special grant of 230,804 stock options, 72,802 RSUs and 288,808 PSUs in connection with the appointment of Brian Kocher as Chief Executive Officer of the Company on January 2, 2024.

(3) Vested RSUs and PSUs entitle the holder to receive one common share per unit without payment of additional consideration. Accordingly, these units are disregarded for purposes of computing the weighted-average exercise price.

The information related to the security ownership of certain beneficial owners and management required under this item will either be (i) incorporated herein by reference to the 2026 Proxy Statement or (ii) included in an amendment to this Form 10-K.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required under this item will either be (i) incorporated herein by reference to the 2026 Proxy Statement or (ii) included in an amendment to this Form 10-K.

Item 14. Principal Accounting Fees and Services

The information required under this item will either be (i) incorporated herein by reference to the 2026 Proxy Statement or (ii) included in an amendment to this Form 10-K.

PART IV

Item 15. Exhibits and Financial Statement Schedules

The following documents are being filed as part of this annual report.

1. Financial Statements. See "Index to Consolidated Financial Statements" set forth on page F1.
2. Financial Statement Schedules. All schedules for which provision is made in the applicable accounting requirements of the Securities and Exchange Commission are not required or the required information has been included within the financial statements or the notes thereto.
3. Exhibits. The list of exhibits in the Exhibit Index included in this annual report is incorporated herein by reference.

EXHIBIT INDEX

<u>Exhibits</u>	<u>Description</u>
2.1	Arrangement Agreement, dated as of February 6, 2026, by and among Pegasus Bidco B.V., 2786694 Alberta Ltd. and SunOpta Inc. (incorporated by reference to Exhibit 2.1 the Company's Current Report on Form 8-K filed on February 6, 2026).
2.2	Asset Purchase Agreement, dated as of October 12, 2023, among SunOpta Inc., Sunrise Growers Mexico, S. de R.L. de C.V., SunOpta Mx, S.A. de C.V., Sunrise Growers, Inc., Nature's Touch Frozen Fruits, LLC and Natures Touch Mexico, S. de R.L. de C.V. (incorporated by reference to Exhibit 2.1 the Company's Current Report on Form 8-K filed on October 17, 2023).
3.1	Amalgamation of Stake Technology Ltd. and 3754481 Canada Ltd. (formerly George F. Pettinos (Canada) Limited) (incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-KSB for the year ended December 31, 2000).
3.2	Certificate of Amendment, dated October 31, 2003, to change the Company's name from Stake Technology Ltd. to SunOpta Inc. (incorporated by reference to Exhibit 3i(b) to the Company's Annual Report on Form 10-K for the year ended December 31, 2003).
3.3	Articles of Amalgamation of SunOpta Inc. and Sunrich Valley Inc., Integrated Drying Systems Inc., Kettle Valley Dried Fruits Ltd., Pro Organics Marketing Inc., Pro Organics Marketing (East) Inc., 4157648 Canada Inc. and 4198000 Canada Ltd., dated January 1, 2004 (incorporated by reference to Exhibit 3i(c) to the Company's Annual Report on Form 10-K for the year ended December 31, 2003).
3.4	Articles of Amalgamation of SunOpta Inc. and 6319734 Canada Inc., 4157656 Canada Inc. and Kofman-Barenholtz Foods Limited, dated January 1, 2005 (incorporated by reference to Exhibit 3i(d) to the Company's Annual Report on Form 10-K for the year ended December 31, 2004).

Exhibits	Description
3.5	Articles of Amalgamation of SunOpta Inc. and 4307623 Canada Inc., dated January 1, 2006 (incorporated by reference to Exhibit 3i(e) to the Company's Annual Report on Form 10-K for the year ended December 31, 2005).
3.6	Articles of Amalgamation of SunOpta Inc., 4208862 SunOpta Food Ingredients Canada Ltd., 4406150 Canada Inc. and 4406168 Canada Inc., dated January 1, 2007 (incorporated by reference to Exhibit 3i(f) to the Company's Annual Report on Form 10-K for the year ended December 31, 2007).
3.7	Articles of Amalgamation of SunOpta Inc. and 4460596 Canada Inc., dated January 1, 2008 (incorporated by reference to Exhibit 3i(g) to the Company's Annual Report on Form 10-K for the year ended December 31, 2007).
3.8	Certificate of Amendment, dated July 10, 2013, to authorize the directors to fix the number of directors to be elected by the shareholders and to appoint one or more directors (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-3 filed on July 3, 2014).
3.9	By-Law Number 15 of SunOpta Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on November 13, 2015).
4.1	Form of Certificate representing Common Shares, no par value (incorporated by reference to Exhibit 4.9 to the Company's Registration Statement on Form S-8 filed on September 2, 2011).
4.2	Shareholder Rights Plan Agreement, dated November 10, 2015, between SunOpta Inc. and American Stock Transfer & Trust Company, LLC, as rights agent (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on November 13, 2015).
4.3	Amended and Restated Shareholder Rights Plan Agreement, dated November 10, 2015, amended and restated as of April 18, 2016, between SunOpta Inc. and American Stock Transfer & Trust Company, LLC, as rights agent (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 20, 2016).
4.4	Second Amended and Restated Certificate of Incorporation of SunOpta Foods Inc., setting forth the terms of its Series B Preferred Stock, which is exchangeable for Common Shares of SunOpta Inc. (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 28, 2020).
4.5	Articles of Amendment of SunOpta Inc., setting forth the terms of its Special Shares, Series 2 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on April 28, 2020).
4.6	Amended and Restated By-Law No. 14 of SunOpta Inc. dated May 24, 2023 (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q filed on August 10, 2023).
4.7	Description of Registrant's Securities Registered Under Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.7 to the Company's Annual Report on Form 10-K for the year ended December 30, 2023).
4.8	Third Amended and Restated Certificate of Incorporation of SunOpta Foods, Inc. (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 18, 2024).
10.1	Stock Deferral Plan for Non-Employee Directors dated August 12, 2014 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 13, 2014).

Exhibits	Description
10.2†	Employment Agreement, dated March 13, 2017, by and between SunOpta Inc. and Robert Duchscher (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended April 1, 2017).
10.3	Subscription Agreement, dated April 15, 2020, between SunOpta Inc., SunOpta Foods Inc., Oaktree Organics, L.P., Oaktree Huntington Investment Fund II, L.P., Engaged Capital, LLC, Engaged Capital Flagship Master Fund, LP and Engaged Capital Co-Invest IV-A, LP (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 20, 2020).
10.4	Exchange and Support Agreement, dated April 24, 2020, between SunOpta Inc., SunOpta Foods Inc., Engaged Capital Flagship Master Fund, LP, Engaged Capital, LLC and Engaged Capital Co-Invest IV-A, LP, Oaktree Organics, L.P. and Oaktree Huntington Investment Fund II, L.P. and any person that becomes a Holder of Preferred Stock, from time to time (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on April 28, 2020).
10.5	Voting Trust Agreement, dated April 24, 2020, between SunOpta Inc., SunOpta Foods Inc., the trustee named therein, Oaktree Organics, L.P. and Oaktree Huntington Investment Fund II, L.P. and any other Holder of Preferred Stock, from time to time (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on April 28, 2020).
10.6	Amended and Restated Investor Rights Agreement, dated April 24, 2020, between SunOpta Inc., SunOpta Foods Inc. and Oaktree Organics, L.P. and Oaktree Huntington Investment Fund II, L.P. (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on April 28, 2020).
10.7†*	Employment Agreement, effective June 1, 2022, between SunOpta Inc. and Bryan Clark.
10.8†	Amended 2013 Stock Incentive Plan (incorporated by reference to Exhibit A to the Company's Definitive Proxy Statement on Schedule 14A filed on April 14, 2023).
10.9†	Executive Employment Agreement made as of October 11, 2023 between Greg Gaba and SunOpta Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 17, 2023).
10.10†	Executive Employment Agreement made as of December 1, 2023 between Brian W. Kocher and SunOpta Inc. (incorporated by reference to Exhibit 10.2 the Company's Current Report on Form 8-K filed on December 7, 2023).
10.11	Credit Agreement, dated as of December 8, 2023, among SunOpta Inc., the other guarantors party thereto, the lenders party thereto, Bank of America, N.A., as Administrative Agent, as an Issuing Bank, as the Swingline Lender and as Collateral Agent (incorporated by reference to the Company's Current Report on Form 8-K filed on December 14, 2023).
10.12	Amending Agreement between Oaktree Organics, L.P., Oaktree Huntington Investment Fund II, L.P., OCM SunOpta Trustee LLC, SunOpta Inc. and SunOpta Foods Inc., dated as of April 17, 2024 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 18, 2024).
10.13†	Performance Unit Award Agreement, entered into as of January 2, 2024, between SunOpta Inc. and Brian W. Kocher (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on May 8, 2024).
10.14†	Stock Option Award Agreement, entered into as of January 2, 2024, between SunOpta Inc. and Brian W. Kocher (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on May 8, 2024).

Exhibits	Description
10.15†	Restricted Stock Unit Award Agreement, entered into as of January 2, 2024, between SunOpta Inc. and Brian W. Kocher (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on May 8, 2024).
10.16†	Employment Agreement, effective February 26, 2024, between SunOpta Inc. and Justin Kobler (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed on May 8, 2024).
10.17†	Restricted Stock Unit Award Agreement, entered into as of March 13, 2024, between SunOpta Inc. and Brian W. Kocher (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on May 8, 2024).
10.18†	Employment Agreement, effective March 25, 2024, between SunOpta Inc. and Lauren McNamara (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed on May 8, 2024).
10.19†	Employment Agreement, effective March 31, 2025, between SunOpta Inc. and Chris McCullough (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 6, 2025).
10.20†	Employee Stock Purchase Plan amended March 28, 2025 (incorporated by reference to Exhibit A to the Company's Definitive Proxy Statement on Schedule 14A filed on April 11, 2025).
10.21†	Employment Agreement, effective May 5, 2025, between SunOpta Inc. and Jennifer Caro (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on August 6, 2025).
10.22†	Employment Agreement, effective June 16, 2025, between SunOpta Inc. and Danielle Duzan (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on August 6, 2025).
10.23+*	SunOpta Inc. 2025 Short Term Incentive Plan.
10.24+*	SunOpta Inc. 2025 Long Term Incentive Plan.
10.25+*	2025 Performance Share Unit Award Agreement.
10.26+*	2025 Restricted Stock Unit Award Agreement.
10.27+*	2025 Incentive Stock Option Award Agreement.
10.28	Form of Oaktree Voting and Support Agreement (incorporated by reference to Exhibit 10.1 the Company's Current Report on Form 8-K filed on February 6, 2026).
10.29	Form of Voting and Support Agreement with directors and officers (non-Oaktree designees) (incorporated by reference to Exhibit 10.2 the Company's Current Report on Form 8-K filed on February 6, 2026).
10.30	Form of Voting and Support Agreement with directors (Oaktree designees) (incorporated by reference to Exhibit 10.3 the Company's Current Report on Form 8-K filed on February 6, 2026).
10.31†	SunOpta Foods Inc. Amended and Restated Severance Pay Plan (incorporated by reference to Exhibit 10.4 the Company's Current Report on Form 8-K filed on February 6, 2026).
19*	Insider Trading Policy.

Exhibits	Description
21*	List of subsidiaries.
23.1*	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
31.1*	Certification by Brian Kocher, Chief Executive Officer, pursuant to Rule 13a - 14(a) under the Securities Exchange Act of 1934, as amended.
31.2*	Certification by Greg Gaba, Chief Financial Officer, pursuant to Rule 13a - 14(a) under the Securities Exchange Act of 1934, as amended.
32*	Certifications by Brian Kocher, Chief Executive Officer, and Greg Gaba, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350.
97	SunOpta Inc. Clawback Policy (incorporated by reference to Exhibit 97 to the Company's Annual Report on Form 10-K for the year ended December 30, 2023).
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

† Indicates management contract or compensatory plan or arrangement.

* Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SUNOPTA INC.

/s/ Greg Gaba

Greg Gaba
Chief Financial Officer

Date: March 4, 2026

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Brian Kocher</u> Brian Kocher	Chief Executive Officer and Director (Principal Executive Officer)	March 4, 2026
<u>/s/ Greg Gaba</u> Greg Gaba	Chief Financial Officer (Principal Financial and Accounting Officer)	March 4, 2026
<u>/s/ Leslie Starr</u> Leslie Starr	Chair of the Board and Director	March 4, 2026
<u>/s/ Albert Bolles</u> Albert Bolles	Director	March 4, 2026
<u>/s/ Rebecca Fisher</u> Rebecca Fisher	Director	March 4, 2026
<u>/s/ Dean Hollis</u> Dean Hollis	Director	March 4, 2026
<u>/s/ David Lemmon</u> David Lemmon	Director	March 4, 2026
<u>/s/ Diego Reynoso</u> Diego Reynoso	Director	March 4, 2026
<u>/s/ Mahes Wickramasinghe</u> Mahes Wickramasinghe	Director	March 4, 2026

Item 16. Form 10-K Summary

The Company has chosen not to include an optional summary of the information required by this Form 10-K. For a reference to information in the Form 10-K, investors should refer to the Table of Contents to this Form 10-K.

SunOpta Inc.

Index to Consolidated Financial Statements

	Page
Report of Independent Registered Public Accounting Firm (PCAOB ID: 42)	F2
Consolidated Statements of Operations for the years ended January 3, 2026, December 28, 2024 and December 30, 2023	F4
Consolidated Statements of Comprehensive Earnings (Loss) for the years ended January 3, 2026, December 28, 2024 and December 30, 2023	F5
Consolidated Balance Sheets as at January 3, 2026 and December 28, 2024	F6
Consolidated Statements of Shareholders' Equity as at and for the years ended January 3, 2026, December 28, 2024 and December 30, 2023	F7
Consolidated Statements of Cash Flows for the years ended January 3, 2026, December 28, 2024 and December 30, 2023	F8
Notes to Consolidated Financial Statements	F9

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of SunOpta Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of SunOpta Inc. (the Company) as of January 3, 2026 and December 28, 2024, the related consolidated statements of operations, comprehensive earnings (loss), shareholders' equity and cash flows for each of the three years in the period ended January 3, 2026, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at January 3, 2026 and December 28, 2024, and the results of its operations and its cash flows for each of the three years in the period ended January 3, 2026 in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of January 3, 2026, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 4, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue recognition under bill-and-hold arrangements

Description of the Matter As discussed in Note 1 to the consolidated financial statements, the Company enters into bill-and-hold arrangements. Under bill-and-hold arrangements, the Company bills a customer for products to be delivered at a later date, control typically transfers when the product is ready for physical transfer to the customer, and the Company has a present right to payment. Total revenues was \$817.7 million for the year ended January 3, 2026, a portion of which was for bill-and-hold arrangements.

We identified the evaluation of revenue recognized under bill-and-hold arrangements as a critical audit matter because of the extent of additional audit effort required to test the incremental bill-and-hold revenue recognition criteria. The incremental bill-and-hold revenue recognition criteria include the evaluation of: 1) the reason for the bill and hold arrangement; 2) the identification of the product as separately belonging to the customer; 3) the product being currently ready for physical transfer to the customer; and 4) the Company's inability to use the product or direct it to another customer.

How We Addressed the Matter in Our Audit We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's revenue recognition process, including controls related to the identification of bill-and-hold revenue transactions and whether the criteria for revenue recognition have been met based on the underlying agreements and transactions.

We examined the contracts with customers and evaluated the terms and conditions to determine whether the reason for the bill-and-hold arrangement is substantive and whether certain revenue should be recognized as bill-and-hold revenue. We further examined a sample of bill-and-hold revenue transactions to assess the incremental bill-and-hold revenue recognition criteria. Specifically, we inspected the certificate of analysis that evidences that product is ready for physical transfer and the contract terms which evidence the Company has the present right to payment. To evaluate that the Company does not have the ability to use the product or direct to another customer, we inspected underlying documentation for the same sample of bill and hold transactions to determine legal title to the product had transferred to the customer.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2021.

Minneapolis, Minnesota

March 4, 2026

SunOpta Inc.

Consolidated Statements of Operations

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

	January 3, 2026 \$	December 28, 2024 \$	December 30, 2023 \$
Revenues (note 19)	817,715	723,728	626,730
Cost of goods sold	701,768	627,424	540,730
Gross profit	115,947	96,304	86,000
Selling, general and administrative expenses	70,988	79,406	78,654
Intangible asset amortization (note 8)	2,024	1,784	1,784
Other expense (income), net	3,303	(1,833)	455
Foreign exchange loss (gain)	(54)	1,357	110
Operating income	39,686	15,590	4,997
Interest expense, net (note 19)	21,078	24,908	26,909
Other non-operating expense (note 3)	2,149	686	-
Earnings (loss) from continuing operations before income taxes	16,459	(10,004)	(21,912)
Income tax expense (note 15)	691	1,470	3,269
Earnings (loss) from continuing operations	15,768	(11,474)	(25,181)
Net loss from discontinued operations (note 2)	-	(5,919)	(153,608)
Net earnings (loss)	15,768	(17,393)	(178,789)
Dividends and accretion on preferred stock (note 12)	(175)	(539)	(1,981)
Earnings (loss) attributable to common shareholders	15,593	(17,932)	(180,770)
Basic and diluted earnings (loss) per share (note 16)			
Earnings (loss) from continuing operations	0.13	(0.10)	(0.24)
Loss from discontinued operations	-	(0.05)	(1.34)
Earnings (loss) attributable to common shareholders	0.13	(0.15)	(1.58)
Weighted-average common shares outstanding (000s) (note 16)			
Basic	117,965	116,617	114,226
Diluted	124,779	116,617	114,226

(See accompanying notes to consolidated financial statements)

SunOpta Inc.

Consolidated Statements of Comprehensive Earnings (Loss)

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All dollar amounts expressed in thousands of U.S. dollars)

	January 3, 2026 \$	December 28, 2024 \$	December 30, 2023 \$
Earnings (loss) from continuing operations	15,768	(11,474)	(25,181)
Net loss from discontinued operations	-	(5,919)	(153,608)
Net earnings (loss)	15,768	(17,393)	(178,789)
Other comprehensive loss			
Reclassification of accumulated currency translation adjustment of discontinued operations	-	-	(646)
Other comprehensive loss	-	-	(646)
Comprehensive earnings (loss)	15,768	(17,393)	(179,435)

(See accompanying notes to consolidated financial statements)

SunOpta Inc.

Consolidated Balance Sheets

As at January 3, 2026 and December 28, 2024

(All dollar amounts expressed in thousands of U.S. dollars)

	January 3, 2026	December 28, 2024
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	169	1,552
Accounts receivable, net of allowances for credit losses of \$93 and \$134, respectively (note 3)	75,596	46,314
Inventories (note 4)	106,971	92,798
Notes receivable, net of allowance for credit losses of \$0 (note 2)	25,123	-
Prepaid expenses and other current assets	10,988	14,680
Income taxes recoverable	906	4,114
Total current assets	219,753	159,458
Restricted cash (note 5)	-	7,460
Property, plant and equipment, net (note 6)	333,752	343,618
Operating lease right-of-use assets (note 7)	111,196	105,692
Intangible assets, net (note 8)	20,989	20,077
Goodwill	3,998	3,998
Other long-term assets	4,971	28,224
Total assets	694,659	668,527
LIABILITIES		
Current liabilities		
Accounts payable	118,422	93,362
Accrued liabilities (note 9)	16,343	17,876
Income taxes payable	-	638
Notes payable (note 10)	-	11,110
Current portion of long-term debt (note 11)	33,198	29,393
Current portion of operating lease liabilities (note 7)	18,282	17,055
Total current liabilities	186,245	169,434
Long-term accounts payable	1,475	-
Long-term debt (note 11)	217,521	235,798
Operating lease liabilities (note 7)	103,150	99,328
Deferred income taxes (note 15)	248	325
Total liabilities	508,639	504,885
Series B-1 preferred stock (note 12)	15,223	15,048
SHAREHOLDERS' EQUITY		
Common shares, no par value, unlimited shares authorized, 118,251,809 shares issued (December 28, 2024 - 117,102,745)	478,954	471,792
Additional paid-in capital	30,555	30,775
Accumulated deficit	(340,721)	(355,982)
Accumulated other comprehensive income	2,009	2,009
Total shareholders' equity	170,797	148,594
Total liabilities and shareholders' equity	694,659	668,527

(See accompanying notes to consolidated financial statements)

SunOpta Inc.

Consolidated Statements of Shareholders' Equity

As at and for the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All dollar amounts expressed in thousands of U.S. dollars)

	Common shares		Additional paid-in capital \$	Accumulated deficit \$	Accumulated other com- prehensive income \$	Total \$
	000s	\$				
Balance at December 31, 2022	107,910	440,348	33,184	(157,280)	1,363	317,615
Exchange of Series B preferred stock, net of share issuance costs of \$191	6,089	13,915	-	-	-	13,915
Employee stock purchase plan	121	583	-	-	-	583
Stock incentive plan	1,833	9,323	(8,024)	-	-	1,299
Withholding taxes on stock-based awards	-	-	(9,404)	-	-	(9,404)
Stock-based compensation	-	-	12,432	-	-	12,432
Net loss	-	-	-	(178,789)	-	(178,789)
Dividends on preferred stock	-	-	-	(1,428)	-	(1,428)
Accretion on preferred stock	-	-	-	(553)	-	(553)
Disposition of discontinued operations	-	-	-	-	646	646
Balance at December 30, 2023	115,953	464,169	28,188	(338,050)	2,009	156,316
Employee stock purchase plan	84	449	-	-	-	449
Stock incentive plan	1,066	7,174	(5,688)	-	-	1,486
Withholding taxes on stock-based awards	-	-	(2,915)	-	-	(2,915)
Stock-based compensation	-	-	11,190	-	-	11,190
Net loss	-	-	-	(17,393)	-	(17,393)
Accretion on preferred stock	-	-	-	(539)	-	(539)
Balance at December 28, 2024	117,103	471,792	30,775	(355,982)	2,009	148,594
Repurchase of common shares (note 13)	(163)	(659)	-	(332)	-	(991)
Employee stock purchase plan	85	498	-	-	-	498
Stock incentive plan	1,227	7,323	(5,470)	-	-	1,853
Withholding taxes on stock-based awards	-	-	(2,131)	-	-	(2,131)
Stock-based compensation (note 14)	-	-	7,381	-	-	7,381
Net earnings	-	-	-	15,768	-	15,768
Accretion on preferred stock	-	-	-	(175)	-	(175)
Balance at January 3, 2026	118,252	478,954	30,555	(340,721)	2,009	170,797

(See accompanying notes to consolidated financial statements)

SunOpta Inc.

Consolidated Statements of Cash Flows

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All dollar amounts expressed in thousands of U.S. dollars)

	January 3, 2026	December 28, 2024	December 30, 2023
	\$	\$	\$
CASH PROVIDED BY (USED IN)			
Operating activities			
Net earnings (loss)	15,768	(17,393)	(178,789)
Net loss from discontinued operations	-	(5,919)	(153,608)
Net earnings (loss) from continuing operations	15,768	(11,474)	(25,181)
Items not affecting cash:			
Depreciation and amortization (note 19)	39,534	36,497	31,039
Amortization of debt issuance costs (note 19)	1,128	914	1,398
Deferred income taxes (note 15)	(77)	(180)	3,978
Stock-based compensation (note 14)	7,381	11,190	12,432
Impairment of property, plant and equipment	3,151	-	-
Gain on sale of property, plant and equipment	(244)	(244)	-
Gain on sale of smoothie bowls product line	-	(1,800)	-
Loss on extinguishment of debt	-	-	1,584
Other	(395)	(275)	707
Changes in operating assets and liabilities, net of divestitures (note 17)	(16,585)	17,711	(22,382)
Net cash provided by operating activities of continuing operations	49,661	52,339	3,575
Net cash provided by (used in) operating activities of discontinued operations	-	(2,310)	11,269
Net cash provided by operating activities	49,661	50,029	14,844
Investing activities			
Additions to property, plant and equipment	(28,429)	(31,928)	(46,125)
Proceeds from sale of property, plant and equipment	1,284	612	-
Additions to intangible assets	(2,419)	-	-
Proceeds from sale of smoothie bowls product line	-	6,336	-
Cash settlement of foreign currency forward contract	-	-	(394)
Net cash used in investing activities of continuing operations	(29,564)	(24,980)	(46,519)
Net cash provided by investing activities of discontinued operations	-	6,300	90,551
Net cash provided by (used in) investing activities	(29,564)	(18,680)	44,032
Financing activities			
Proceeds from notes payable	125,058	129,662	102,043
Repayment of notes payable	(136,168)	(136,148)	(84,447)
Net increase (decrease) in borrowings under revolving credit facilities	10,991	2,187	(15,863)
Borrowings of short-term and long-term debt	23,485	1,446	199,855
Repayment of short-term and long-term debt	(51,535)	(26,953)	(95,303)
Proceeds from the exercise of stock options and employee share purchases	2,351	1,935	1,882
Payment of withholding taxes on stock-based awards	(2,131)	(2,915)	(9,404)
Repurchase of common shares (note 13)	(991)	-	-
Payment of cash dividends on preferred stock	-	(305)	(1,732)
Repayment of asset-based credit facilities	-	-	(141,880)
Payment of debt issuance costs	-	-	(3,297)
Payment of common share issuance costs	-	-	(191)
Net cash used in financing activities of continuing operations	(28,940)	(31,091)	(48,337)
Net cash used in financing activities of discontinued operations	-	-	(2,464)
Net cash used in financing activities	(28,940)	(31,091)	(50,801)
Increase (decrease) in cash, cash equivalents and restricted cash in the period	(8,843)	258	8,075
Cash, cash equivalents and restricted cash, beginning of the year	9,012	8,754	679
Cash, cash equivalents and restricted cash, end of the year	169	9,012	8,754
Non-cash investing and financing activities (notes 7 and 17)			

(See accompanying notes to consolidated financial statements)

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

1. Significant Accounting Policies

Basis of Presentation

These consolidated financial statements include the accounts of SunOpta Inc. and those of its wholly-owned subsidiaries (collectively, the "Company") and have been prepared by the Company in United States ("U.S.") dollars and in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). All intercompany accounts and transactions have been eliminated on consolidation.

