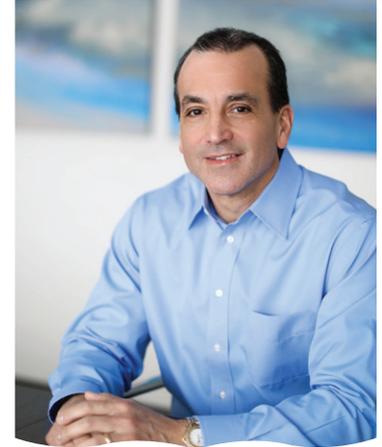


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One High Liner Foods: IN CONVERSATION WITH THE CEO

President and CEO Rod Hepponstall joined High Liner Foods on May 1. “I am extremely pleased to be joining High Liner Foods,” he said at the time.



01

WHAT DID YOU SEE IN HIGH LINER FOODS BACK IN MAY, AND WHAT DO YOU SEE NOW?

Before I came to High Liner Foods, I saw an organization with tremendous brand recognition and a history that has stood the test of time. At the same time, I saw shifting consumer trends more broadly. Seafood is an “under-consumed” protein compared to beef, poultry and pork. So I saw an exciting opportunity to tap into consumer demands for healthier sources of protein.

What I quickly realized when I arrived was the quality of our people here. All across the globe — whether in Canada, the United States, Asia or Iceland — we have a company full of ambitious, hard-working people who really care about what we do and why we do it. It’s one thing to instill passion in people. It’s a whole other ballgame when the passion and potential for success are already there.

02

HOW DO YOU TAP INTO THAT PASSION AND TRANSFORM IT INTO RESULTS?

First, you have to make sure everyone is on the same page — that we’re not duplicating efforts, working inefficiently or operating in silos. You have to bring everyone together and say, “Look, no matter your role or your location, we’re one organization.” When people aren’t stranded in their specific roles — but feel part of something bigger — you begin to unlock all sorts of potential.

I arrived with my sleeves already rolled up! Right away, I made a point of visiting each and every one of our facilities, and with my team we took an in-depth look at our collective strengths and capabilities. Those run the gamut. At one end, you might have a highly engaged employee, at one of our plants, with an original idea. At the other end, you have an organizational DNA based on 120 years of deep seafood expertise, along with the legacy of resilience, innovation and reinvention that comes with that.

“I look forward to working with my new team to improve the business, to create innovative products that help drive seafood consumption and to deliver on a strategy that will create long-term value for our shareholders.”

ROD HEPPONSTALL, President and CEO

03

AND THAT'S WHAT YOU MEAN WHEN YOU TALK ABOUT "ONE HIGH LINER FOODS"?

Exactly. "One High Liner Foods" gives expression to the first of five critical initiatives we've identified as essential for our next two years to unlock our potential value and return to organic growth. Through Organizational Realignment, our first critical initiative, we are creating an integrated, cohesive and collaborative culture to ensure we're operating efficiently, sharing information and establishing company-wide best practice across the globe.

In a lot of ways, I came to two companies — one operating in the United States and one in Canada — that happened to share a name. Through Organizational Realignment, we are now operating as one unified company. Today, internal connections are global in nature, not just local. Employees are working with their colleagues around the world more cohesively than ever before. They're making decisions together, sharing lessons learned and testing out new ideas for how we operate, innovate and reach consumers.

04

WHERE DOES ONE HIGH LINER FOODS GO FROM HERE?

While we had to make some difficult decisions, we've made important progress in realigning the organization. Fully realizing the strengths of High Liner Foods will never be "done" in my book, though. Empowering people to do the best they can do — that never stops. Encouraging colleagues to question the status quo — that never stops either. As soon as you stop paying attention to learning moments, you're missing opportunities to improve.

That said, we're driving process improvements, realizing efficiencies and working as one company. We're a leaner, smarter, flatter business that can be faster to market, more competitive and overall better equipped to tap into the market opportunity we see ahead. I truly believe that we can take advantage of the "halo effect" seafood has in the minds of more and more consumers, who increasingly associate it with healthy eating.

05

WHAT DOES 2019 HAVE IN STORE FOR HIGH LINER FOODS?

