



All amounts in Canadian dollars unless otherwise stated

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**PREMIUM BRANDS HOLDINGS CORPORATION AND A MI'KMAQ FIRST NATIONS COALITION
ANNOUNCE THE ACQUISITION OF CLEARWATER SEAFOODS INCORPORATED**

- ***Premium Brands and a Mi'kmaq First Nations Coalition led by Membertou First Nation to jointly acquire Clearwater, Atlantic Canada's largest wild seafood company***
- ***Clearwater shareholders to receive \$8.25 in cash per Clearwater common share***
- ***Clearwater to continue to operate as a distinct entity thereby ensuring continuity for its brand, employees and significant community involvement in Atlantic Canada***
- ***Premium Brands to raise \$250 million of new equity capital by way of a \$200 million bought deal public offering and a \$50 million concurrent private placement with CPP Investments***

Vancouver, B.C., November 9, 2020 – Premium Brands Holdings Corporation (“Premium Brands” or the “Company”) (TSX: PBH) and a coalition of Mi'kmaq First Nations (the “Participating Communities”) are pleased to announce that they have entered into a definitive arrangement agreement with Clearwater Seafoods Incorporated (“Clearwater”), pursuant to which Premium Brands and the Participating Communities, through a newly formed company owned equally between Premium Brands and the Participating Communities (the “Joint Venture”), have agreed to acquire all of the issued and outstanding common shares of Clearwater and the units issued under various Clearwater equity compensation plans for \$8.25 per share (subject to adjustment as described below) in a transaction valued at approximately \$1 billion, including debt (the “Transaction”).

This strategic investment represents a transformational change in Canadian fisheries, that positions Clearwater to accelerate its growth both domestically and internationally.

“We are very pleased to be partnering with both the Mi'kmaq First Nations communities and Clearwater,” said George Paleologou, President and CEO of Premium Brands. “Clearwater on its own is a world class seafood company with a great management team, best-in-class products and a globally respected brand. In partnership with us and the Mi'kmaq First Nations communities, it will become an even stronger business by leveraging the complementary strengths of our three organizations,” added Mr. Paleologou.

“We are also very pleased to be playing a role in this historic opportunity to significantly enhance First Nations’ participation in Canada’s east coast commercial fisheries,” stated Mr. Paleologou.

“This represents a historic opportunity for the Mi'kmaq to strengthen our role in Canada’s commercial fisheries, including playing a much larger part in its unique deep-water fisheries,” said Chief Terry Paul, Membertou First Nation. “Mi'kmaq will not only become 50% owners of Clearwater with our new partner, Premium Brands, but will proudly hold all of Clearwater’s Canadian fishing licences within a fully Mi'kmaq owned entity. Each of Paqtnkek, Pictou Landing, Potlotek, Sipekne'katik and We'koqma'q have confirmed their intention to participate with Membertou and Miawpukek in this historic investment,” added Chief Terry Paul.

“We are very excited about working with Premium Brands and the Participating Communities to continue to grow and strengthen our business while preserving our culture and community presence in Atlantic Canada,” said Ian Smith, President and CEO of Clearwater. “Furthermore, this partnership ideally positions us to continue building on the legacy created by Clearwater’s founders, Colin MacDonald and John Risley” added Mr. Smith.

Transaction Highlights

- **Creation of an Industry-Leading Global Seafood Group.** The combined seafood operations of Clearwater, Premium Brands and the Participating Communities is expected to generate more than \$1.3 billion⁽¹⁾ in annual sales, with the majority of Clearwater’s sales (approximately 89%)⁽²⁾ outside of Canada.
- **Accretive to Premium Brands.** The Transaction is expected to have immediate double-digit earnings per share accretion for Premium Brands.
- **Synergistic Growth Platform.** The Transaction delivers a strong platform for synergistic growth by enabling all three parties to leverage each other’s complementary strengths, including Clearwater’s global distribution infrastructure and unparalleled access to highly valued wild-catch seafood products; the Participating Communities’ access to unique sources of highly valued wild-catch seafood products; and Premium Brands’ deep expertise in value-add product creation, brand development and extensive customer relationships in Canada and the United States.
- **Groundbreaking First Nations Partnership.** The partnership between Premium Brands, the Participating Communities and Clearwater creates a long term ‘made in Canada’ structure that will contribute to the preservation and enhancement of Canada’s national seafood resources for the benefit of First Nations, the stakeholders of Premium Brands and Clearwater, as well as for all Canadians.
- **Stable Cash Flow Generation.** The Transaction is structured such that Premium Brands and the Participating Communities will receive stable annual cash flows from Clearwater, while ensuring Clearwater is well capitalized to execute its business plan, including funding its maintenance and growth capital requirements.
- **Common Culture and Shared Vision.** Clearwater has an experienced professional management team that shares the entrepreneurial values that are core to both Premium Brands and the Participating Communities. Furthermore, all three organizations share a common long-term optimistic vision for the future of sustainable wild-catch seafood products.