Fiscal Year

The fiscal year of the Company consists of a 52- or 53-week period ending on the Saturday closest to December 31. Fiscal year 2025 was a 53-week period ending on January 3, 2026, and fiscal years 2024 and 2023 were each 52-week periods ending on December 28, 2024 and December 30, 2023, respectively. Fiscal year 2026 will be a 52-week period ending on January 2, 2027, with quarterly periods ending on April 4, 2026, July 4, 2026, and October 3, 2026.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. These estimates and assumptions require judgment on the part of management and are based on the Company's historical experience and various other factors that are believed to be reasonable in the circumstances. Actual results could differ from these estimates.

Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). Fair value measurements are estimated based on inputs categorized as follows:

- Level 1 inputs include quoted prices (unadjusted) for identical assets or liabilities in active markets that are observable.
- Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 includes unobservable inputs that reflect the Company's own assumptions about what factors market participants would use in pricing the asset or liability.

When measuring fair value, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs.

Foreign Currency Transactions

Gains or losses resulting from transactions denominated in foreign currencies are included in foreign exchange gain/loss on the consolidated statements of operations.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term deposits with an original maturity of 90 days or less. The Company places its cash and cash equivalents with institutions of high creditworthiness.

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

Restricted Cash

Restricted cash consists of cash that is legally restricted as to withdrawal or usage.

Accounts Receivable

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for credit losses is an estimate of the amount of probable losses in existing accounts receivable. The Company routinely assesses the financial strength of its customers and believes that its accounts receivable credit risk exposure is limited. The Company closely monitors receivable balances and estimates an allowance for credit losses based on historical collection experience, and account aging analysis and trends, and evaluates the adequacy of the allowance each reporting period, considering individual customer account reviews, write-offs recorded in the period, sales forecasts and trends, and current and expected economic and customer-specific conditions. Account balances are charged off against the allowance when the Company determines the receivable will not be recovered. As at January 3, 2026, two long-term customers represented approximately 34% and 18%, respectively, of the Company's consolidated accounts receivable balance. The Company does not believe it is exposed to any significant credit risks with respect to these customers.

Inventories

Inventories are valued at the lower of cost and net realizable value on a first-in, first-out basis. Shipping and handling costs are included in cost of goods sold on the consolidated statements of operations.

Property, Plant and Equipment

Property, plant and equipment assets are stated at cost, less accumulated depreciation. Cost includes capitalized interest on borrowings during the construction of major capital projects. Depreciation begins when an asset is ready for its intended use. Property, plant and equipment assets, other than land, are depreciated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	20 - 40 years
Machinery and equipment	5 - 20 years
Enterprise software	3 - 5 years
Office furniture and equipment	3 - 7 years
Vehicles	3 - 7 years

Leases

At the lease commencement date, the Company recognizes a right-of-use lease asset for an amount equal to the lease liability, less any lease incentives. The lease liability is determined based on the present value of future lease payments over the lease term. The lease term includes the noncancellable term of the lease, together with periods covered by options to extend the lease that the Company is reasonably certain to exercise. The discount rate used to determine the present value of the future lease payments is the implicit rate in the lease if readily determinable. When that rate is not readily determinable, the Company applies its incremental borrowing rate, which is estimated using relevant interest rate yield curves and credit spreads derived from available market data. The Company excludes non-lease components in determining the future lease payments.

Intangible Assets

The Company's finite-lived intangible assets are amortized on a straight-line basis over their estimated useful lives, which are 15 years for brand names, 20 years for customer relationships, and nine years for other intangible assets.

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

Impairment of Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If the carrying amount of an asset is not recoverable, the fair value of the asset is determined typically using an income approach (discounted cash flow analysis). An impairment loss is recognized in earnings for any excess of the carrying amount of the asset over its fair value.

Goodwill

Goodwill represents the excess in a business combination of the purchase price over the estimated fair value of the identifiable net assets acquired. Goodwill is not amortized but is instead tested for impairment at the reporting unit level at least annually, or whenever events or circumstances change between the annual impairment tests that would indicate the carrying amount of goodwill may be impaired. The Company performs its annual test for goodwill impairment in the fourth quarter of each fiscal year. The Company can elect to qualitatively assess goodwill for impairment if it is more likely than not that the fair value of a reporting unit exceeds its carrying value. If the Company elects to quantitatively assess goodwill, or it is not more likely than not that the fair value of a reporting unit exceeds its carrying value, the Company estimates the fair value of each of its reporting units using an income approach (discounted cash flow method). Goodwill impairment charges are recognized based on the excess of a reporting unit's carrying amount over its fair value. Based on its qualitative assessment, the Company determined that goodwill was not impaired as at January 3, 2026. Prior to fiscal 2019, the Company recognized accumulated goodwill impairment losses of \$213.8 million.

Debt Issuance Costs

Costs incurred in connection with obtaining debt financing are deferred and amortized over the term of the financing arrangement. Costs incurred to secure revolving credit facilities are recorded in other long-term assets. All other debt issuance costs are recorded as a direct deduction from the related debt liability.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes whereby deferred tax assets are recognized for deductible temporary differences and carryforwards, and deferred tax liabilities are recognized for taxable temporary differences. A temporary difference is the difference between the financial statement and tax basis of an asset or liability. Deferred tax assets and liabilities are computed based on enacted tax rates. The effect of changes in tax rates and laws is recognized in the period of enactment. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Income tax expense or benefit is the income taxes payable or recoverable for the year plus or minus the change in deferred tax assets and liabilities during the year. A tax benefit from an uncertain tax position is recognized if it is more-likely-than-not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position, or the statute of limitations concerning the uncertain tax position lapses. The Company classifies interest and penalties due to taxing authorities as income taxes.

Stock-Based Compensation

The Company measures stock-based awards granted to selected employees and directors at fair value as of the date of grant. Compensation expense is recognized on a straight-line basis over the vesting period of the entire stock-based award. Forfeitures of stock-based awards are recognized as they occur. Upon exercise, stock-based awards are settled through the issuance of common shares and are therefore treated as equity awards.

Revenue Recognition

The Company manufactures and sells food and beverage products to grocery retailers and club stores, foodservice operators, branded food companies, and food manufacturers. The Company recognizes revenue when performance obligations under the terms of a contract with a customer are satisfied, which is upon the transfer of control of the contracted goods. Except for goods sold under bill-and-hold arrangements, control is transferred when title and physical possession of the product transfers to the customer, which is at the point in time that product is shipped from the Company's facilities or delivered to a specified destination, depending on the terms of the contract, and the Company has a present right to payment. Under bill-and-hold arrangements, whereby the Company bills a customer for product to be delivered at a later date, control typically transfers when the product is ready for physical transfer to the customer, and the Company has a present right to payment. The Company does not typically grant customers a general right of return for goods transferred but will generally accept returns of product for quality-related issues.

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

A performance obligation is a promise within a contract to transfer distinct goods to the customer. A contract with a customer may involve multiple products and/or multiple delivery dates, with the transfer of each product at each delivery date being considered a distinct performance obligation, as each of the Company's products has standalone utility to the customer. In these cases, the contract's transaction price is allocated to each performance obligation based on relative standalone selling prices and recognized as revenue when each individual product is transferred to the customer.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring the goods. Consideration is typically determined based on a fixed unit price for the quantity of product transferred. Certain contracts include rebates and other forms of variable consideration. For contracts involving variable consideration, the Company estimates the transaction price based on the amount of consideration to which it expects to be entitled. These estimates are determined based on historical experience and the expected outcome of the variable consideration, and are updated as new information becomes available, including actual claims paid, which indicate an estimate is not indicative of the expected results. Changes to these estimates are recorded in the period the adjustment is identified. The Company's contracts do not typically include any significant payment terms, as payment is normally due shortly after the time of transfer.

Revenue contracts are typically represented by short-term, binding purchase orders from customers, identifying the quantity and pricing for products to be transferred. Customer purchase orders may be issued under long-term master supply arrangements. On their own, these master supply arrangements are typically not considered contracts for purposes of revenue recognition, as they do not create enforceable rights and obligations regarding the quantity, pricing, or timing of goods to be transferred; however, certain master supply agreements impose minimum purchase obligations on the part of the customers, which is considered a form of variable consideration. Other master supply arrangements provide for the transfer of product on a bill-and-hold basis at the specific request of the customer. As goods are produced under these bill-and-hold arrangements to meet individual customer specifications, they are identifiable as belonging to the customer and cannot be directed to another customer.

The timing of the Company's revenue recognition, customer billings and cash collections, does not result in significant unbilled receivables (contract assets) or customer advances (contract liabilities) on the consolidated balance sheet. Contract costs, such as sales commissions, are generally expensed as incurred given the short-term nature of the associated contracts.

Advertising Costs

Advertising costs are expensed as incurred and are included in selling, general and administrative expenses.

Research and Development Costs

Research and development costs are expensed as incurred and are included in selling, general and administrative expenses. The Company's research and development activities are directed towards custom product formulations, packaging innovations, and production process improvements. The Company's research and development expenditures primarily consist of employee-related compensation and supplies, as well as rental costs and depreciation expense related to the Company's innovation center and pilot plant.

Earnings Per Share

Basic earnings per share is computed by dividing earnings attributable to common shareholders by the weighted-average number of common shares outstanding during the year. Earnings attributable to common shareholders is computed by deducting dividends and accretion on convertible preferred stock from net earnings. The potential diluted effect of stock options and other stock-based awards is computed using the treasury stock method whereby the weighted-average number of common shares used in the basic earnings per share calculation is increased to include the number of additional common shares that would have been outstanding if the potential dilutive common shares had been issued at the beginning of the year. The potential dilutive effect of convertible preferred stock is computed using the if-converted method whereby dividends and accretion on the convertible preferred stock are added back to the numerator, and the common shares resulting from the assumed conversion of the convertible preferred stock are included in the denominator of the diluted earnings per share calculation.

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

Contingencies

The Company is subject to loss contingencies, including various legal and regulatory proceedings, and asserted and potential claims that arise in the ordinary course of business. Accruals for loss contingencies are recorded when the Company determines that it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated. If the estimate of the amount of the loss is a range and some amount within the range appears to be a better estimate than any other amount within the range, that amount is accrued as a liability. If no amount within the range is a better estimate than any other amount, the minimum amount of the range is accrued as a liability.

Recent Accounting Pronouncements

Adopted

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires public entities, on an annual basis, to provide disclosure of specific categories in the rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. The Company adopted the guidance in ASU 2023-09 on a prospective basis beginning in fiscal 2025 (see note 15). The adoption of ASU 2023-09 did not have any impact of the Company's results of operations, cash flows, or financial condition.

Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires disclosure, in the notes to financial statements, of specified information about certain costs and expenses. The guidance will be effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the potential effect that ASU 2024-03 will have on its financial statement disclosures.

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, which is intended to modernize the accounting for the costs of internal-use software given the evolution of software development. ASU 2025-06 removes all references to project stages throughout Subtopic 350-40 and clarifies the threshold entities apply to begin capitalizing costs. The guidance will be effective for annual periods beginning after December 15, 2027, and for interim periods within those annual periods. Early adoption is permitted. The Company is currently evaluating the potential effect that ASU 2025-06 will have on its consolidated financial statements.

2. Discontinued Operations

Divestiture of Frozen Fruit

On October 12, 2023 (the "Closing Date"), the Company completed the sale of certain assets and liabilities of its frozen fruit business ("Frozen Fruit") to Natures Touch Mexico, S. de R.L. de C.V. and Nature's Touch Frozen Fruits, LLC (the "Purchasers") for an estimated aggregate purchase price that comprised (i) cash consideration of \$95.3 million; (ii) a short-term note receivable of \$10.5 million, which was paid in five consecutive monthly installments of \$2.1 million beginning 30 days following the Closing Date; (iii) secured seller promissory notes with a stated principal amount of \$20.0 million in the aggregate and due three years from the Closing Date (the "Seller Promissory Notes"); and (iv) the assumption by the Purchasers of \$15.7 million of accounts payable and accrued liabilities of Frozen Fruit. The estimated aggregate purchase price was subject to post-closing adjustments based on a determination of the final net working capital as of the Closing Date. In 2024, the parties resolved certain disputed items in connection with the determination of the final net working capital, resulting in a net reduction in the aggregate purchase price in favor of the Purchasers of \$5.1 million.

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

The Seller Promissory Notes bear interest at a rate per annum equal to the Secured Overnight Financing Rate ("SOFR"), determined quarterly in advance, plus a margin of 4.00% for the first year and 7.00% for the second and third years. Interest is payable quarterly in-kind. The Seller Promissory Notes mature on October 12, 2026, and outstanding principal and accrued and unpaid interest is payable on the maturity date. Upon initial recognition, the Company determined that the fair value of the Seller Promissory Notes approximated their stated principal amount and no premium or discount was recognized. On the consolidated balance sheet, the principal amount of the Seller Promissory Notes of \$20.0 million, together with accumulated accrued and unpaid in-kind interest of \$5.1 million and \$2.5 million as at January 3, 2026 and December 28, 2024, respectively, is recorded as notes receivable in current assets as at January 3, 2026, and included in other long-term assets as at December 28, 2024. The Seller Promissory Notes are secured by a second-priority lien on certain assets of Frozen Fruit acquired by the Purchasers. As at January 3, 2026 and December 28, 2024, the Company had not recorded any allowance for credit losses related to the Seller Promissory Notes.

The table below presents the major components of the results of discontinued operations reported in the consolidated statement of operations for the years ended December 28, 2024 and December 30, 2023. There were no reported results of discontinued operations for the year ended January 3, 2026.

	December 28, 2024	December 30, 2023
	\$	\$
Revenues	-	200,029
Cost of goods sold	553	211,467
Selling, general and administrative expenses	621	8,683
Intangible asset amortization	-	6,000
Other expense (income), net	(378)	10,612
Foreign exchange loss	(101)	(3,333)
Interest expense, net	23	554
Earnings (loss) before loss on divestiture	(718)	(33,954)
Pre-tax loss on divestiture	(5,435)	(119,821)
Loss from discontinued operations before income taxes	(6,153)	(153,775)
Income tax benefit	(234)	(167)
Net loss from discontinued operations	(5,919)	(153,608)

3. Receivables Sales Program

On August 28, 2024, the Company entered into a Master Receivables Purchase Agreement, as amended on February 11, 2025 and November 12, 2025 (the "Agreement"), with a third-party financial institution (the "Purchaser"), for the sale of designated trade receivables of certain eligible customers in exchange for cash proceeds (the "Receivables Sales Program"). Under the Receivables Sales Program, the maximum aggregate amount of outstanding receivables that can be sold to the Purchaser at any time is \$52.0 million. The Agreement may be terminated by the Purchaser at any time with 30 days' notice.

The receivables sold under the Receivables Sales Program are without recourse to the Company for any customer credit risk. The Company does not retain any ongoing financial interest in the receivables sold under the Receivables Sales Program other than cash collection and administrative services. The Company has not recognized any servicing asset or liability as at January 3, 2026, as the fair values of the servicing arrangement and the fees earned are not considered material to the consolidated financial statements.

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

Receivables sold under the Receivables Sales Program are accounted for as sales of financial assets. The sold receivables are derecognized from accounts receivable on the Company's consolidated balance sheet at the time of sale to the Purchaser. For the year ended January 3, 2026, the loss on sale of the sold receivables, representing the discount taken by the Purchaser, amounted to \$2.1 million (December 28, 2024 - \$0.7 million), which is recorded as other non-operating expense on the consolidated statements of operations. Cash proceeds received from the Purchaser are classified as an operating activity in the consolidated statements of cash flows.

The following table summarizes activity related to the Receivables Sales Program:

	Year Ended	
	January 3, 2026	December 28, 2024
	\$	\$
Receivables balance sold to the Purchaser, beginning of the year	24,986	-
Sale of receivables	249,671	62,021
Cash collected and remitted to the Purchaser	(226,105)	(37,035)
Receivables balance sold to the Purchaser, end of the year ⁽¹⁾	48,552	24,986
Cash collected and not remitted to the Purchaser ⁽²⁾	(39,817)	(13,575)
Outstanding receivables sold, end of the year	8,735	11,411

(1) For the years ended January 3, 2026 and December 28, 2024, the Company recorded increases of \$23.6 million and \$25.0 million, respectively, to cash flows from operating activities of continuing operations from receivables sold under the Receivables Sales Program, which are reflected in the consolidated statements of cash flows.

(2) Cash collected from customers on behalf of but not yet remitted to the Purchaser is included in accounts payable on the consolidated balance sheets, with changes in such obligations reflected as operating activities in the consolidated statements of cash flows. There are no restrictions under the Agreement on the Company's use of the cash collected prior to the time it is due to be remitted to the Purchaser.

4. Inventories

	January 3, 2026	December 28, 2024
	\$	\$
Raw materials and work-in-process	58,536	51,422
Finished goods	52,101	46,843
Inventory reserve	(3,666)	(5,467)
	106,971	92,798

The change in the inventory reserve for the years ended January 3, 2026 and December 28, 2024 is comprised as follows:

	January 3, 2026	December 28, 2024
	\$	\$
Balance, beginning of year	5,467	6,810
Additions to reserve during the year	2,692	11,966
Reserves applied and inventories written off during the year	(4,493)	(13,309)
Balance, end of year	3,666	5,467

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

5. Restricted Cash

As at December 28, 2024, restricted cash related to certain bank accounts in Mexico that were retained following the divestiture of Frozen Fruit that had been subject to a judicial hold. In November 2025, the Company secured the full release of all of the restricted cash.

6. Property, Plant and Equipment

The major components of property, plant and equipment as at January 3, 2026 and December 28, 2024 were as follows:

	January 3, 2026			December 28, 2024		
	Cost \$	Accumulated depreciation \$	Net book value \$	Cost \$	Accumulated depreciation \$	Net book value \$
Land	203	-	203	203	-	203
Buildings	115,383	30,806	84,577	105,080	25,744	79,336
Machinery and equipment	386,567	149,532	237,035	374,808	121,508	253,300
Enterprise software	17,692	7,185	10,507	14,983	5,916	9,067
Office furniture and equipment	3,956	2,579	1,377	3,913	2,299	1,614
Vehicles	405	352	53	405	307	98
	524,206	190,454	333,752	499,392	155,774	343,618

As at January 3, 2026, property, plant and equipment included construction in process assets of \$17.9 million (December 28, 2024 - \$18.6 million) and \$14.7 million (December 28, 2024 - \$12.6 million) of spare parts inventory. The Company did not capitalize any interest expense as part of the construction cost of property, plant and equipment for the years ended January 3, 2026 and December 28, 2024.

7. Leases

The Company leases certain manufacturing plants, warehouses, offices, and machinery and equipment. At the lease commencement date, the Company classifies a lease as a finance lease if it has the right to obtain substantially all of the economic benefits from the right-of-use assets, otherwise the lease is classified as an operating lease. The Company's leases have noncancelable lease terms of less than one year to approximately 15 years and typically require fixed monthly rental payments that may be adjusted annually to give effect to inflation. Real estate leases typically provide the Company options to extend the leases for up to 15 years. Finance leases for machinery and equipment typically include nominal purchase options at the end of the lease term that are reasonably certain of being exercised at the lease commencement date. Machinery and equipment operating leases typically include purchase options for the fair market value of the underlying asset at the end of the lease term, which are uncertain of being exercised at the lease commencement date.

The following tables present supplemental information related to leases:

	January 3, 2026 \$	December 28, 2024 \$	December 30, 2023 \$
Lease Costs			
Operating lease cost	17,224	18,243	14,856
Finance lease cost:			
Depreciation of right-of-use assets	8,047	8,541	13,441
Interest on lease liabilities	5,172	5,455	9,310
Total finance lease cost	13,219	13,996	22,751

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

	January 3, 2026 \$	December 28, 2024 \$
Balance Sheet Classification		
Operating leases:		
Operating lease right-of-use assets	111,196	105,692
Current portion of operating lease liabilities	18,282	17,055
Operating lease liabilities	103,150	99,328
Total operating lease liabilities	121,432	116,383
Finance leases:		
Property, plant and equipment, gross	96,001	100,481
Accumulated depreciation	(25,554)	(23,514)
Property, plant and equipment, net	70,447	76,967
Current portion of long-term debt	19,698	20,393
Long-term debt	24,778	38,528
Total finance lease liabilities	44,476	58,921

	January 3, 2026 \$	December 28, 2024 \$	December 30, 2023 \$
Cash Flow Information			
Cash paid (received) for amounts included in measurement of lease liabilities:			
Operating cash flows from operating leases	17,679	17,268	13,852
Operating cash flows from finance leases	5,172	5,455	9,310
Financing cash flows from finance leases			
Cash paid under finance leases ⁽¹⁾	25,283	20,203	89,087
Cash received under finance leases ⁽²⁾	(8,485)	(1,446)	(6,568)
Right-of-use assets obtained in exchange for lease liabilities:			
Operating leases	13,744	10,227	35,601
Finance leases	2,353	24,746	9,952
Right-of-use assets and liabilities reduced through lease terminations or modifications:			
Operating leases	-	-	(914)

(1) Represents repayments under finance leases recorded as a reduction of the lease liability and reported in repayment of long-term debt on the consolidated statements of cash flows.

(2) Represents cash advances received by the Company under finance leases for the construction of right-of-use assets controlled by the Company, which is reported in borrowings of long-term debt on the consolidated statements of cash flows.

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

	January 3, 2026	December 28, 2024	December 30, 2023
Other Information			
Weighted-average remaining lease term (years):			
Operating leases	10.1	11.2	12.0
Finance leases	2.9	3.1	3.2
Weighted-average discount rate:			
Operating leases	8.6%	8.5%	8.6%
Finance leases	8.9%	9.6%	7.9%

	Operating leases \$	Finance leases \$
Maturities of Lease Liabilities		
2026	18,876	21,501
2027	18,617	13,736
2028	18,249	10,607
2029	16,811	4,187
2030	15,879	1,009
Thereafter	144,696	-
Total lease payments	233,128	51,040
Less: imputed interest	(111,696)	(6,564)
Total lease liabilities	121,432	44,476

As at January 3, 2026, the Company had entered into finance lease agreements to provide for up to \$69 million of financing, in the aggregate, related to capacity expansion projects at its beverage facility in Midlothian, Texas, and fruit snacks facility in Omak, Washington, which are expected to become operational in 2026. As these finance leases had not commenced as at January 3, 2026, no amount of underlying right-of-use assets, or lease liabilities, were recognized on the consolidated balance sheet as of that date.

8. Intangible Assets

The gross carrying amounts and accumulated amortization of intangible assets as at January 3, 2026 and December 28, 2024 were as follows:

	January 3, 2026			December 28, 2024		
	Cost \$	Accumulated amortization \$	Net book value \$	Cost \$	Accumulated amortization \$	Net book value \$
Brand names	25,073	7,860	17,213	25,073	6,189	18,884
Customer relationships	2,251	1,171	1,080	2,251	1,058	1,193
Other	2,936	240	2,696	-	-	-
	30,260	9,271	20,989	27,324	7,247	20,077

Amortization expense associated with intangible assets in each of the next five fiscal years and thereafter is as follows:

	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	Thereafter \$	Total \$
Amortization expense	2,104	2,104	2,104	2,104	2,104	10,469	20,989

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

9. Accrued Liabilities

	January 3, 2026	December 28, 2024
	\$	\$
Payroll and benefits	13,616	12,935
Accrued interest	183	1,435
Other accruals	2,544	3,506
	16,343	17,876

10. Notes Payable

From time to time, the Company finances certain purchases of trade goods and services through third-party extended payables facilities. Under these facilities, third-party intermediaries advance the amount of the scheduled payment to the supplier based on the invoice due date and issue a short-term note payable to the Company for the face amount of the supplier invoice. Interest accrues on the note payable from the contractual payment date of the supplier invoice to the extended due date of the note payable, as specified by the negotiated terms of each facility. The Company does not maintain any form of security with the third-party intermediaries. Proceeds from, and repayments of the notes payable associated with, these facilities are reported as financing cash flows on the Company's consolidated statements of cash flows. Outstanding principal payment obligations to the third-party intermediaries are recorded as notes payable on the Company's consolidated balance sheet. As at January 3, 2026, the Company had no outstanding notes payable.

