

DEAR FELLOW SHAREHOLDERS,



2021: Overcoming challenges and realizing opportunity

This time last year I reported on the resilience of our organization through the first year of the COVID-19 pandemic and the unwavering commitment of our people who came together to support our customers and deliver a steady supply of frozen seafood across North America.

I am pleased to say that these same qualities continued to shine brightly in 2021, despite constant and varied challenges related to the global supply chain and the ongoing pandemic.

Through it all, our team was nimble and proactive. We took every opportunity to deepen our customer relationships and brand loyalty. We remained grounded in our newly stated purpose — reimagining seafood to nourish life. We invested in our business, further diversified our supply chain, built inventory, continued to shift our portfolio towards higher margin branded, value-added products and worked together to serve our customers. And above all else, we continued to prioritize the health, safety and well-being of our people.

As a result, we were able to mitigate much of the impact of pandemic related challenges on our business and were able to still deliver year-over-year Adjusted EBITDA performance, surface organic growth and advance towards our goal of becoming the North American leader in branded value-added seafood.

I am proud to report that we delivered year-over-year Adjusted EBITDA⁽¹⁾ growth for the third consecutive year, increasing our 2021 result by \$2.4 million, to \$90.4 million. Among the financial highlights of 2021 (as compared to Fiscal 2020):

- Net Sales increased by \$47.9 million to \$875.4 million;
- Gross Profit as a Percentage of Sales increased 120 basis points to 22.7%; and
- We maintained our Net Debt to Rolling Twelve-Month Adjusted EBITDA⁽¹⁾ ratio at our long-term target of 3.0x.

Together with the Board, we were also pleased to increase the quarterly dividend by 3.0 cents (from \$0.07 to \$0.10) in the third quarter of 2021. Our ability to increase the return of capital to shareholders indicates how well our team has been able to navigate ongoing market challenges, while continuing to drive profitability. Based on our improving performance, we can comfortably support the dividend increase while simultaneously investing in our business to fuel growth and continuing to reduce debt.

We have come a long way in three years

Despite the challenges of the pandemic and global supply chain, our business continues to move from strength to strength. While top-line growth has inevitably been impacted, High Liner Foods today is much stronger than prior to the pandemic. For example, we have significantly improved our profitability, growing Gross Profit as a Percentage of Sales by 300 basis points since 2019. We grew our Adjusted EBITDA by \$5.1 million during that timeframe as well. Both of these significant improvements were the result of executing against our branded, value-added strategy and strong execution across our entire organization.

As we navigated challenges of the past year in partnership with our customers and suppliers, we deepened relationships, strengthened loyalty and showcased the benefits of our diversified portfolio and supply chain. Our sales team delivered new business wins and our marketing team put advertising and consumer investments to work to build brand value and drive product awareness. These results provide further evidence of the opportunity that is out there for us as market conditions stabilize and we continue to aggressively pursue growth in branded, value-added seafood in targeted categories and channels across North America.

⁽¹⁾ Please refer to the Non-IFRS Measures section of High Liner Foods' MD&A for the fifty-two weeks ended January 1, 2022 for definitions of the non-IFRS financial measures used by the Company, including "Adjusted EBITDA" and "Net Debt to Rolling Twelve-Month Adjusted EBITDA".



We owe our success to the hard work and dedication of our global team of employees who worked safely together in our plants and warehouses, collaborated virtually, and transitioned to an evolving working model for our offices. Our people lived our purpose day in, day out and continue to take care of our customers and each other in trying times. I speak on behalf of the entire Executive Leadership Team and Board of Directors when I express my gratitude.

2022: Significant runway for organic growth

Looking ahead, we believe there is a significant runway for organic growth within our existing business and we will direct as much attention and resources as possible to realizing this value. We are fortunate to have a strong business foundation, proven market leadership, successful products, and a branded, value-added offering that targets the evolving and diverse needs of our customers and consumers. And of course, these attributes are supported by the strength of our balance sheet and leverage ratio, which gives us the financial flexibility required to grow even under prolonged headwinds.

Our strategy to generate top-line growth is simple — expand where we lead today; expand our market share where we know we can. We will do this by leveraging trusted customer relationships deepened during the pandemic, continuing to go to market differently through sharpening our execution and

evolving our approach to anticipate customer needs, and capitalizing on brand equity and recognition through targeted marketing. We will also drive continuous improvement and efficiencies across our operations, including modernization of our asset base, exploration of automation opportunities and further diversification of our supply chain.

We are also exploring opportunities to accelerate growth through potential M&A opportunities and strategic relationships. We will be extremely prudent as we evaluate potential opportunities to ensure a strong strategic rationale, value upside and alignment with our purpose.

Living our purpose and unlocking value

Thank you for your ongoing support and confidence in our business. There's no doubt that the challenges facing our industry are vast and complex, but there is also no doubt in my mind that High Liner Foods and its people will continue to rise to the challenge, evolve and grow — just as we have for more than 120 years. I look forward to another year of living our purpose and creating value for all our stakeholders.

Sincerely,

ROD HEPPONSTALL
PRESIDENT AND CEO
HIGH LINER FOODS

