

Company AS PRFoods
Type Company Release
Category Other corporate action
Disclosure time 10 Feb 2022 08:56:51 +0200

Attachments:

- Annex 1 - form of proxy for appointing a proxy holder chosen by Noteholder.docx (<http://oam.fi.ee/en/download?id=6012>)
- Annex 2 - form of proxy for appointing representatives of collateral agent as proxy holder.docx (<http://oam.fi.ee/en/download?id=6013>)
- Annex 3 - amended Note Terms and Conditions.docx (<http://oam.fi.ee/en/download?id=6014>)
- Lisa 1 - vorm Võlakirjaomaniku valitud esindaja volitamiseks.docx (<http://oam.fi.ee/en/download?id=6015>)
- Lisa 2 - vorm tagatisagendi esindajate volitamiseks.docx (<http://oam.fi.ee/en/download?id=6016>)
- Lisa 3 - võlakirjatingimuste muudetud redaktsioon.docx (<http://oam.fi.ee/en/download?id=6017>)

Currency

Title PRFoods Notice of Noteholders' Meeting

AS PRFoods (registry code 11560713, registered address at Pärnu mnt 141, 11314 Tallinn, Estonia; "PRFoods") hereby notifies persons holding the notes (the "Noteholders") of the Issuer, due on 22 January 2025 and bearing ISIN code EE3300001577 (the "Notes"), issued under the Terms and Conditions of Secured Note Issue of AS PRFoods dated 14 January 2020 (which have been amended on 25 February 2020; the "Terms"), of convening a meeting of Noteholders (the "Meeting").

The Meeting will be held on 25 February 2022 at 12:00 (EET) at the offices of Advokaadibüroo COBALT OÜ, address Pärnu mnt 15, 10141 Tallinn (Kawe Plaza). Registration for the Meeting will be open at the venue of the Meeting from 11:00 to 11:45 (EET). The management of PRFoods requests all Noteholders to consider that due to COVID-19 caused by the coronavirus, it is advised to minimise the extent of physical gatherings and the participation therein. For this purpose, the management of PRFoods advises to consider authorising representatives of the collateral agent to participate in and vote at the Meeting, and not to physically attend the Meeting.

BACKGROUND

PRFoods' subsidiary Saaremere Kala AS has, on 9 February 2022, signed an agreement for the sale of 100% shareholding in its Finnish subsidiary Heimon Kala Oy to a Finnish undertaking Nordic Fish Oy, the parent company of one of the largest Finnish fish farming companies Nordic Trout Oy owned by the Hukkanen family and Kalaneuvos Oy, the latter being one of the largest and most renowned companies in fishing industry. The execution of the sale transaction is subject



to the fulfilment of certain preconditions. Among other things, the transaction requires the approval of PRFoods' shareholders, for which purpose PRFoods has, in accordance with the market announcement published on 10 February 2022, made a proposal to the shareholders for the adoption of resolutions in relation to the sale transaction without convening a meeting. In the referred market announcement, PRFoods has also described the terms of the envisaged sale transaction.

The transaction has been prompted by the objective to exit from loss-making units and activities, an objective previously repeatedly emphasized by PRFoods. For the purposes of achieving the referred objective, measures such as restructuring and the sale of assets have been implemented by PRFoods towards the Finnish business unit prior to the decision on the sale of the subsidiary Heimon Kala Oy, which has been significantly affected by the negative impacts of COVID-19 pandemic and which is the only loss-making business unit of PRFoods. Nevertheless, PRFoods has come to a conclusion that the sale of the subsidiary Heimon Kala Oy represents the right decision strategically, and after long negotiations, an agreement has been reached with the Finnish company Nordic Fish Oy.

Given that PRFoods has recently been granted the approval for the multiple increase in volume of its Swedish farming, PRFoods and its group companies will in this year primarily focus their attention and investments on Sweden. Since there were no opportunities for such increase in farming in Finland, PRFoods considers appropriate to abandon both production and farming activities in Finland, especially in the conditions of sharp rise in the prices of raw material, in light of which no perspective with respect to continuing as an independent enterprise or improvement of the results of the Finnish unit to a level comparable with other PRFoods' units can be affirmed either in short or long term.

In order to execute the sale transaction described above successfully, among others, the security interests established over the shares of Heimon Kala Oy and Heimon Kala Oy's assets for the purposes of securing PRFoods' liabilities must be released. Given that the real estate property of Heimon Kala Oy (immovable located in Kuittila, Finland, registered under property identification number 109-573-14-1 with the Title and Mortgage Register maintained by the National Land Survey of Finland) and the 100% shareholding of PRFoods' Estonian subsidiary Saaremere Kala AS in Heimon Kala Oy (which, as a surviving entity, was merged with Finnish company Oy Trio Trading Ab in 2020) have been pledged in favour of PRF Collateral Agent OÜ as security agent of the Notes (the "Collateral Agent") for the purposes of securing the claims of the Noteholders arising from the Notes in accordance with items b) and d) of Section 4.2.1 of the Terms, PRFoods wishes to convene the Meeting with the purpose to ask the Noteholders to waive the pledges established over the real estate property of Heimon Kala Oy and over the shareholding in Heimon Kala Oy as collateral for the Notes, to consent to the amendment of the Terms in connection with the release of the said collateral, as well as to instruct the Collateral Agent to release the referred collateral and take any and all action necessary for the purposes of such release and for executing the amended Terms. Other collateral established in favour of the Collateral Agent in accordance with the Terms will remain valid.



