proceeds sharing agreement

**THIS AGREEMENT** (the “**Agreement**”) is entered into on [date]:

**BETWEEN:**

1. **AS PRFoods**, a company established and existing under the laws of Estonia, registration number 11560713, registered office at Pärnu mnt 141, Tallinn 11314, Estonia, e-mail address investor@prfoods.ee (the “**Company**”), in its capacity as the issuer of the Secured Notes and Convertible Notes and the borrower of the Unsecured Loan and Secured Loan (all as defined below);
2. **PRF Collateral Agent OÜ**, a company established and existing under the laws of Estonia, registration number 14880068, registered office at F. R. Faehlmanni tn 5, Tallinn 10125, Estonia, e-mail address cas@tgsbaltic.com (the “**Collateral Agent**”) acting in accordance with decision and instructions of the holders of the Secured Notes (as defined below);
3. **Amber Trust II S.C.A., SICAR (in liquidation)**, a company established and existing under the laws of Luxembourg, registration number B103888, registered office at 9, rue de Bitbourg, Luxembourg, L-1273, LU, e-mail addresses kustaa.aima@kjkcapital.com and hsawikin@fbird.com (the “**Representative of Convertible Bondholders**”) [in its capacity as the authorised representative of the holders of the Convertible Notes (all as defined below)], represented by Amber Trust II Management S.A., in its capacity as liquidator;
4. **Amber Trust II S.C.A., SICAR (in liquidation)**, a company established and existing under the laws of Luxembourg, registration number B103888, registered office at 9, rue de Bitbourg, Luxembourg, L-1273, LU, e-mail addresses kustaa.aima@kjkcapital.com and hsawikin@fbird.com (the “**Sponsor**”), in its capacity as the Unsecured Lender and the Secured Lender (both as defined below), represented by Amber Trust II Management S.A., in its capacity as liquidator;
5. **Saaremere Kala AS**, a company established and existing under the laws of Estonia, registration number 11310040, registered office at Saare maakond, Saaremaa vald, Suure-Rootsi küla, Kärsa/1, 94129, Estonia (“**Saaremere Kala**”), in its capacity as the borrower under the Senior Financing and Unsecured Loan (both as defined below);
6. **Saare Kala Tootmine OÜ**, a company incorporated and existing under the laws of Estonia, having its registered address at Saare maakond, Saaremaa vald, Suure-Rootsi küla, Kärsa, 94129 with commercial register code 10377013 (hereinafter referred to as “**SKT**”),

hereinafter the parties listed in (1)-(6) are jointly referred to the “**Parties**” and each individually a “**Party**”.

**THE PARTIES AGREE AS FOLLOWS:**

# definitions

## For the purposes of this Agreement, the following definitions have the following meanings, if explicitly not set out otherwise in this Agreement:

### **Convertible Notes** shall mean convertible notes with ISIN code EE3400000065 issued by the Company pursuant to the Convertible Note Terms and held by the Convertible Noteholders.

### **Convertible Noteholders** shall mean institutional investors holding the Convertible Notes who are defined as “Noteholders” in the Convertible Note Terms.

### **Convertible Note Terms** shall mean the terms and conditions of the Convertible Notes dated 24 May 2021 (as amended).

### **Core Assets** shall mean the following material assets of the Company: (i) shares and/or assets of its Estonian operating subsidiary Saare Kala Tootmine OÜ; (ii) shares and/or assets of its Scottish subsidiary JRJ & PRF Limited and/or the shares and assets of operating subsidiaries of JRJ & PRF Limited; and (iii) PV4 fish farming licence (currently in development), however, such licence being part of the Core Assets only if it is obtained.

### **Gradual Structured Sale** shall mean preparing and conducting of the gradual structured sale of the Core Assets in connection with the Restructuring while continuing carrying out the orderly business of the Group.

### **Group** shall mean the Company and its subsidiaries.

### **Noteholders** shall mean the Secured Noteholders and the Convertible Noteholders.

### **Notes** shall mean Secured Notes and Convertible Notes.

### **Restructuring** shall mean a voluntary out-of-court restructuring of the Restructured Financial Obligations.

### **Restructuring** **Period** shall mean the period from the date of this Agreement until 31.03.2028.

### **Restructured Financial Obligations** shall mean the financial obligations of the Company and its subsidiary Saaremere Kala AS arising from the Notes, the Unsecured Loan and the Secured Loan.