11. Short-Term and Long-Term Debt

	January 3, 2026	December 28, 2024
	\$	\$
Short-Term Debt		
Line of credit facility	-	-
Long-Term Debt		
Term loan facility	162,000	173,250
Revolving credit facility	44,928	33,937
Less: unamortized debt issuance costs	(685)	(917)
Total credit facilities	206,243	206,270
Finance lease liabilities	44,476	58,921
Total long-term debt, before current portion	250,719	265,191
Less: current portion	33,198	29,393
Total long-term debt	217,521	235,798

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

Scheduled maturities of long-term debt, including finance lease liabilities, are as follows:

	\$
2026	35,001
2027	27,236
2028	190,535
2029	4,187
2030	1,009
Total gross maturities	257,968
Less: imputed interest on finance lease liabilities	(6,564)
Less: debt issuance costs	(685)
Total debt	250,719

Short-Term Debt

Line of Credit Facility

On June 13, 2025, the Company entered into an Uncommitted Trade Loan Facility Agreement (the "Trade Loan Agreement") with a third-party banking institution (the "Lender") providing for an uncommitted revolving line of credit facility (the "Line of Credit Facility") under which the Company may request, and the Lender may make, at its sole discretion, loans and advances of up to an aggregate amount of \$15.0 million to be used solely to finance the purchase, production or sale of broth inventory. The initial maximum term of each individual loan or advance is 180 days, and the Company may request up to a 90-day extension of such initial term, which the Lender may agree to in its sole discretion. Borrowings under the Line of Credit Facility bear interest at SOFR plus a margin of 1.95%. Obligations under the Trade Loan Agreement are secured by a first security lien in favor of the Lender on all broth inventory of the Company and a guarantee from the Company's subsidiary, SunOpta Foods Inc. ("SunOpta Foods"). The Trade Loan Agreement is a continuing agreement and will remain in full effect until 30 days after either the Company or the Lender provides written notice of termination to the other party.

As at January 3, 2026, the Company had no outstanding borrowings under the Line of Credit Facility.

Long-Term Debt

Credit Facilities

On December 8, 2023, the Company entered into a five-year Credit Agreement (the "Credit Agreement") providing for (i) a \$180.0 million term loan credit facility (the "Term Loan Credit Facility") and (ii) an \$85.0 million revolving credit facility (the "Revolving Credit Facility" and together with the Term Loan Credit Facility, the "Credit Facilities"). The Revolving Credit Facility includes \$30.0 million of borrowing capacity available for letters of credit and provides for borrowings of up to \$10.0 million on same-day notice including in the form of swingline loans. As at January 3, 2026, \$4.6 million in letters of credit were issued but undrawn under the Revolving Credit Facility.

The Credit Facilities mature on December 8, 2028. Outstanding borrowings under the Term Loan Credit Facility as at January 3, 2026, are repayable in quarterly principal installments of \$3.4 million from the fiscal quarter ending March 31, 2026 to the fiscal quarter ending December 31, 2027, and \$4.5 million from the fiscal quarter ending March 31, 2028 to the fiscal quarter ending September 30, 2028, with the remaining principal balance of \$121.5 million due on the maturity date.

Borrowings under the Credit Facilities bear interest at a margin over various reference rates, including a base rate (as defined in the Credit Agreement) and SOFR, selected at the option of the Company. The margin for the Credit Facilities is set quarterly based on the consolidated total net leverage ratio for the preceding fiscal quarter and will range from 1.00% to 2.25% with respect to base rate loans and from 2.00% to 3.25% for SOFR loans. For the year ended January 3, 2026, the weighted-average interest rate on outstanding borrowings under the Credit Facilities was 7.25%. In addition, the Company is required to pay an undrawn fee under the Revolving Credit Facility quarterly based on the consolidated total net leverage ratio for the preceding fiscal quarter ranging from 0.20% to 0.40% on the undrawn revolving commitments thereunder. The Company is also required to pay customary letter of credit fees, to the extent letters of credit are issued and outstanding under the Revolving Credit Facility.

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

All obligations under the Credit Facilities are unconditionally guaranteed by the Company and substantially all of the Company's existing and future direct and indirect wholly-owned material restricted subsidiaries organized in the U.S. and Canada (the "Subsidiary Guarantors") and, subject to certain exceptions and qualifications, such obligations are secured by first priority security interest in substantially all of the tangible and intangible assets of the Company and Subsidiary Guarantors.

The Credit Facilities contain a number of covenants that, among other things, restrict, subject to certain exceptions, the Company's ability to: create liens on assets; sell assets and enter into sale and leaseback transactions; pay dividends, prepay contractually subordinated indebtedness and make other restricted payments; incur additional indebtedness and make guarantees; make investments, loans or advances, including acquisitions; engage in certain transactions with affiliates; fundamentally change the character of the Company's business; enter into contractual obligations that restrict the ability of the Company or any Subsidiary Guarantor to grant a lien on its assets in favor of the lenders and other secured creditors under the Credit Facilities; and engage in mergers or consolidations. In addition, the Company is required to (i) maintain a minimum fixed charge coverage ratio of 1.20 to 1.00 as of the end of each quarterly test period and (ii) maintain a maximum consolidated total net leverage ratio of 3.50 to 1.00 for each quarterly test period for the fiscal quarter ending December 31, 2025 and thereafter; provided that, if the Company consummates an acquisition for consideration in excess of \$50 million in any quarterly test period, then the maximum consolidated total net leverage ratio may, at the election of the Company (on no more than two occasions), be increased to 4.00 to 1.00 for the end of the four succeeding quarterly test periods.

The Credit Facilities also contain certain customary affirmative covenants and events of default. As at January 3, 2026, the Company was in compliance with all covenants of the Credit Agreement.

12. Series B-1 Preferred Stock

As at January 3, 2026, SunOpta Foods had 15,000 shares of Series B-1 Preferred Stock ("Series B-1 Preferred Stock") issued and outstanding with Oaktree Organics, L.P. and Oaktree Huntington Investment Fund II, L.P. (collectively, "Oaktree"). The aggregate liquidation preference of the Series B-1 Preferred Stock is \$15.2 million, or approximately \$1,015 per share. On April 17, 2024, the Company, SunOpta Foods and Oaktree entered into an Amending Agreement related to the elimination of the dividend rights attached to the Series B-1 Preferred Stock effective from and after December 31, 2023. The Series B-1 Preferred Stock previously paid a cumulative dividend of 8.0% per year that could be paid in-kind or in cash at the Company's option.

At any time, Oaktree may exchange the Series B-1 Preferred Stock, in whole or in part, into the number of common shares of the Company equal to, per share of Series B-1 Preferred Stock, the quotient of the liquidation preference divided by the exchange price of \$2.50, which equated to 6,089,333 equivalent common shares as at January 3, 2026. At any time, SunOpta Foods may cause Oaktree to exchange all of their shares of Series B-1 Preferred Stock if the volume-weighted average price of the common shares during the then preceding 20 trading day period is greater than 200% of the exchange price then in effect. In addition, SunOpta Foods may redeem all of the Series B-1 Preferred Stock at any time for an amount per share equal to the value of the liquidation preference at such time.

As at January 3, 2026, the Company had 2,932,453 Special Shares, Series 2 issued and outstanding, all of which are held by Oaktree. The Special Shares, Series 2, with a par value of \$0.00001 per share, serve as a mechanism for attaching exchanged voting rights to the Series B-1 Preferred Stock and entitle the holder thereof to one vote per Special Share, Series 2 on all matters submitted to a vote of the holder of the common shares, voting together as a single class, subject to certain exemptions. As a result of a permanent voting cap, the number of Special Shares, Series 2 issued to Oaktree at any time, when taken together with any other voting securities Oaktree then controls, cannot exceed 19.99% of the votes eligible to be cast by all security holders of the Company.

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

13. Common Shares

Share Repurchase Program

On May 7, 2025, the Company announced that its Board of Directors authorized a share repurchase program for the repurchase of up to \$25 million of the Company's outstanding common shares (the "Share Repurchase Program"). The Share Repurchase Program does not obligate the Company to acquire any shares on a particular timeline. Any repurchases under the Share Repurchase Program may be made by means of open market transactions effected through the facilities of The Nasdaq Stock Market LLC in compliance with Rule 10b-18 of the Securities Exchange Act of 1934, as amended, and other applicable legal requirements. The actual number of shares purchased, the timing of purchases, and the price at which shares will be purchased under the Share Repurchase Program will be determined by the Company's management, and will depend on factors including, but not limited to, the Company's progress towards its leverage target, financial position, capital allocation priorities, market conditions, and regulatory requirements. Any shares acquired by the Company under the Share Repurchase Program will be cancelled. The Company may elect to suspend or discontinue the program without notice at any time.

For the year ended January 3, 2026, the Company repurchased 163,227 shares at an average price per share of \$6.04, for total consideration paid of \$1.0 million. The excess of the cost of the shares acquired over the stated capital thereof, totaling \$0.3 million, was charged to accumulated deficit. As at January 3, 2026, \$24.0 million of the authorized amount remained available under the Share Repurchase Program.

14. Stock-Based Compensation

On May 28, 2013, the Company's shareholders approved the 2013 Stock Incentive Plan, as amended (the "Stock Incentive Plan"), which permits the grant of a variety of stock-based awards, including stock options, restricted stock units ("RSUs") and performance share units ("PSUs") to selected employees and directors of the Company. As at January 3, 2026, 1,895,341 securities remained available for issuance under the Stock Incentive Plan.

Additionally, on January 2, 2024, the Company granted special one-time awards of 144,404 RSUs, 288,808 PSUs and 230,804 stock options to Brian Kocher in connection with his appointment as the Company's Chief Executive Officer effective January 2, 2024. On March 13, 2024, the Company granted Mr. Kocher an additional 74,000 RSUs, equal to the number of common shares of the Company purchased by Mr. Kocher on the open market within the 75-day period after his employment began.

Stock options, RSUs and PSUs granted under the Stock Incentive Plan, together with the corresponding special one-time awards granted to Mr. Kocher, are reflected in the tables below.

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023, stock-based compensation of \$7.4 million, \$11.2 million and \$12.4 million, respectively, was recorded in selling, general and administrative expenses on the consolidated statements of operations.

Stock Options

Stock options granted to employees during the three-year period ended January 3, 2026, vest ratably on each of the first through third anniversaries of the grant date and expire on the tenth anniversary of the grant date. Stock options granted by the Company contain an exercise price that is equal to the closing market price of the Company's common shares on the day prior to the grant date. Any consideration paid on the exercise of stock options is credited to capital stock.

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

The following table summarizes stock option activity for the year ended January 3, 2026:

	Stock options	Weighted-average exercise price	Weighted-average remaining contractual term (years)	Aggregate intrinsic value
Outstanding, beginning of year	3,321,778	\$ 5.56		
Granted	594,277	3.92		
Exercised	(434,403)	3.62		
Forfeited	(180,231)	5.70		
Expired	(1,991,005)	5.60		
Outstanding, end of year	1,310,416	\$ 5.39	7.7	\$ 6
Exercisable, end of year	552,225	\$ 6.54	6.0	\$ 6

The total intrinsic value of stock options exercised during the year ended January 3, 2026 was \$0.6 million.

The following table summarizes non-vested stock option activity during the year ended January 3, 2026:

	Stock options	Weighted-average grant-date fair value
Non-vested, beginning of year	643,214	\$ 3.77
Granted	594,277	2.39
Vested	(299,069)	3.67
Forfeited	(180,231)	3.48
Non-vested, end of year	758,191	\$ 2.80

The weighted-average grant-date fair values of all stock options granted in the years ended January 3, 2026, December 28, 2024 and December 30, 2023, were \$2.39, \$3.85 and \$3.87, respectively, using a Black-Scholes option pricing model with the following assumptions:

	January 3, 2026	December 28, 2024	December 30, 2023
Grant-date stock price	\$ 3.92	\$ 6.10	\$ 6.29
Dividend yield ^(a)	0%	0%	0%
Expected volatility ^(b)	62.2%	65.7%	63.5%
Risk-free interest rate ^(c)	4.2%	4.3%	4.1%
Expected life of options (years) ^(d)	6.0	6.0	6.0

(a) Determined based on expected annual dividend yield at the time of grant.

(b) Determined based on historical volatility of the Company's common shares over the expected life of the option.

(c) Determined based on the yield on U.S. Treasury zero-coupon issues with maturity dates equal to the expected life of the option.

(d) Determined based on the mid-point of vesting (one through three years) and expiration (10 years). The Company has used the simplified method to determine the expected life of options due to insufficient historical exercise data to provide a reasonable basis to estimate the expected life.

Total compensation costs related to non-vested stock option awards not yet recognized as an expense was \$1.6 million as at January 3, 2026, which will be amortized over a weighted-average remaining vesting period of 1.8 years.

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

The following table summarizes stock options outstanding and exercisable as at January 3, 2026:

	Exercise price range		Outstanding options	Weighted-average remaining contractual life (years)	Weighted-average exercise price	Exercisable options	Weighted-average exercise price
	Low	High					
\$	3.25	\$ 3.60	13,160	3.9	\$ 3.25	13,160	\$ 3.25
	3.61	4.33	546,047	9.3	3.92	-	3.92
	4.34	5.73	274,995	7.4	5.41	198,060	5.36
	5.74	6.45	214,734	6.8	6.12	179,440	6.07
	6.46	14.77	261,480	5.6	7.94	161,565	8.77
			1,310,416	7.7	\$ 5.39	552,225	\$ 6.54

Restricted Stock Units

RSUs granted to employees vest ratably on each of the first through third anniversaries of the grant date and RSUs granted to directors vest 100% on the first anniversary of the grant date. Each vested RSU entitles the employee or director to receive one common share of the Company without payment of additional consideration. Non-employee directors may elect to defer receipt of common shares until their departure from the Board of Directors.

The weighted-average grant-date fair values of all RSUs granted in the years ended January 3, 2026, December 28, 2024 and December 30, 2023, were \$4.93, \$6.17 and \$5.88, respectively, based on the closing price of the Company's common shares on the grant dates. The following table summarizes non-vested RSU activity during the year ended January 3, 2026:

	RSUs	Weighted-average grant-date fair value
Non-vested, beginning of year	788,064	\$ 6.08
Granted	701,714	4.93
Vested	(470,378)	5.99
Forfeited	(127,240)	5.85
Non-vested, end of year	892,160	5.26
Vested and deferred	34,830	5.74
Outstanding, end of year	926,990	\$ 5.27

The total intrinsic value of RSUs that vested during the year ended January 3, 2026 was \$2.7 million. Total compensation costs related to non-vested RSU awards not yet recognized as an expense was \$3.2 million as at January 3, 2026, which will be amortized over a weighted-average remaining vesting period of 1.7 years.

Performance Share Units

Performance Conditions

The vesting of PSUs granted to employees under the Company's annual Short-Term Incentive Plan ("STIP") is dependent on the Company achieving a predetermined measure of adjusted earnings before interest, taxes, depreciation and amortization. For PSUs granted to employees under the Company's 2025 and 2024 Long-Term Incentive Plans ("LTIP"), the vesting of one-half of the PSUs is contingent on the achievement of compound annual growth rate ("CAGR") benchmarks for revenue during the applicable three-year performance period commencing on January 1 of the year of grant, and the vesting of the other one-half of the PSUs is contingent on the achievement of return on invested capital ("ROIC") benchmarks within the same performance period. The percentage of vested LTIP PSUs may range from 0% to 200% based on the Company's achievement of the predetermined CAGR and ROIC benchmarks. Each vested performance condition PSU entitles the employee to receive one common share of the Company without payment of additional consideration, subject to the employee's continued employment through the vesting date.

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

The weighted-average grant-date fair values of performance condition PSUs granted during the years ended January 3, 2026, December 28, 2024 and December 30, 2023, were \$4.61, \$6.49 and \$6.96, respectively, based on the closing price of the Company's common shares on the grant dates. The following table summarizes non-vested performance condition PSU activity during the year ended January 3, 2026:

	Performance Condition PSUs	Weighted-average grant-date fair value
Non-vested, beginning of year	791,041	\$ 6.51
Granted	1,145,107	4.61
Vested	(536,633)	6.46
Cancelled or forfeited	(191,286)	5.70
Non-vested, end of year	1,208,229	\$ 4.85

The total intrinsic value of performance condition PSUs that vested during the year ended January 3, 2026 was \$2.2 million.

Each reporting period, the number of unvested performance condition PSUs that are expected to vest is redetermined and the aggregate grant-date fair value of the redetermined number of PSUs is amortized on a straight-line basis over the remaining requisite service period less amounts previously recognized. As at January 3, 2026, the compensation cost not yet recognized as an expense for these PSUs that are expected to vest was \$2.4 million, which will be amortized over a weighted-average remaining vesting period of 1.7 years.

Market Conditions

The vesting of PSUs granted to employees under the Company's 2023 LTIP, and the special one-time PSUs granted to Mr. Kocher in 2024, are dependent on the Company's total shareholder return ("TSR") performance relative to food and beverage companies in a designated index during a three-year performance period commencing on January 1 of the year of grant, and the employee's continued employment with the Company through the vesting dates. The TSR for the Company and each of the companies in the designated index are calculated at the end of the applicable three-year performance period using a 20-trading day average closing price as of December 31. The percentage of vested PSUs may range from 0% to 200% based on the Company's achievement of predetermined TSR thresholds. Each vested market condition PSU entitles the employee to receive one common share of the Company without payment of additional consideration.

The grant-date fair values of market condition PSUs granted in the years ended December 28, 2024 and December 30, 2023, were \$7.73 and \$7.00, respectively, using a Monte Carlo valuation model with the following assumptions:

	December 28, 2024	December 30, 2023
Grant-date stock price	\$ 5.54	\$ 6.35
Dividend yield	0%	0%
Expected volatility ^(a)	58.4%	55.5%
Risk-free interest rate ^(b)	4.1%	4.7%
Expected life (in years) ^(c)	3.0	2.5

(a) Determined based on the historical volatility of the Company's common shares over the performance period of the PSUs.

(b) Determined based on U.S. Treasury yields with a remaining term equal to the performance period of the PSUs.

(c) Determined based on the performance period of the PSUs.

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

The following table summarized non-vested market condition PSU activity during the year ended January 3, 2026:

	Market Condition PSUs	Weighted- average grant- date fair value
Non-vested, beginning of year	753,839	\$ 7.82
Vested	(153,428)	8.48
Forfeited	(177,773)	8.03
Non-vested, end of year	422,638	\$ 7.50

The total intrinsic value of market condition PSUs that vested during the year ended January 3, 2026 was \$1.4 million.

Total compensation costs related to non-vested market condition PSUs not yet recognized as an expense was \$0.9 million as at January 3, 2026, which will be amortized over a weighted-average remaining vesting period of 1.2 years.

Employee Stock Purchase Plan

The Company maintains an Employee Stock Purchase Plan whereby employees can purchase common shares of the Company through payroll deductions. For the year ended January 3, 2026, the Company's employees purchased 85,431 common shares (December 28, 2024 - 84,194; December 30, 2023 - 120,666) for total proceeds of \$0.5 million (December 28, 2024 - \$0.4 million; December 30, 2023 - \$0.6 million). As at January 3, 2026, 255,941 common shares remained available to be granted under this plan.

15. Income Taxes

Earnings (Loss) from Continuing Operations Before Income Taxes

	January 3, 2026	December 28, 2024	December 30, 2023
	\$	\$	\$
Canada	(3,878)	(10,470)	(12,709)
U.S.	20,616	1,011	(9,203)
Mexico	(279)	(545)	-
Earnings (loss) from continuing operations before income taxes	16,459	(10,004)	(21,912)

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

Income Tax Expense (Benefit)

	January 3, 2026	December 28, 2024	December 30, 2023
	\$	\$	\$
Current income tax expense (benefit):			
Canada:			
Federal	28	64	(32)
Provincial	22	49	-
U.S.	165	213	(677)
Mexico	553	1,324	-
	<u>768</u>	<u>1,650</u>	<u>(709)</u>
Deferred income tax expense (benefit):			
Canada:			
Federal	(154)	-	-
Provincial	77	-	-
U.S.	-	-	3,978
Mexico	-	(180)	-
	<u>(77)</u>	<u>(180)</u>	<u>3,978</u>
Income tax expense	<u>691</u>	<u>1,470</u>	<u>3,269</u>

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

Reconciliation of Effective Tax Rate

The following table is a reconciliation of the Canadian federal statutory tax rate to the effective tax rate for the year ended January 3, 2026:

	January 3, 2026	
	Amount	Rate
Canadian federal statutory tax rate	\$ 2,469	15.0%
Canadian provincial income taxes		
Statutory provincial income taxes ⁽¹⁾	(446)	-2.7%
Effect of cross-border tax laws:		
Foreign accrual property income	65	0.4%
Change in valuation allowance	(658)	-4.0%
Nondeductible items:		
Stock-based compensation	849	5.2%
Intercompany loan restructuring	174	1.1%
Foreign tax effects		
United States:		
Federal statutory rate difference between U.S. and Canada	1,237	7.5%
State income taxes ⁽²⁾	989	6.0%
Change in enacted tax rates	30	0.2%
Change in valuation allowance	(4,283)	-26.0%
Nondeductible items:		
Stock-based compensation	(1,502)	-9.1%
Disallowed executive compensation	501	3.0%
Other adjustments	101	0.6%
Mexico:		
Federal statutory rate difference between Mexico and Canada	(42)	-0.3%
Effect of cross-border tax laws:		
Withholding tax	173	1.1%
Change in valuation allowance	(232)	-1.4%
Nondeductible item:		
Intercompany loan restructuring	508	3.1%
Other adjustments	187	1.1%
Effect of cross-border tax laws		
Foreign accrual property income	84	0.5%
Change in valuation allowance	(858)	-5.2%
Nondeductible items		
Stock-based compensation	1,107	6.7%
Intercompany loan restructuring	226	1.4%
Other adjustments	12	0.1%
Effective tax rate	\$ 691	4.2%

(1) Represents Ontario provincial taxes.

(2) California and Pennsylvania represent the majority of state income taxes.

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

The following table is a reconciliation of the Canadian combined federal and provincial statutory tax rate to the effective tax rate for the years ended December 28, 2024 and December 30, 2023:

	December 28, 2024		December 30, 2023	
	Amount	Rate	Amount	Rate
Canadian combined statutory rate	\$ (2,651)	26.5%	\$ (5,807)	26.5%
Stock-based compensation	1,392	-13.9%	(607)	2.8%
Change in valuation allowance	2,534	-25.3%	6,607	-30.2%
Disallowed executive compensation	140	-1.4%	2,372	-10.8%
Foreign tax rate differential	(29)	0.3%	107	-0.5%
Change in enacted tax rates	6	-0.1%	90	-0.4%
Other	78	-0.8%	507	-2.3%
Effective tax rate	\$ 1,470	-14.7%	\$ 3,269	-14.9%

Cash Income Taxes

For the year ended January 3, 2026, income tax refunds received, net of income tax payments made, which all pertained to the U.S., totaled \$3.1 million. Total income taxes paid were \$0.4 million and \$0.6 million for the years ended December 28, 2024 and December 30, 2023, respectively.

Deferred Income Taxes

The tax effects of temporary differences giving rise to deferred income tax assets and liabilities are as follows:

	January 3, 2026	December 28, 2024
	\$	\$
Loss and credit carryovers	57,191	52,021
Lease liabilities	30,516	29,771
Interest expense limitation (163j)	17,398	19,970
Stock-based compensation	985	1,431
Inventory basis differences	895	1,351
Property, plant and equipment and intangible assets	(32,251)	(24,892)
Right-of-use lease assets	(29,158)	(28,374)
Other	5,125	5,945
	50,701	57,223
Less: valuation allowance	50,949	57,548
Deferred income tax liability	(248)	(325)

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

Tax Attributes

The following table details the Company's tax attributes as at January 3, 2026, for which it has recorded deferred tax assets:

	Gross attribute amount	Net attribute amount	Expiration years
Tax Attributes			
Net operating losses - Canada	\$ 136	\$ 36	2043
Net operating losses - U.S. Federal	192,889	40,507	2037 and indefinite
Net operating losses - U.S. State	201,556	8,324	2027-2044 and indefinite
Net operating losses - Other	3,833	1,150	2028
Federal credits - Canada	-	186	2026-2027
Federal credits - U.S.	-	3,267	2031-2045
State credits - U.S.	-	32	2026
Federal capital loss - Canada	27,838	3,689	N/A
Total		\$ 57,191	

Undistributed Earnings

As the undistributed earnings of the Company's non-Canadian subsidiaries are considered to be indefinitely reinvested, no provision for deferred taxes has been provided thereon.

