

Denne meldingen til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee AS.

**To the bondholders of:**

ISIN: NO 001 0894264 Nova Austral S.A. 12.00 per cent. senior secured callable bonds 2020/2026

ISIN: NO 001 0795602 Nova Austral S.A. 8.25 per cent. senior secured callable bonds 2017/2021

Oslo, 7 April 2023

**SUMMONS TO BONDHOLDERS' MEETING**

Nordic Trustee AS (the "**Bond Trustee**") acts as trustee for the bondholder (the "**Bondholders**") in the above mentioned bond issues (the "**Bonds**" or the "**Bond Issues**") issued by Nova Austral S.A. as issuer (the "**Issuer**", and together with each other Group Company and Piscicultura, the "**Nova Austral Group**").

All capitalised terms used but not defined herein shall have the meaning assigned to them in the bond terms made between the Bond Trustee and the Issuer and originally dated 30 June 2017, as amended and/or restated by an amendment and restatement agreement dated 8 October 2020, an amendment agreement no. 2 dated 21 October 2021, an amendment agreement no. 3 dated 23 February 2022, an amendment agreement no. 4 dated 9 November 2022 and as further amended through a written resolution dated 16 November 2022 (the "**Bond Terms**"), unless otherwise stated herein. References to Clauses and paragraphs are references to Clauses and paragraphs in the Bond Terms.

The information in this summons ("**Summons**") regarding the Issuer, the market conditions and the described transactions is provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information. Bondholders are encouraged to read this Summons in its entirety.

**1 BACKGROUND**

Due to operational challenges and liquidity constraints, the Issuer is unable to meet its financial obligations and working capital requirements without receiving additional funding. As disclosed by the Issuer on 4 March 2023, the Issuer is in default under the Revolving Credit Facilities, which in turn triggered a cross default under the Bonds, and Piscicultura is in breach under the Piscicultura Indebtedness. The Issuer was also unable to pay the interest due on the Second Lien Bonds on 31 March 2023.

To remedy the Issuer's and Piscicultura's breach of the finance agreements and to address these challenges, the Issuer and the Sponsors have continued its discussions with a group of the larger Bondholders (the "**Ad Hoc Group**") and the Nova Austral Group's main finance creditors (the "**Finance Creditors**", and together with the Sponsors, the Issuer and the Ad Hoc Group, the "**Parties**") to seek to significantly deleverage the Nova Austral Group by reducing the net debt, to improve its working capital and to find a long-term solution that addresses the liquidity challenges of the Nova Austral Group.

Based on such discussions, the Parties have agreed in principle to a consensual financial restructuring of the Nova Austral Group's capital structure (the "**Restructuring**") on the terms of the consensual restructuring term sheet attached as Appendix 2 to this Summons (the "**Restructuring Term Sheet**").

For further information about the Issuer's operational and financial status, please see the Issuer's Interim Accounts for the quarter ending 31 December 2022 available under the Issuer's ticker at [www.newsweb.no](http://www.newsweb.no).

The Issuer has informed the Bond Trustee that Bondholders holding more than 50% of the Outstanding Bonds in each Bond Issue have confirmed to the Issuer that they are supportive of the proposed amendments as set out in the Restructuring Term Sheet and the Proposal.

## **2 SUMMARY OF THE RESTRUCTURING**

### **2.1 Key terms of the Restructuring**

The Restructuring provides the implementation of a comprehensive financial and corporate restructuring of the Nova Austral Group, and will comprise (summary of main features only, please see the Restructuring Term Sheet for further detail):

#### **Liquidity support to the Nova Austral Group:**

As soon as possible after the approval of the Restructuring by the Bondholders, and subject to the satisfaction of the conditions precedent set out in section 11 (*Conditions precedent to the Facility C Implementation Date*) of the Restructuring Term Sheet, certain key Bondholders (the "**Facility C Lenders**") will provide liquidity support to the Nova Austral Group in the amount of up to USD 20,000,000 in the form of a new tranche ("**Facility C**") as a term loan under the Revolving Credit Facilities (fronted and backstopped by the New Sponsor). The principal of Facility C will be USD 1,000,000 higher than the amount of the liquidity support provided, which shall be set off against an equivalent backstop consideration to the New Sponsor.

#### **Alternative 1: Restructuring with equitisation of the Bonds**

Upon the election by the New Sponsor (acting on instructions from lenders contributing with at least 50% of Facility C), and if all of the conditions precedent for the Restructuring set out in section 12 (*Conditions precedent to the Restructuring Implementation Date*) have been satisfied or waived on or before 19 June 2023 or such later date agreed among the Finance Creditors and the Company (the "**Long Stop Date**"), then the Restructuring will be completed as follows:

- a) Prior to the Restructuring Implementation Date, two new Chilean special purpose companies ("**NewCo**" and "**SPV**") will be incorporated, with SPV as a wholly owned Subsidiary of NewCo.
- b) On or about the date of implementation of the Restructuring (the "**Restructuring Implementation Date**") all amounts outstanding under the First Lien Bonds in excess of USD 200,000,000 and under the Second Lien Bonds in excess of USD 100,000,000, together with the interest payment due on the Second Lien Bonds on 31 March 2023 and all interest accrued under the Bonds between the Interest Payment Date in November 2022 and the Restructuring Implementation Date (inclusive) will be forgiven/cancelled.
- c) NewCo will on the Restructuring Implementation Date conduct a capital increase and increase its number of shares to 100,000 (which capital increase will be payable within a 5-year term) (the "**NewCo Shares**"), and 10,000 NewCo Shares will be transferred to the key Bondholder that will replace the Sponsors as provider of the Facility B Security (as defined below), and 10,000 NewCo Shares will be transferred to the Bondholders in exchange for the contribution of all the First Lien

Bonds and Second Lien Bonds to NewCo. The number of NewCo Shares allocated to each Bondholder will be calculated as the product of (x) 10,000 and (y) a fraction the numerator of which is the number of Bonds held by that Bondholder and the denominator of which is total number of Bonds, in each case as of the Restructuring Implementation Date, after the partial cancellation of Bonds set out in paragraph a) above, and subject to rounding down to the nearest whole number.

- d) As a consequence of the contribution of the Bonds to NewCo, NewCo will be the holder of the Bonds and the creditor of the Issuer for USD 300,000,000, and the Bondholders will hold 10% of the NewCo Shares, representing 50% of the issued and paid shares of NewCo, the Facility B guarantors will hold 10% of the NewCo Shares, representing 50% of the issued and paid shares of NewCo, and 80% will be pending payment (conversion) by Facility C lenders, which must occur within 5 years.
- e) The remaining bond debt (USD 300,000,000) held by NewCo will be converted into a new debt instrument, whereby it:
- will be unsecured;
  - will be subordinated;
  - will not be amortizing;
  - will not accrue interest;
  - will convert into equity in the Issuer automatically upon the occurrence of a Conversion Trigger Event;
  - shall be convertible into equity in the Issuer upon the instruction of the lenders under Facility A under the Revolving Credit Facilities following an Event of Default (as defined in the Revolving Credit Facilities) which is continuing; and
  - shall be convertible into equity of the Company upon the instruction of the Facility C Lenders.

**"Conversion Trigger Event"** shall mean:

- an event whereby the Issuer's aquaculture licenses which were revoked are reinstated;
- an Acceleration Event (as defined in the ICA); or
- the passing of a term of one year from the Restructuring Implementation Date,

whichever is earlier.

- f) On or before the first anniversary of the Restructuring Implementation Date, NewCo will convert its credit (Bond USD 300 million) into equity in the Company, for which the Company will have to make a capital increase.
- g) A convertible bond shall be issued by NewCo (the "**Convertible Bonds**"), which on a fully converted basis will represent an 80% ownership interest in NewCo. The Convertible Bonds will have to be converted within the fifth anniversary of the Restructuring Implementation Date. The Convertible Bonds will have two conversion options:
- Option 1: Each holder of the Convertible Bonds may at any time convert its Convertible Bonds into Series B shares of NewCo, without voting rights, which shall be Series B until the fifth

anniversary of the Restructuring Implementation Date, at which they will be converted into ordinary shares of NewCo.

- Option 2: All Convertible Bonds that have not previously been converted will at the fifth anniversary of the Restructuring Implementation Date be converted into ordinary shares in NewCo.
  
- h) Substantial amendments will be made to the Revolving Credit Facilities and the Piscicultura Indebtedness as further described in the Restructuring Term Sheet, including, but not limited to:
  - (i) extension of the tenor to 31 March 2027;
  - (ii) reduction of the margin on certain of the facilities;
  - (iii) removal of certain operational undertakings, increasing the operational flexibility of the Issuer;
  - (iv) adjustment to financial covenants and general undertakings; and
  - (v) amendments to the collateral securing the two facilities.
  
- i) The security currently provided by the Sponsors for the Sponsor Liquidity Facility will be replaced by corresponding security in the amount of 110% of Facility B (including any capitalised interest (initially USD 16,500,000)) from a key Bondholder (the "**Facility B Security**"), and Facility B will be converted to a term loan.
  
- j) The facilities will rank in the following order (in a payment waterfall): Facility A (first), then Facility B and Facility C (*pari passu*, second).
  
- k) Each Bondholder will be offered the opportunity to participate in Facility C on a pro rata basis by way of sub-participation in exchange for a pro rata portion of the Convertible Bonds based on the number of Bonds held by that Bondholder as of the Restructuring Implementation Date. For a Bondholder to subscribe for a sub-participation in Facility C, subscription has to be made in accordance with an invitation that will be made by NewCo separately.
  
- l) Each of the Bond Trustee and each Finance Creditor will waive, release and discharge any current, future, actual or contingent claims, actions, proceedings, liabilities, rights and demands, of whatsoever nature and howsoever arising, it had, may have or hereafter may have against any director of any Group Company, the Sponsors, their Affiliates and their respective directors, employees and other related persons.

### **Alternative 2: Competitive Selling Process**

Should the New Sponsor (acting on instructions from lenders contributing with at least 50% of Facility C) chose not to proceed with Alternative 1 (Restructuring with equitisation of the Bonds) above or should no election have been made by the New Sponsor within the Long Stop Date, the Parent and the Ultimate Parent will sell the shares in the Company by way of a voluntary sale pre-agreed between the Parent and all Creditors on a debt-free basis (whereby all security is released and any residual claims under the Financing Agreements

which are not covered by the sales proceeds are released), conducted as a competitive selling process led by the Investment Bank and respecting the priorities set under the Intercreditor Agreement.