### **Secured Notes** shall mean secured notes with ISIN code EE3300001577 issued by the Company pursuant to the Secured Note Terms and held by the Secured Noteholders.

### **Secured Noteholders** shall mean institutional and retail investors holding the Secured Notes who are defined as “Noteholders” in the Secured Note Terms.

### **Secured Note Terms** shall mean the terms and conditions of the Secured Notes dated 14 January 2020 (as amended).

### **Secured Loan** shall mean a secured loan provided by the Sponsor (in this capacity the “**Secured Lender**”) under the loan agreement dated 13.11.2024 between the Sponsor, Saaremere Kala OÜ and Saare Kala Tootmine OÜ.

### **Senior Financing** shall mean a working capital financing (including the financing already disbursed under the Secured Loan) that the Senior Lender has, under the Secured Loan Agreement and thereafter under the Senior Financing Agreement entered into in connection with the Restructuring, agreed to provide to the Company and its subsidiaries in the form of revolving facilities, with the total outstanding amount of up to EUR 1,000,000. At the discretion of the Senior Lender, the amount of the Senior Financing may be increased by up to EUR 500,000, if such additional financing is deemed beneficial by the Senior Lender and the Company to support the Restructuring. As of the moment such additional amount is provided to the Company, it shall automatically be considered part of the Senior Financing.

### **Senior Financing Agreement** shall mean a Senior Financing agreement made between the Company and its certain subsidiaries (as co-borrowers) and the Senior Lender (as lender) regarding provision of the Senior Financing by the Senior Lender and amending and replacing the Secured Loan agreement.

### **Senior** **Lender** shall mean the Sponsor in its capacity as a lender of the Senior Financing, or a person to whom the rights and obligations of the Sponsor under the Senior Financing have been transferred by the Sponsor in connection with the transfer in accordance with the Secured Note Terms of the (beneficial or legal) ownership of the shares owned by it in the Company;

### **Unsecured Loan** shall mean an unsecured loan provided by the Unsecured Lender to Saaremere Kala under the unsecured loan agreement and outstanding as at the date hereof in the total amount of EUR 451,394.54.

### **Unsecured** **Lender** shall mean the Sponsor in its capacity as a lender of the Unsecured Loan, or a person to whom the rights and obligations of the Sponsor under the Unsecured Loan have been transferred by the Sponsor in connection with the transfer in accordance with the Secured Note Terms of the (beneficial or legal) ownership of the shares owned by it in the Company.

### A reference to any “Party” or “person” includes the reference to such Party’s or person’s successors and permitted assigns.

# purpose of the agreement

## The Noteholders and the shareholders of the Company have approved the Restructuring, including the Senior Financing and the Gradual Structured Sale as part of the Restructuring. The purpose of this Agreement is to set out the agreed method and principles of the Gradual Structured Sale and allocation and distribution of the proceeds from the sale of the Core Assets between the Noteholders, the Senior Lender, the Unsecured Lender and the Company.

# Gradual Structured Sale

## The Noteholders and the shareholders of the Company have given their consent to the Company to prepare and conduct the sale of the Core Assets during the Restructuring Period.

## The Company will take within the Restructuring Period all reasonable steps to prepare and conduct the sale of the Core Assets. The Company may involve advisers to look for opportunities to sell the relevant Core Assets and may conduct the sale either by way of organized process, with the assistance of appropriate financial and legal advisers, or in any other manner deemed best to achieve the higher exit value. The Core Assets may be sold all together or separately as decided by the Company. The Company will determine the appropriate timing of the sale of each Core Asset within the Restructuring Period depending on the market conditions and other relevant aspects.

## The Company has agreed to coordinate:

### the engagement of the financial adviser and of other external advisers to be involved by the Company in arranging and carrying out the sale process of the Core Assets; and

### the method of sale of the Core Assets;

### with the Secured Noteholder(s) holding in aggregate the Secured Notes with more than 50% of the aggregate nominal value of all Secured Notes. For the avoidance of doubt, the approval by the relevant Secured Noteholder(s) may be obtained by the Company by directly approaching the relevant Secured Noteholder(s), without calling a noteholders’ meeting or arranging written voting procedure.