Uncertain Tax Positions

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023, the Company did not identify any material uncertain tax positions or recognize any related tax benefits. The Company believes it has adequately examined its tax positions taken or expected to be taken in a tax return; however, amounts asserted by taxing authorities could differ from the Company's positions. Accordingly, additional provisions on federal, provincial, state, and foreign tax-related matters could be recorded in the future as revised estimates are made or the underlying matters are settled or otherwise resolved.

Tax Assessments

The number of years with open tax audits varies depending on the tax jurisdiction. The Company's major taxing jurisdictions are the U.S. (including multiple states) and Canada (Ontario). The Company's 2021 through 2024 tax years (and any tax year for which available non-capital loss carryforwards were generated up to the amount of non-capital loss carryforwards) remain subject to examination for U.S. federal tax purposes, and tax years 2018 through 2024 remain subject to examination for Canadian federal tax purposes. There are other ongoing audits in various other jurisdictions that are not considered material to the Company's consolidated financial statements.

Pillar Two Taxation

The Organization for Economic Co-operation and Development has introduced the Pillar Two framework, which establishes a global minimum corporate tax rate of 15% for multinational enterprises with consolidated annual revenues of €750 million or more ("Pillar Two"). During 2024, Canada enacted legislation to adopt Pillar Two effective for fiscal years beginning on or after December 31, 2023. For the years ended January 3, 2026 and December 28, 2024, the incorporation of Pillar Two did not have a material impact on the Company's effective tax rate.

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

16. Earnings (Loss) Per Share

Basic and diluted earnings (loss) per share were calculated as follows (shares in thousands):

	January 3, 2026	December 28, 2024	December 30, 2023
Basic Earnings (Loss) Per Share			
Numerator for basic earnings (loss) per share:			
Earnings (loss) from continuing operations	\$ 15,768	\$ (11,474)	\$ (25,181)
Less: dividends and accretion on preferred stock	(175)	(539)	(1,981)
Earnings (loss) from continuing operations attributable to common shareholders	15,593	(12,013)	(27,162)
Loss from discontinued operations	-	(5,919)	(153,608)
Earnings (loss) attributable to common shareholders	\$ 15,593	\$ (17,932)	\$ (180,770)
Denominator for basic earnings (loss) per share:			
Basic weighted-average number of shares outstanding	117,965	116,617	114,226
Basic earnings (loss) per share:			
Earnings (loss) from continuing operations attributable to common shareholders	\$ 0.13	\$ (0.10)	\$ (0.24)
Loss from discontinued operations	-	(0.05)	(1.34)
Earnings (loss) attributable to common shareholders	\$ 0.13	\$ (0.15)	\$ (1.58)

	January 3, 2026	December 28, 2024	December 30, 2023
Diluted Earnings (Loss) Per Share			
Numerator for diluted earnings (loss) per share:			
Earnings (loss) from continuing operations	\$ 15,768	\$ (11,474)	\$ (25,181)
Less: dividends and accretion on preferred stock ⁽¹⁾	-	(539)	(1,981)
Earnings (loss) from continuing operations attributable to common shareholders	15,768	(12,013)	(27,162)
Loss from discontinued operations	-	(5,919)	(153,608)
Earnings (loss) attributable to common shareholders	\$ 15,768	\$ (17,932)	\$ (180,770)
Denominator for diluted earnings (loss) per share:			
Basic weighted-average number of shares outstanding	117,965	116,617	114,226
Dilutive effect of the following:			
Stock options, RSUs and PSUs ⁽²⁾	725	-	-
Series B-1 Preferred Stock ⁽¹⁾	6,089	-	-
Diluted weighted-average number of shares outstanding	124,779	116,617	114,226
Diluted earnings (loss) per share:			
Earnings (loss) from continuing operations attributable to common shareholders	\$ 0.13	\$ (0.10)	\$ (0.24)
Loss from discontinued operations	-	(0.05)	(1.34)
Earnings (loss) attributable to common shareholders	\$ 0.13	\$ (0.15)	\$ (1.58)

(1) For the year ended January 3, 2026, it was more dilutive to assume the Series B-1 Preferred Stock was exchanged into common shares and, therefore, the numerator of the diluted loss per share calculation was adjusted to exclude the accretion on the Series B-1 Preferred Stock and the denominator was adjusted to include the 6,089,333 common shares issuable on an if-converted basis. For the years ended December 28, 2024 and December 30, 2023, it was more dilutive to the loss per share from continuing operations to assume the Series B-1 Preferred Stock was not exchanged into common shares.

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

- (2) For the years ended December 28, 2024 and December 30, 2023, 1,026,759 and 1,273,093 potential common shares were excluded from the calculation of diluted loss per share due to their effect of reducing the loss per share from continuing operations attributable to common shareholders. Dilutive potential common shares consist of stock options, RSUs, and certain contingently issuable PSUs. For the years ended January 3, 2026, December 28, 2024 and December 30, 2023, stock options and RSUs to purchase or receive 1,275,099, 1,238,722 and 2,192,677 potential common shares, respectively, were anti-dilutive because the assumed proceeds exceeded the average market price of the common shares for the respective periods.

17. Supplemental Cash Flow Information

	January 3, 2026	December 28, 2024	December 30, 2023
	\$	\$	\$
Changes in Operating Assets and Liabilities, Net of Divestitures			
Accounts receivable	(29,282)	19,482	(2,195)
Inventories	(14,173)	(8,421)	(10,631)
Accounts payable	24,580	10,901	1,054
Other operating assets and liabilities	2,290	(4,251)	(10,610)
	(16,585)	17,711	(22,382)
Cash paid for interest	24,332	23,927	24,032
Non-Cash Investing and Financing Activities			
Change in additions to property, plant and equipment included in accounts payable	1,053	2,885	(436)
Change in accrued dividends on preferred stock	-	(304)	(305)
Short-term note receivable on divestiture of Frozen Fruit	-	-	(6,300)
Seller Promissory Notes on divestiture of Frozen Fruit	-	-	(20,000)

18. Commitments and Contingencies

Legal Proceedings

Various current and potential claims and litigation arising in the ordinary course of business are pending against the Company. The Company believes it has established adequate accruals for liabilities that are probable and reasonably estimable that may be incurred in connection with any such currently pending matter. In the Company's opinion, the eventual resolution of such matters, either individually or in the aggregate, is not expected to have a material impact on the Company's financial position, results of operations, or cash flows. However, litigation is inherently unpredictable and resolutions or dispositions of claims or lawsuits by settlement or otherwise could have an adverse impact on the Company's financial position, results of operations, and cash flows for the reporting period in which any such resolution or disposition occurs.

U.S. Customs and Border Protection Matter

On February 3, 2025, the Company delivered a voluntary disclosure letter to U.S. Customs and Border Protection ("CBP") regarding the tariff classification of certain fruit snack products produced at the Company's Niagara, Ontario, facility. The Company disclosed to CBP that a revised tariff classification should have been utilized for previously reported shipments, resulting in the underpayment of duties to CBP for the period from January 2022 to December 2024. The Company submitted its final report to CBP on April 3, 2025. As at January 3, 2026 and December 28, 2024, the Company recognized \$5.2 million and \$7.4 million, respectively, in accounts payable on the consolidated balance sheets, for the duties owed and interest thereon, net of payments made to CBP. As the matter remains subject to review by CBP, it is possible that the actual amount of duties and interest owed may differ from the amount presently accrued by the Company, and CBP may assess additional fines, penalties or enact other measures.

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

Product Withdrawal

In the second quarter of 2024, the Company conducted a voluntary withdrawal from customers of certain batches of aseptically-packaged products that may have had the potential for non-pathogenic microbial contamination. None of the withdrawn product made it into the consumer marketplace. For the year ended December 28, 2024, the Company recognized direct costs related to the withdrawal of \$2.1 million, net of expected insurance recoveries, in cost of goods sold in the consolidated statement of operations. The Company is seeking to recover a portion of the withdrawal-related costs through its insurance coverage, and such recoveries are recorded in the period in which the recoveries are determined to be probable of realization. During 2025, the Company received partial insurance proceeds of \$3.0 million related to the withdrawal. As at January 3, 2026, remaining expected insurance recoveries of \$4.7 million (December 28, 2024 - \$7.6 million) were included in prepaid expenses and other current assets on the consolidated balance sheets.

Environmental Laws

The Company believes that, with respect to both its operations and real property, it is in material compliance with current environmental laws. Based on known existing conditions and the Company's experience in complying with emerging environmental issues, the Company is of the view that future costs relating to environmental compliance will not have a material adverse effect on its consolidated financial position, but there can be no assurance that unforeseen changes in the laws or enforcement policies of relevant governmental bodies, the discovery of changed conditions on the Company's real property or in its operations, or changes in the use of such properties and any related site restoration requirements, will not result in the incurrence of significant costs.

19. Segment Information

Description of Operating and Reportable Segment, Identification of Chief Operating Decision Maker, and Measures of Segment Profit or Loss and Segment Assets

The Company manages its continuing operations on a company-wide basis, rather than at a product category or business unit level, thereby making determinations as to the allocation of resources as one operating and reportable segment. The Company's Chief Executive Officer, who has been identified as the Chief Operating Decision Maker ("CODM"), is supported by a centralized management team based on functional area, including sales, marketing, supply chain, research and development, and quality assurance, as well as finance, legal, information technology, and administration. Only the CODM has overall responsibility and accountability for the profitability and cash flows of the Company. Using financial information at the consolidated level, including corporate and non-operating costs and expenses, the CODM makes key operating decisions, including approving annual operating plans, expanding into new markets or product categories, pursuing business acquisitions or divestitures, and initiating major capital expenditure programs. In addition, the CODM determines the allocation of resources (including personnel, productive assets, and financial resources) and capital investments to optimize operations and maximize opportunities for the Company as a whole without regard to specific product categories or business units. The CODM also uses consolidated information to establish company-wide incentive compensation targets.

The measure of segment profit or loss utilized by the CODM is earnings (loss) from continuing operations as reported on the Company's consolidated statements of operations. The CODM uses this measure of segment profit or loss to assess actual performance relative to budget and considers budget-to-actual variances when making decisions about reallocations of personnel or capital resources from those considered by the annual operating plan. The significant segment-level expense information provided to the CODM is consistent with the Company's consolidated statements of operations, as supplemented by the specified expense items disclosed in the table below. The measure of segment assets is the same as total assets reported on the Company's consolidated balance sheets. The accounting policies of the Company's operating and reportable segment are the same as those described in the Company's summary of significant accounting policies (see note 1).

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

Disaggregation of Revenue

The majority of the Company's products are shelf-stable packaged food and beverage products and share similar customers and distribution. The principal products that comprise the Company's product categories are as follows:

Category	Principal Products
Beverages and broths	Plant-based beverages utilizing oat, almond, soy, coconut, rice, hemp, and other bases, including Dream [®] and West Life [™] brands; oat-based creamers, including SOWN [®] brand; ready-to-drink protein shakes; packaged teas and concentrates; and meat and vegetable broths and stocks.
Fruit snacks	Ready-to-eat fruit snacks made from apple purée and juice concentrate in bar, bit, twist, strip and sandwich formats; and cold pressed fruit bars.
Ingredients	Liquid bases utilizing oat and soy.

Revenue disaggregated by product category is as follows:

Product Category	January 3, 2026 \$	December 28, 2024 \$	December 30, 2023 \$
Beverages and broths	650,029	577,069	499,226
Fruit snacks	153,828	127,328	98,186
Ingredients	13,858	17,025	17,032
Smoothie bowls ⁽¹⁾	-	2,306	12,286
Total revenues	817,715	723,728	626,730

(1) On March 4, 2024, the Company completed the sale of its smoothie bowl product line and exited the category.

Specified Expense Items

The following table presents details of specified expenses provided to the CODM and included in earnings (loss) from continuing operations:

	January 3, 2026 \$	December 28, 2024 \$	December 30, 2023 \$
Depreciation and Amortization			
Depreciation expense included in cost of goods sold	32,106	29,719	24,225
Depreciation expense included in selling, general and administrative expenses	5,404	4,994	5,030
Intangible asset amortization expense	2,024	1,784	1,784
Total depreciation and amortization	39,534	36,497	31,039
Stock-Based Compensation			
Stock-based compensation expense included in selling, general and administrative expenses	7,381	11,190	12,432
Interest Expense, Net			
Interest expense, net of capitalized interest	23,080	26,307	24,422
Amortization of debt issuance costs	1,128	914	1,398
Loss on extinguishment of debt	-	-	1,584
Interest income	(3,130)	(2,313)	(495)
Interest expense, net	21,078	24,908	26,909

SunOpta Inc.

Notes to Consolidated Financial Statements

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023

(All tabular dollar amounts expressed in thousands of U.S. dollars, except per share amounts)

Geographic Information

Revenues from external customers are attributed to countries based on the location of the customer. Revenues from external customers by geographic area for the years ended January 3, 2026, December 28, 2024 and December 30, 2023 were as follows:

	January 3, 2026	December 28, 2024	December 30, 2023
	\$	\$	\$
Revenues from External Customers			
U.S.	797,628	710,191	611,566
Canada	19,678	11,359	11,740
Other	409	2,178	3,424
Total revenues from external customers	817,715	723,728	626,730

Long-lived assets consist of property, plant and equipment, net of accumulated depreciation, and operating lease right-of-use assets, which are attributed to countries based on the physical location of the assets. Long-lived assets by geographic area as at January 3, 2026 and December 28, 2024 were as follows:

	January 3, 2026	December 28, 2024
	\$	\$
Long-Lived Assets		
U.S.	439,365	446,525
Canada	5,583	2,785
Total long-lived assets	444,948	449,310

Major Customers

One customer accounted for 32%, 32% and 35% of the Company's consolidated revenues for the years ended January 3, 2026, December 28, 2024 and December 30, 2023, respectively. No other customer accounted for 10% or more of the Company's consolidated revenues in any of those years.

20. Subsequent Event

Arrangement Agreement with Refresco

On February 6, 2026, the Company entered into an Arrangement Agreement with Pegasus BidCo B.V., a private company with limited liability incorporated under the laws of the Netherlands ("Parent"), and 2786694 Alberta Ltd., a corporation formed under the laws of the Province of Alberta and a wholly-owned subsidiary of Parent ("Purchaser" and together with Parent, "Refresco"), pursuant to which, on the terms and subject to the conditions set forth therein, Purchaser has agreed to acquire all of the issued and outstanding common shares of the Company, including the common shares issuable on the exchange of the Series B-1 Preferred Stock (see note 12), by way of a court-approved statutory plan of arrangement under the *Canada Business Corporations Act* (the "Arrangement"). Pursuant to the Arrangement, at the closing, each issued and outstanding common share of the Company (other than shares held by dissenting shareholders, if any) will be transferred to Purchaser for consideration of \$6.50 per share in cash, less applicable withholdings. The Arrangement is expected to close in the second quarter of 2026, subject to satisfaction or waiver of the closing conditions, including receipt of court and regulatory approvals and subject to the Company's shareholder approval. Upon completion of the transaction, the Company will become a wholly-owned subsidiary of Refresco, and the common shares of the Company will be delisted from The Nasdaq Stock Market and the Toronto Stock Exchange.

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is between SunOpta Inc. (such entity together with all past, present, and future parents, divisions, operating companies, subsidiaries, and affiliates are referred to collectively herein as "Company") and Bryan Clark ("Employee").

1. EMPLOYMENT

This Agreement commences June 1, 2022 ("Effective Date") and shall continue in effect until terminated by (a) Employee upon two month's written notice to Company, or (b) Company immediately upon written notice to Employee. Employment during the course of the Agreement shall be on an "at-will" basis, meaning that either party has the right to terminate the agreement for any reason, or for no reason, as stated herein. The Company also has the right to terminate the Agreement immediately for Cause (as defined in Section 7 below).

2. TITLE AND EXCLUSIVE SERVICES

- (a) **Title and Duties.** Employee's title is Senior Vice-President of R&D and Quality Assurance, and Employee will perform job duties that are usual and customary for this position.
- (b) **Exclusive Services.** Employee shall not be employed or render services elsewhere during the employment period; provided, however, that Employee may participate in professional, civic or charitable organizations so long as such participation is unpaid and does not interfere with the performance of Employee's duties or conflict with Employee's obligations hereunder.

3. COMPENSATION AND BENEFITS

- (a) **Base Salary.** Employee shall be paid an annualized salary of Three Hundred Five Thousand Dollars (\$305,000.00) ("Base Salary"). The Base Salary shall be payable in accordance with the Company's regular payroll practices and pursuant to Company policy, which may be amended from time to time. Employee's performance and Base Salary will be reviewed from time to time and Company may adjust Employee's annual Base Salary in accordance with reasonable practices and Company policy.
- (b) **Short Term Incentive.** Eligibility for the annual Short Term Incentive is based upon a fifty percent (50%) target of Employee's Base Salary and is pursuant to the terms of the Short Term Incentive Plan Document. Target percentages and plan terms are subject to change at the sole discretion of Company and its Board of Directors and are not a guarantee of compensation. For the 2022 Short Term Incentive Plan year, Employee will be eligible for a prorated award calculated from the Effective Date based upon the target percentage noted above. Prior to the Effective Date, any calculation of 2022 Short Term Incentive, if any is awarded, will be based upon Employee's target percentage applicable to his prior role with the Company.
- (c) **Long Term Incentive.** Employee is eligible for participation in the Long Term Incentive Plan at a target of fifty percent (50%) target pursuant to the terms of the Long Term Incentive Plan Document. For the 2022 Long Term Incentive Plan year, Employee will be eligible for a prorated award calculated from the Effective Date based upon the target percentage noted above. Target percentages and plan terms are subject to change at the sole discretion of Company and its Board of Directors and are not a guarantee of compensation.

Initials:
Company: ____
Employee: ____

- (d) **Employment Benefit Plans.** Employee may participate in all employee welfare benefit plans in which other similarly situated employees may participate, according to the terms of applicable policies and as stated in the Employee Benefits Guide.
- (e) **Vacation.** Employee is eligible for Paid Time Off in accordance with Company policy.
- (f) **Expenses.** Company will reimburse Employee for business expenses consistent with past practices and pursuant to Company policy.
- (g) **Withholdings and Deductions.** Company will deduct or withhold from any payment made or benefit provided hereunder, including without limitation compensation specified in this Section 3, all federal, state and local taxes and other withholdings the Company is required or authorized by law to deduct or withhold therefrom or otherwise collect in connection with the wages and benefits provided in connection with the Employee's employment with the Company.

4. NONDISCLOSURE OF CONFIDENTIAL INFORMATION

- (a) Company has provided and will continue to provide to Employee confidential information and trade secrets including but not limited to Company's marketing plans, growth strategies, target lists, performance goals, operational and programming strategies, specialized training expertise, employee development, engineering information, sales information, client and customer lists, business and employment contracts, representation agreements, pricing and ratings information, production and cost data, compensation and fee information, strategic business plans, budgets, financial statements, technological initiatives, proprietary research or software purchased or developed by Company, content distribution, and other information Company treats as confidential or proprietary (collectively the "Confidential Information"). Employee acknowledges that such Confidential Information is proprietary and agrees not to disclose it to anyone outside Company except to the extent that: (i) it is necessary in connection with performing Employee's duties; or (ii) Employee is required by court order to disclose the Confidential Information, provided that Employee shall promptly inform Company, shall cooperate with Company to obtain a protective order or otherwise restrict disclosure, and shall only disclose Confidential Information to the minimum extent necessary to comply with the court order. Employee agrees to never use trade secrets in competing, directly or indirectly, with Company. When employment ends, Employee will immediately return all Confidential Information to Company.
- (b) The terms of this Section 4 shall survive the expiration or termination of this Agreement for any reason.

5. NON-COMPETITION AND NON-SOLICITATION

- (a) Employee will not at any time within the period of twelve (12) months following the earlier of the expiration of this Agreement or any termination of employment hereunder (i) either individually, in partnership, jointly or in conjunction with any person or persons as an employee, principal, agent, consultant, shareholder (except as a shareholder holding not more than five (5) percent of the outstanding shares from time to time from any class of shares of a publicly traded corporation) or in any other manner whatsoever carry on or be engaged in or concerned with or interested in, or advise, lend money to, guarantee the debts of or obligations of, or permit his name or any part thereof to be used or employed by or associated with, any person or persons engaged in or concerned with or interested in, any business with the same or substantially similar products or services to or competitive with the business of the Company, carried on during the course of your employment hereunder in the United States or Canada at the time of the termination of your employment hereunder; (ii) either directly or indirectly, by any means or in any capacity, approach, solicit or contact in the course of being engaged in a business competitive with the Company's products or services any person solicited, serviced or contacted by you on behalf of the Company during your employment; and (iii) either directly or indirectly, by any means or in any capacity, interfere with the employment arrangements between the Company or any of its employees and will not in any way solicit, recruit, assist others in recruiting or hiring, or discuss employment or similar arrangements with any employees of the Company.

Initials:
Company: ____
Employee: ____

- (b) If any covenant or provision herein is determined to be void or unenforceable in whole or in part, it shall not be deemed to affect or impair the validity of any other covenant or provision and each covenant or provision is declared to be separate and distinct covenants. Employee hereby agrees all restrictions contained in this section are reasonable and valid and all defenses to the strict enforcement thereof by the Company are hereby waived. Employee further agrees that the covenants in this section shall not terminate upon the termination of employment hereunder and acknowledge that a violation of any of the provisions of this section will result in immediate and irreparable damage to the Company and agree that in the event of such violation, the Company, in addition to any other right of relief, shall be entitled to seek equitable relief by way of a temporary or permanent injunction and to such other relief that any court of competent jurisdiction may deem just and proper. If Employee is in breach of any such restrictions, the running of the period of such restrictions shall be stayed and shall recommence upon the date Employee ceases to be in breach thereof, whether voluntarily or by injunction.
- (c) The terms of this Section 5 shall survive the expiration or termination of this Agreement for any reason.

6. OWNERSHIP OF MATERIALS

- (a) **Ownership and Assignment.** Employee agrees that all inventions, improvements, discoveries, designs, technology, and works of authorship (including but not limited to computer software) made, created, conceived, or reduced to practice by Employee, whether alone or in cooperation with others, during Employee's employment with Company (including any period of such employment before this Agreement), together with all patent, trademark, copyright, trade secret, and other intellectual property rights related to any of the foregoing throughout the world, are among other things works made for hire (the "Works") and at all times are owned exclusively by Company, and in any event, Employee hereby assigns all ownership in such rights to Company. Employee understands that the Works may be modified or altered and expressly waives any rights of attribution or integrity or other rights in the nature of moral right (droit morale) for all uses of the Works. Employee agrees to provide written notification to Company of any Works covered by this Agreement, execute any documents, testify in any legal proceedings, and do all things necessary or desirable to secure Company's rights to the foregoing, including without limitation executing inventors' declarations and assignment forms, even if no longer employed by Company. Employee agrees that Employee shall have no right to reproduce, distribute copies of, perform publicly, display publicly, or prepare derivative works based upon the Works. Employee hereby irrevocably designates and appoints the Company as Employee's agent and attorney-in-fact, to act for and on Employee's behalf regarding obtaining and enforcing any intellectual property rights that were created by Employee during employment with Company and related to the performance of Employee's job. Employee agrees not to incorporate any intellectual property created by Employee prior to Employee's employment with Company, or created by any third party, into any Company work product. The assignment of Works under this Section 6 does not apply to an invention for which no equipment, supplies, facility, or trade secret information of Company was used and which invention was developed entirely on Employee's own time, so long as the invention does not: (i) relate directly to the business of the Company; (ii) relate to the Company's actual or demonstrably anticipated research or development, or (iii) result from any work performed by Employee for Company.

Initials:
Company: ____
Employee: ____

- (b) **Third Party Information.** Employee shall not improperly use for the benefit of, bring to any premises of, divulge, disclose, communicate, reveal, transfer or provide access to, or share with Company any confidential, proprietary or non-public information or intellectual property relating to a former employer or other third party without the prior written permission of such third party. Employee hereby indemnifies, holds harmless and agrees to defend Company and its officers, directors, partners, employees, agents and representatives from any breach of the foregoing covenant. Employee shall comply with all relevant policies and guidelines of Company in effect from time to time at the discretion of the Company, including regarding the protection of confidential information and intellectual property and potential conflicts of interest.

