

Company AS PRFoods
Type Company Release
Category Other corporate action
Disclosure time 03 Jul 2024 16:00:00 +0300

Attachments:

- Lisa 1_Annex 1 - Volikirja vorm_Form of proxy628304.1.docx (<http://oam.fi.ee/en/download?id=8572>)
- Lisa 1_Annex 1 - Volikirja vorm_Form of proxy628304.1.docx (<http://oam.fi.ee/en/download?id=8573>)

Currency

Title AS PRFoods notice of noteholders meeting, intention to restructure the notes

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 (as most recently amended on 20 September 2022) (the "Terms"), of convening a meeting of Noteholders (the "Meeting").

The Meeting will be held on 18.07.2024 at 11:00 (EET) at the offices of Advokaadibüroo COBALT, address Pärnu mnt 15, Tallinn (Kawe Plaza), 7(th) floor. Registration for the Meeting will be open at the venue of the Meeting from 10.30 to 10.55 (EET).

Background and notice of intention for restructuring of obligations arising from the notes

PRFoods hereby convenes the Noteholders' Meeting with the aim of requesting the Noteholders (i) to grant a waiver of the financial covenants contained in the Terms and (ii) to consent to the postponement of the next interest payment due on the Notes.

Due to the COVID-19 pandemic and its grave effects, the overall economic environment, in particular high inflation, resulting changes in consumer behaviour and buying power and volatile fish prices, have created a very complex operating environment for PRFoods and its subsidiaries. While various changes, including with the purpose of reducing costs and increasing cashflow, have been made in the operations of PRFoods and its subsidiaries, the debt position of PRFoods and the group's net debt still remain at high levels and the results of the current financial year are still observed with loss due to difficult economic conditions.



For this reason, the financial results of PRFoods for the current financial year will not be at the levels enabling to fulfil the Net Debt to EBITDA ratio of 4.5 (Section 5.2.1(b) of the Terms) and the DSCR level of 1.2 (Section 5.2.2 of the Terms).

PRFoods hereby also notes that, in consideration of the group's high debt position and the fact that the maturity date of the Notes is in January 2025, whereas with the purpose of ensuring sustainability of the economic operations of PRFoods and its subsidiaries, PRFoods is contemplating the restructuring of its obligations arising from the Notes and PRFoods' subordinated convertible notes issued in 2021, on which PRFoods intends to introduce a plan to, among others, the Noteholders, in the fourth quarter of the current calendar year at the latest.

Proceeding from the foregoing, PRFoods requests the Noteholders to waive the requirement to meet the financial covenants contained in Section 5.2 of the Terms and to decide that not meeting the financial covenants contained in Section 5.2 of the Terms shall not constitute a breach of the Terms by PRFoods or the occurrence of an Extraordinary Early Redemption Event (as defined in the Terms).

PRFoods notes that, in the beginning of 2024, it has prematurely redeemed approximately 13% of all issued Notes. Partly because of that and with the view of supporting the existence of positive cashflow to ensure the sustainable operations of PRFoods and its subsidiaries and to support the establishment of the restructuring plan, PRFoods also requests the Noteholders to agree to the postponement of the next Interest Payment Date (as defined in the Terms and the Final Terms) due on the Notes, scheduled to be 22.07.2024, until the maturity date of the Notes i.e. 22.02.2025. For the prolonged period, PRFoods is offering to the Noteholders a compensation which amount per Note equals to one per cent of the nominal value of the Note per annum, calculated for the respective prolonged period. To this, interest calculated in accordance with the Terms and the Final Terms will be added, meaning that for the prolonged period interest (calculated at the rate of 6.25% per annum) together with the compensation (calculated at the rate of 1% per annum) together form 7.25% per annum of the nominal value of the Note.