## The Company shall inform other Parties and public about the signing of the sale agreement in respect of the Core Assets together with the main conditions as required under the listing rules applicable to it.

## Should the Company not succeed in selling the Core Assets within the Restructuring Period, or if the Company identifies a better opportunity to realize some or all of the Core Assets at a later stage or through an alternative method, it shall notify the Noteholders and shareholders thereof and submit proposals in respect of further actions and changes to the Restructuring for their approval in accordance with the applicable Note Terms and provisions of applicable laws and regulations.

## For the avoidance of doubt, in the course of the Gradual Structured Sale of the Core Assets the Group will continue managing of the Core Assets and conducting its other business activities in their ordinary course and will continue to be managed in accordance with applicable rules and legal acts and its corporate governance rules.

# distribution of sale proceeds

## The proceeds from the sale of any Core Assets (the “**Sale Proceeds**”) shall be applied and distributed in the following priority and proportions:

### first, towards the payment of any taxes, costs, fees, and payment obligations related to the arranging and conducting the sale of the Core Assets, including towards the payment of any external advisor costs and fees and the management incentive amounts, if applicable;

### second, towards the repayment of the Senior Financing;

### third, the remaining proceeds (the “**Distribution Proceeds**”) shall be shared as follows, based on the percentages specified in the table provided in Schedule 1 *(Distribution Principles)*:

#### a portion of the Distribution Proceeds indicated in Column 3 in the table provided in Schedule 1 will be paid to the Secured Noteholders to pay the redemption amount of the Secured Notes (and distributed pro rata to the number of the Secured Notes held by the Secured Noteholders);

#### a portion of the Distribution Proceeds indicated in Column 4 in the table provided in Schedule 1 will be paid (on a pro rata basis based on their respective outstanding amounts) to the Convertible Noteholders and the Unsecured Lender to pay the redemption amount of the Convertible Notes (and distributed pro rata to the number of the Convertible Notes held by the Convertible Noteholders) and to repay the Unsecured Loan;

#### a portion of the Distribution Proceeds indicated in Column 5 in the table provided in Schedule 1 will be retained by the Company.

## Upon the receipt of any part of Sale Proceeds, the Company shall take all actions that it is required to take for such part of the Sale Proceeds to be distributed in accordance with Section 4.1 within 20 (twenty) business days as of the receipt. Upon each relevant distribution of the portion of the Sale Proceeds, the Company shall be entitled to take steps to reduce the nominal value of each Note as further specified in the relevant Note Terms.

## Upon distribution of all the Distribution Proceeds according to Section 4.1.3, all Restructured Financial Obligations shall be deemed fulfilled and terminated and the Notes will be considered fully redeemed and will be deleted from the ERS / Nasdaq CSD in accordance with the Note Terms.

# DISTRIBUTION OF PROCEEDS FROM ENFORCEMENT OF COLLATERAL IN CASE OF EXTRAORDINARY EARLY REDEMPTION OF SECURED NOTES

## In case an “Extraordinary Early Redemption Event” occurs as stipulated in clause 8.1 of the Secured Note Terms and as result of such event the right to enforce the “Collateral” (as defined in the Secured Note Terms; the “**Collateral**”) is exercised pursuant to Clause 10 of the Secured Note Terms and/or the assets forming part of the Collateral are sold in any proceedings:

### the rights and obligations of the Company set forth in Clause 3 shall no longer apply with respect to the arranging and carrying out the sale of the assets forming part of the Collateral; and

### the principles of sharing of proceeds stipulated in Clause 4 shall not apply, and instead the proceeds from the enforcement of the Collateral shall be applied in accordance with Clause 11 of the Secured Note Terms in the following order of priority:

#### first, towards the satisfaction and payment of fees, costs and expenses of the Collateral Agent as per Clause 11.1 of the Secured Terms;

#### second, towards the repayment of the Senior Financing;

#### third, in payment of the claims of the Secured Noteholders arising under the Secured Note Terms and relating Final Terms; and

#### finally, any remaining proceeds shall be returned to the Company or the relevant Group company being the Collateral provider or paid to the persons entitled to receive such proceeds in accordance with mandatory provisions of law.