As a specification by way of amending item f) of Section 4.2.1 of the Terms, PRFoods also wishes to record the fact that PRFoods' Swedish Subsidiary Överumans Fisk AB has been transferred by Heimon Kala Oy to PRFoods' Estonian subsidiary Saaremere Kala AS in 2021.

PRFoods confirms that the intended sale of its Finnish subsidiary Heimon Kala Oy as described above does not affect its ability to fulfil the monetary obligations provided in the Terms, including the ability to make payments under the Notes. In addition, PRFoods highlights that the security interests established over the shareholding in its Finnish subsidiary Heimon Kala Oy and over the real estate property of Heimon Kala Oy constitute second or lower ranking security interests, wherefore the value of such security interests for the Noteholders is low given this strongly depends on the claims of the higher ranking creditor and its acts and omissions.

AGENDA

The agenda for the Meeting will be as follows:

1. Organisational matters relating to the Meeting.
2. Voting on the following resolution:
 - 2.1. granting a waiver of the security interests listed in items b) and d) of Section 4.2.1 of the Terms as collateral securing the Noteholders' claims arising from the Notes in connection with the sale of Heimon Kala Oy, and consenting that the release of the referred collateral shall not constitute a breach of the Terms by the Issuer or any other collateral provider or an Extraordinary Early Redemption Event in accordance with the Terms;
 - 2.2. amending the Terms by way of: (i) omitting items b), d) and e) of Section 4.2.1 and parts of the unnumbered paragraphs following item f) that are no longer relevant in connection with the sale of Heimon Kala Oy; (ii) replacing reference to Heimon Kala Oy with a reference to Saaremere Kala AS in item f) of Section 4.2.1; and (iii) amending the definition of "Collateral Provider" included in Section 17.1.9 by way of omitting references to items b) and e) of Section 4.2.1 from item a) of the definition and adding a reference to item f) of Section 4.2.1 therein, and omitting item b) of the definition in its entirety; and approving the new version of the Terms in the form attached to this notice as Annex 3;
 - 2.3. instructing PRF Collateral Agent OÜ as collateral agent to finally and irrevocably release the collateral listed in items b) and d) of Section 4.2.1 of the Terms, to enter into transactions and take any and all action necessary for such release, and to sign the amended Terms.

RIGHT TO PARTICIPATE AND VOTE AT THE MEETING

Only persons appearing as Noteholders in the Estonian Register of Securities (the "Register") at the close of settlement day of the Register, seven (7) banking days preceding the date of the Meeting, shall be entitled to participate and vote at the Meeting.



Noteholders holding their Notes directly may participate and vote in the Meeting directly themselves or through their proxies. If the Notes of a Noteholder are held through a custodian, such custodian must provide a proxy to the Noteholder in order for such Noteholder to participate at the Meeting. The form for such proxy has been attached to this notice as Annex 1. To participate at the Meeting, an original copy of the proxy signed by hand or signed digitally must be presented upon registering for the Meeting.

Furthermore, PRFoods has - in light of the spread of COVID-19 and the measures implemented for combating the spread thereof - agreed with the collateral agent of the Notes that the representatives of the collateral agent are willing to represent at the Meeting those Noteholders who do not wish to physically attend the Meeting, cannot participate at the Meeting and cannot appoint another proxy. If a Noteholder wishes to authorise the representatives of the collateral agent to represent such Noteholder at the Meeting, the Noteholder must send the collateral agent a proxy on the form attached to this notice as Annex 2 in a digitally signed format by e-mail (to the address: cas@tgsbaltic.com (https://www.globenewswire.com/Tracker?data=jh0x62b5VPswteZ_Vhgrm-Kpn4I66IKqM3EfxRHcsW9D07J4G3ZLmRxlrz2dp0l45l8yVlvtgehD3lOXsOV04e56xJkd-wJm8hz0nVGjOuk=))) or signed by hand by mail (to the address: Advokaadibüroo TGS Baltic, Ahtri 6a, Tallinn 10151, Estonia) by the date preceding the date of the Meeting.

QUORUM AND MAJORITY REQUIREMENTS

In accordance with Section 12.2.1 of the Terms, the Meeting shall have quorum in case Noteholders holding in aggregate Notes with the nominal value representing more than 50% of the aggregate nominal value of all Notes are present at the Meeting.

In accordance with Section 5.5, 12.2.2 and 16.1.3 of the Terms, the resolution on amending the Terms as set out in the agenda of the Meeting are considered adopted in case the Noteholders holding in aggregate Notes with the nominal value representing more than 50% of the aggregate nominal value of all Notes held by the Noteholders present at the Meeting vote in favour of the amendment.

PRFoods and Related Parties (meaning legal entities of which PRFoods is a majority shareholders or which are under PRFoods' control) shall not have the right to vote at the Meeting and the Notes held thereby shall not be counted in determining the quorum or the majority requirements.

When the Noteholders approve the granting of waiver of the collateral listed in items b) and d) of Section 4.2.1 of the Terms, consent to the amendment of the Terms in connection therewith and approve the new version of the Terms attached to this notice as Annex 3, and instruct the Collateral Agent to release the collateral, to enter into transactions and take any and all action necessary for the release and to sign the amended Terms, such resolution shall be binding on all Noteholders.



ANNEXES

Annex 1 - Form of proxy for appointing a proxy holder chosen by the Noteholder

Annex 2 - Form of proxy for appointing representatives of collateral agent as proxy holder

Annex 3 - Amended Note Terms and Conditions

Additional information:

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