## **2.2 Actions required by Bondholders to receive NewCo Shares**

Upon completion of the Restructuring by way of an equitisation of the Bonds, all of the Bonds (including any accrued and unpaid interest thereon) will be exchanged for NewCo Shares. The NewCo Shares that each of the Bondholders is entitled to receive will be delivered as registered shares in NewCo's shareholders' register, and will not be registered in the CSD (VPS). Further information on how the Bondholders will be able to receive NewCo Shares will be provided in advance of the Restructuring Implementation Date.

## **3 THE PROPOSAL**

Based on the above and in order to implement the Restructuring, the Issuer has requested the Bond Trustee to summon a Bondholders' Meeting to propose that the Bondholders resolve to approve the following proposal (the "**Proposal**"):

The Bondholders:

- a) approve and authorise the implementation of the Restructuring on the terms of and as described in the Restructuring Term Sheet on or before Long Stop Date, including the pre-approval of the voluntary sale through a competitive selling process referred to in Alternative 2 (*Competitive Selling Process*) above;
- b) subject to the terms of the Restructuring Term Sheet, instruct the Bond Trustee (in consultation with its advisors) to take such steps on behalf of the Bondholders as may be necessary or desirable in connection with the implementation of the Restructuring as described in the Restructuring Term Sheet;
- c) agree that the Bond Trustee may at its discretion consent to amendments to the terms of the Restructuring Term Sheet on behalf of the Bondholders where such amendments (i) are of a minor or technical nature, (ii) are otherwise consistent with the Restructuring Term Sheet and are required in order to implement the Restructuring, or (iii) would not adversely affect the position of the Bondholders; and
- d) agree that the Bond Trustee exercise (or refuse to exercise) any discretion, consent or approval required or contemplated in the exercise (or non-exercise) of any such discretion which is connected with the matters referred to in the Restructuring Term Sheet, including with respect to satisfaction or waiver of the conditions precedent to the restructuring as set forth in the Restructuring Term Sheet.

## **4 CONDITIONS PRECEDENT**

Implementation of the Proposal shall be subject to, and will only be effective upon, the satisfaction of the conditions precedent set out in section 11 (*Conditions precedent to the Facility C Implementation Date*) and section 12 (*Conditions precedent to the Restructuring Implementation Date*) of the Restructuring Term Sheet by the Long Stop Date, provided, however, that Facility C may be incurred by the Issuer as soon as the conditions precedent set out in section 11 (*Conditions precedent to the Facility C Implementation Date*) have been satisfied.

## **5 EVALUATION OF THE PROPOSAL**

### **5.1 The Issuer's evaluation**

In structuring the Restructuring, the Issuer has carefully considered the interests of all of its stakeholders, in light of their relative priorities in the capital structure, and the board of directors of the Issuer is of the view that the proposed Restructuring is in the best interest of the Issuer's, given the current circumstances.

### **5.2 The Bond Trustee's disclaimer/non-reliance**

The Proposal is put forward to the Bondholders without further evaluation or recommendation from the Bond Trustee, and the Bond Trustee emphasises that each Bondholder should cast its vote based on its own evaluation of the Proposal. Nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee. Each Bondholder should independently evaluate whether the Proposal is acceptable and vote accordingly. The Bond Trustee urges each Bondholder to seek advice in order to evaluate the Proposal.

## **6 FURTHER INFORMATION**

For further questions to the Bond Trustee, please contact Jørgen Andersen, +47 22 87 94 21, andersen@nordictrustee.com.

## **7 BONDHOLDERS' MEETING**

Bondholders are hereby summoned to Bondholders' Meeting:

**Time: 25 April 2023 at 13.00 hours (Oslo time),**

**Place: The premises of Nordic Trustee AS,  
Kronprinsesse Märthas plass 1, 0161 Oslo - 7th floor**

### **Agenda:**

1. Approval of the Summons.
2. Approval of the agenda.
3. Election of two persons to co-sign the minutes together with the chairperson.
4. Request for adoption of the Proposal:

**It is proposed that the Bondholders' Meeting resolves the following (the "Proposed Resolution"):**

*"The Bondholders approve the Proposal as described in section 2.2 (The Proposal) of this Summons on the conditions set out herein.*

*The Bond Trustee is hereby authorised to implement the Proposal and carry out other necessary work to implement the Proposal, including to prepare, negotiate, finalize and enter into all necessary agreements in connection with documenting the decisions made in this Bondholders' Meeting as well as carry out necessary completion work, including agreeing on necessary amendments to the Bond Terms and other Finance Documents"*

To approve the Proposed Resolution, Bondholders representing at least 2/3 of the Bonds in each Bond Issue represented in person or by proxy at the relevant Bondholders' Meeting must vote in favour of the Proposed Resolution. In order to form a quorum, at least 5/10 of the Voting Bonds in each Bond Issue must be represented at the Bondholders' Meeting. If the Proposed Resolution is not adopted, the Bond Terms and other Finance Documents will remain unchanged.