Agenda

The agenda of the Meeting is as follows:

1. Organizational matters related to the meeting
2. Voting on the following decision:
 - i. to waive the requirement to meet the financial covenants set out in Section 5.2 of the Terms, and to agree that the failure to meet the relevant financial covenants shall not constitute a breach of the Terms by PRFoods or the occurrence of an Extraordinary Early Redemption Event (as defined in



- the Terms); and
- ii. to consent to the postponement of the next Interest Payment Date (as defined in the Terms and the Final Terms) arising from the Terms and the Final Terms (as defined in the Terms), scheduled to be 22.07.2024, until the maturity date of the Notes being 22.01.2025, and to agree that the non-payment by PRFoods of the Interest on 22.07.2024 as foreseen in the Terms and the Final Terms shall not constitute a breach of the Terms by PRFoods or the occurrence of an Extraordinary Early Redemption Event (as defined in the Terms), or a delay in performance or in any other way undue performance by PRFoods of its payment obligations under the Terms or the Final Terms.

Right to participate and vote in 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.

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 Sections 5.5, 12.2.2 and 16.1.3 of the Terms, the resolution as set out in the agenda of the Meeting is considered adopted in case 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 resolution.

PRFoods and Related Parties (as defined in the Terms) 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 financial covenants provided in Section 5.2 of the Terms and consent to the postponement of the next Interest Payment Date arising from the Terms and the Final Terms, such resolution shall be binding on all Noteholders.

Annexes:



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

Additional information:

Timo Pärn / Krisjan Kotkas

AS PRFoods

Member of the management board

investor@prfoods.ee ([www.prfoods.ee](https://www.globenewswire.com/Tracker?data=quD5DZ2IlYX_G7F-ECut2NrHDqWjnTocikbtagQWe249XM_77RqYar8VGalsYQ7U7yQWqa5cAmJuMXHmKhtcyQKqAHpiET9jsZAmf60UwSmtDlmMnPj0gMT0jTnPeXBkDajb67FJ3vVVL0ohvM_Esxx6xtYCoXvsFf22D4_Fybbo8BZ3CrdbAvh9dnl9FEViqp_qH4IxSMNZELjNzpnf3T9RxqfPFR2yGofIJSEWREA_25_alZpKCvMfWG7fUI7bcJJQrZ6PdmFmpO3q71cHh1lwdbr3pCKmv2HYnCh7y8zNOjih9N9_CKJBShlMDAkdZH-9Rq6r2AVolq8AaG7flI2fKPunZjxGt4G99B7yuC-15mINY1aclulm9_bB5kh1Y_bSDAA5DEi5_Z0E7tHQQdkQpGF50raAG_gdTjP7WDBCaPjgLHk5m5IV-6eOxudCsWag88dT-qxJbV3TdPEeJ8U5dzHLePuOxuv9wGGFeRgPnCWchToygnpVQwbtqc0uAOLgnKHmou6oETuvseWkFhYLxV-qUmTF0NhNxaBdzyV2H9c7b7UfrOSCDk9LNo54EhXQkhC8F161y_p2G-MnnjbkWsZahLffwm85C1_kRT9pTl2gXKyQyKj_naCttx-X8oIqe3xnGbWxIdpj4YbPvS3dY0QTTyZO_7PHjoJYHlpAuJ0Utw40CF1xyslwVUZkse2Cm_9jxHak4a0URTuSSDnFtHdb0xjM2MC0FB0NeaEZbNUSAbsqF2sN-zDy3NOeYhu78XNV92PrUTzV5i6_Qf80UWkIXC8ZpQYVUAlmhpXnXdKBC3lb_ArW-kX5QOHXUe0udxtD5m6q2G-ryXj3h4jqDQDukUNuJnC5EQ7hp14FlWwazi-BH5NqWyDThihpoPuikKVJLz02t615-_fHg7LsNQmicDgFOXXXMoLa1VACueWIZSeeWnGZ9-R5ePAKdUKYWHxY022xPSkRqRhuyIRIqpsztWS424FCrQjJBYfvGfy6U7Vb4ifnPiY142kKCP-PrEv6X7ESoYXr8Z1elbwYkClbCZUgcZnrBn5ODB_Xq6ndxWklvU9gxbKsLBD_7IiSog6cVdBpQGQgOEEmtEW1AzbQZOK_msqTAWCQeReZGvX2EC4IaRlQFijnanMngvRj016Bdic7V_YQvJ4A==)</p><p><a href=) ([Finantsinspektsioon
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