Additional Transaction Details

The Transaction will be completed by way of a plan of arrangement under the *Canada Business Corporations Act*. Completion of the Transaction is subject to a number of conditions, including court and Clearwater shareholder approvals and compliance with the *Competition Act* (Canada). The Transaction is not subject to a financing condition and is expected to close in the first half of 2021.

If the Transaction closes on or before January 29, 2021, Clearwater shareholders will receive \$8.25 in cash per Clearwater common share. If the Transaction closes after January 29, 2021, but on or before April 30, 2021, Clearwater shareholders will receive \$8.30 in cash per Clearwater common share. If the Transaction closes after April 30, 2021, but on or before June 30, 2021 (the outside date for the Transaction) Clearwater shareholders will receive \$8.35 in cash per Clearwater common share.

As part of the Transaction, a newly formed Canadian entity, wholly-owned by the Participating Communities, will acquire substantially all of the Canadian seafood licences held by Clearwater. Clearwater will maintain a perpetual licence for use of the seafood licences.

The Joint Venture's capitalization will be funded through subordinated debt provided by Premium Brands, proceeds from the sale of substantially all of the Canadian seafood licences held by Clearwater to the Participating Communities, a newly established syndicated credit facility and nominal equity contributions shared by Premium Brands and the Participating Communities. The structure will provide Premium Brands and the Participating Communities with access to stable cash flows generated through, among other things, their subordinated debt interests in Clearwater while ensuring Clearwater is properly capitalized to execute its business plan, including funding its maintenance and growth capital requirements.

Additional details will be made available on Premium Brands' website and may be accessed at www.premiumbrandsholdings.com/presentations.htm.

Support from Clearwater Stakeholders

In connection with the strategic review process announced by Clearwater on March 5, 2020, Clearwater formed a special committee of independent directors to solicit, consider and evaluate various strategic alternatives available to Clearwater (the "Clearwater Special Committee"). The Clearwater Special Committee provided its unanimous recommendation of the Transaction to the Clearwater board of directors. The Clearwater board of directors, having received and considered the recommendation of the Clearwater Special Committee, and in consultation with its financial and legal advisors, determined that the Transaction is in the best interests of Clearwater shareholders and unanimously recommended that Clearwater shareholders vote in favour of the Transaction at the special meeting of shareholders to be held to approve the Transaction.

Each of the directors and the Chief Executive Officer and Chief Financial Officer of Clearwater has entered into a voting support agreement pursuant to which each has committed to vote in favour of the Transaction. In the aggregate, parties holding or controlling approximately 63.91% of the total number of issued and outstanding Clearwater common shares have agreed to vote in favour of the Transaction.

"Bought Deal" and Private Placement Financings

Premium Brands is also pleased to announce that it has entered into an agreement with Cormark Securities Inc., BMO Capital Markets, CIBC Capital Markets, National Bank Financial Inc. and Scotiabank, acting as joint bookrunners on behalf of a syndicate of underwriters (collectively, the "Underwriters"), pursuant to which Premium Brands will issue, from treasury on a "bought deal" basis, 2,051,000 common shares (the "Shares") at a price of \$97.55 per share (the "Issue Price"), for gross proceeds of approximately \$200 million (the "Offering").

In addition, Premium Brands has entered into an agreement under which Premium Brands will complete a private placement of common shares at the Issue Price with Canada Pension Plan Investment Board ("CPP Investments"), for aggregate gross proceeds of approximately \$50 million (the "Private Placement").

Premium Brands intends to use the net proceeds of the Offering and the Private Placement to temporarily repay indebtedness under one of its credit facilities, which will then be drawn upon to fund the Transaction.

Premium Brands has granted the Underwriters an over-allotment option (the "Over-Allotment Option") to purchase additional Shares on the same terms, representing up to 15% of the size of the Offering, exercisable in whole or in part at any time for a period of up to 30 days following closing of the Offering, to cover over-allotments, if any. CPP Investments has also been granted an option (the "Additional Subscription Option") to purchase a number of additional common shares representing up to 15% of the number of shares subscribed by them, such option to be exercised and closed not later than 45 days from the date hereof. If each of the Over-Allotment Option and Additional Subscription Option are exercised in full, Premium Brands will receive additional gross proceeds of approximately \$37.5 million, for aggregate gross proceeds from the Offering and the Private Placement of approximately \$287.6 million.

Closing of the Offering is expected to occur on or about December 1, 2020. The Offering is subject to normal regulatory approvals, including approval of the Toronto Stock Exchange.

The Shares issued pursuant to the Offering will be offered in each of the provinces and territories of Canada by way of a short form prospectus, and by way of private placement in the United States to "qualified

institutional buyers” pursuant to Rule 144A or in such a manner as to not require registration under the United States Securities Act of 1933, as amended.

The securities to be offered have not been and will not be registered under the United States Securities Act of 1933, as amended, or under any state securities laws, and may not be offered, sold, directly or indirectly, or delivered within the United States of America and its territories and possessions or to, or for the account or benefit of, United States persons except in certain transactions exempt from the registration requirements of such Act. This release does not constitute an offer to sell or a solicitation to buy such securities in the United States, Canada or in any other jurisdiction where such offer is unlawful.