Please find attached a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the bondholders' meeting. (If the bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the bonds, (ii) the aggregate nominal amount of the bonds and (iii) the account number in VPS on which the bonds are registered.)

The individual bondholder may authorise Nordic Trustee AS to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A scan of the duly signed Bondholder's Form, authorising Nordic Trustee AS to vote, must then be returned to Nordic Trustee AS in due time before the meeting is scheduled (by scanned e-mail or post – please see the first page of this letter for further details).

At the Bondholders' Meeting votes may be cast based on Bonds in the Bond Issue held at close of business on the day prior to the date of the Bondholders' Meeting. In the event that Bonds have been transferred to a new owner after the Bondholder's Form was made, the new Bondholder must bring to the Bondholders' Meeting or enclose with the proxy, as the case may be, evidence which the Bond Trustee accepts as sufficient proof of the ownership of the Bonds.

For practical purposes, we request those who intend to attend the Bondholders' Meeting, either in person or by proxy other than to Nordic Trustee AS, to notify the Bond Trustee by telephone or by e-mail (mail@nordictrustee.com) within 16:00 hours (4 pm) (Oslo time) the Business Day before the Bondholders' Meeting takes place.

Yours sincerely  
Nordic Trustee AS

  
Jørgen Andersen

Appendices:

Appendix 1 - Bondholder's Form

Appendix 2 – Restructuring Term Sheet

## **Appendix 2: Restructuring Term Sheet**



**NOVA AUSTRAL S.A.**

**Consensual Restructuring Term Sheet – Indicative Key Terms**

This non-binding indicative restructuring term sheet (the "**Term Sheet**") dated 7 April 2023 sets out the terms for a proposed financial restructuring (as described more particularly herein the "**Restructuring**") of the capital structure and certain liabilities of Nova Austral S.A., its subsidiaries, and its parent companies Nova Austral Spain S.L. and Albain Holdco S.à r.l. (together the "**Group**"), subject to contract and definitive documentation.

The terms and conditions set out in this Term Sheet are part of a comprehensive arrangement, each element of which is an integral part of the proposed Restructuring.

This Term Sheet is not exhaustive, is solely indicative of the key terms of the proposal set out herein and additional terms and conditions may be included in the definitive legal documentation prepared in connection with the Restructuring consistent with the matters contemplated by this Term Sheet.

No legal obligations to proceed on any matter contemplated herein shall arise hereunder, unless and until definitive agreements are duly executed and delivered.

The Restructuring will comprise certain amendments and revision to the various financing arrangements of the Group and Piscicultura Tierra, including the Bond Terms, the SSRCF and the Piscicultura Facility Agreement (each as defined below).