7. **TERMINATION.**

In the event Employee is terminated without Cause, the Company Severance Pay Plan will apply. "Cause" shall mean (i) Employee's failure to perform materially his duties with respect to Company or its affiliates, (ii) the commission of an act that constitutes a felony under the laws of the United States or any individual State or under the laws of a foreign country, (iii) the commission of an act of fraud, embezzlement, sexual harassment, dishonesty, theft, or an intentional act or an act of moral turpitude that results in a material loss, damage or injury to the Company; (iv) any act or omission by Employee that is the result of misconduct, gross negligence or any other conduct or behavior that is, or may reasonably be expected to be, materially detrimental to the financial condition, business or reputation of Company or its affiliates, or (v) any material breach or violation by Employee of Company's code of ethics and business conduct or such other material policies as may be adopted by Company from time to time. Notwithstanding the foregoing provisions of this Section 7, Company will not be obligated to make any payments to Employee as part of the Company Severance Pay Plan unless: Employee has signed a release of claims in favor of Company and its affiliates and related entities, and their directors, officers, insurers, employees and agents, in a form prescribed by Company; all applicable rescission periods provided by law for releases of claims shall have expired and Employee shall have signed and not rescinded the release of claims; and Employee is in strict compliance with the terms of this Agreement and any other agreements with Company as of the dates of such payments.

Initials:
Company: ____
Employee: ____

8. NON-DISPARAGEMENT

During and at any time after Employee's employment with Company, Employee shall not, directly or indirectly, make any disparaging or negative comments or criticisms (whether of a professional or personal nature) regarding Company or Employee's relationship with Company or the termination of such relationship.

9. CONFLICTS OF INTEREST

Employee acknowledges familiarity with Company policies on conflicts of interest and warrants that Employee will fully comply with such policies. Employee shall certify compliance with the conflicts of interest policy from time to time as requested by the Company. Employee shall notify Company immediately in writing if there is any attempt to induce Employee to violate the conflicts of interest policy.

10. INDEMNIFICATION

Company shall defend and indemnify Employee for acts committed in the course and scope of employment. Employee shall indemnify Company for claims of any type concerning Employee's conduct outside the scope of employment, or the breach by Employee of this Agreement.

11. DISPUTE RESOLUTION

(a) Arbitration. This Agreement is governed by the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.* and evidences a transaction involving commerce. This Agreement applies to any dispute arising out of or related to Employee's employment with Company or termination of employment. Nothing contained in this Agreement shall be construed to prevent or excuse Employee from using the Company's existing internal procedures for resolution of complaints, and this Agreement is not intended to be a substitute for the use of such procedures. Except as it otherwise provides, this Agreement is intended to apply to the resolution of disputes that otherwise would be resolved in a court of law, and therefore this Agreement requires all such disputes to be resolved only by an arbitrator through a final and binding individual arbitration proceeding and not by way of court or jury trial or class action. Such disputes include without limitation disputes arising out of or relating to interpretation or application of this Agreement, including the enforceability, revocability or validity of this Agreement or any portion of this Agreement. This Agreement also applies, without limitation, to disputes regarding the employment relationship, trade secrets, unfair competition, compensation, breaks and rest periods, termination, or harassment and claims arising under the Uniform Trade Secrets Act, Civil Rights Act of 1964, Americans With Disabilities Act, Age Discrimination in Employment Act, Family Medical Leave Act, Fair Labor Standards Act, Employee Retirement Income Security Act, and state statutes, if any, addressing the same or similar subject matters, and all other state statutory and common law claims (excluding workers compensation, state disability insurance and unemployment insurance claims). Claims may be brought before an administrative agency but only to the extent applicable law permits access to such an agency notwithstanding the existence of an agreement to arbitrate. Such administrative claims include without limitation claims or charges brought before the Equal Employment Opportunity Commission (www.eeoc.gov), the U.S. Department of Labor (www.dol.gov), the National Labor Relations Board (www.nlr.gov), the Office of Federal Contract Compliance Programs (www.dol.gov/esa/ofccp). Nothing in this Agreement shall be deemed to preclude or excuse a party from bringing an administrative claim before any agency in order to fulfill the party's obligation to exhaust administrative remedies before making a claim in arbitration. Disputes that may not be subject to pre-dispute arbitration agreement as provided by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203) are excluded from the coverage of this Agreement.

Initials:
Company: ____
Employee: ____

- (b) **Injunctive Relief.** A party may apply to a court of competent jurisdiction for temporary or preliminary injunctive relief in connection with an arbitrable controversy, but only upon the ground that the award to which that party may be entitled may be rendered ineffectual without such provisional relief.
- (c) This Section 11 is the full and complete agreement relating to the formal resolution of employment-related disputes. In the event any portion of this Section 11 is deemed unenforceable, the remainder of this Agreement will be enforceable.
- (d) This Section 11 shall survive the expiration or termination of this Agreement for any reason.

Employee Initials: _____ Company Initials: _____

12. MISCELLANEOUS

- (a) **Entire Agreement.** This Agreement contains the entire agreement of the parties and supersedes any prior written or oral agreements or understandings between the parties. No modification shall be valid unless in writing and signed by the parties, relating to the subject matter of this Agreement, unless otherwise noted herein. If any provision of this Agreement shall, for any reason, be held unenforceable, such unenforceability shall not affect the remaining provisions hereof, except as specifically noted in this Agreement, or the application of such provisions to other persons or circumstances, all of which shall be enforced to the greatest extent permitted by law.
- (b) **Reasonable Restrictions; Severability.** Company and Employee agree that the restrictions contained in Sections 4, 5 and 6, are material terms of this Agreement, reasonable in scope and duration and are necessary to protect Company's Confidential Information, goodwill, specialized training expertise, and legitimate business interests. If any restrictive covenant is held to be unenforceable because of the scope, duration or geographic area, the parties agree that the court or arbitrator may reduce the scope, duration, or geographic area, and in its reduced form, such provision shall be enforceable. Should Employee violate the provisions of Sections 4, 5 or 6, then in addition to all other remedies available to Company, the duration of these covenants shall be extended for the period of time when Employee began such violation until Employee permanently ceases such violation. Employee agrees that no bond will be required if an injunction is sought to enforce any of the covenants previously set forth herein.
- (c) **Headings.** The headings in this Agreement are inserted for convenience of reference only and shall not control the meaning of any provision hereof.

Initials:
Company: _____
Employee: _____

(d) **Governing Law and Jurisdiction.** This Agreement shall be governed in all respects by the internal laws of the State of Minnesota without regard to conflict of law provisions. Each of the Employee and the Company hereby consents to the personal jurisdiction of the state and federal courts located in Hennepin County, Minnesota for any action or proceeding arising from or relating to this Agreement or relating to any arbitration in which the parties are participants. Any arbitration proceeding arising from or relating to this Agreement shall take place in Hennepin County, Minnesota.

Upon full execution by all parties, this Agreement shall be effective on the Effective Date in Section 1.

EMPLOYEE:

/s/ Bryan Clark
Bryan Clark

Date: 5/26/2022

COMPANY:

/s/ Jill Barnett
Jill Barnett
Chief Administrative Officer

Date: 5/25/2022

Initials:
Company: ____
Employee: ____



2025

Short Term Incentive Plan

2025 SHORT TERM INCENTIVE PLAN

The following are the terms of the SunOpta Inc. (the "**Company**") 2025 Short Term Incentive Plan (the "**STIP**" or "**Plan**") for certain employees of the Company and its subsidiaries and affiliates. References to the "**Company**" shall be deemed to refer instead to a subsidiary or affiliate as the context requires for a particular employee, employed by such subsidiary or affiliate.

1. Purpose.

The purpose of the STIP is to establish goal alignment across the Company and recognize individual impact on organizational performance. The STIP is designed to focus employees on desired behaviors and link the short-term incentive with demonstrated results.

2. Eligibility.

Participation of the Company's employees in the STIP will be determined by the Company in its sole discretion, and employment by the Company does not automatically entitle an employee to participate. Eligibility for the STIP is limited to regular full-time employees of the Company and its subsidiaries and affiliates who are part of the office job grade structure as determined by the Company (collectively, the "**Employees**" or "**Participants**"). Newly hired Employees who meet the criteria for participation are eligible to earn a pro-rated bonus based on their date of hire through the end of the applicable fiscal year, except that employees hired after October 31st of fiscal year 2025 will not be eligible to participate in the STIP until the following fiscal year.

For 2025, the STIP program will consist of one company plan. Participants in the plan will be assigned into one of two groups. Participants with a job grade of 17-25 will be assigned to a hybrid group that will be granted fifty percent (50%) of their Target Bonus (as defined below) in Performance Share Units ("**PSUs**") representing the right to receive shares of common stock of the Company ("**Performance Shares**") and fifty percent (50%) of their Target Bonus in cash. The percentage of PSUs that vest on March 24, 2026 (if any) will be determined by reference to fiscal 2025 Company Adjusted EBITDA, as described in the payout tables below, and the individual component, which is the Participant's annual performance review rating. Participants in job grades 11-16 will be assigned to a cash group. The cash group will receive their STIP payout (if earned) via a cash payment made through payroll, in March or April 2026. Participants must be employed at the time of the bonus payout or share vesting to receive it, except as provided in Section 11, in the award agreement for the PSUs or as otherwise required by law.

3. Target Bonus.

The Company will assign to each Participant a target bonus expressed as a percentage of: (a) for hybrid Participants, the Participant's base salary at the time of the PSU grant; or (b) for cash Participants, the Participant's earnings during the fiscal year as calculated by the Company (the "**Target Bonus**"). For this purpose, earnings refer to the base salary for exempt Employees. For non-exempt Employees earnings are regular, PTO, overtime, or double time earnings paid during the year. In the event a Participant experiences a change in position or target percentage during the year, a manual prorated calculation will be administered. The Target Bonus percentage varies by level of responsibility within the Company. The Human Resources Department maintains the list of Participants and their Target Bonus percentages. Target Bonus percentages for executive officers and other Participants who are members of the "**Senior Leadership Team**" as identified by the Compensation Committee of the Company's Board of Directors (the "**Compensation Committee**") will be established by the Compensation Committee. For cash Participants, the Target Bonus for each Participant is determined by multiplying the Employee's earnings during the fiscal year by the Target Bonus percentage. For hybrid Participants, the Target Bonus for each Participant is determined by multiplying the Employee's base salary as of the PSU grant date by the Target Bonus percentage. For hybrid Participants who receive a STIP target change during the year, due to promotion or other reasoning, their PSU grant and cash payout will be pro-rated to account for the change in target. Similarly, cash Participants who receive a STIP target change during the year, due to promotion or other reasoning, will have their STIP payout pro-rated based on the time worked while at each STIP target. Participants in the hybrid plan who begin employment after January 1, 2025 will have their PSU grant and any cash payment pro-rated based on how many days they are expected to work in the 2025 fiscal year based on their start date.

An employee's Target Bonus payment is comprised of two components. The first component, or corporate component, is dependent on Company Adjusted EBITDA and is 50% of the Target Bonus. An employee may earn up to 200% payout with regards to the corporate component. The second component, or individual component, is dependent on the achievement of the Employee's defined goals for the 2025 year and is 50% of the Target Bonus. Based on the Employee's individual performance, an Employee may receive anywhere between 0-100% of the individual component payout. The individual component payout cannot exceed the corporate component payout. Additionally, if the Employee is recognized as a top performer by the Senior Leadership Team, the Employee may receive a discretionary amount that can bring the Employee's payout to a maximum of 200% of target. In the case of PSUs, the value of the PSUs will be based on the volume weighted average price of the Company's common stock for the 10-day period following the prior fiscal year-end earnings release date, and the number of PSU's subject to the award will be equal to 50% of the employee's Target Bonus divided by such price.

4. Minimum Thresholds and Modifications.

(a) Minimum Thresholds. For fiscal 2025, notwithstanding any provision in the Plan, no bonuses will be paid if:

(1) Company Adjusted EBITDA (net of the bonus accrual) for the 2025 fiscal year is less than \$90M USD.

(b) Modification of Bonus Amounts.

(1) Modifications due to Bonus Pool. The STIP is funded through the creation of a bonus pool established by the Compensation Committee based on the Company's performance, and the Company may reduce any bonus payouts under the Plan proportionally in the event the total bonus calculations under the Plan of the Company exceed the bonus pool. Furthermore, if the total bonus calculations under the Plan are less than the bonus pool, the surplus shall, in the judgment of the Board of Directors, be retained by the Company in full or in part or allocated in a manner determined by the Board of Directors, which may include disproportionate allocations to some Participants in the discretion of the Board of Directors. In the event of a surplus, the Compensation Committee, with respect to Participants who are members of the Senior Leadership Team, and the Plan Administrator, with respect to other Participants, shall make recommendations to the Board of Directors with respect to bonus payments from the surplus, and the Board of Directors shall make all determinations with respect to any payments from the surplus.

5. Performance Targets; Payout.

Payouts under the STIP will be based on the level of achievement of Company Adjusted EBITDA determined in accordance with Section 5(a) and the Participant's achievement of individual goals in order to determine the Participant's annual performance review rating. The annual bonus amount paid under the STIP to a Participant shall be equal to the Participant's Target Bonus multiplied by the total payout factor (corporate component plus individual component), all as calculated in accordance with (including definitions set forth in) this Section 5 and subject to any adjustment pursuant to the terms of the Plan.

- (a) Company Adjusted EBITDA. The "**Adjusted EBITDA Payout Factor**" shall be determined under the table below based on Company Adjusted EBITDA for the fiscal year as a percentage of Company Adjusted EBITDA as set forth in the base budget approved by the Board of Directors for the fiscal year:

Company Adjusted EBITDA (net of bonus accruals):

Company Adjusted EBITDA (\$)	Adjusted EBITDA Payout Factor
less than 90M	0%
90M	50%
100M	100%
110M	200%

If Company Adjusted EBITDA is between any two adjacent data points set forth in the first column of the above table, the Adjusted EBITDA Payout Factor shall be determined by interpolation between the corresponding data points in the second column of the table as illustrated in the table below.

2025 Adjusted EBITDA	PSU Vesting %	2025 Adjusted EBITDA	PSU Vesting %	2025 Adjusted EBITDA	PSU Vesting %
\$90,000,000.00	50%	\$93,400,000.00	67%	\$96,800,000.00	84%
\$90,200,000.00	51%	\$93,600,000.00	68%	\$97,000,000.00	85%
\$90,400,000.00	52%	\$93,800,000.00	69%	\$97,200,000.00	86%
\$90,600,000.00	53%	\$94,000,000.00	70%	\$97,400,000.00	87%
\$90,800,000.00	54%	\$94,200,000.00	71%	\$97,600,000.00	88%
\$91,000,000.00	55%	\$94,400,000.00	72%	\$97,800,000.00	89%
\$91,200,000.00	56%	\$94,600,000.00	73%	\$98,000,000.00	90%
\$91,400,000.00	57%	\$94,800,000.00	74%	\$98,200,000.00	91%
\$91,600,000.00	58%	\$95,000,000.00	75%	\$98,400,000.00	92%
\$91,800,000.00	59%	\$95,200,000.00	76%	\$98,600,000.00	93%
\$92,000,000.00	60%	\$95,400,000.00	77%	\$98,800,000.00	94%
\$92,200,000.00	61%	\$95,600,000.00	78%	\$99,000,000.00	95%
\$92,400,000.00	62%	\$95,800,000.00	79%	\$99,200,000.00	96%
\$92,600,000.00	63%	\$96,000,000.00	80%	\$99,400,000.00	97%
\$92,800,000.00	64%	\$96,200,000.00	81%	\$99,600,000.00	98%
\$93,000,000.00	65%	\$96,400,000.00	82%	\$99,800,000.00	99%
\$93,200,000.00	66%	\$96,600,000.00	83%	\$100,000,000.00	100%

"**Company Adjusted EBITDA**" for a given fiscal year will be calculated in the same manner, using the same adjustments, as adjusted EBITDA is publicly reported by the Company in its Form 10-K for such fiscal year and will be based on the Company's audited financial statements. If the Company ceases reporting adjusted EBITDA in its Form 10-K, then adjusted EBITDA will be calculated in the same manner, using the same adjustments, as calculated in the most recent Form 10-K containing adjusted EBITDA. Notwithstanding the foregoing, adjustments to Adjusted EBITDA may be made by the Board of Directors, in its sole discretion, in the event of the of unusual, extraordinary, non-recurring or other circumstances that, in the judgment of the Board of Directors, would cause the application of the existing performance goals or measures to fail to fairly reflect the performance of the Company. These circumstances may include acquisitions, divestitures, joint ventures, regulatory developments, tax law changes, accounting changes, restructuring or other special charges, and other occurrences.

(b) **Individual Component.** In addition to the corporate component Company Adjusted EBITDA metric, STIP payout is dependent upon an individual component. A Participant can receive 0-100% of this component based on the achievement of the Participant's established goals for the year, as well as the Participant's overall individual performance. The individual component payout cannot exceed the corporate component payout. Together, the components cannot exceed a payout of more than 150% of a Participant's target payout (unless the Participant receives a discretionary amount as noted below).

(c) **Total Payout.** Assuming the minimum Company Adjusted EBITDA threshold is achieved, the percentage of a Participant's Target Bonus to be paid will be equal to the sum of the Adjusted EBITDA Payout Factor plus the percentage associated with the Participant's individual component achievement, divided by two (the "**Total Payout**").

(d) Discretionary Amount. A Participant can receive an additional, discretionary amount, if the Participant is determined to be a top performer by the Senior Leadership Team. If the Participant receives the discretionary portion, the Total Payout, inclusive of the discretionary amount, of the Participant's bonus cannot exceed 200% of the Participant's Target Bonus. For hybrid Participants, if the Adjusted EBITDA Payout Factor is less than 100% (but at least 50%), and such person is entitled to receive a discretionary amount, such discretionary amount may, at the sole discretion of the Plan Administrator, be in the form of additional vesting of PSUs up to the vesting of 100% of the PSUs.

6. Determination of Achievement of Performance Targets.

Following completion of the Company's audited financial statements, the Compensation Committee will review the level of achievement of Company Adjusted EBITDA and the Adjusted EBITDA Payout Factor. The Board of Directors shall make the final determination of all bonus payments.

7. Payment Date.

The payment of annual bonuses under the STIP will be made in shares of Company common stock or cash, as applicable, and in each case net of applicable withholding on a date selected by the Company after the Company's financial statement audits are completed (each a "**Payment Date**") to Participants who remain employed by the Company on the Payment Date, except as provided in Section 11(a), in the award agreement for PSUs or as otherwise required by law. SunOpta may withhold or sell Performance Shares at vesting to cover any taxes due, and Employees will be able to sell or hold the net shares at their discretion, subject to applicable securities laws.

8. Administration and Interpretations of the STIP; Administrative Error.

The STIP shall be administered by the Company's Chief Executive Officer (the "**Plan Administrator**") except to the extent that the STIP provides that certain actions shall be taken by the Compensation Committee. The Compensation Committee shall have full authority to interpret the STIP. The STIP may be amended in whole or in part from time to time, or terminated in its entirety at any time, by the Compensation Committee.

In the event it is determined that an administrative error occurred in the calculations of the STIP payment or the number of PSUs awarded to the Participant under the Plan, the Company shall have the right to revise the award previously issued to the Recipient or correct the error.

9. New Hires; Promotions; Leaves of Absence.

An employee who is hired into a position that participates in the STIP may be eligible for a bonus award provided that (a) the employee has been employed full-time since October 31 of that fiscal year as provided in Section 2 and (b) any annual bonus will reflect earnings during the portion of the fiscal year the Participant was employed. Unless otherwise adjusted by the Plan Administrator or, in the case of the Company's executive officers and other members of the Senior Leadership Team, by the Compensation Committee, mid-year promotions that change a Participant's Target Bonus will be weighted based on the number of days at each Target Bonus level. Except as required by law, if a Participant is on an approved leave of absence, no annual bonus will be paid to the Participant unless and until the Participant returns to work and any annual bonus will be reduced to reflect a prorated amount by multiplying the annual bonus that would otherwise be paid by a ratio with the numerator equal to the number of dates in the fiscal year the Participant was employed and not on leave and the denominator equal to 365.

10. Transfers.

Unless otherwise adjusted by the Plan Administrator or, in the case of the Company's executive officers and other members of the Senior Leadership Team, by the Compensation Committee, a Participant who transfers employment within the Company from a position that is not eligible to participate in the STIP to a position that is eligible to participate in the STIP (or vice versa) shall have his/her/their bonus calculated under the STIP based on the time spent in the STIP eligible position, and the Participant's bonus will be based on the STIP full year performance, prorated based upon the period the Participant was employed in the STIP eligible position.

11. Termination of Employment.

- (a) Death or Disability. Except as otherwise provided in the award agreement, for a Participant whose employment is terminated due to death or Total Disability prior to the Payment Date otherwise provided for in this Plan, on the Payment Date the Participant or Participant's designated beneficiary or estate will receive a bonus equal to the bonus the Participant would have received if Participant had remained employed to the payment date multiplied by a fraction, the numerator of which is the number of days the Participant was employed during fiscal 2025 and the denominator of which is 365. If the Participant died or became disabled prior to their performance evaluation with respect to the 2025 fiscal year, the individual component achievement shall be determined by assuming the individual performance percentage was 100%. The term "**Total Disability**" means a mental or physical impairment which is expected to result in death or which has lasted or is expected to last for a continuous period of 12 months or more and which causes the Participant to be unable, in the opinion of the Company, to perform his/her/their duties as an employee or officer of the Company. Total Disability shall be deemed to have occurred on the first day after the Company has made a determination of Total Disability.
- (b) Other Terminations. Except as expressly provided in Section 11(a), as set forth in the award agreement for PSUs or as otherwise required by law, termination of employment by a Participant or termination of a Participant's employment by the Company for any reason or no reason shall result in no bonus payment for the fiscal year in which such termination occurs and, if such termination occurs before the Payment Date for the prior plan year, forfeiture of any bonus for such year.
-

12. Mergers, Reorganizations, Etc. If prior to the Payment Date there shall occur a merger, consolidation, amalgamation or plan of exchange, in each case involving the Company pursuant to which outstanding shares of common stock of the Company are converted into cash or other stock, securities or property (each, a "**Transaction**"), (i) the EBITDA Hurdles shall be adjusted by multiplying the EBITDA Hurdles by a fraction, the numerator of which is the number of whole calendar months elapsed from the beginning of the 2025 fiscal year to the date of the consummation of the Transaction and the denominator of which is 12, (ii) the Board of Directors shall determine 2025 Adjusted EBITDA for the 2025 fiscal year through the end of the most recent calendar month prior to the consummation of the Transaction, and a portion of the target bonus shall be payable upon consummation of the Transaction equal to the achievement of such adjusted EBITDA Hurdles, if any, multiplied by a fraction, the numerator of which is the number of days in the 2025 fiscal year Participant was employed prior to the consummation of the Transaction and the denominator of which is 365, and (iii) the remainder of the target bonus shall be forfeited and cancelled.

13. Clawback.

Notwithstanding any provision in the Plan to the contrary, all compensation paid to a Participant pursuant to the Plan is subject to recovery under the Company's clawback policy or any law, government regulation or stock exchange listing requirement and will be subject to such deductions and clawback as may be made pursuant to such policy, law, government regulation, or stock exchange listing requirement, all as determined by the Compensation Committee. The Company's current clawback policy is subject to revision by the Compensation Committee at any time and from time to time.

14. General Provisions.

- (a) Withholding of Taxes. The Company shall have the right to withhold the amount of taxes, which it determines is required to be withheld under law with respect to any amount payable under this STIP. For employees with vesting PSUs, the Company may withhold shares from each Participant to cover the income tax due at the time of the share vesting.
 - (b) Section 409A. All awards granted pursuant to this Plan are intended to be compliant with Section 409A of the U.S. Internal Revenue Code ("**Section 409A**") and shall be interpreted consistent with such intent. The Company may amend this Plan, adopt policies or procedures or take other actions, including with retroactive effect, that the Company determines are necessary or appropriate to allow any award to comply with the requirements of Section 409A. Notwithstanding the foregoing, the Company makes no representation or warranty to any Participant with regard to the application of Section 409A to any amounts payable pursuant to this Plan and shall in no event be obligated to mitigate or indemnify for any taxes otherwise imposed on a Participant as a result of application of Section 409A.
 - (c) No Prior Right or Offer. Except and until expressly granted pursuant to the STIP, nothing in this STIP shall be deemed to give any Employee any contractual or other right to participate in the benefits of the STIP. No award to any such Participant in any Plan period shall be deemed to create a right to receive any award or to participate in the benefits of the STIP in any subsequent year.
-

15. Limitations.

- (a) No Continued Employment. Neither the establishment of the STIP nor the grant of an award hereunder shall be deemed to constitute an express or implied contract of employment with any Participant for any period of time, or change an Employee's "at will" status, or in any way abridge the rights of the Company to determine the terms and conditions of employment or to terminate the employment of any Employee with or without cause, at any time.
 - (b) Not Part of Other Benefits. The benefits provided in this STIP shall not be deemed a part of any other benefit provided by the Company to its employees. The Company assumes and shall have no obligation to Participants except as expressly provided in this STIP.
-



2025

Long Term Incentive Plan

Summary

2025 LONG TERM INCENTIVE PLAN

Executive Summary

Under the Amended 2013 Stock Incentive Plan (Plan), SunOpta Inc. (Company) is authorized to issue a variety of forms of equity awards, including stock options, Restricted Stock Units (RSUs) and Performance Share Units (PSUs). The use of a combination of forms of equity, such as stock options, RSUs or PSUs, is expected to better align management with the interests of shareholders.