# UNDERTAKING TO safeguard SENIORITY OF sENIOR fINANCING AND general undertaking of COOPERATION

## It is agreed in this Agreement and other Restructuring Documents that the Senior Financing will have priority and rank senior to other Restructured Financial Obligations. Among other, pursuant to the Note Terms, it is agreed that the Notes shall rank junior to the present and future obligations arising under the Senior Financing and such junior ranking shall be applied and enforced upon distribution of any amounts, proceeds or assets of the Issuer and its subsidiaries (including in any liquidation, bankruptcy, enforcement or other proceedings in respect of the Issuer or its subsidiaries or any of their assets). For the avoidance of doubt and without prejudice to the generality of the foregoing, this shall, among other, constitute an agreement on assigning a lower ranking to the Notes and to the obligations arising therefrom than the ranking of the Senior Financing within the meaning of § 153 (41) of the Bankruptcy Act (in Estonian: *pankrotiseadus*), regardless of the Secured Notes being secured with the Collateral and regardless of provisions of 153 (2) of the Bankruptcy Act, and the agreement by the Noteholders that the obligations arising from the Notes shall be discharged after the full and final discharge of the obligations arising from the Senior Financing.

## In any situations or proceedings involving distribution of any proceeds from the sale of the Core Assets or the enforcement of the Collateral (including in any enforcement, bankruptcy, liquidation or any other proceedings), the Company, its relevant subsidiaries and the Noteholders shall take all reasonable steps and use reasonable efforts to ensure that the Senior Financing is repaid in full before payment of any amounts to, or satisfaction of any claims of, the Secured Noteholders, Convertible Noteholders and Unsecured Lender. The Noteholders shall (and hereby authorise and instruct the Collateral Agent to) indicate and confirm to any relevant person (including any bailiff, bankruptcy trustee, court or any other person or institution) that Senior Financing has higher ranking and must be repaid in full to the Senior Lender in any such proceedings before any payments are made to them and, if any payments are paid to them not in compliance with the above, transfer to the Senior Lender such amounts that should have been paid to the Senior Lender pursuant to the above.

## The Company, the Sponsor and the Noteholders will use their commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary to consummate and make effective as promptly as possible the transactions contemplated by the Agreement and to co-operate with others in connection with the foregoing.

# applicable law and jurisdiction

## This Agreement and any rights or claims arising out of or in connection with this Agreement (including any non-contractual claims) shall be governed by the substantive law of Estonia without giving effect to any applicable laws on conflicts of law.

## Any dispute, controversy or claim arising out of or in connection with this Agreement shall be subject to jurisdiction of Harju County Court (*Harju Maakohus*) in Estonia as the court of first instance.

# FINAL PROVISIONS

## This Agreement will enter into force upon signing thereof and will remain valid until the earlier of (i) the Core Assets have been sold and the Sale Proceeds have been applied and distributed in accordance with Section 4.1; or (ii) it is terminated by an agreement signed by all the Parties. No Party may cancel or withdraw from this Agreement on any other grounds.

## In the case of the termination of this Agreement by any reason, invalidity or annulment of any provisions of the Agreement, the provisions of this Agreement that by their nature regulate the rights and obligations of the Parties after the termination of this Agreement will remain in force after the termination of this Agreement. This concerns, above all, Clauses 7 and 8.

## This Agreement regulates only the subject matter specifically described herein and no other dealings of the Company or the Group are subject to this Agreement.

## No amendment to this Agreement is valid unless signed by all Parties and made in the same form as the original Agreement.

## No Party has the right to transfer its rights or obligations under this Agreement to any third party without the prior consent of the other Parties in a form reproducible in writing. Notwithstanding the previous sentence:

### the Senior Lender and the Unsecured Lender shall be entitled to transfer and assign its rights and obligations under this Agreement without any additional consent of the other Parties to a person (controlled by the Senior Lender / Unsecured Lender or who is under the control of the substantially same persons as the Senior Lender / Unsecured Lender) to whom the rights and obligations of the Senior Lender and the Unsecured Lender under the Senior Financing and under the Unsecured Loan (respectively) have been transferred by the Senior Lender and Unsecured Lender in connection with the transfer in accordance with the Secured Note Terms of the (beneficial or legal) ownership of the shares owned by it in the Company;

### the Representative of Convertible Bondholders may be replaced by its successor or any other person approved by the Convertible Noteholders holding in aggregate at least 50% of the Convertible Notes, in which case the rights and obligation of the Representative of Convertible Bondholders under this Agreement shall be transferred to such person without requiring the prior consent of the other Parties;

### the Collateral Agent may be replaced in accordance with the Secured Note Terms, in which case the rights and obligation of the Collateral Agent under this Agreement shall be transferred to the new collateral agent without requiring the prior consent of the other Parties.