<b>1</b>	<b>Definitions</b>	<p>Words and expressions used herein shall have the same meaning when used in this Term Sheet as set out in the Bond Terms unless expressly set out herein or the context requires otherwise.</p> <p>"<b>Agent</b>" means DNB in its capacity as agent under the Piscicultura Facility Agreement and under the SSRCF.</p> <p>"<b>Bonds</b>" means the First Lien Bonds and the Second Lien Bonds together.</p> <p>"<b>Bond Terms</b>" means the bond terms dated 30 June 2017 (as amended and restated by an amendment and restatement agreement dated 8 October 2020 and as further amended and/or amended and restated by an amendment agreement dated 21 October 2021, an amendment agreement dated 23 February 2022 and an amendment agreement dated 9 November 2022) made between the Company and the Bond Trustee.</p> <p>"<b>Bondholders</b>" means the holders of the Bonds from time to time.</p> <p>"<b>Bond Trustee</b>" means Nordic Trustee, as bond trustee under the Bond Terms on behalf of the Bondholders.</p> <p>"<b>Comercial Austral</b>" means Comercial Austral S.A., a closely held stock corporation (<i>sociedad anónima cerrada</i>) incorporated and existing in Chile, taxpayer number (<i>Rol Único Tributario</i>) 99,530,880-0 and registered address at Freire No. 130, 5<sup>th</sup> floor, Puerto Montt, Chile.</p>
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		<p>"<b>Company</b>" means Nova Austral S.A. a closely held stock corporation (<i>sociedad anónima cerrada</i>) incorporated and existing in Chile, taxpayer number (<i>Rol Único Tributario</i>) 96,892,540-7 and registered address at Alberto Fuentes 299, Porvenir, Tierra del Fuego, Chile.</p> <p>"<b>Convertible Bonds</b>" means the convertible bonds referred to in item 5f).</p> <p>"<b>Creditors</b>" means the Agent, the Bond Trustee, the Bondholders, DNB, EKF and the Security Agent, collectively.</p> <p>"<b>DNB</b>" means DNB Bank ASA, having Norwegian company no. 984 851 006, acting through its offices at Dronning Eufemias gate 30, 0191 Oslo, Norway.</p> <p>"<b>EKF</b>" means EKF Denmark's Export Credit Agency, acting through its offices at Lautrupsgade, 11, 2100 København Ø, Denmark.</p> <p>"<b>Facility C Implementation Date</b>" shall have the meaning set out in Section 11.</p> <p>"<b>Financing Agreements</b>" means the Bond Terms, the Piscicultura Facility Agreement and the SSRCF.</p> <p>"<b>Facility A</b>" means a facility under the SSRCF, the principal of which amounts to USD 50 million.</p> <p>"<b>Facility B</b>" means a facility under the SSRCF, the principal of which amounts to USD 15 million.</p> <p>"<b>Facility B Security</b>" shall have the meaning set out in Section 7.</p> <p>"<b>Facility C</b>" means a facility under the SSRCF constituting new capital committed and funded by the New Sponsor, the principal of which amounts to USD 21 million and where USD 20 million shall be funded in cash to the Company and USD 1 million shall be set off against an equivalent backstop consideration to the New Sponsor.</p> <p>"<b>First Lien Bonds</b>" means the bonds (including PIK Bonds) issued by the Company under the Bond Terms with ISIN NO 0010795602.</p> <p>"<b>Interim Representative</b>" means a person, persons or an entity that will lead the due diligence process on behalf of the Bondholders and who will have the power of attorney necessary to approve any cash payments and new commitments during the due diligence phase, except where it would be within the fiduciary duties of the board of directors to make such cash payments or undertake such new commitments and, in each case, the members of the board of directors otherwise would risk incurring personal liability.</p>
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		<p><b>"Investment Bank"</b> means an investment bank appointed by the Creditors for purposes of carrying out the competitive selling process and help manage the transaction.</p> <p><b>"Long Stop Date"</b> means 19 June 2023 or such later date agreed among the Creditors and the Company.</p> <p><b>"NewCo"</b> means a company incorporated in Chile under the legal form of a Chilean "Sociedad por Acciones (SpA)" for the purpose of the transactions contemplated hereby.</p> <p><b>"New Sponsor"</b> means a Bondholder acceptable to the Agent in its sole discretion, which will replace the Sponsors as provider of the Facility B Security and be the lender of record for Facility C.</p> <p><b>"Nordic Trustee"</b> means Nordic Trustee AS, having Norwegian company no. 963 342 624, acting through its offices at Kronprinsesse Märthas plass, 0160, Oslo Norway.</p> <p><b>"Parent"</b> means Nova Austral Spain S.L., a private limited liability company incorporated in Spain (with Tax ID no. B87306338).</p> <p><b>"Piscicultura Facility"</b> means a facility under the Piscicultura Facility Agreement, originally in the principal amount of USD 26.5 million.</p> <p><b>"Piscicultura Facility Agreement"</b> means the term loan facility agreement dated 23 May 2018 made between Piscicultura Tierra as borrower, the Company as guarantor, DNB Bank ASA as lender and EKF as guarantor under the EKF Guarantee (as defined therein).</p> <p><b>"Piscicultura Tierra"</b> means Piscicultura Tierra Del Fuego S.A., a closely held stock corporation (<i>sociedad anónima cerrada</i>) incorporated and existing in Chile, taxpayer number (<i>Rol Único Tributario</i>) 76,720,095-1 and registered address at Alberto Fuentes 299, Porvenir, Tierra del Fuego, Chile.</p> <p><b>"Restructuring Implementation Date"</b> shall mean the earlier of (a) the date on which the Debt-to-Equity Swap is completed in accordance with Section 5 and (b) the date the New Sponsor withdraws from the deal following findings in the due diligence.</p> <p><b>"Second Lien Bonds"</b> means the bonds (including PIK Bonds) issued by the Company under the Bond Terms with ISIN NO 0010894264.</p> <p><b>"Security Agent"</b> means DNB in its capacity as security agent under the Piscicultura Facility Agreement and under the SSRCF.</p>
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		<p>"<b>SPV</b>" means the special purpose vehicle specifically incorporated to act as the second shareholder of the Company, incorporated as a wholly owned subsidiary of NewCo.</p> <p>"<b>SSRCF</b>" means the super senior revolving credit facility agreement dated 21 July 2017 (as amended by an amendment agreement no. 1 dated 2 January 2019, as further amended and restated by an amendment and restatement agreement no. 2 dated 8 October 2020, and as further amended by an amendment agreement no. 3 dated 2 November 2022) made between the Company, Comercial Austral, the Parent, the Ultimate Parent and DNB and as further amended herein.</p> <p>"<b>SSRCF Facilities</b>" means together Facility A, Facility B and Facility C.</p> <p>"<b>Ultimate Parent</b>" means Albain Holdco S.à r.l., a private limited liability company (<i>société à responsabilité limitée</i>) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 8 rue Lou Hemmer, L-1748 Senningerberg, Luxembourg and registered with the Luxembourg Trade and Companies Register (R.C.S. Luxembourg) under number 179,740.</p>
2	<b>Share Options</b>	<p>The Parent and the Ultimate Parent shall on the Facility C Implementation Date grant to NewCo an option to purchase all their shares in the Company for a total consideration of USD 1, 1 share to be sold to the SPV (together, the "<b>Share Options</b>").</p> <p>The Share Options are exercisable at any time by minimum five (5) business days notice from NewCo to the Parent and the Ultimate Parent respectively, however always subject to Items 4a), 4b), 4c) and 4d) occurring simultaneously.</p> <p>The Share Options shall be registered as an encumbrance on the shares in the Company, ranking prior to any security granted in respect of the Financing Agreements.</p> <p>Upon exercise of the Share Options, the share security granted in respect of the Financing Agreements shall be automatically, irrevocably and unconditionally released.</p>
3	<b>Facility C</b>	<p>On the Facility C Implementation Date, the commitments under the SSRCF shall be increased by introducing a new Facility C committed and fronted by the New Sponsor (as sole lender of record) and made available for drawing by the Company, provided that:</p> <p>a) up to USD 5,000,000 may be drawn from the Facility C Implementation Date, by no less than one (1) Business Day's prior written notice however without further conditions; and</p>