SunOpta's Compensation Committee (Committee) has adopted a long-term incentive program customized to align with business strategy, and the need to recruit, retain, and motivate outstanding executive talent. The following are the key features for the Long Term Incentive Program for 2025 (LTIP):

- Reward long-term performance by providing an opportunity for leadership to share in long-term success
- Align leadership interests with shareholder interests
- Retain and engage our top talent
- Accordingly, the 2025 LTIP awards have three components:
 - Performance Share Units
 - Stock Options
 - Restricted Stock Units
- Performance Share Units: Each participant will be granted an award for a specified number of PSUs, representing 200% of the Recipient's target amount of PSUs, with the actual number of shares issued to the participant to be contingent on the following performance conditions and the participant's continued employment through the vesting date, which is April 11, 2028.
 - A percentage of the PSUs shall vest on the vesting date upon achievement of the applicable performance hurdle in accordance with the descriptions and tables below.
 - Revenue Compound Annual Growth Rate (Revenue CAGR). The vesting of fifty percent (50%) of the total PSUs, is contingent on the Company's Revenue CAGR ("Revenue CAGR PSUs") and the participant's employment through the vesting date. This CAGR will be calculated on December 31, 2027, and compared to the revenue reported on December 31, 2024. The vesting of Revenue CAGR PSUs shall coincide with the Revenue CAGR Hurdles established below and occur within the designated three-year performance period, starting January 1, 2025, through December 31, 2027 ("Performance Period").

Revenue CAGR Hurdle	Percentage of Revenue CAGR PSUs to Vest
7%	25%
9%	50%
13% or above	100%

- Return on Invested Capital (ROIC). Fifty percent (50%) of the total PSUs shall vest contingent on the achievement of ROIC benchmarks within the same three-year Performance Period, ending December 31, 2027 ("ROIC PSUs") and the participant's employment through the vesting date:

ROIC Hurdle	Percentage of ROIC PSUs to Vest
12.5%	25%
14%	50%
18% or above	100%

- **Stock Options:** Each participant will be granted an option to purchase a specified number of shares of common stock, exercisable after it is vested, with the exercise price established at the time of grant. Stock options have ratable vesting and vest in one-third increments on the anniversary of the grant date, subject to continued employment. The options may be exercised any time after vesting until 10 years after the grant date.
- **Restricted Stock Units:** Each participant will be granted an award for a specified number of RSUs, with vesting of one-third of the RSUs on each of the first three anniversaries of the grant date, subject to continued employment.

The remainder of this summary document provides details regarding this strategy.

I. Purpose of Awards

The purpose of the LTIP is to align the interests of our executives and general leadership with those of our shareholders by rewarding leadership for creating shareholder value over the long term, requiring and expanding stock ownership, and assisting with attracting and retaining outstanding talent.

The Committee intends for the equity awards made in 2025 to the Senior Leadership Team and other leadership positions to represent one year of long-term incentive compensation.

II. Allocation of Awards

The LTIP provides flexibility for the Committee to customize the grants under the LTIP to align with the strategies of the organization. The Committee will determine an LTIP percentage for each participant, and this percentage will be multiplied by the participant's current annual salary at the time of grant to determine the participant's Target LTIP Amount.

Senior Leadership Team

For 2025, the Committee has selected the following allocation of LTIP awards to members of the Senior Leadership Team:

- 50% of the LTIP award in the form of PSUs,
- 25% of the LTIP award in the form of stock options, and
- 25% of the LTIP award in the form of RSUs*.

*Members of the Senior Leadership team are given the choice to exchange 100% or 50% of their RSUs for additional stock options, at a ratio of 3:1 stock options to RSUs.

Other Leadership

For 2025, the Committee has selected the following allocation for LTIP awards to other leadership positions who are not members of the Senior Leadership Team, with awards having the same vesting applicable to awards to the Senior Leadership Team:

- 33% of the LTIP award in the form of PSUs,
- 33% of the LTIP award in the form of stock options, and
- 33% of the LTIP award in the form of RSUs.

All awards are subject to the terms of the Plan and the applicable award agreements.

Stock Options

Stock options are awarded with an exercise price equal to the closing price of the common stock on April 11, 2025, the grant date of the award. The options have three-year ratable vesting in order to encourage retention, with 1/3 of the options vesting on each anniversary of the grant date, subject to continued employment. Stock options may be exercised any time after vesting until 10 years after the grant date, subject to the terms of the applicable option agreement.

Performance Share Units

PSUs represent a right to receive stock if the Company achieves the designated performance hurdle as noted in the Executive Summary and the participant remains employed by the Company through the vesting date. Achievement of the performance hurdle shall be determined by calculating the applicable performance hurdle in accordance with the descriptions and tables above. The number of shares actually issued to a participant will vary based on achievement of the performance hurdle after the calculation is completed and may be zero. The Committee in its discretion may pay a participant cash in lieu of some or all the shares of Common Stock issuable pursuant to the award agreement valued at the closing price of the Company's shares of common stock on the vesting date or, if the Company's common stock is not publicly traded, fair market value as determined by the Committee. If none of the Revenue CAGR Hurdles are met, none of the Revenue CAGR PSUs will vest. If the 7% Revenue CAGR Hurdle is met, only 25% of the Revenue CAGR PSUs will vest. If the 9% Revenue CAGR Hurdle is met, 50% of the Revenue CAGR PSUs will vest. If the 13% or above Revenue CAGR Hurdle is met, 100% of the Revenue CAGR PSUs will vest. If none of the ROIC Hurdles are met, none of the ROIC PSUs will vest. If the 12.5% ROIC Hurdle is met, only 25% of the ROIC PSUs will vest. If the 14% ROIC Hurdle is met, 50% of the ROIC PSUs will vest. If the 18% or above ROIC Hurdle is met, 100% of the ROIC PSUs will vest. Interpolation will be applied to performance falling between specified hurdles. For clarity, ROIC shall be calculated by taking adjusted earnings before interest and taxes (EBIT) and dividing it by working capital plus property, plant, and equipment (PPE). SunOpta may withhold or sell PSUs at vesting to cover any taxes due, or, if the PSUs are settled in whole or part in cash, the Company may withhold the cash to be paid in settlement to cover taxes due.

Restricted Stock Units

RSUs represent a right to receive stock, with shares of stock transferred to a participant following the applicable vesting date based on continued employment until that vesting date. The RSUs encourage retention and vest in equal annual installments during the three-year period following the grant date.

Grant Eligibility

Participation in the LTIP as a member of the Senior Leadership Team will be determined by the Committee, taking into account the recommendations of the Chief Executive Officer (CEO). Subject to approval by the Committee, the CEO will determine all other leadership participants, in consultation with members of the Senior Leadership Team.

Individuals who become eligible for participation in the LTIP after the annual grant may, at the discretion of the Committee, participate on a pro-rata basis.

III. Termination of Employment

The Amended 2013 Stock Incentive Plan and the applicable award agreements set forth treatment of the awards upon termination of employment. The following is a summary of those provisions:

Stock Options

- **General Rule.** Except as provided below, options may not be exercised unless at the time of exercise the optionee is employed by the Company and shall have been so employed or provided such service continuously since the grant date.
- **Termination Generally.** If employment by the Company is terminated for any reason (except under certain circumstances following a Change in Control (as defined in the Plan)), all unvested options will be forfeited. If employment by the Company is terminated for any reason other than because of Total Disability or death or following a Change in Control as provided below, vested but unexercised options at the date of termination may be exercised at any time before the expiration date applicable to the option or the expiration of 30 days after the date of termination, whichever is the shorter period.
- **Termination Because of Total Disability.** If employment by the Company is terminated because of Total Disability, vested but unexercised options at the date of termination may be exercised at any time before the expiration date applicable to the option or before the date 12 months after the date of termination, whichever is the shorter period. The term "Total Disability" means a mental or physical impairment which is expected to result in death or which has lasted or is expected to last for a continuous period of 12 months or more and which causes the optionee to be unable, in the opinion of the Company, to perform his or her duties as an employee of the Company.
- **Termination Because of Death.** If employment by the Company is terminated due to death, vested but unexercised options may be exercised at any time before the applicable expiration date or before the date 12 months after the date of death, whichever is the shorter period, but only by the person or persons to whom the optionee's rights under the option shall pass by the optionee's will or by the laws of descent and distribution of the state or country of domicile at the time of death.
- **Termination following a Change in Control.** Options will vest if a Change in Control occurs and at any time within 12 months after the Change in Control, the participant's employment is terminated by the Company (or its successor) without Cause (as defined in the award agreement) or the participant's employment is terminated by the optionee for Good Reason (as defined in the award agreement), provided that the participant executes and delivers a release of claims in accordance with the award agreement. Options that become vested in accordance with this provision may be exercised at any time before the expiration date of the option or the expiration of 45 days after the employment termination date, whichever is the shorter period.
- **Failure to Exercise Option.** To the extent that following termination of employment, an option is not exercised within the applicable periods described above, all further rights to purchase shares pursuant to the option shall cease and terminate.

PSUs

- **Termination for Any Reason.** If employment by the Company is terminated for any reason, all unvested PSUs will be forfeited, except as summarized below in the event of death or Total Disability or following a Change in Control.
- **Termination Because of Total Disability.** If employment with the Company is terminated at any time prior to the end of the Performance Period because of Total Disability (as defined in the Plan), then on the Vesting Date, to the extent the Hurdle has been achieved, a number of PSUs shall vest equal to the number of PSUs that would have vested had Recipient been continuously employed by the Company through the Vesting Date based on achievement of the Hurdle, multiplied by a fraction, the numerator of which is the number of days elapsed from the Award Date to and including the date of termination, and the denominator of which is 1096, rounded down to the nearest whole share.
- **Termination Because of Death.** If employment with the Company is terminated at any time prior to the end of the Performance Period because of death, then on the Vesting Date, to the extent the Hurdle has been achieved, a number of PSUs shall vest equal to the number of PSUs that would have vested had Recipient been continuously employed by the Company through the Vesting Date based on achievement of the Hurdle, multiplied by a fraction, the numerator of which is the number of days elapsed from the Award Date to and including the date of termination, and the denominator of which is 1096, rounded down to the nearest whole share.
- **Termination following a Change in Control.** If a Change in Control (as defined in the Plan) occurs and Recipient's employment with the Company is terminated by the Company (or its successor) without Cause or by Recipient with Good Reason at any time within 12 months following the Change in Control and prior to the end of the Performance Period, any unvested PSUs as to which the applicable Hurdle has been satisfied as of the date of Change in Control shall immediately vest as of the date of employment termination and any such PSUs that vest in accordance with this provision shall be settled in accordance with the terms of this Agreement, provided that Recipient executes and delivers a release of claims in accordance with this provision. Recipient shall not be entitled to receive any shares with respect to any PSUs as to which the applicable Hurdle performance requirements have not been satisfied as of the Change in Control.

RSUs

- **Termination Generally.** If employment by the Company is terminated for any reason, including death or disability, all unvested RSUs will be forfeited, except as described below in certain circumstances following a Change in Control.
- **Termination following a Change in Control.** RSUs will vest if a Change in Control occurs and at any time within 12 months after the Change in Control, the participant's employment is terminated by the Company (or its successor) without Cause or the participant's employment is terminated by the participant for Good Reason, provided that the participant executes and delivers a release of claims in accordance with the award agreement.

IV. Terms and Conditions

PSUs, RSUs and stock options and any stock issued pursuant to such awards are subject to recovery under the Company's clawback policy or any law, government regulation or stock exchange listing requirement and will be subject to such deductions and clawback made pursuant to such policy, law, government regulation, or stock exchange listing requirement, all as determined by the Board of Directors or the Compensation Committee. The Company's current clawback policy is subject to revision by the Board or Compensation Committee at any time and from time to time.

This document is a summary only and does not include all of the terms and conditions of the awards under the LTIP. The LTIP awards are governed by the terms of the Amended 2013 Stock Incentive Plan and applicable award agreements and not by this summary.

**2025 PERFORMANCE SHARE UNIT
AWARD AGREEMENT**

This 2025 Performance Share Unit Award Agreement (the "Agreement") is entered into as of April 11, 2025 between SunOpta Inc., a Canadian corporation (the "Company"), and [EMPLOYEE NAME] (the "Recipient").

On April 11, 2025 (the "Award Date") the Company's Board of Directors or the Compensation Committee of the Board of Directors (the "Board") authorized the grant of performance share units to Recipient pursuant to the terms of this Agreement. Recipient desires to accept the award subject to the terms and conditions of this Agreement. This award is granted under and subject to the terms of the Company's Amended 2013 Stock Incentive Plan.

NOW, THEREFORE, the parties agree as follows:

1. Award. The Company hereby grants to the Recipient a total of [GRANTED AMOUNT] performance share units ("PSUs"), representing 200% of the Recipient's target amount of PSUs concerning the Company's common shares ("Common Shares"). Subject to the provisions of this Agreement, the Company shall issue to the Recipient a number of Common Shares or, at the Company's discretion, an equivalent cash value pursuant to Section 4. This issuance will correspond to the quantity of PSUs earned based on (a) the Company's performance on the two performance hurdles as outlined in Section 2, and (b) the continuous employment of the Recipient through the vesting date of April 11, 2028 ("Vesting Date") as detailed in Section 3.

2. Performance Conditions. The PSUs are subject to vesting, if vesting occurs at all, based on the achievement of specified performance conditions, detailed as follows:

2.1 Revenue Compound Annual Growth Rate (Revenue CAGR). The vesting of fifty percent (50%) of the PSUs, equating to [50% OF GRANTED AMOUNT] PSUs, is contingent on the Company's Revenue CAGR ("Revenue CAGR PSUs"). This CAGR will be calculated on December 31, 2027, and compared to the revenue reported on December 31, 2024. The vesting of Revenue CAGR PSUs shall coincide with the Revenue CAGR Hurdles established below and occur within the designated three-year performance period, starting January 1, 2025, through December 31, 2027 ("Performance Period"). Vesting is further subject to the Recipient's continuous employment until the Vesting Date:

Revenue CAGR Hurdle	Percentage of Revenue CAGR PSUs to Vest
7%	25%
9%	50%
13% or above	100%

If none of the Revenue CAGR Hurdles are met, none of the Revenue CAGR PSUs will vest. If the 7% Revenue CAGR Hurdle is met, only 25% of the Revenue CAGR PSUs will vest. If the 9% Revenue CAGR Hurdle is met, 50% of the Revenue CAGR PSUs will vest. If the 13% or above Revenue CAGR Hurdle is met, 100% of the Revenue CAGR PSUs will vest. If the Revenue CAGR falls between two hurdles, the performance will be interpolated accordingly.

2.2 Return on Invested Capital (ROIC). Fifty percent (50%) of the PSUs, equating to [50% OF GRANTED AMOUNT] PSUs, shall vest contingent on the achievement of ROIC benchmarks within the same three-year Performance Period, ending December 31, 2027, and subject to the Recipient maintaining employment through the Vesting Date ("ROIC PSUs"):

ROIC Hurdle	Percentage of ROIC PSUs to Vest
12.5%	25%
14%	50%
18% or above	100%

If none of the ROIC Hurdles are met, none of the ROIC PSUs will vest. If the 12.5% ROIC Hurdle is met, only 25% of the ROIC PSUs will vest. If the 14% ROIC Hurdle is met, 50% of the ROIC PSUs will vest. If the 18% or above ROIC Hurdle is met, 100% of the ROIC PSUs will vest. Interpolation will be applied to performance falling between specified hurdles. For clarity, ROIC shall be calculated by taking adjusted earnings before interest and taxes (EBIT) and dividing it by working capital plus property, plant, and equipment (PPE).

All vested PSUs shall be settled by the Company as soon as reasonably practicable following the Vesting Date, subject to continued employment through the Vesting Date pursuant to Section 3 (except as provided in Section 3.2 or 3.3), and all unvested PSUs shall be forfeited and cancelled.

3. Employment Condition.

3.1 Payout. In order to receive a payout of shares under this Agreement, Recipient must be employed by the Company continuously from the Award Date through the Vesting Date, except as provided in Sections 3.2 or 3.3 below. For purposes of this Agreement, Recipient is considered to be employed by the Company if Recipient is employed by the Company or any parent or subsidiary of the Company (an "Employer").

3.2 Total Disability. If Recipient's employment with the Company is terminated at any time prior to the end of the Performance Period because of Total Disability (as defined in the Plan), then on the Vesting Date, to the extent the Hurdle has been achieved, a number of PSUs shall vest equal to the number of PSUs that would have vested had Recipient been continuously employed by the Company through the Vesting Date based on achievement of the Hurdle, multiplied by a fraction, the numerator of which is the number of days elapsed from the Award Date to and including the date of termination, and the denominator of which is 1096, rounded down to the nearest whole share.

3.3 Death. If Recipient's employment with the Company is terminated at any time prior to the end of the Performance Period because of death, then on the Vesting Date, to the extent the Hurdle has been achieved, a number of PSUs shall vest equal to the number of PSUs that would have vested had Recipient been continuously employed by the Company through the Vesting Date based on achievement of the Hurdle, multiplied by a fraction, the numerator of which is the number of days elapsed from the Award Date to and including the date of termination, and the denominator of which is 1096, rounded down to the nearest whole share.

3.4 Change in Control. If a Change in Control (as defined in the Plan) occurs and Recipient's employment with the Company is terminated by the Company (or its successor) without Cause or by Recipient with Good Reason at any time within 12 months following the Change in Control and prior to the end of the Performance Period, any unvested PSUs as to which the applicable Hurdle has been satisfied as of the date of Change in Control shall immediately vest as of the date of employment termination and any such PSUs that vest in accordance with this Section 3.4 shall be settled in accordance with the terms of this Agreement, provided that Recipient executes and delivers a release of claims in accordance with this Section 3.4. Recipient shall not be entitled to receive any shares with respect to any PSUs as to which the applicable Hurdle performance requirements have not been satisfied as of the Change in Control. For purposes of this Agreement:

"Cause" means the occurrence of any of the following:

- (i) the commission of an act that constitutes a felony under the laws of the United States or any individual State or under the laws of a foreign country; or
- (ii) the commission of an act of fraud, embezzlement, sexual harassment, dishonesty, theft, or an intentional act that results in a material loss, damage or injury to the Company; or
- (iii) the commission of an act of moral turpitude which is materially injurious to the Company; or
- (iv) the failure of Recipient to participate in the reasonable and lawful business activities of the Company in a manner consistent with his or her job duties, provided such failure continues for more than ten days after written notice to Recipient specifying such failure in reasonable detail.

"Good Reason" means the occurrence of any of the following:

- (i) a material diminution in Recipient's authority, duties or responsibilities after the Change in Control compared to immediately prior to the Change in Control; provided that Good Reason shall not exist (A) solely as a result of a change in reporting relationship or (B) if Recipient continues to have the same or a greater general level of responsibility for the Company operations after the Change in Control as Recipient had prior to the Change in Control even if the Company operations are a subsidiary or division of the surviving company; or
- (ii) Recipient is required to be based more than eighty (80) miles from where Recipient's office is located immediately prior to the Change in Control; or
- (iii) a material reduction in Recipient's base salary, or the Company or the surviving company fails to provide substantially equivalent target incentive opportunities under short term and long term incentive plans after the Change in Control that unless offset by an increase in base salary would result in a material reduction of the Recipient's total compensation package, as compared to immediately prior to the Change in Control;

provided, however, that such termination shall not be for "Good Reason" unless Recipient provides notice to the Company of the existence of the condition described above within 30 days of the initial existence of the condition and the Company does not remedy such condition on or before the 30th day following such notice (or the following business day if such 30th day is not a business day). Accelerated vesting of the PSUs in accordance with this Section 3.4 is conditioned on Recipient executing and delivering to the Company a release of claims in a form supplied by the Company (the "Release") within 21 days following the date the Company delivers the form of Release to Recipient and the Release becoming effective by virtue of Recipient not revoking the Release during any period Recipient is allowed by law to revoke.

3.5 Other Terminations. If Recipient's employment by the Company is terminated at any time before the Vesting Date and none of Sections 3.2, 3.3 or 3.4 applies to such termination, Recipient shall not be entitled to receive any shares under this Agreement.

4. Payment. As soon as practicable following the Vesting Date, the Board shall determine the number, if any, of Common Shares, issuable pursuant to this Agreement. Subject to applicable tax withholding, such shares shall be issued to Recipient as soon as practicable following the Vesting Date; provided, however, that the Board in its discretion may pay Recipient cash in lieu of some or all the shares of Common Stock issuable pursuant to this Agreement valued at the closing price of the Company's shares of Common Stock on the Nasdaq Stock Exchange on the Vesting Date or, if the Company's Common Stock is not publicly traded, fair market value as determined by the Board. No fractional shares shall be issued and the number of shares deliverable shall be rounded down to the nearest whole share, and any remaining fractional shares shall be paid in cash. Notwithstanding anything hereinabove to the contrary, if Section 3.5 requires an earlier award payout, a similar process shall be followed in accordance with the timing identified therein.

5. Tax Withholding.

5.1 If Recipient is a U.S. or Canadian taxpayer, Recipient acknowledges that on the date that shares underlying the PSUs are issued to Recipient, the fair market value of the Common Shares will be treated as ordinary compensation income for federal and state and provincial income tax purposes and employment tax purposes (including FICA in the U.S. and EI and CPP in Canada), and that the Company will be required to withhold taxes on these income amounts pursuant to Section 5.2 below. The Company will inform employees in other countries of the tax treatment of the PSUs and withholding requirements.

5.2 Prior to any relevant taxable or tax withholding event, as applicable, Recipient agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all federal, state and other tax withholding obligations. In this regard, Recipient authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy applicable withholding obligations by one or a combination of the following:

(a) withholding from Recipient's other cash compensation paid by the Company and/or the Employer; or

(b) withholding from proceeds of the sale of Common Shares acquired upon vesting/settlement of the PSUs either through a voluntary sale or through a mandatory sale arranged by the Company on Recipient's behalf pursuant to this authorization; or

(c) withholding in Common Shares to be issued upon vesting/settlement of the PSUs or, if the PSUs are settled in whole or part in cash, withholding the cash to be paid in settlement.

5.3 If the withholding obligation is satisfied by withholding in Common Shares, for tax purposes, Recipient is deemed to have been issued the full number of Common Shares subject to the vested PSUs, notwithstanding that a number of the Common Shares are held back solely for the purpose of paying the withholding.

5.4 Recipient agrees to pay to the Company or the Employer any amount the Company or the Employer may be required to withhold or account for as a result of this award that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares or the proceeds of the sale of shares if Recipient fails to comply with these obligations.

6. Stock Splits, Stock Dividend, Mergers, Etc.

6.1 If the outstanding Common Shares of the Company are hereafter increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of any stock split, combination of shares, dividend payable in shares, recapitalization or reclassification, appropriate adjustment shall be made by the Company in the number and kind of shares subject to the PSUs, so that Recipient's proportionate interest before and after the occurrence of the event is maintained, relative to other shareholders of the Common Shares. Notwithstanding the foregoing, the Company shall have no obligation to effect any adjustment that would or might result in the issuance of fractional shares, and any fractional shares resulting from any adjustment may be disregarded or provided for in any manner determined by the Company. Any such adjustments made by the Company shall be conclusive. For the avoidance of doubt, this provision is intended to put the Recipient in the same position with respect to each PSU as if Recipient owned a share of common stock immediately prior to such event.

