

Company AS PRFoods  
Type Company Release  
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Currency

Title Notice of Extraordinary General Meeting of AS PRFoods

AS PRFoods (registry code 11560713, address Pärnu mnt 141, 11314 Tallinn, Estonia; hereinafter also referred to as "PRFoods") hereby convenes an Extraordinary General Meeting of Shareholders to be held on 10.01.2024 at 9:00. Registration of the participants of the General Meeting will start at the venue at 8:30 and will end at 8:55.

The list of shareholders entitled to vote at the Extraordinary General Meeting of Shareholders shall be fixed seven days before the meeting, i.e. as at the end of the business day of the Estonian Securities Register clearing system on 03.01.2024.

As of the date of publication of the notice, the share capital of AS PRFoods amounts to EUR 7,736,572. AS PRFoods has 38,682,860 ordinary shares, each share entitling to 1 vote at the General Meeting.

When registering, please provide:

- \* Natural person shareholders - an identification document. In addition, the shareholder's representative must submit a power of attorney in a form that can be reproduced in writing;
- \* In the case of a legal person, the shareholder must submit an extract from the relevant register in which the person is registered. The shareholder's statutory representative must present an identification document, a representative acting under a power of attorney must provide an identification document and the respective power of attorney in format that can be reproduced in writing. If the extract from the foreign commercial register is not in English, please provide an Estonian translation certified by a sworn translator.

Prior to the Extraordinary General Meeting of Shareholders, a shareholder may notify AS PRFoods of the appointment of a representative or the revocation of the power of attorney by sending a digitally signed notice to the e-mail address investor@prfoods.ee (mailto:investor@prfoods.ee) or by delivering the written



notice to the address Pärnu mnt 141, 11314 Tallinn, the Republic of Estonia, on business days between 10:00 and 16:00, no later than 09.01.2024. The shareholder may use the power of attorney form and the form for revocation of power of attorney that are available on the website of AS PRFoods [www.prfoods.ee](http://www.prfoods.ee) (<http://www.prfoods.ee>).

Pursuant to the resolution of the Supervisory Board of AS PRFoods of 19.12.2023, the agenda and the resolution proposal of the Extraordinary General Meeting of Shareholders are as follows:

1. Sale by Saaremere Kala AS of the superficies license with the purpose of constructing aquacultural fish farming facilities at open sea issued by the Consumer Protection and Technical Regulatory Authority under the decision no. 1-7/23-317

The Supervisory Board of AS-i PRFoods makes the following proposal to the Extraordinary General Meeting of Shareholders:

To approve the sale by Saaremere Kala AS (registry code: 11310040) of the superficies license with the purpose of constructing aquacultural fish farming facilities at open sea issued by the Consumer Protection and Technical Regulatory Authority under the decision no. 1-7/23-317 to OÜ Energy Port (registry code: 14785192).

#### Background

Under a stock exchange announcement dated 06.12.2023 (<https://view.news.eu.nasdaq.com/view?id=bb1861e5148a959e71a651da146e2d481&lang=en>), PRFoods notified that the subsidiary of PRFoods - Saaremere Kala AS (hereinafter "Saaremere Kala") - has on 01.12.2023 entered into a sales contract (and on 06.12.2023 into an annex thereto), whereunder Saaremere Kala:

1) agreed with OÜ Saare Fishexport (registry code 10723478; hereinafter "Buyer I") on the sale of the entire share held by Saaremere Kala in OÜ Redstorm (a share with the nominal value of EUR 2,050 representing 51% of the total share capital of OÜ Redstorm) to Buyer I; and

2) agreed with OÜ Energy Port (hereinafter "Buyer II") on the sale of superficies license held by Saaremere Kala issued by the Consumer Protection and Technical Regulatory Authority under the decision of 19.09.2023 no. 1-7/23-317 (the purpose of which is to encumber a public water body for the purposes of constructing aquacultural fish farming facilities at open sea) (hereinafter "Superficies License") to Buyer II subject to the fulfilment of certain conditions precedent.