		<p>b) any amount in excess of USD 5,000,000 can only be drawn by the Company once the Company has entered into new agreements with suppliers referred to in Section 13 below, satisfactory to the New Sponsor (acting on instructions from lenders contributing with at least 50% of Facility C), or in accordance with Section 4.</p>
4	<b>Restructuring</b>	<p>On the Restructuring Implementation Date, one of the following two scenarios will occur as determined by the New Sponsor (acting on instructions from lenders contributing with at least 50% of Facility C):</p> <p><b>either:</b></p> <p>a) NewCo and SPV will exercise their Share Options and become owners of 100% of the shares in the Company;</p> <p>b) the Debt-to-Equity Swap (as described below) will take place;</p> <p>c) the New Sponsor shall replace the Sponsors as guarantor under Facility B; and</p> <p>d) the remaining undrawn portion of Facility C shall be made immediately available to the Company,</p> <p>in each case provided that the Conditions Precedent to the Restructuring Implementation Date have been fulfilled;</p> <p><b>or</b></p> <p>e) the Parent and the Ultimate Parent will sell the shares in the Company by way of a voluntary sale pre-agreed between the Parent and all Creditors on a debt-free basis (whereby all security is released and any residual claims under the Financing Agreements which are not covered by the sales proceeds are released), conducted as a competitive selling process (targeting a sales process to conclude within 2.5 months counting from the earlier of (a) the Long Stop Date and (b) the date the New Sponsor withdraws from the deal following findings in the due diligence) led by the Investment Bank and respecting the priorities set under the Intercreditor Agreement,</p> <p>provided that if no election has been made by the New Sponsor within the Long Stop Date then paragraph d) shall apply.</p>
5	<b>Debt-to-Equity Swap</b>	<p>a) All amounts outstanding under the First Lien Bonds in excess of USD 200,000,000 and under the Second Lien Bonds in excess of USD 100,000,000, together with the interest payment due on the Second Lien Bonds on 31 March 2023 and all interest accrued under the Bonds between the Interest Payment Date in November 2022</p>

		<p>and the Restructuring Implementation Date (inclusive) will be forgiven/cancelled.</p> <p>b) NewCo, already incorporated (USD 1 with 1 share), will on the Restructuring Implementation Date make a capital increase (increasing NewCo's shares to 100,000, the "<b>NewCo Shares</b>", such capital increase being payable within a 5-year term), and 10,000 NewCo Shares will be transferred to the New Sponsor in consideration for the New Sponsor replacing the Sponsors as guarantor under Facility B; and 10,000 NewCo Shares will be transferred to the Bondholders in exchange for the contribution of all the First Lien Bonds and Second Lien Bonds to NewCo. The number of NewCo Shares allocated to each Bondholder will be calculated as the product of (x) 10,000 and (y) a fraction the numerator of which is the number of Bonds held by that Bondholder and the denominator of which is total number of Bonds, in each case as of the Restructuring Implementation Date, after the partial cancellation of Bonds set out in paragraph 5 a) above, and subject to rounding down to the nearest whole number.</p> <p>c) As a consequence of the contribution of the Bonds to NewCo, NewCo will be the creditor of the Company for USD 300 million, representing the prior Bondholders, and the Bondholders will hold 10% of the NewCo Shares, representing the 50% of the issued and paid shares of NewCo, the Facility B guarantors will hold 10% of the NewCo Shares, representing the 50% of the issued and paid shares of NewCo and 80% will be pending payment (conversion) by Facility C lenders. The remaining NewCo Shares will remain pending subscription and payment, which must occur within 5 years.</p> <p>d) The remaining bond debt (USD 300 million) will be converted into a new debt instrument, whereby it:</p> <ul style="list-style-type: none"> <li>- will be unsecured;</li> <li>- will be subordinated;</li> <li>- will not be amortizing;</li> <li>- will not accrue interest;</li> <li>- will convert into equity in the Company automatically upon the occurrence of an Acceleration Event (as defined in the ICA);</li> </ul>
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		<ul style="list-style-type: none"> <li>- shall be convertible into equity in the Company upon the instruction of the lenders under Facility A following an Event of Default (as defined in the SSRCF) which is continuing; and</li> <li>- shall be convertible into equity of the Company upon the instruction of the lenders under Facility C.</li> </ul> <p>e) On or before 31 December 2026, NewCo will convert its credit (Bond USD 300 million) into equity in the Company, for which the Company will have to make a capital increase.</p> <p>f) A convertible bond shall be issued by NewCo (the "<b>Convertible Bonds</b>") in a principal amount of USD 1.00, which, on a fully converted basis, will represent an 80% ownership interest in NewCo. The Convertible Bonds shall be issued to the lenders of Facility C. The Convertible Bonds will have to be converted within the fifth anniversary of the Restructuring Implementation Date. The Convertible Bonds will have two conversion options:</p> <ul style="list-style-type: none"> <li>- Option 1: Each holder of the Convertible Bonds may at any time convert its Convertible Bonds into Series B shares of NewCo, without voting rights, which shall be Series B until the fifth anniversary of the Restructuring Implementation Date, at which they will be converted into ordinary shares of NewCo.</li> <li>- Option 2: All Convertible Bonds that have not previously been converted will at the fifth anniversary of the Restructuring Implementation Date be converted into ordinary shares in NewCo.</li> </ul> <p>g) Each Bondholder will be offered the opportunity to participate in the Facility C on a pro rata basis by way of sub-participation in exchange for a pro rata portion of the Convertible Bonds, in each case based on the number of Bonds held by that Bondholder as of the Restructuring Implementation Date. For a Bondholder to subscribe for a sub-participation in Facility C, subscription has to be made in accordance with an invitation that will be made by NewCo separately.</p>
6	<b>Competitive Selling Process</b>	Should the New Sponsor (acting on instructions from lenders contributing with at least 50% of Facility C) chose to proceed according to paragraph e) of item 4 ( <i>Restructuring</i> ) above or should no election have been made by the New Sponsor within the Long Stop Date, the Parent and the Ultimate Parent will sell the shares in the Company by way of a voluntary sale pre-agreed between the Parent and all Creditors on a debt-free basis (whereby all security is released and any residual claims under the Financing Agreements which are not covered by the sales proceeds are released), conducted as a competitive selling process