6.2 *Mergers, Reorganizations, Etc.* If, while any unvested PSUs are outstanding, there shall occur a merger, consolidation, amalgamation or plan of exchange, in each case involving the Company pursuant to which outstanding Common Shares are converted into cash or other stock, securities or property (each, a "Transaction"), (i) all outstanding PSUs as to which the applicable Hurdle performance requirement set forth in Section 2 has not been satisfied as of the closing of the Transaction shall be forfeited and cancelled and (ii) the Board of Directors, may, in its sole discretion, provide that the remaining PSUs shall be treated in accordance with any of the following alternatives:

(a) The remaining PSUs shall be converted into performance share units to acquire stock of the surviving or acquiring corporation in the Transaction (unless otherwise accelerated as determined by the Board of Directors in its sole discretion) and shall be subject to continued employment of Recipient by the Company or any acquiring or surviving company through such vesting date, with the amount and type of shares subject thereto to be conclusively determined by the Board of Directors, taking into account the relative values of the companies involved in the Transaction and the exchange rate, if any, used in determining shares of the surviving corporation to be held by holders of common shares of the Company following the Transaction, and disregarding fractional shares, and the performance measures adjusted to reflect the circumstances of the Company or any acquiring or surviving corporation as conclusively determined by the Board of Directors;

(b) The remaining PSUs shall be cancelled effective immediately prior to the consummation of the Transaction, and, in full consideration of the cancellation, the surviving company shall pay to Recipient upon the completion of the Performance Period, with payment subject to continued employment of Recipient by the Company or any acquiring or surviving company through such date, an amount in cash, for each remaining PSU, equal to the value, as determined by the Board of Directors, of the Common Shares subject to the unvested PSUs at the time of closing of the Transaction, taking into account the relative values of the companies involved in the Transaction and the exchange rate, if any, used in determining shares of the surviving corporation to be held by holders of Common Shares of the Company following the Transaction or other consideration paid in the Transaction to holders of Common Shares of the Company; or

(c) The remaining PSUs shall become vested in full and all unissued shares subject to the PSUs shall be issued immediately prior to the consummation of the Transaction.

7. Section 409A. The award granted pursuant to this Agreement is intended to be compliant with Section 409A of the Internal Revenue Code ("Section 409A") and shall be interpreted consistent with such intent. The Company may amend this Agreement, adopt policies or procedures or take other actions, including with retroactive effect, that the Company determines are necessary or appropriate to exempt the award from the application of Section 409A or to comply with the requirements of Section 409A. Notwithstanding the foregoing, the Company makes no representation or warranty to Recipient with regard to the application of Section 409A to any amounts payable pursuant to this Agreement and shall in no event be obligated to mitigate or indemnify for any taxes otherwise imposed on Recipient as a result of application of Section 409A.

8. No Right to Employment. Nothing contained in this Agreement shall confer upon Recipient any right to be employed by the Company or to interfere in any way with the right of the Company to terminate Recipient's employment at any time for any reason, with or without cause. For the avoidance of doubt, this provision is intended to put the Recipient in the same position with respect to each PSU as if Recipient owned a share of common stock immediately prior to such event.

9. Clawback. This award and any stock issued pursuant to this award are subject to recovery under the Company's clawback policy or any law, government regulation or stock exchange listing requirement and will be subject to such deductions and clawback made pursuant to such policy, law, government regulation, or stock exchange listing requirement, all as determined by the Board of Directors or the Compensation Committee. The Company's current clawback policy is subject to revision by the Board or Compensation Committee at any time and from time to time.

10. Miscellaneous.

10.1 Entire Agreement; Amendment. This Agreement constitutes the entire agreements of the parties with regard to the subjects hereof and may be amended only by written agreement between the Company and Recipient.

10.2 Notices. Any notice required or permitted under this Agreement shall be in writing and shall be deemed sufficient when delivered personally to the party to whom it is addressed or when deposited into the United States or Canadian mail as registered or certified mail, return receipt requested, postage prepaid, addressed to the Company, Attention: General Counsel, at its principal executive offices or to Recipient at the address of Recipient in the Company's records, or at such other address as such party may designate by ten (10) days' advance written notice to the other party.

10.3 Assignment; Rights and Benefits. Recipient shall not assign this Agreement or any rights hereunder to any other party or parties without the prior written consent of the Company. The rights and benefits of this Agreement shall inure to the benefit of and be enforceable by the Company's successors and assigns and, subject to the foregoing restriction on assignment, be binding upon Recipient's heirs, executors, administrators, successors and assigns.

10.4 Further Action. The parties agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

10.5 Administrative Error. In the event it is determined that an administrative error was made in the number of PSUs awarded to the Recipient, the Company shall have the right to revise the award previously issued to the Recipient to the correct amount.

10.6 Applicable Law. The terms and conditions of this Agreement will be interpreted under the laws of Minnesota, exclusive of choice of law rules. In the event either party institutes litigation hereunder, the prevailing party shall be entitled to reasonable attorneys' fees to be set by the trial court and, upon any appeal, the appellate court.

10.7 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original.

SUNOPTA INC.

By: _____
Authorized Officer

Recipient

**2025 RESTRICTED STOCK UNIT
AWARD AGREEMENT
(Employee)**

This Award Agreement (the "Agreement") is entered into as of April 11, 2025 (the "Award Date") by and between SunOpta Inc., a Canadian corporation (the "Company"), and _____, an employee of the Company or a subsidiary (the "Recipient"), for the award of restricted stock units with respect to the Company's Common Shares ("Common Shares").

The award of restricted stock units to the Recipient is made pursuant to Section 7 of the Company's Amended 2013 Stock Incentive Plan (the "Plan"), and the Recipient desires to accept the award subject to the terms and conditions of this Agreement.

IN CONSIDERATION of the mutual covenants and agreements set forth in this Agreement, the parties agree to the following:

1. **Award and Terms of Restricted Stock Units.** The Company awards to the Recipient under the Plan _____ restricted stock units (the "Award"), subject to the restrictions, terms and conditions set forth in this Agreement and the Plan.

(a) *Rights under Restricted Stock Units.* A restricted stock unit (an "RSU") represents the unfunded, unsecured right to require the Company to deliver to the Recipient one Common Share for each RSU. The shares deliverable with respect to each RSU is subject to adjustment as determined by the Board of Directors of the Company in accordance with the Plan as to the number and kind of shares of stock deliverable upon any merger, reorganization, consolidation, recapitalization, stock split, stock dividend, spin-off or other change in the corporate structure affecting the Common Shares generally.

(b) *Vesting Date.* The RSUs awarded under this Agreement shall initially be 100% unvested and subject to forfeiture. One-third of the RSUs shall vest on each of the first three anniversary dates of the Award Date (each, a "Vesting Date") if the Recipient is an employee of the Company on the applicable Vesting Date and has served as an employee of the Company continuously from the Award Date to the applicable Vesting Date. For purposes of this Agreement, the Recipient is considered to be employed by the Company if the Recipient is employed by the Company or any parent or subsidiary of the Company (an "Employer").

(c) *Forfeiture of RSUs on Termination of Employment.* Notwithstanding any provision to the contrary in any employment or other agreement between the Recipient and the Company and except as provided in Section 1(d), if the Recipient ceases to be an employee of the Company for any reason, the Recipient shall immediately forfeit all outstanding but unvested RSUs awarded pursuant to this Agreement and the Recipient shall have no right to receive the related Common Shares.

(d) *Termination following Change in Control.* All outstanding RSUs shall immediately vest if a Change in Control (as defined in the Plan) occurs and at any time within 12 months after the Change in Control, (a) the Recipient's employment is terminated by the Company (or its successor) without Cause, or (b) the Recipient's employment is terminated by the Recipient for Good Reason, provided that the Recipient executes and delivers a release of claims in accordance with this Section 1(d). For purposes of this Agreement:

"Cause" means the occurrence of any of the following:

(i) the commission of an act that constitutes a felony under the laws of the United States or any individual State or under the laws of a foreign country; or

(ii) the commission of an act of fraud, embezzlement, sexual harassment, dishonesty, theft, or an intentional act that results in a material loss, damage or injury to the Company; or

(iii) the commission of an act of moral turpitude which is materially injurious to the Company; or

(iv) the failure of the Recipient to participate in the reasonable and lawful business activities of the Company in a manner consistent with his or her job duties, provided such failure continues for more than ten days after written notice to the Recipient specifying such failure in reasonable detail.

"Good Reason" means the occurrence of any of the following:

(i) a material diminution in the Recipient's authority, duties or responsibilities after the Change in Control compared to immediately prior to the Change in Control; provided that Good Reason shall not exist (A) solely as a result of a change in reporting relationship or (B) if the Recipient continues to have the same or a greater general level of responsibility for the Company operations after the Change in Control as the Recipient had prior to the Change in Control even if the Company operations are a subsidiary or division of the surviving company; or

(ii) the Recipient is required to be based more than eighty (80) miles from where the Recipient's office is located immediately prior to the Change in Control; or

(iii) a material reduction in the Recipient's base salary, or the Company or the surviving company fails to provide substantially equivalent target incentive opportunities under short term and long term incentive plans after the Change in Control that unless offset by an increase in base salary would result in a material reduction of the Recipient's total compensation package, as compared to immediately prior to the Change in Control;

provided, however, that such termination shall not be for "Good Reason" unless the Recipient provides notice to the Company of the existence of the condition described above within 30 days of the initial existence of the condition and the Company does not remedy such condition on or before the 30th day following such notice (or the following business day if such 30th day is not a business day). Accelerated vesting of the RSUs in accordance with this Section 1(d) is conditioned on the Recipient executing and delivering to the Company a release of claims in a form supplied by the Company (the "Release") within 21 days following the date the Company delivers the form of Release to the Recipient and the Release becoming effective by virtue of the Recipient not revoking the Release during any period the Recipient is allowed by law to revoke.

(e) *Restrictions on Transfer.* The Recipient may not sell, transfer, assign, pledge or otherwise encumber or dispose of the RSUs subject to this Agreement. The Recipient may designate beneficiaries to receive the Common Shares underlying the RSUs subject to this Agreement if the Recipient dies before delivery of the Common Shares by so indicating on a form supplied by the Company. If the Recipient fails to designate a beneficiary, such Common Shares shall be delivered as directed by the personal representative of the Recipient's estate.

(f) *No Voting Rights or Dividends.* The Recipient shall have no rights as a shareholder with respect to the RSUs or the Common Shares underlying the RSUs until the underlying Common Stock is issued to the Recipient. The Recipient will not be entitled to receive cash payments representing any cash dividends paid with respect to the Common Stock underlying the RSUs.

2. **Delivery Date for the Shares Underlying the RSU.** Following the vesting of the RSUs, the Company shall issue shares underlying the vested RSUs to the Recipient on a date determined by the Company within 60 days of such vesting; provided, however, that if the Recipient is obligated to deliver a Release in accordance with Section 1(d) and if the Recipient's employment termination date occurs during the last 40 days of the calendar year, the payment shall in no event be made earlier than the first business day of the succeeding calendar year.

3. **Section 409A.** The Award granted pursuant to this Agreement is intended to be exempted from or compliant with Section 409A of the Internal Revenue Code ("Section 409A") and shall be interpreted consistent with such intent. The Company may amend this Agreement, adopt policies or procedures or take other actions, including with retroactive effect, that the Company determines are necessary or appropriate to exempt the award from the application of Section 409A or to comply with the requirements of Section 409A. Notwithstanding the foregoing, the Company makes no representation or warranty to the Recipient with regard to the application of Section 409A to any amounts payable pursuant to this Agreement and shall in no event be obligated to mitigate or indemnify for any taxes otherwise imposed on the Recipient as a result of application of Section 409A.

4. **Tax Withholding.**

(a) If Recipient is a U.S. or Canadian taxpayer, Recipient acknowledges that on the date that shares underlying the RSUs are issued to Recipient, the fair market value of the Common Shares will be treated as ordinary compensation income for federal and state and provincial income tax purposes and employment tax purposes (including FICA in the U.S. and EI and CPP in Canada), and that the Company will be required to withhold taxes on these income amounts pursuant to Section 4(b) below. The Company will inform employees in other countries of the tax treatment of the RSUs and withholding requirements.

(b) Prior to any relevant taxable or tax withholding event, as applicable, the Recipient agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all federal, state and other tax withholding obligations. In this regard, the Recipient authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy applicable withholding obligations by one or a combination of the following:

(i) withholding from the Recipient's earnings or other cash compensation paid by the Company and/or the Employer; or

(ii) withholding from proceeds of the sale of Common Shares acquired upon vesting/settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company on the Recipient's behalf pursuant to this authorization; or

(iii) withholding in Common Shares to be issued upon vesting/settlement of the RSUs.

(c) If the withholding obligation is satisfied by withholding in Common Shares, for tax purposes, the Recipient is deemed to have been issued the full number of Common Shares subject to the vested RSUs, notwithstanding that a number of the Common Shares are held back solely for the purpose of paying the withholding.

(d) The Recipient agrees to pay to the Company or the Employer any amount the Company or the Employer may be required to withhold or account for as a result of this award that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares or the proceeds of the sale of shares if the Recipient fails to comply with these obligations.

5. **Clawback.** This award and any stock issued pursuant to this award are subject to recovery under the Company's clawback policy or any law, government regulation or stock exchange listing requirement and will be subject to such deductions and clawback made pursuant to such policy, law, government regulation, or stock exchange listing requirement, all as determined by the Board of Directors or the Compensation Committee. The Company's current clawback policy is subject to revision by the Board or Compensation Committee at any time and from time to time.

6. **Miscellaneous.**

(a) *Entire Agreement.* This Agreement and the Plan constitute the entire agreement of the parties with regard to the subjects hereof.

(b) *Interpretation of the Plan and the Agreement.* The Compensation Committee of the Board of Directors (the "Administrator"), shall have the sole authority to interpret the provisions of this Agreement and the Plan, and all determinations by it shall be final and conclusive.

(c) *Electronic Delivery.* The Recipient consents to the electronic delivery of any prospectus and any other documents relating to this Award in lieu of mailing or other form of delivery.

(d) *Rights and Benefits.* The rights and benefits of this Agreement shall inure to the benefit of and be enforceable by the Company's successors and assigns and, subject to the restrictions on transfer of this Agreement, be binding upon the Recipient's heirs, executors, administrators, successors and assigns.

(e) *Further Action.* The parties agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

(f) *Administrative Error.* In the event it is determined that an administrative error was made in the number of RSUs awarded to the Recipient, the Company shall have the right to revise the award previously issued to the Recipient to the correct amount.

(g) *Governing Law.* This Agreement and the Plan will be interpreted under the laws of the State of Minnesota, exclusive of choice of law rules.

(h) *Counterparts.* This Agreement may be executed in two or more counterparts, each of which shall be deemed an original.

SUNOPTA INC.

Recipient

By: _____
Authorized Officer

**2025 INCENTIVE STOCK OPTION
AWARD AGREEMENT**

Dear ###PARTICIPANT_NAME###:

Pursuant to the terms and conditions of the Company's Amended 2013 Stock Incentive Plan (the "Plan"), you have been granted Incentive Stock Options to purchase ###TOTAL_AWARDS### shares (the "Option") of stock as outlined below.

Granted To: ###PARTICIPANT_NAME###
Employee #: ###EMPLOYEE_NUMBER###
Grant Date: ###ISSUE_DATE###
Options Granted: ###TOTAL_AWARDS###
Option Price Per Share: ###GRANT_PRICE###
Expiration Date: ###EMPLOYEE_GRANT_EXPIRY_DATE###
Vesting Schedule: one-third each anniversary date of grant

1. Time of Exercise of Option. The Option may not be exercised prior to the vesting date set forth above. Following such date and until it expires or is terminated as provided in Sections 2 or 6, this Option may be exercised from time to time to purchase whole shares.

2. Termination of Employment.

2.1 General Rule. Notwithstanding any provision to the contrary in any employment or other agreement between the Company and the Optionee and except as provided in this Section 2, the Option may not be exercised unless at the time of exercise the Optionee is employed by the Company and shall have been so employed or provided such service continuously since the Grant Date. For purposes of this Agreement, the Optionee is considered to be employed by the Company if the Optionee is employed by the Company or any parent or subsidiary of the Company (an "Employer").

2.2 Termination Generally. If the Optionee's employment by the Company terminates for any reason other than because of Total Disability or death as provided in Sections 2.3 or 2.4 or following a Change in Control (as defined in the Plan) as provided in Section 2.5, the Option may be exercised at any time before the Expiration Date or the expiration of 30 days after the date of termination, whichever is the shorter period, but only if and to the extent the Optionee was entitled to exercise the Option at the date of termination.

2.3 Termination Because of Total Disability. If the Optionee's employment by the Company terminates because of Total Disability, the Option may be exercised at any time before the Expiration Date or before the date 12 months after the date of termination, whichever is the shorter period, but only if and to the extent the Optionee was entitled to exercise the Option at the date of termination. The term "Total Disability" means a mental or physical impairment which is expected to result in death or which has lasted or is expected to last for a continuous period of 12 months or more and which causes the Optionee to be unable, in the opinion of the Company, to perform his or her duties as an employee of the Company. Total Disability shall be deemed to have occurred on the first day after the Company has made a determination of Total Disability.

2.4 Termination Because of Death. If the Optionee dies while employed by the Company, the Option may be exercised at any time before the Expiration Date or before the date 12 months after the date of death, whichever is the shorter period, but only if and to the extent the Optionee was entitled to exercise the Option at the date of death and only by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or by the laws of descent and distribution of the state or country of domicile at the time of death.

2.5 Termination following Change in Control. The Option shall immediately vest if a Change in Control (as defined in the Plan) occurs and at any time within 12 months after the Change in Control, (a) the Optionee's employment is terminated by the Company (or its successor) without Cause, or (b) the Optionee's employment is terminated by the Optionee for Good Reason, provided that the Optionee executes and delivers a release of claims in accordance with this Section 2.5. Options that became vested pursuant to this Section 2.5 may be exercised at any time before the Expiration Date or the expiration of 45 days after the employment termination date, whichever is the shorter period. For purposes of this Agreement:

"Cause" means the occurrence of any of the following:

(i) the commission of an act that constitutes a felony under the laws of the United States or any individual State or under the laws of a foreign country; or

(ii) the commission of an act of fraud, embezzlement, sexual harassment, dishonesty, theft, or an intentional act that results in a material loss, damage or injury to the Company; or

(iii) the commission of an act of moral turpitude which is materially injurious to the Company; or

(iv) the failure of the Optionee to participate in the reasonable and lawful business activities of the Company in a manner consistent with Optionee's job duties, provided such failure continues for more than ten days after written notice to the Optionee specifying such failure in reasonable detail.

"Good Reason" means the occurrence of any of the following:

(i) a material diminution in the Optionee's authority, duties or responsibilities after the Change in Control compared to immediately prior to the Change in Control; provided that Good Reason shall not exist (A) solely as a result of a change in reporting relationship or (B) if the Optionee continues to have the same or a greater general level of responsibility for the Company operations after the Change in Control as the Optionee had prior to the Change in Control even if the Company operations are a subsidiary or division of the surviving company; or

(ii) the Optionee is required to be based more than eighty (80) miles from where the Optionee's office is located immediately prior to the Change in Control; or

(iii) a material reduction in the Optionee's base salary, or the Company or the surviving company fails to provide substantially equivalent target incentive opportunities under short term and long term incentive plans after the Change in Control that unless offset by an increase in base salary would result in a material reduction of the Optionee's total compensation package, as compared to immediately prior to the Change in Control;

provided, however, that such termination shall not be for "Good Reason" unless the Optionee provides notice to the Company of the existence of the condition described above within 30 days of the initial existence of the condition and the Company does not remedy such condition on or before the 30th day following such notice (or the following business day if such 30th day is not a business day). Accelerated vesting of the Option and the exercise period as set forth in this Section 2.5 is conditioned on the Optionee executing and delivering to the Company a release of claims in a form supplied by the Company (the "Release") within 21 days following the date the Company delivers the form of Release to the Optionee and the Release becoming effective by virtue of the Optionee not revoking the Release during any period the Optionee is allowed by law to revoke.

2.6 Leave of Absence. Absence on leave approved by the Employer or on account of illness or disability shall not be deemed a termination or interruption of employment. Vesting of the Option shall continue during a medical, family or military leave of absence, whether paid or unpaid, and vesting of the Option shall be suspended during any other unpaid leave of absence.

2.7 Failure to Exercise Option. To the extent that following termination of employment, the Option is not exercised within the applicable periods described above, all further rights to purchase shares pursuant to the Option shall cease and terminate.

3. Method of Exercise of Option; Tax Withholding; Disqualifying Disposition. The Option may be exercised by notice from the Optionee to the Company through the Company's third-party administrator, Solium Shareworks, of the Optionee's binding commitment to purchase shares, specifying the number of shares the Optionee desires to purchase under the Option, which may not be more than 30 days after delivery of the notice, and, if required to comply with the Securities Act of 1933, containing a representation that it is the Optionee's intention to acquire the shares for investment and not with a view to distribution. On or before the date specified for completion of the purchase, the Optionee must pay the Company the full purchase price of those shares in cash or by certified check, or in whole or in part in Common Stock of the Company valued at fair market value. The fair market value of Common Stock provided in payment of the purchase price shall be the closing price of the Common Stock last reported on Nasdaq before the time payment in Common Stock is made or, if earlier, committed to be made, if the Common Stock is publicly traded, or another value of the Common Stock as specified by the Company. No shares shall be issued until full payment for the shares has been made, including all amounts owed for tax withholding. The Optionee shall, immediately upon notification of the amount due, if any, pay to the Company in cash or by certified check amounts necessary to satisfy any applicable federal, state and local tax withholding requirements. If additional withholding is or becomes required beyond any amount deposited before delivery of the electronic transfer of the shares, the Optionee shall pay such amount to the Company, in cash or by certified check, on demand. If the Optionee fails to pay the amount demanded, the Company or the Employer may withhold that amount from other amounts payable to the Optionee, including salary, subject to applicable law. If within two years after the Grant Date or within 12 months after the exercise of the Option, the Optionee sells or otherwise disposes of Common Stock acquired on exercise of the Option, the Optionee shall within 30 days of the sale or disposition notify the Company in writing of (i) the date of the sale or disposition, (ii) the amount realized on the sale or disposition and (iii) the nature of the disposition (e.g., sale, gift, etc.).

- 4. Nontransferability.** Except as provided in this Section 4, the Option is nonassignable and nontransferable by the Optionee, either voluntarily or by operation of law, and during the Optionee's lifetime, the Option is exercisable only by the Optionee. The Option may be transferred by will or by the laws of descent and distribution of the state or country of the Optionee's domicile at the time of death.
- 5. Stock Splits, Stock Dividends.** If the outstanding Common Stock of the Company is hereafter increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of any stock split, combination of shares, dividend payable in shares, recapitalization or reclassification, appropriate adjustment shall be made by the Company in (i) the number and kind of shares subject to the Option, or the unexercised portion thereof, and (ii) the Option price per share, so that the Optionee's proportionate interest before and after the occurrence of the event is maintained, relative to other shareholders of Common Stock. Notwithstanding the foregoing, the Company shall have no obligation to effect any adjustment that would or might result in the issuance of fractional shares, and any fractional shares resulting from any adjustment may be disregarded or provided for in any manner determined by the Company. Any such adjustments made by the Company shall be conclusive. For the avoidance of doubt, this provision is intended to put the Optionee in the same position with respect to each Option as immediately prior to such event.
- 6. Mergers, Reorganizations, Etc.** Upon the occurrence of any of the following events: (i) a merger, combination, consolidation, plan for exchange pursuant to which outstanding shares of Common Stock are converted into cash or other stock, securities or property, (ii) a sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company, the Board of Directors of the Company may provide for the treatment of the Option in accordance with the Plan.
- 7. Conditions on Obligations.** The Company shall not be obligated to issue shares of Common Stock upon exercise of the Option if the Company is advised by its legal counsel that such issuance would violate applicable state or federal laws, including securities laws. The Company will use its best efforts to take steps required by state or federal law or applicable regulations in connection with issuance of shares upon exercise of the Option.
- 8. No Right to Employment.** Nothing in the Plan or this Agreement shall (i) confer upon the Optionee any right to be continued in the employment of an Employer or interfere in any way with the Employer's right to terminate the Optionee's employment at will at any time, for any reason, with or without cause, or to decrease the Optionee's compensation or benefits, or (ii) confer upon the Optionee any right to be retained or employed by the Employer or to the continuation, extension, renewal or modification of any compensation, contract or arrangement with or by the Employer.
-

9. **Clawback.** This award and any stock issued pursuant to this award are subject to recovery under the Company's clawback policy or any law, government regulation or stock exchange listing requirement and will be subject to such deductions and clawback made pursuant to such policy, law, government regulation, or stock exchange listing requirement, all as determined by the Board of Directors or the Compensation Committee. The Company's current clawback policy is subject to revision by the Board or Compensation Committee at any time and from time to time.
10. **Successors of Company.** This Agreement shall be binding upon and shall inure to the benefit of any successor of the Company but, except as provided herein, the Option may not be assigned or otherwise transferred by the Optionee.
11. **Rights as a Shareholder.** The Optionee shall have no rights as a shareholder with respect to any shares of Common Stock until the date the Optionee becomes the holder or record of those shares. No adjustment shall be made for dividends or other rights for which the record date occurs before the date the Optionee becomes the holder of record.
12. **Administrative Error.** In the event it is determined that an administrative error was made in the number of options awarded to the Optionee, the Company shall have the right to revise the award previously issued to the Optionee to the correct amount.
13. **Governing Law.** This Agreement shall be governed by the laws of Minnesota.
14. **Complete Agreement.** This Agreement and the Plan constitutes the entire agreement between the Optionee and the Company, both oral and written concerning the matters addressed herein, and all prior agreements or representations concerning the matters addressed herein, whether written or oral, express or implied, are terminated and of no further effect.
15. **Electronic Delivery of Prospectus.** The Optionee consents to the electronic delivery of any prospectus and related documents relating to the Option in lieu of mailing or other form of delivery.