Advisors

Cormark Securities is acting as financial advisor to Premium Brands. Bryan & Company LLP, Davies, Ward, Phillips and Vineberg LLP and Bennett Jones LLP (competition law matters) are acting as legal advisors to Premium Brands. Grant Thornton is acting as financial advisor to the Participating Communities. The Breton Law Group is acting as legal advisor to the Participating Communities.

RBC Capital Markets and Antarctica Advisors LLC are acting as financial advisors and Stewart McKelvey and McCarthy Tétrault LLP (competition law matters) are serving as legal advisors to the Clearwater Special Committee. McInnes Cooper is acting as legal advisor to Clearwater. Scotiabank has provided a verbal fairness opinion to the Clearwater Special Committee and Clearwater’s board of directors.

About Premium Brands

Premium Brands owns a broad range of leading specialty food manufacturing and differentiated food distribution businesses with operations across Canada, the United States and Italy.

For further information, please contact George Paleologou, President and CEO or Will Kalutycz, CFO at (604) 656-3100.

www.premiumbrandsholdings.com

About the Participating Communities

The Participating Communities will invest in Clearwater through a new legal entity formed by Membertou and Miawpukek. The collective investment of the Participating Communities in Clearwater will represent the single largest investment in the seafood industry by any Indigenous group in Canada. Given the importance of this investment opportunity to the future prosperity of Mi’kmaq communities, all First Nations in Nova Scotia along with Miawpukek from Newfoundland and Labrador were provided the opportunity to participate in the collective investment. While the Participating Communities will continue to advance implementation of Treaty Rights with the government of Canada, commercial investments in the seafood sector are a strategic investment to advance the prosperity of the Participating Communities, and position them as equal participants in the commercial economy. The impact of this transformational investment will be felt across Mi’kmaq communities in Nova Scotia and Newfoundland and Labrador for generations to come.

Forward Looking Statements

This press release contains forward looking statements with respect to Premium Brands, including, without limitation, statements regarding its business operations, strategy and financial performance and condition, proposed acquisitions and plans and objectives of or involving Premium Brands. While management believes that the expectations reflected in such forward looking statements are reasonable and represent Premium Brands’ internal expectations and belief as of November 9, 2020, there can be no assurance that such expectations will prove to be correct as such forward looking statements involve unknown risks and uncertainties beyond the control of Premium Brands which may cause its actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward looking statements.

Forward looking statements generally can be identified by the use of the words “may”, “could”, “should”, “would”, “will”, “expect”, “intend”, “plan”, “estimate”, “project”, “anticipate”, “believe” or “continue”, or the

negative thereof or similar variations. Forward looking statements in this press release include statements with respect to Premium Brands' expectations regarding: (i) the timing of closing of the Transaction; (ii) the benefits arising from the Transaction; (iii) the timing of closing of the Offering and the Private Placement; and (iv) the use of the net proceeds of the Offering and the Private Placement.

Forward looking statements are based on a number of key expectations and assumptions made by Premium Brands, including, without limitation, that: (i) Premium Brands will realize the anticipated benefits arising from the Transaction; (ii) Premium Brands will obtain all required regulatory approvals to complete the Transaction, including, without limitation, the approval of the Canadian Competition Bureau; (iii) the conditions to closing the Transaction, including court and Clearwater shareholder approval, will be satisfied; (iv) Premium Brands will obtain all required regulatory approvals to complete the Offering and the Private Placement, including, without limitation, the approval of the Toronto Stock Exchange; and (v) the expectations and assumptions outlined in Premium Brands' MD&A for the 13 and 39 weeks ended September 26, 2020 and for the 13 and 52 weeks ended December 28, 2019. Although the forward looking statements contained in this press release are based on what Premium Brands' management believes to be reasonable assumptions, Premium Brands cannot assure investors that actual results will be consistent with such forward looking statements.

Forward looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results. Those risks and uncertainties include, among other things, risks related to: (i) the inability to satisfy the closing conditions of the Transaction; (ii) the inability to obtain approval from the Canadian Competition Bureau in respect of the Transaction; and (iii) the inability to obtain all required regulatory approvals to complete the Offering and the Private Placement. Readers are cautioned that the foregoing list of risks and uncertainties are not exhaustive. Additional factors that could cause actual results to differ materially from Premium Brands' expectations are outlined in Premium Brands' MD&A for the 13 and 39 weeks ended September 26, 2020 and for the 13 and 52 weeks ended December 28, 2019.

Forward looking statements reflect management's current beliefs and are based on information currently available to Premium Brands. Unless otherwise indicated, the forward looking statements in this press release are made as of November 9, 2020 and, except as required by applicable law, will not be publicly updated or revised. This cautionary statement expressly qualifies the forward looking statements in this press release.

- (1) Represents the last twelve months of operations, pro forma Premium Brands' acquisitions, and 100% of Clearwater's revenue as of June 30, 2020.
- (2) Represents the last twelve months of Clearwater's operations as of June 30, 2020.