## For the avoidance of doubt, the Collateral Agent enters into this Agreement in accordance with the decision and instructions of the Secured Noteholders (and not as an agent of any other Party) and only in order for this Agreement to constitute a “Note Document” within the meaning of the Secured Note Terms and to ensure that this Agreement cannot be amended without such amendment having been signed by the Collateral Agent (acting on the decision of the Secured Noteholders’ meeting adopted in accordance with the Secured Note Terms). The Collateral Agent does not individually undertake any obligations under this Agreement, other than the obligation to observe the principles of distribution of proceeds from the enforcement of the Collateral set out herein, and acts under this Agreement in accordance with and subject to limitations of liability provided in the Secured Note Terms. For the avoidance of doubt, if the Collateral is enforced in accordance with the Secured Note Terms and the Collateral assets are sold in enforcement proceedings conducted by a bailiff or bankruptcy or liquidation proceedings, the Collateral Agent shall indicate and confirm to the bailiff, bankruptcy trustee or liquidator that the secured claim of the Secured Noteholders and the Collateral Agent is calculated as per Section 11 of the Secured Note Terms and as per the agreement between the relevant creditors the proceeds should be first used to fully repay the Senior Financing to the Senior Lender, before payments in respect of the Secured Notes; however, the Collateral Agent shall not be liable if the bailiff, bankruptcy trustee or liquidator does not transfer the required payment to the Senior Lender if the Collateral Agent acts on instructions of the Majority Noteholders when distributing the received funds to the Noteholders.

*\*\*\**

*Signature page to follow*

SCHEDULE 1 – DISTRIBUTION PRINCIPLES

The Distribution Proceeds (i.e. the proceeds from the sale of the Core Assets after deduction of the costs and amounts referred to in Sections 4.1.1 and 4.1.2 of the Proceeds Sharing Agreement) will be allocated using a tiered structure, where the applicable percentage allocations are applied separately to each portion of the proceeds that falls within a respective tier. The distribution shall be carried out progressively, meaning that proceeds within the first tier will be allocated based on the percentages specified for that tier. Once the first tier is fully allocated, any remaining proceeds will be distributed according to the percentages applicable to the next tier, and this process will continue for each subsequent tier until all Distribution Proceeds have been fully allocated. This means that percentage allocations do not apply uniformly to the total amount of Distribution Proceeds but are instead calculated on a step-by-step basis for each tier.

The Distribution Proceeds will be allocated as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Tier** | **Distribution Proceeds (EUR)** | **Secured Noteholders** | **Convertible Noteholders and the Unsecured Lender[[1]](#footnote-2)**  | **Company** |
| Tier 1 |  0 – 4,500,000  | 90% | 9% | 1% |
| Tier 2 |  4,500,001 – 6,000,000  | 70% | 25% | 5% |
| Tier 3 |  6,000,001 – 8,000,000  | 60% | 30% | 10% |
| Tier 4 |  above 8,000,000  | 45% | 40% | 15% |

SIGNATURES:

|  |  |  |
| --- | --- | --- |
| **AS PRFOODS:**  |  | **PRF COLLATERAL AGENT OÜ** |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Name: [ ] |  | Name: [ ] |
| **AMBER TRUST II S.C.A., SICAR (in liquidation)**  |  | **SAAREMERE KALA AS** |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Name: [ ] |  | Name: [ ] |

|  |  |  |
| --- | --- | --- |
| **SAARE KALA TOOTMINE OÜ** |  |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |
| Name: [ ] |  |  |

1. The amounts allocated under this column are to be shared between the Convertible Noteholders and the Unsecured Lender on a pro rata basis based on their respective outstanding amounts [↑](#footnote-ref-2)