The negotiations for the transactions referred to above were commenced by Saaremere Kala in a situation where Buyer I and Buyer II constituted third-party counterparties having no connection whatsoever with PRFoods, Saaremere Kala or any other subsidiaries of PRFoods. However, as explained by PRFoods in the stock



exchange announcement dated 06.12.2023 addressing the transactions, before the transactions, Buyer I acquired a 49% shareholding in OÜ Redstorm from the former minority shareholder thereof. Resulting therefrom, by the time of concluding the transaction for the sale of the shareholding referred to above, Buyer I turned to be a minority shareholder of PRFoods' subsidiary and a related person within the meaning of rules "Requirements for Issuers" (hereinafter the "Rules") of Tallinn Stock Exchange. Additionally, only a few days before the transactions, under a transaction independent of PRFoods and Saaremere Kala, Buyer I acquired 100% shareholding in Buyer II and, as a result, by the time of concluding the transactions, Buyer II turned to be a company related to Buyer I within the meaning of the Rules. Despite the Buyers had developed the described relation with the subsidiary of PRFoods prior to the entry into the transactions due to the sequence of transactions when acquiring the minority shareholding, the negotiations of the transactions were held by Saaremere Kala and PRFoods with the relevant persons as non-related third parties.

In accordance with the Rules, transactions by the issuer and its subsidiaries with related persons within the meaning of the Rules which transactions qualify as significant require the transaction to be presented for approval to the general meeting of shareholders of the issuer.

As PRFoods explained in the stock exchange announcement dated 06.12.2023 addressing the transactions, the price payable to Saaremere Kala for the shareholding in OÜ Redstorm amounted to EUR 313,348, which was fully paid when the contract was concluded and the share was transferred, and which shall be complemented by 51% of revenue from the sale of biomass from the 2023 farming season, payable on 10.01.2024. In addition, the contract was concluded with the obligation to repay a loan obtained from Saaremere Kala AS by OÜ Redstorm (in the aggregate amount of EUR 547,115), to pay a EUR 2,555 purchase invoice of Saaremere Kala and a EUR 10,427 invoice of PRFoods, all of which were paid on 04.12.2023. Considering the monetary value of the transaction for the sale of shareholding in OÜ Redstorm, the sale of share in OÜ Redstorm does not qualify as "significant" within the meaning of the Rules and, as at the date, the sale of share in OÜ Redstorm to Buyer I has also been completed.

As disclosed by PRFoods in the stock exchange announcement dated 06.12.2023, the price payable for the superficies license is EUR 2,500,000 (exclusive of VAT), of which EUR 2,000,000 plus VAT for the whole transaction shall be paid after the administrative act replacing the holder of the superficies license is issued, EUR 250,000 is payable by 10.01.2025 and EUR 250,000 by 10.01.2026 at latest. Considering the monetary value of the transaction for the sale of the superficies license - if such transaction is considered a transaction entered into with a related person - the transaction for the sale of the Superficies License qualifies as "significant" transaction within the meaning of the Rules, requiring the approval of the general meeting of shareholders of PRFoods as the issuer. In accordance with the Rules, upon requesting such approval from the general meeting of shareholders, among others things, an auditor's opinion confirming that the significant transaction entered into with a related person does not damage the interests of the shareholders not concerned by the



transaction shall be presented. Nevertheless, PRFoods hereby notes that the language of the relevant provision of the Rules refers that such auditor's report is required in an event where the relevant related party and participant to the transaction is a shareholder of the issuer itself, which is not the case for the purposes of the transactions described above. Additionally, PRFoods does not consider such requirement of the Rules to be in complete conformity with the requirements of the Securities Market Act. The regulation contained in the Securities Market Act concerning transactions with related persons (§ 135(4)) based on the directive (EU) 2017/828 of the European Parliament and of the Council (so-called shareholders' directive) do not mandatorily prescribe the requirement for the approval of the general meeting of shareholders or for the presentation of the auditor's opinion, and consider the approval of the relevant transaction by the supervisory board of the issuer sufficient. The supervisory board of PRFoods has approved the transactions upon the conclusion thereof. Also, PRFoods hereby explains that as at the date hereof, in connection with the completion of the sale of the shareholding in OÜ Redstorm, Buyer II no longer qualifies as a related person.

