



NEAR TERM

Diversified Opportunities

High Liner Foods traces its roots to the Atlantic Canadian fishery of the late 19th century. From our early days in Lunenburg, Nova Scotia, to going public on the Toronto Stock Exchange in 1967, we have looked for opportunities to grow and strengthen our business, and with it our ability to deliver a variety of sustainably sourced seafood. With our two most recent acquisitions, we have positioned ourselves to offer an even wider range.

Our purchase of Rubicon Resources brings us competitive, flexible access to an increasingly in-demand species.

In 2014, we purchased Atlantic Trading Company, one of the largest importers of frozen Atlantic salmon in the U.S. This past May, we acquired Rubicon Resources, a specialized importer and distributor of frozen shrimp in the private-label U.S. retail market. Through them we are diversifying our product line while growing our aquaculture business — a business we believe positions us for continued growth.

A key component of our success with white fish species has been “virtual vertical integration.” When we could no longer fish our own cod and haddock in the late 1980s and early 1990s, we set out to reinvent ourselves by focusing on relationships with suppliers and partners — not on boats and nets. The shift freed us of heavy capital requirements and the challenges of managing quotas and licences. We maintained our access to white fish — which we continue to sell to our customers and consumers — but with increased flexibility to respond nimbly to industry disruptions and shifting trends.

Through Atlantic Trading and Rubicon, we are applying that proven virtual vertical integration model to salmon and shrimp. Rubicon, for example, brings High Liner as a whole closer to shrimp producers and processors in Southeast Asia, particularly Thailand. Though we do not own shrimp ponds or shrimp processing plants, we are positioned to benefit from the region’s supply chain, world-class facilities, competitive labour costs and know-how in value-added frozen shrimp products. Such integration brings us access to an increasingly in-demand species that has traditionally represented a small percentage of our value-added and commodity businesses. It also lets us build additional aquaculture expertise, along with profitable relationships with suppliers and plants, without the fixed overhead.

Rubicon and Atlantic Trading fit with our approach to species diversification through aquaculture — as well as our public commitments to responsible sourcing. And together, they represent opportunities to apply our proven sourcing and distribution model with white fish to species that more and more consumers want.



Through our unique virtual vertical integration, we respond nimbly to industry disruptions and shifting trends. The model lets us sell fish — like cod and haddock — without having to maintain boats or manage quotas.



Shrimp Demand

Dietary guidelines recommend two to three servings of seafood each week. And while the average North American is not yet reaping the health benefits of those suggested servings, they are consuming more and more shrimp — eating 4.1 pounds (1.9 kilograms) of it annually, according to the National Fisheries Institute. That’s twice as much shrimp as canned tuna and significantly more than high-price species like crab.*

As demand for shrimp grows, both in North America and globally, aquaculture is helping supply the product. Shrimp farms have been around since the 1970s, and with the acquisition of Rubicon, High Liner is better positioned to satisfy consumers who look for sustainable, convenient, nutritious and competitively priced seafood.

* “Eating Well with Canada’s Food Guide” (2011) and “Dietary Guidelines for Americans, 2015-2020” (2015)

30+

total species

procured from 20+ countries.

2

high-demand aquaculture species

in our virtual vertically integrated supply chain.