		<p>(targeting a sales process to conclude within 2.5 months counting from the earlier of (a) the Long Stop Date and (b) the date the New Sponsor withdraws from the deal following findings in the due diligence) led by the Investment Bank and respecting the priorities set under the Intercreditor Agreement.</p> <p>Marketing of the shares in the Company shall commence 30 days after the Company has issued its summons to the Bondholders.</p>
7	<b>Main amendments to terms and conditions of the SSRCF</b>	<p>The terms and the conditions of the SSRCF will be amended to allow for increased operational and financial flexibility of the Group, including (but not limited to) by:</p> <ul style="list-style-type: none"> <li>a) extending the Termination Date (as defined in the SSRCF) from 26 April 2024 to 31 December 2027;</li> <li>b) Facility B to be secured by either an on-demand bank guarantee from a counterparty accepted by the Agent and/or 100% cash collateralized guarantee in the amount of 110% of Facility B (including any capitalised interest) (initially USD 16.5 million) from the New Sponsor in favour of the Security Agent (the "<b>Facility B Security</b>");</li> <li>c) increasing the commitments under the SSRCF by introducing a new Facility C committed and funded by the New Sponsor and fronted by the New Sponsor as sole lender of record and made available for drawing by the Company on the Facility C Implementation Date as provided for in Section 3 above;</li> <li>d) reducing the margin in relation to any Facility A Loan from 5.75% p.a. to 4.00% p.a. (5.00% p.a. and 6.00% p.a. in case the PIK Option (as defined below) is exercised for the calendar years 2023/2024 and 2025/2026 respectively);</li> <li>e) reducing the margin in relation to Facility B Loan from 2.75% p.a. to 2.00% p.a., (2.50% p.a. and 3.00% p.a. in case the PIK Option (as defined below) is exercised for the calendar years 2023/2024 and 2025/2026 respectively);</li> <li>f) zero (0) cash interest in relation to Facility C Loans, however Facility C Loans will bear interest payable in kind (PIK) of SOFR plus a margin of 4.00% p.a.;</li> <li>g) the Company shall have the option, until the quarter immediately before the scheduled amortizations begin, to pay margin on Facility</li> </ul>



		<p>A and Facility B, or on Facility B alone, in kind rather than in cash (the "PIK Option")<sup>12</sup>;</p> <p>h) Facility B to be converted to a term loan, and Facility C to be established as a term loan;</p> <p>i) Facilities to rank in the following order (in a waterfall): Facility A (first), then Facility B and Facility C (pari passu, second);</p> <p>j) fixed amortization/cancellation of Facility A and the Piscicultura Facility Agreement in the amount of USD 1.25 million per quarter commencing from Q3 2026 (to be allocated pro rata towards Facility A and the Piscicultura Facility (no amortisation on Facility B and Facility C));</p> <p>k) the Company shall be entitled to prepay the debt in total or partially (subject to the waterfall set out in item 7i)) at any moment without any premium, save for normal interest period break costs;</p> <p>l) the SSRCF to have security with first priority in all assets owned by the Company and with second priority on the assets owned by Piscicultura Tierra, with a carve-out for security in biomass to feed providers as per current documentation;</p> <p>m) change of control triggered if:</p> <ul style="list-style-type: none"> <li>- The New Sponsor controls less than 1/3 of the shares or voting rights in the Company; or</li> <li>- any other person or group of persons acting on concert (save for the New Sponsors or any other entity approved by the Agent) controls twenty-five per cent. (25%) or more of the shares or voting rights in the Company, except where the New Sponsor controls more than fifty per cent. (50%) of the shares and voting rights in the Company,</li> </ul> <p>in each case on either an undiluted or on a fully diluted basis where conversion rights shall be factored in on an equal basis with share ownership;</p> <p>n) financial covenants to be measured on the Company's consolidated accounts (i.e. Company and Piscicultura Tierra), levels will be based</p>
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<sup>1</sup> For the sake of good order, SOFR shall always be payable in cash.

