

Historic deal closes: Premium Brands, Indigenous Group complete bid to buy Clearwater Seafoods Incorporated

March 2, 2021

In the single largest investment in the seafood industry by an Indigenous group in Canada, Clearwater Seafoods (CLR), previously a TSX-listed company, was sold on January 25, 2021.

On January 8, 2021, the Nova Scotia Supreme Court approved the sale to a joint venture formed by Premium Brands, a specialty foods manufacturer and distributor based in British Columbia, and a coalition of seven Mi'kmaq First Nations led by the Membertou First Nation of Cape Breton Island, Nova Scotia and the Miawpukek First Nation of Newfoundland and Labrador, by way of a plan of arrangement.

The shareholders of Clearwater had overwhelmingly voted in favour of the sale earlier in January.

The coalition invested CA\$250 million for its portion of the purchase, bringing access to Clearwater's fishing licenses, including shrimp, snow crab, scallop and offshore lobster.¹

Clearwater began in the 1970s, as a small "back of the truck" lobster operation in eastern Canada, and has since grown to become a market leader with sales across Canada, Europe and Asia topping CA\$616 million in 2019.² Clearwater's subsidiaries are located in Atlantic Canada, Scotland, England, the US, Argentina and Luxembourg.

A joint press release from Clearwater and the Mi'kmaq coalition stated: "Given the importance of this investment opportunity to the future prosperity of Mi'kmaq communities, all First Nations in Nova Scotia along with Miawpukek First Nation from Newfoundland and Labrador were provided the opportunity to participate in the collective investment...Commercial investments in the seafood sector are a strategic investment to advance the prosperity of First Nations communities."³

On January 6, 2021, the Competition Bureau of Canada issued a no-action letter, allowing the parties to move quickly to complete the complicated transaction.

On January 25, 2021, the sale completed, marking what Chief Terry Paul of Membertou First Nation, called "a monumental day for our community, and other Mi'kmaq communities."⁴ The total value of the transaction is estimated to be CA\$1 billion.

Jennifer Dezell, Hugh Drummond, Valerie Cross and Shayla Hardy were counsel to the arranger and bookrunner of the lending syndicate, advising on the structuring and documenting of debt facilities used by Premium Brands and the Mi'kmaq coalition to fund part of the purchase price payable in connection with the acquisition of Clearwater, pursuant to the plan of arrangement referenced above. For questions on debt financings, event-driven or otherwise, please contact a member of our team.

¹ Karl Moore and Wahiakatste Diome-Deer, "Trust is the foundation of leadership, says Chief Terry Paul of Membertou First Nation," *The Globe and Mail* (January 10, 2021)

² Paul Withers, "Nova Scotia Supreme Court approves sale of Clearwater Seafoods," *CBC News* (January 8, 2021)

3 Clearwater Seafoods Incorporated, "Clearwater Seafoods Incorporated to be Acquired by Premium Brands Holdings Corporation and a Mi'kmaq First Nations Coalition," *Cision* (November 9, 2020)

4 Greg Mercer, "A historic deal closes and new chapter begins for Indigenous people in Atlantic Canada's fishery," *The Globe and Mail* (January 25, 2021)

Your Key Contacts



Jennifer D.S. Dezell

Partner, Vancouver

D +1 604 443 7146

M +1 604 789 7507

jennifer.dezell@dentons.com



Valerie Cross

Senior Associate, Vancouver

D +1 604 648 6541

valerie.cross@dentons.com



Shayla Hardy

Associate, Vancouver

D +1 604 648 6548

Shayla.hardy@dentons.com



Hugh Drummond

Partner, Vancouver

D +1 604 648 6537

hugh.drummond@dentons.com