Heading into the year, we have a talented, calibrated leadership team in place, and enthusiasm throughout the organization. As an integrated company, we will continue realizing the benefits of Organizational Realignment, and we will advance our other critical initiatives — Business Simplification, Supply Chain Excellence, and Rubicon Alignment and Shrimp Growth. Taken together, this provides the foundation for our final — and ongoing — initiative, Profitable Organic Growth.



High Liner Foods is developing the next wave of innovative seafood products to help North Americans live healthier lives.

Business Simplification

Among seafood's many benefits for consumers is its variety, which can appeal to a wide range of tastes and meal occasions.

For years, High Liner Foods has procured dozens of species from countries all over the world. The right mix of product diversity going forward, though, depends on the evolving consumer trends of tomorrow. As part of our Business Simplification initiative, we are reviewing our entire brand and product portfolio through the lens of the latest in market trends, customer expectations and financial analytics.

Today, a handful of seafood species account for the vast majority of consumer demand. Through Business Simplification, we are identifying those species and SKUs that have the most potential among foodservice and retail customers, and shifting our focus away from those that appeal to an increasingly small market segment.

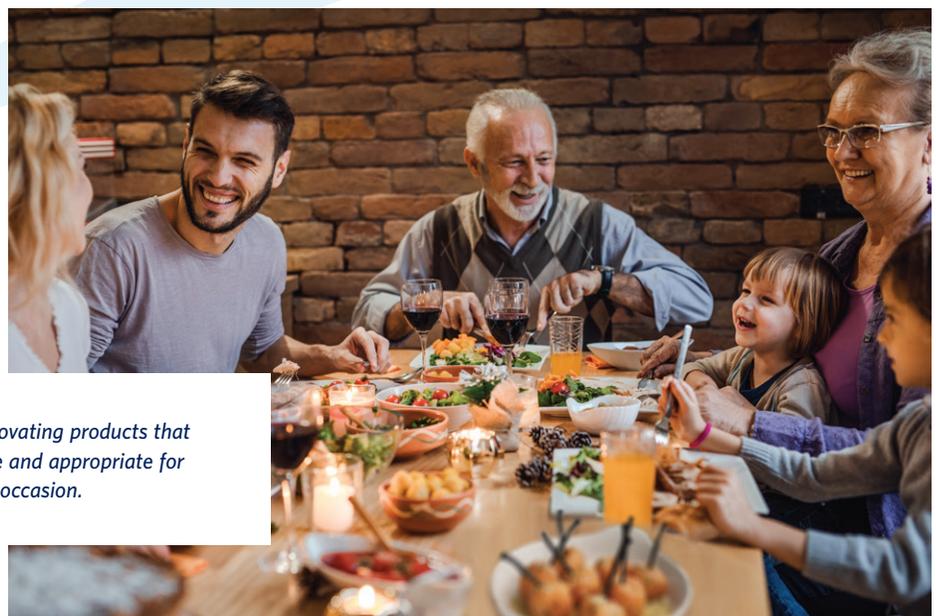
High Liner Foods will continue to offer a comprehensive selection of frozen seafood products, but we are removing unnecessary complexity — simplifying raw materials, ingredients and packaging — in order to focus on margins, growth potential and the overall customer experience. "More than anything, this is all about focus," explains Paul Jewer, EVP and CFO. "We're focused on the things that can drive value for High Liner Foods."

"Paul's the right person to lead our Business Simplification initiative," Rod Hepponstall points out. "He has a long history with the food industry and consumer packaged goods, and he's unique in his ability to pair financial expertise and pragmatic thinking with a deep understanding of R&D and marketing insights."



"We're focused on the things that can drive value for High Liner Foods."

PAUL JEWER, EVP and CFO



High Liner Foods is innovating products that are on trend, shareable and appropriate for multiple types of meal occasion.

Supply Chain Excellence

As part of our One High Liner Foods culture, we are implementing an integrated supply chain — creating a cross-border operating system, increasing manufacturing efficiencies and optimizing overall supply chain structure.

“We’ve identified a number of opportunities to reduce costs,” explains Paul Snow, a 40-year seafood industry veteran who joined High Liner Foods in 1978 and is spearheading the supply chain initiative. “These opportunities will help us reduce costs by several million dollars in 2019, and efficient operations will position us to take full advantage of future market opportunities.”

Our supply chain connects all parts of High Liner Foods — and many of those connections can be optimized. In 2018, for example, we aligned our Canadian and American warehousing and transportation strategies, so they are now operating as one. By “flexing the muscle” of our North American network, we have increased our operational standards and fill rates. We have increased service levels and lowered inventories — all while delivering industry-leading quality to customers and consumers.