Irrespective of the foregoing, PRFoods has made efforts to obtain the auditor's opinion referred to in the Rules in connection with the decision to obtain the approval of the general meeting of shareholders for the purposes of the sale transaction of the Superficies Licence. Nevertheless, obtaining of such opinion in the timeframe for the completion of the transaction for the sale of the Superficies Licence has not proved practically possible. PRFoods hereby notes that the supervisory board has approved the terms and conditions of the transaction as suitable and, as noted above, no shareholder of PRFoods is or has been a counterparty to the transaction or otherwise related to the transaction. Therefore, no preference of the interests of any shareholder over those of any other shareholders is taking place in the context of the transactions entered into by Saaremere Kala discussed above. The qualification of Buyer I and Buyer II as "related persons" within the meaning of the Rules has been triggered mainly by the sequence of the completion of different transactions and despite such qualification, the negotiations by Saaremere Kala and PRFoods were held with such persons as non-related third parties.

PRFoods would additionally like to highlight that for the purposes of the sale transaction of the shareholding in OÜ Redstorm and the Superficies Licence held by Saaremere Kala, Saaremere Kala engaged an independent financial advisor (Oaklins Estonia OÜ, registry code 16422080) in the preparation of the transactions whose tasks were to find potential buyers and conducting negotiations therewith with the aim of reaching the best possible sale terms and conditions in the market environment. PRFoods considers such arrangement of the sales process has ensured the conclusion of the transactions on market terms and has also contributed to finding of buyers in not the most favourable economic conditions. Thereat, PRFoods has requested the representative of the financial advisor to participate at the 10.01.2024 general meeting of shareholders, where the shareholders can request additional information and ask questions from the representative of the financial advisor in addition to the management of PRFoods.



The detailed terms and conditions of the transactions and the effects thereof on PRFoods have been explained in the stock exchange announcement dated 06.12.2023. PRFoods considers the transactions discussed above and the execution thereof to be in the interests of the issuer, among others, enabling it to fulfil its financial obligations. Upon failure to obtain the approval from the shareholders for the purposes of the sale transaction of the Superficies License, it is unknown if another buyer for the Superficies License can be found on the same terms and conditions.

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The draft resolution of the general meeting of shareholders and other relevant documents will be available to the shareholders from the date of the release of this notice until the date of the general meeting at the website of AS PRFoods on <http://www.prfoods.ee> and at the website of the NASDAQ CSD SE Estonian branch on [www.nasdaqbaltic.com](http://www.nasdaqbaltic.com) (<https://www.globenewswire.com/Tracker?data=nOspC5QnxlU6StUpYslngzQgy7yA3V4fpN5KrcqGPiCloH0y7AxYUSUP1RHZveBg-YSviEgALe2cdyM-iG9yOZRmmhMl2ubIbyucviroLhs=>). Questions regarding the agenda can be sent by email to [investor@prfoods.ee](mailto:investor@prfoods.ee) (<mailto:investor@prfoods.ee>) or posted to the company's address.

At the general meeting, a shareholder is entitled to receive information about the company's business and performance from the company's Management Board. The Management Board may decide to withhold certain information if there is a reason to believe that disclosure of the information may cause significant damage to the company's interests. If the Management Board refuses to disclose some information, a shareholder may demand that the general meeting adopts a resolution regarding the lawfulness of the information request or file a petition with a court of law within two weeks requesting that the court require the Management Board to disclose the information.

A shareholder whose shares represent at least one twentieth of the share capital of AS PRFoods may submit to the company a draft resolution for any agenda item by sending the said draft resolution in writing at least three days before the General Meeting to AS PRFoods, Pärnu mnt 141, 11314 Tallinn or sending it by e-mail to [investor@prfoods.ee](mailto:investor@prfoods.ee) (<mailto:investor@prfoods.ee>).

Indrek Kasela

AS PRFoods  
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