

Company AS PRFoods
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Title AS PRFoods: Sale of 51% share of OÜ REDSTORM and fish farming licence

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AS Saaremere Kala (registry code 11310040), which is a subsidiary of AS PRFoods (registry code 11560713), was the owner of a 51% share of OÜ REDSTORM (registry code 11228060) with a nominal value of EUR 2,050, and is the holder of a superficies licence issued by the Consumer Protection and Technical Regulatory Authority on 19.09.2023 under decision no. 1-7/23-317.

The main activity of OÜ REDSTORM is fish farming in Saaremaa, Estonia.

The purpose of the licence held by Saaremere Kala AS is to encumber a public water body for the purpose of constructing aquacultural facilities for fish farming at sea.

Saaremere Kala AS concluded a sales contract on 01.12.2023 and an Annex thereto on 06.12.2023, under which Saaremere Kala AS sold:

1. its whole shareholding in OÜ REDSTORM, namely a share with the nominal value of 2,050 euros representing 51% of the company's share capital, to OÜ SAARE FISHEXPORT (registry code 10723478); and
2. the superficies licence issued by the Consumer Protection and Technical Regulatory Authority on 19.09.2023 under decision no. 1-7/23-317 to OÜ Energy Port (registry code 14785192).

Prior to the transaction described in this notification, OÜ SAARE FISHEXPORT already had a 49% shareholding in OÜ REDSTORM. OÜ SAARE FISHEXPORT acquired the 49% shareholding in OÜ REDSTORM from the company's former shareholder OÜ Fodiator (registry code 11362953).

OÜ Energy Port is fully (100%) owned by OÜ SAARE FISHEXPORT as of 28.11.2023.

Saare Kala Tootmine, 100% owned Subsidiary of Saaremere Kala and Redstorm OÜ also concluded long term agreement on sale and processing of fish farmed by



Redstorm OÜ to continue the supply of locally farmed fish for Saare Kala Tootmine

Transaction between related parties; interests of the management and related parties

Considering the abovementioned relations with the issuer, the transactions in question are transactions with a related party, namely OÜ SAARE FISHEXPORT. The transactions require approval from the shareholders of AS PRFoods because they are material transactions with related parties within the meaning of NASDAQ Tallinn Rules, and a vote without calling a meeting of the shareholders of AS PRFoods shall be held as soon as possible, after all the materials required for a meeting under NASDAQ Tallinn Rules have been prepared. In connection with the proposed transaction, OÜ Redstorm shall use the proceeds received from the buyer to pay various obligations: loans and outstanding purchase invoices of Saaremere Kala AS, purchase invoices owed to AS PRFoods, obligations due to Amber Trust II S.C.A. SICAR and to Lindermann, Birnbaum & Kasela OÜ.

The members of the issuer's supervisory board and management board have no other personal interest in the transaction in question. OÜ Redstorm is not an important subsidiary of the issuer.

Asset transfers and their preconditions

The 51% shareholding in OÜ REDSTORM was transferred upon conclusion of the sales contract. The transfer of the sold superficies licence requires an administrative act by the Consumer Protection and Technical Regulatory Authority by which the holder of the superficies licence is replaced. The precondition for obtaining the said administrative act is a relevant application to be submitted by Saaremere Kala AS to the Consumer Protection and Technical Regulatory Authority, which is in turn subject to the following preconditions:

1. OÜ Energy Port as the buyer of the superficies licence has deposited the purchase price (exclusive of VAT (calculated on the full value of the transaction)) of EUR 2,000,000 with the notary in accordance with the professional deposit service agreement between the parties; and
2. the shareholders of the seller's parent company AS PRFoods have approved the sale of the superficies licence to OÜ Energy Port, if such approval is required under exchange rules.

By mutual agreement of the parties of the sales contract, the superficies licence shall be deemed transferred after the seller has received the first instalment of the sales price and the VAT.

Sales price and terms of payment

The share of OÜ REDSTORM was sold for a price of EUR 313,348, fully paid when the contract was concluded and the share was transferred, which shall be complemented by 51% of revenue from the sale of biomass from the 2023 farming



season, payable on 10.01.2024. OÜ REDSTORM has concluded a contract with Saare Kala Tootmine OÜ (registry code 10377013) for the sale of biomass from the 2023 farming season.

The contract was concluded with the obligation to repay a loan obtained by Saaremere Kala AS from OÜ REDSTORM in the amount of EUR 547,115 (inclusive of interest), to pay a EUR 2,555 purchase invoice of Saaremere Kala AS and a EUR 10,427 invoice of PRFoods AS, all of which were paid on 04.12.2023.

According to the sales contract, the price of the superficies licence 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 licence is issued, EUR 250,000 is payable by 10.01.2025 and EUR 250,000 by 10.01.2026 at latest.

The first instalment of the price of the superficies licence (EUR 2,000,000) shall be paid through the deposit account of notary Mari-Liis Parmas, who undertakes to transfer the said amount to Saaremere Kala AS within 3 business days after OÜ Energy Port has become the holder of the superficies licence under the relevant decision by the Consumer Protection and Technical Regulatory Authority and the seller and the buyer have instructed the notary to make the payment and this has occurred before 31.01.2024; if this has not occurred by 31.01.2024 at latest, the notary shall return the deposited purchase price of the superficies licence and the VAT amount to OÜ Energy Port and each party has the right to withdraw from the sales contract. The VAT calculated on the sales price of the superficies licence shall be paid by 19.01.2024 at latest.

OÜ SAARE FISHEXPORT gives a surety for OÜ Energy Port's obligation to pay the remaining part of the purchase price of the superficies licence.

Effect of the transaction on AS PRFoods

The purpose of the transactions is to concentrate on fish processing and reduce overall debt level. The effect on the 2023/2024 consolidated accounts of AS PRFoods includes the assumed total sales price of EUR 2,813,313 for the OÜ REDSTORM share and the superficies licence, plus the biomass revenue which shall be determined as described above. The proceeds are reduced by 51% in proportion with the net assets of OÜ REDSTORM as of 30.11.2023 (EUR 222,000 according to initial calculations, consolidated), goodwill in the amount of EUR 2,154,000 (consolidated. Redstorm goodwill is 448 keur)) and the EUR 666,000 balance sheet value of the superficies licence. The initial exceptional income from the transaction is EUR -229,000 eurot (consolidated, incl goodwill writeoff for the entire segment. Unconsolidated net effect is 1.923 mEUR, incl goodwill write off related only to Redstorm OÜ), plus the biomass revenue which will have a positive effect on the final price. The total effect of the transaction shall be reported in the 2023/2024 H1 interim accounts of AS PRFoods.

According to the assessment of the issuer's management, the proposed transactions do not affect the interests of shareholders not involved in the



transactions. If and when a general meeting is held, the issuer shall provide the rest of the documents required by exchange rules when dispatching the notice convening the meeting.

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