“In addition to having a keen understanding of our global business and the seafood industry, generally,” says Rod Hepponstall, “Paul has a knack for motivating people and finding efficiencies. I’m confident this critical initiative is in safe hands.”

One way that Paul and his team are finding those efficiencies is by aligning operational standards and capabilities so that individual products can be made in multiple facilities, and don’t have to be shipped farther than necessary. “We’re also implementing a continuous improvement methodology in 2019,” Paul notes, while laying the foundation for a transformative sales and operational planning (S&OP) platform, to be introduced in 2020.



By “flexing the muscle” of a unified North American network, High Liner Foods is increasing its operational standards and fill rates.

Rubicon Alignment and Shrimp Growth



By leveraging the scale and resources of HighLinerFoods, Rubicon Resources can further capitalize on the growing consumer appetite for shrimp.

In May 2017, High Liner Foods acquired Rubicon Resources, a leading U.S. shrimp importer. Representing our broader platform to grow our shrimp and aquaculture business, Rubicon has an entrepreneurial spirit that has guided it for the past 20 years.

As part of our Rubicon Alignment and Shrimp Growth initiative, we are nurturing Rubicon's entrepreneurial streak, while leveraging the scale and resources of High Liner Foods where appropriate. This includes organization-wide insight, analytics and marketing efforts to help Rubicon maximize its consumer and customer relevance.

Through this critical initiative, we are aligning Rubicon with our North American sales and marketing network, along with other back office resources that make sense for shrimp. "We are focused on bringing Rubicon products to market in a more meaningful, succinct way than ever before," says Rod Hepponstall.

By complementing Rubicon's culture with the scale, strengths and insights of One High Liner Foods, we are extracting value and identifying synergies not yet fully realized by our 2017 acquisition. We are also ensuring we are best positioned to capitalize on the consumer demand for shrimp, which remains one of the fastest growing seafood categories.

"We are focused on bringing Rubicon products to market in a more meaningful, succinct way than ever before."

ROD HEPPONSTALL, President and CEO

Profitable Organic Growth

At High Liner Foods, five critical initiatives are positioning us to fully leverage our products, our capabilities and our talents — in ways that take full advantage of our scale and reach.

“We have a real opportunity to encourage seafood consumption among consumers,” explains Craig Murray, SVP Marketing and Innovation. “This past year, we have completed an in-depth market assessment and established new planning processes for the entire organization. We’re poised to bring a number of innovations to market — a cohesive North American market — in 2019. This is new and exciting for us.”

Chris Mulder, SVP North American Sales, agrees. “We are in a position to capitalize on our historical strengths,” he says, “while adopting a continuous improvement mindset that will help us focus on the needs of our customers and consumer trends.”

Together Craig and Chris are spearheading our Profitable Organic Growth initiative, which aims to strengthen customer engagement models, understand (and shape) consumer tastes and increase demand for our seafood products. Through insight, research, partnerships and a unified North American platform, we are launching innovative products like Haddock Bites — products that are on trend, shareable and appropriate for multiple eating occasions, including snacking. It’s about recognizing opportunities and ensuring High Liner Foods is there quickly.

“Through a comprehensive assessment of the North American seafood market,” Chris explains, “we are able to identify, align, resource and market opportunities dynamically.”

Improved innovation processes — whether through sales or marketing — will help drive incremental organic growth, particularly among snacking and other growing segments. “I’m confident that we’re building momentum,” says Craig, “as we make our way back to profitable growth.”

SUSTAINABILITY AT HIGH LINER FOODS

As a company, we are working toward organic growth by nurturing North America’s appetite for quality, great tasting seafood. At the same time, we are doing our part to ensure our industry is good for those who work in it — and good for the planet — so that we can feed that appetite for years to come.

Since 2010, we have been publicly committed to sourcing from responsible fisheries and aquaculture farms. And as a global seafood leader, we take responsibility for using our scale to influence positive change, and to procure, produce, package and distribute our products in the most environmentally and socially responsible ways possible.

To learn more, visit highlinerfoods.com/sustainability



High Liner Foods can capitalize on the “halo effect” seafood has in the minds of consumers, who increasingly associate it with healthy eating.