By my acceptance of this grant, I hereby acknowledge receipt of this Option granted on the date shown above, which has been issued to me under the terms and conditions of the Plan. I further acknowledge receipt of the copy of the Plan and agree to conform to all of the terms and conditions of the Option and the Plan.

SUNOPTA INC.

By: _____

Authorized Officer

Recipient

Insider Trading Policy

Rev. October 21, 2025

This Insider Trading Policy (the "**Policy**") provides guidelines with respect to transactions in the securities of SunOpta Inc. and its subsidiaries (the "**Company**") and the handling of confidential information about the Company and the companies with which the Company does business. The Company's Board of Directors has adopted this Policy to promote compliance with U.S. and Canadian securities laws. In addition, to promote compliance with insider trading laws, it is the Company's policy not to engage in transactions involving the Company's securities in violation of insider trading laws.

Under U.S. and Canadian securities laws, it is illegal to trade in the Company's securities while in the possession of material nonpublic information about the Company. These illegal transactions are commonly referred to as "insider trading." The prohibitions against insider trading apply to trades, tips and recommendations by virtually any person, including all persons associated with the Company, if the information involved is "material" and "nonpublic." These terms are defined in this Policy under Part I, Section 4 below. The prohibitions would apply to any director, officer or employee who buys or sells Company stock on the basis of material nonpublic information that he or she obtained about the Company, its customers, suppliers, or other companies with which the Company has contractual relationships or may be negotiating transactions.

This Policy is divided into two parts. The first part of the Policy prohibits trading in certain circumstances and applies to all directors, officers and employees of the Company, and any additional parties whom the Company may designate as insiders because they have access to material nonpublic information concerning the Company (each an "**Additional Party**," and, collectively, the "**Additional Parties**"). The second part of the Policy imposes special additional trading restrictions, which apply to (i) all directors of the Company, (ii) the senior leadership team members of the Company, (iii) any other designated employees of the Company, and (iv) any Additional Parties, all of which are listed on Appendix A (collectively, "**Covered Persons**").

PART I

1. Applicability

This Policy applies to all trading or other transactions in the Company's securities, including common stock, options and any other securities that the Company may issue, such as preferred stock, notes, bonds and convertible securities, as well as to derivative securities (e.g., restricted stock units, performance stock units, and incentive stock options) relating to any of the Company's securities, whether or not issued by the Company.

In addition to the individuals and parties subject to this Policy, this Policy also applies to the immediate family members (collectively, "**Family Members**") of any individual subject to this Policy, as well as any corporation, partnership or trust controlled by or influenced by any individual or party subject to this Policy (collectively, "**Restricted Entities**").

Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about the Company and to not engage in transactions in Company securities while in possession of material nonpublic information. Persons subject to this policy must not engage in illegal trading and must avoid the appearance of improper trading. Each individual is responsible for making sure that he or she complies with this Policy, and that any Family Member or Restricted Entity whose transactions are subject to this Policy, as discussed below, also comply with this Policy.

In all cases, the responsibility for determining whether an individual is in possession of material nonpublic information rests with that individual, and any action on the part of the Company, the Compliance Officer or any other employee or director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. You could be subject to severe legal penalties and disciplinary action by the Company for any conduct prohibited by this Policy or applicable securities laws, as described below in more detail under Part I, Section 6, "Violations of Insider Trading Laws."

Every officer, director and employee must review this Policy. Questions regarding the Policy should be directed to the Company's Compliance Officer.

2. General Policy: No Trading While in Possession of Material Nonpublic Information

(a) No director, officer, employee or Additional Party, or any of their Family Members, may purchase or sell, or offer to purchase or sell, either directly or indirectly through any other person, any Company security, whether or not issued by the Company, while in possession of material nonpublic information about the Company. (The terms "material" and "nonpublic" are defined in Part I, Section 4(a) and (b) below.)

(b) No director, officer, employee or Additional Party, or any of their Family Members, who knows of any material nonpublic information about the Company may communicate that information to ("**tip**") any other person, including family members, friends and Restricted Entities, or otherwise disclose such information without prior written authorization from the Company's Compliance Officer (which is defined in Part I, Section 4(c) below).

(c) No director, officer, employee or Additional Party, or any of their Family Members, may purchase or sell any security of any other company, whether or not issued by the Company, while in possession of material nonpublic information about that company that was obtained in the course of his or her involvement with the Company. No director, officer, employee or Additional Party, or any of their Family Members, who knows of any such material nonpublic information may communicate that information to, or tip, any other person, including family members, friends and Restricted Entities, or otherwise disclose such information without prior written authorization from the Company's Compliance Officer.

(d) For compliance purposes, you should never trade, tip or recommend securities (or otherwise cause the purchase or sale of securities) while in possession of information that you have reason to believe is material and nonpublic unless you first consult with, and obtain prior written authorization from the Company's Compliance Officer.

(e) Covered Persons must "pre-clear" all trading in securities of the Company in accordance with the procedures set forth in Part II, Section 2 below.

3. Information Relating to the Company

Access to material nonpublic information about the Company, including the Company's business, earnings or prospects, should be limited to directors, officers, and employees of the Company on a "need to know" basis. In addition, such information should not be communicated to anyone outside the Company under any circumstances (except in accordance with the Company's policies regarding the protection or authorized external disclosure of Company information).

In communicating material nonpublic information to employees of the Company, all directors, officers, and employees must take care to emphasize the need for confidential treatment of such information and adherence to the Company's policies with regard to confidential information.

All director, officers, and employees should take all steps and precautions necessary to restrict access to, and secure, material nonpublic information by, among other things:

(i) maintaining the confidentiality of Company-related transactions;

(ii) conducting their business and social activities so as not to risk inadvertent disclosure of confidential information. Review of confidential documents in public places should be conducted so as to prevent access by unauthorized persons;

(iii) restricting access to documents and files (including computer files) containing material, non-public information to individuals on a need-to-know basis (including maintaining control over the distribution of documents and drafts of documents);

(iv) disposing of all confidential documents and other papers, after there is no longer any business or other legally required need, through shredders when appropriate;

(v) safeguarding laptop computers, mobile devices, tablets, memory sticks, CDs and other items that contain confidential information;

and

- (vi) avoiding the discussion of material, non-public information in places where the information could be overheard by others.

4. Definitions

(a) **Material.** Insider trading restrictions come into play only if the information you possess is "material." Materiality, however, involves a relatively low threshold. Information is generally regarded as "material" if it has market significance, that is, if its public dissemination is likely to affect the market price of securities, or if it otherwise is information that a reasonable investor would want to know before making an investment decision.

Information dealing with the following subjects is reasonably likely to be found material in particular situations, such as (this is not an exhaustive list):

- (i) financial performance, especially quarterly and year-end earnings, and significant changes in earnings estimates or unusual gains or losses in major operations;
 - (ii) significant changes in the Company's prospects, projections or strategic plans;
 - (iii) material changes in the Company's accounting policies and /or the accountants or auditors;
 - (iv) new major discoveries or patents, or significant changes or developments in products or product lines, services, research or technologies;
 - (v) significant pricing changes affecting the Company's products;
 - (vi) significant write-downs in assets or increases in reserves;
 - (vii) developments regarding significant litigation or government agency investigations or the resolution thereof;
 - (viii) product liability suits, recalls and threatened market withdrawals that may arise or be brought against the Company;
 - (ix) liquidity problems, defaults under debt obligations, or the failure to maintain financial covenants under the Company's credit facilities;
 - (x) major labor disputes or disputes with major contractors or suppliers;
 - (xi) interruptions at the Company's manufacturing facilities;
 - (xii) major changes in management;
-

- (xiii) changes in dividends;
- (xiv) significant new credit arrangements, extraordinary borrowings or financing transactions;
- (xv) award or loss of a significant customer, supplier or contract;
- (xvi) changes in debt ratings;
- (xvii) proposals, plans or agreements, even if preliminary in nature, involving mergers, acquisitions, divestitures, recapitalizations, strategic alliances, licensing arrangements, or purchases or sales of substantial assets;
- (xviii) take-over bids, activities by shareholder activists, or changes in share ownership that may affect control of the Company;
- (xix) stock splits, stock repurchases, or offerings of Company securities;
- (xx) de-listing of the Company's securities or a change in the stock exchange or type of stock exchange listing for the Company's securities; and
- (xxi) pending statistical reports (such as, consumer price index, money supply and retail figures, or interest rate developments).

Material information is not limited to historical facts but may also include projections and forecasts. With respect to a future event, such as a merger, acquisition or introduction of a new product, the point at which negotiations or product development are determined to be material is determined by balancing the probability that the event will occur against the magnitude of the effect the event would have on a company's operations or stock price should it occur. Thus, information concerning an event that would have a large effect on stock price, such as a merger, may be material even if the possibility that the event will occur is relatively small. When in doubt about whether particular nonpublic information is material, you should presume it is material. **If you are unsure whether information is material, you should either consult with the Company's Compliance Officer before making any decision to disclose such information (other than to persons who need to know it) or to trade in or recommend securities to which that information relates or assume that the information is material.**

(b) **Nonpublic.** Insider trading prohibitions come into play only when you possess information that is material and "nonpublic." The fact that information has been disclosed to a few members of the public does not make it public for insider trading purposes. To be "public" the information must have been disseminated in a manner designed to reach investors generally, and the investors must be given the opportunity to absorb, understand and assess the information. Therefore, even after public disclosure of information about the Company, you must wait until the close of business on the second trading day after the information was publicly disclosed before you can treat the information as public. Examples of nonpublic information may include (this is not an exhaustive list):

- (i) information available to a select group of analysts or brokers or institutional investors;
- (ii) undisclosed facts that are the subject of rumors, even if the rumors are widely circulated; and
- (iii) information that has been entrusted to the Company on a confidential basis until a public announcement of the information has been made and enough time has elapsed for the market to respond to a public announcement of the information (normally two trading days).

As with questions of materiality, if you are not sure whether information is considered public, you should either consult with the Compliance Officer or assume that the information is nonpublic and treat it as confidential.

(c) **Compliance Officer.** The Company has appointed the General Counsel of the Company as the Compliance Officer for this Policy. The duties of the Compliance Officer include, but are not limited to, the following:

- (i) assisting with implementation and enforcement of this Policy;
- (ii) circulating this Policy to all employees and ensuring that this Policy is amended as necessary to remain up-to-date with insider trading laws;
- (iii) pre-clearing all trading in securities of the Company by Covered Persons in accordance with the procedures set forth in Part II, Section 3 below;
- (iv) providing approval of any Rule 10b5-1 Plan or Automatic Securities Purchase Plan under Part II, Section 1(c) below and any prohibited transactions under Part II, Section 3 below; and
- (v) providing a reporting system with an effective whistleblower protection mechanism.

5. Exceptions

The trading restrictions of this Policy generally do not apply to the following:

(a) **401(k) Plan.** Investing 401(k) plan contributions in a Company stock fund in accordance with the terms of the Company's 401(k) plan. However, any changes in your investment election regarding the Company's stock are subject to trading restrictions under this Policy.

(b) **ESPP.** Purchasing Company stock through the Company's Employee Stock Purchase Plan ("ESPP"). However, any changes in your elections under the ESPP and the sale of any Company stock acquired under the ESPP are subject to trading restrictions under this Policy.

(c) **Options.** Exercising stock options granted under the Company's Amended 2013 Stock Incentive Plan for cash or the delivery of previously owned Company stock. However, the sale of any shares issued on the exercise of Company-granted stock options and any cashless exercise of Company-granted stock options are subject to trading restrictions under this Policy.

(d) **Restricted Stock Awards.** The vesting of restricted stock, or the exercise of a tax withholding right to satisfy withholding requirements upon the vesting of any restricted stock. However, the sale of restricted stock is subject to trading restrictions under this Policy.

(e) **Other Transactions with the Company.** Any other purchase of Company securities directly from the Company or sales of Company securities directly to the Company.

6. **Violations of Insider Trading Laws**

Penalties for trading on or communicating material nonpublic information can be severe, both for individuals involved in such unlawful conduct and their employers and supervisors, and may include jail terms, criminal fines, civil penalties and civil enforcement injunctions. Given the severity of the potential penalties, compliance with this Policy is absolutely mandatory.

(a) **Legal Penalties.** Penalties for trading on or tipping material nonpublic information can extend significantly beyond any profits made or losses avoided, both for individuals engaging in such unlawful conduct and their employers. The Securities and Exchange Commission ("SEC") and Department of Justice have made the civil and criminal prosecution of insider trading violations a top priority. Enforcement remedies available to the government or private plaintiffs under the federal securities laws include:

- (i) SEC administrative sanctions;
 - (ii) securities industry self-regulatory organization sanctions;
 - (iii) civil injunctions;
 - (iv) damage awards to private plaintiffs;
 - (v) disgorgement of all profits;
 - (vi) civil fines for the violator of up to three times the amount of profit gained or loss avoided;
-

(vii) civil fines for the employer or other controlling person of a violator (i.e., where the violator is an employee or other controlled person) of up to the greater of \$1.425 million or three times the amount of profit gained or loss avoided by the violator;

(viii) criminal fines for individual violators of up to \$5 million (\$25 million for an entity); and

(ix) jail sentences of up to 20 years.

In addition, a person who tips others may also be liable for transactions by the tippees to whom he or she has disclosed material nonpublic information. Tipsters can be subject to the same penalties and sanctions as the tippees, and large penalties have been imposed even when the tipster did not profit from the transaction.

Tippees inherit an insider's duties and are liable for trading on material nonpublic information illegally tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their tippees, so are tippees who pass the information along to others who trade. In other words, a tippee's liability for insider trading is no different from that of an insider. Tippees can obtain material, non-public information by receiving overt tips from others or through, among other things, conversations at social, business, or other gatherings.

Substantial civil penalties can also be imposed on any person who, at the time of an insider trading violation, "directly or indirectly controlled the person who committed such violation," which could apply to the Company and/or management and supervisory personnel if it can be shown that a proper system of supervision and control was not established, maintained and enforced. Control persons acting in bad faith may be held liable for up to the greater of approximately \$2.5 million or three times the amount of the profits gained or losses avoided. Even for violations that result in a small or no profit, penalties can be imposed on a company and/or its management and supervisory personnel as control persons.

(b) **Company-Imposed Penalties.** Employees who violate this Policy may be subject to disciplinary action by the Company, including dismissal for cause. Any exceptions to the Policy, if permitted, may only be granted by the Company's Compliance Officer and must be provided before any activity contrary to the above requirements takes place.

7. Inquiries

If you have any questions regarding any of the provisions of this Policy, please contact the Company's Compliance Officer.

PART II

1. Blackout Periods

All Covered Persons are prohibited from trading in the Company's securities during blackout periods as defined below.

(a) **Quarterly Blackout Periods.** Trading in the Company's securities is prohibited during the period beginning at the close of the market two weeks (14 days) prior to the end of each fiscal quarter and ending at the close of business on the second trading day following the date the Company's financial results are publicly disclosed. During these periods, Covered Persons generally possess or are presumed to possess material nonpublic information about the Company's financial results.

(b) **Other Blackout Periods.** From time to time, other types of material nonpublic information regarding the Company (such as negotiation of mergers, acquisitions or dispositions or new product developments) may be pending and not be publicly disclosed or there may be market events, such as a cyber security breach, which may affect the Company's securities in an as-of-yet unascertained manner. While such material nonpublic information or events are pending, the Company may impose special blackout periods during which Covered Persons are prohibited from trading in the Company's securities. If the Company imposes a special blackout period, it will notify the Covered Persons affected.

(c) **Exception.** These trading restrictions do not apply to transactions under a pre-existing written plan, contract, instruction, or arrangement under Rule 10b5-1 under the Securities Exchange Act of 1934 (an "**Approved 10b5-1 Plan**") or National Instrument 55-104 of the Canadian Securities Administrators (an "**Automatic Securities Purchase Plan**") that:

(i) has been reviewed and approved by the Compliance Officer (or, if revised or amended, such revisions or amendments have been reviewed and approved by the Compliance Officer); and

(ii) complies with all requirements necessary to establish the affirmative defenses under Rule 10b5-1, as determined by the Company's Compliance Officer.

Covered Persons are permitted to trade in the Company's securities when no blackout period is in effect. Generally, this means that Covered Persons can trade during the period beginning at the close of business on the second trading day following the date the Company's financial results are publicly disclosed and ending on the 16th day prior to the end of each fiscal quarter of the Company. However, a trading window period is a Company compliance requirement and does not constitute a legal right to trade in the company's securities. Even during this trading window, a Covered Person who is in possession of any material nonpublic information must not trade in the Company's securities until the information has been made publicly available or is no longer material. In addition, the Company may close this trading window if a special blackout period under Part II, Section 1(b) above is imposed and will re-open the trading window once the special blackout period has ended. **Pre-clearance of Securities Transactions**

(d) Because Covered Persons are likely to obtain material nonpublic information on a regular basis, the Company requires all such persons to refrain from trading, even during a trading window under Part II, Section 1 above, without first pre-clearing all transactions in the Company's securities.

(e) Subject to the exemption in subsection (d) below, no Covered Person may, directly or indirectly, purchase or sell (or otherwise make any transfer, gift, pledge or loan of) any Company security at any time without first obtaining prior approval from the Company's Compliance Officer. Notwithstanding the foregoing, the review and approval of any proposed trade by a director must also be approved by the Chair of the Corporate Governance Committee or, if he/she is unavailable, the Chair of the Board. The Compliance Officer may not trade in Company securities without first obtaining the approval of the CEO and CFO in accordance with the procedures set forth below.

(f) When a request for pre-clearance is made, the requestor should carefully consider whether he or she may be aware of any material nonpublic information about the Company, and should describe fully those circumstances to the Compliance Officer. If the requestor is a Section 16 filer, the requestor should also indicate whether he or she has completed any non-exempt "opposite-way" transactions within the past six months.

(g) The Compliance Officer shall record the date each request is received and the date each request is approved or disapproved. Unless revoked, a grant of permission will normally remain valid until the close of trading four business days following the day on which it was granted. If the transaction does not occur during the four-day period, pre-clearance of the transaction must be re-requested.

(h) The Compliance Officer is under no obligation to approve any trades requested by a Covered Person. The Compliance Officer may reject any trade requests at the Compliance Officer's sole reasonable discretion.

(i) The Compliance Officer may designate one or more individuals who may perform the Compliance Officer's duties in the event that the Compliance Officer is unable or unavailable to perform such duties.

(j) Pre-clearance is not required for purchases and sales of securities under an Approved 10b5-1 Plan or an Automatic Securities Purchase Plan.

2. Prohibited Transactions

(a) Directors and executive officers of the Company are prohibited from trading in the Company's equity securities during a blackout period imposed under an "individual account" retirement or pension plan of the Company, during which at least 50% of the plan participants are unable to purchase, sell or otherwise acquire or transfer an interest in equity securities of the Company, due to a temporary suspension of trading by the Company or the plan fiduciary.

(b) Covered Persons, including any person's spouse, other persons living in such person's household and minor children and entities over which such person exercises control, are prohibited from engaging in the following transactions in the Company's securities unless advance approval is obtained from the Compliance Officer:

- (i) Short-term trading. Covered Persons who purchase Company securities may not sell any Company securities of the same class for at least six months after the purchase;
- (ii) Short sales. Covered Persons may not sell the Company's securities short;
- (iii) Options trading. Covered Persons may not buy or sell puts or calls or other derivative securities on the Company's securities;
- (iv) Trading on margin or pledging. Covered Persons may not hold Company securities in a margin account or pledge Company securities as collateral for a loan; and
- (v) Hedging. Covered Persons may not enter into hedging or monetization transactions or similar arrangements with respect to Company securities.

3. Post-Termination Transactions

If an individual is in possession of material nonpublic information when his or her service to the Company terminates, that individual may not trade in Company securities until that information has become public or is no longer material. In all other respects, the procedures set forth in this Policy will cease to apply to transactions in Company securities upon the expiration of any blackout period that is in effect at the time of his or her termination of service.

APPENDIX A

COVERED PERSONS

(Revised October 2025)

Board of Directors

Albert Bolles
Rebecca Fisher
Dean Hollis
Brian Kocher
Dave Lemmon
Diego Reynoso
Leslie Starr
Mahes Wickramasinghe

Senior Leadership Team

Jen Caro
Bryan Clark
Rob Duchscher
Danielle Duzan
Greg Gaba
Justin Kobler
Chris McCullough
Lauren McNamara

Additional Corporate Employees

Blair McInnis
Allen Koosmann
Andrew Strater
Dan Schaefer
Farhan Raja
Jeff Egan
Kendra Kruse
Jennifer Kruse
Uria Park
Krista Pearson
Michael Mulgrew
Paul Hager
Peter McLean
Scott Wold
Steve Meados
Tina Mickelson
Illya Titov
Clifford Hammond

Additional Parties

Oaktree Capital - Zachary Serebrenik

LIST OF SUBSIDIARIES

Name of Company	Year of Incorporation, Amalgamation or Acquisition	Jurisdiction of Incorporation	Ownership
SunOpta Foods Inc.	2010	Delaware	100%
SunOpta Investments Ltd.	2002	Canada	100%
SunOpta Companies Inc.	2013	Minnesota	100%
SunOpta Financing 2017 LLC	2017	Delaware	100%
SunOpta Holdings LLC	2017	Delaware	100%
SunOpta Africa (Proprietary) Limited	2009	South Africa	100%
SunOpta Grains and Foods Inc.	2010	Minnesota	100%
SunOpta Global Organic Ingredients, Inc.	2007	California	100%
Sunrise Holdings (Delaware), Inc.	2015	Delaware	100%
Sunrise Growers, Inc.	2015	Delaware	100%
Sunrise Growers Mexico, S.R.L. de C.V.	2015	Mexico	100%
SunOpta Mx, S.A. de C.V	2015	Mexico	100%
Servicios SunOpta, S. De R. L.De C.V.	2007	Mexico	100%
SunOpta de Mexico, S. De R. L.De C.V.	2007	Mexico	100%
Enchi Corporation	2010	Delaware	18.7%

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statements (Form S-8 No. 333-273899, Form S-8 No. 333-242507, Form S-8 No. 333-233202, Form S-8 No. 333-218515 and Form S-8 No. 333-211873) pertaining to the Amended 2013 Stock Incentive Plan of SunOpta Inc.,
- (2) Registration Statement (Form S-8 No. 333-281352) pertaining to Inducement Restricted Stock Units, Inducement Option Award, and Inducement Performance Share Units of SunOpta Inc.,
- (3) Registration Statement (Form S-8 No. 333-191777) pertaining to the 2013 Stock Incentive Plan of SunOpta Inc.,
- (4) Registration Statement (Form S-8 No. 333-161662) pertaining to the Employee Stock Purchase Plan of SunOpta Inc.,
- (5) Registration Statement (Form S-3 No. 333-253840) of SunOpta Inc., and
- (6) Registration Statement (Form S-3 No. 333-270313) of SunOpta Inc.

of our reports dated March 4, 2026, with respect to the consolidated financial statements of SunOpta Inc. and the effectiveness of internal control over financial reporting of SunOpta Inc. included in this Annual Report (Form 10-K) of SunOpta Inc. for the year ended January 3, 2026.

/s/ Ernst & Young LLP

Minneapolis, Minnesota

March 4, 2026

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a)
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brian Kocher, certify that:

- (1) I have reviewed this Annual Report on Form 10-K of SunOpta Inc.
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Brian Kocher

Brian Kocher
Chief Executive Officer
SunOpta Inc.
Date: March 4, 2026

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a)
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Greg Gaba, certify that:

- (1) I have reviewed this Annual Report on Form 10-K of SunOpta Inc.
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Greg Gaba

Greg Gaba
Chief Financial Officer
SunOpta Inc.
Date: March 4, 2026

**CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report of SunOpta Inc. (the "Company") on Form 10-K for the year ended January 3, 2026, as filed with the Securities and Exchange Commission (the "Report"), I, Brian Kocher, Chief Executive Officer of the Company, and I, Greg Gaba, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, that to our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: March 4, 2026

/s/ Brian Kocher

Brian Kocher
Chief Executive Officer
SunOpta Inc.

/s/ Greg Gaba

Greg Gaba
Chief Financial Officer
SunOpta Inc.

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and should not be deemed to be filed under the Exchange Act by the Company or the certifying officers.