<sup>2</sup> Note that PIK Option in relation to Facility B will be subject to guarantee coverage and the guarantee/cash deposit at all times being sufficient to cover 110% of Facility B and any capitalised interest (noting that the guarantee/cash deposit is in an amount of USD 16.5 million today).

		<p>on agreed financial projections to be measured first time at YE 2023 indicating:</p> <ul style="list-style-type: none"> <li>- Working capital ratio: &gt; 1.0x</li> <li>- Minimum book equity of USD [TBA] million</li> <li>- 1 year rolling forecast to be reported every 6 months (1Q/3Q)</li> <li>- 3 year rolling forecast to be reported every 6 months (2Q/4Q)</li> </ul> <p>o) no dividends, no payments from the Company to NewCo or any related party to the shareholders (including any management fees), no investments and no structural changes without prior written consent from the Agent;</p> <p>p) removing the operational undertakings in Clause 27.34 (<i>Operational undertakings</i>) and the new event of default in Clause 28.16 (<i>Legal actions from suppliers</i>) that were included pursuant to Amendment No. 3 to the SSRCF;</p> <p>q) limitations on capex (allowance basket TBD);</p> <p>r) limitations on new debt (allowance basket TBD);</p> <p>s) cross default against Piscicultura Tierra (threshold: USD 1,000,000);</p> <p>t) unrestricted transferability for Lenders; and</p> <p>u) extending the duration of the Company's ability to provide security over biomass to its feed suppliers from 30 June 2024 to the extended Termination Date.</p> <p>Save for item 7c) and item 7i), which shall have effect from the Facility C Implementation Date, all amendments set out in this Section 7 and in Section 9 shall have effect from the Restructuring Implementation Date.</p>
8	<p><b>Main amendments to terms and conditions of the Piscicultura Facility Agreement</b></p>	<p>The terms and conditions of the Piscicultura Facility Agreement will be amended to allow for increased operational flexibility of the Group, including (but not limited to) by:</p> <ul style="list-style-type: none"> <li>a) Tenor: tenor extended to 31 December 2027.</li> <li>b) Amortisation: as set out under item 7j) above.</li> <li>c) Margin: 4% (DNBs funding rate in the EKF facility to remain).</li> </ul>

		<p>d) DSR Account: cash reserve undertaking set out in Clause 22.16 (<i>DSR Account</i>) of the Piscicultura Facility Agreement to be removed.</p> <p>e) Financial covenants: to be harmonised with SSRCF, as set out under item 7n) above.</p> <p>f) Parent guarantee: Full guarantee from the Company.</p> <p>g) Limitations on capex (allowance basket TBD).</p> <p>h) Limitations on new debt (allowance basket TBD).</p> <p>i) Security: the Piscicultura Facility Agreement to have security with first priority in all assets owned by Piscicultura Tierra and with second priority on the assets owned by the Company, with a carve-out of security in biomass to feed providers as per current documentation.</p> <p>All amendments set out in this Section 8 and in Section 9 shall have effect from the Restructuring Implementation Date.</p>
<b>9</b>	<b>Prepayments and refinancing</b>	<p>Any prepayment of the SSRCF Facilities and/or Piscicultura Facility shall be allocated pro rata against Facility A and the Piscicultura Facility.</p> <p>Any refinancing of the SSRCF Facilities and/or Piscicultura Facility shall only be permitted if the SSRCF Facilities and Piscicultura Facility are refinanced simultaneously.</p>
<b>10</b>	<b>Implementation Period</b>	<p>During the interim period between the date hereof and the earlier to occur of the Restructuring Implementation Date and the Long Stop Date:</p> <p>a) the Parties will agree to support the Restructuring by taking all reasonable steps to enable the Restructuring to be implemented as soon as possible and will refrain from causing or permitting any delay; and</p> <p>b) the Parties will in good faith work towards satisfying the relevant conditions precedent (see Section 11 and 14 below),</p> <p>During the interim period between the Facility C Implementation Date and the earlier to occur of the Restructuring Implementation Date and the Long Stop Date:</p> <p>c) the Creditors agree to suspend and not to exercise their rights and remedies under the SSRCF, the Piscicultura Facility Agreement or the Bond Terms or any other rights to rescind, terminate or cancel any such document, by reason only of any pending event of default known to the Creditors on the date hereof or which occurs prior to or which occurs during the period from now on and until the</p>

		<p>Restructuring Implementation Date, provided that all parties hereto agrees that this clause and no clause in or circumstance contemplated by this Term Sheet shall constitute an "Insolvency Event" under the Intercreditor Agreement.</p> <p>Notwithstanding item 10c), DNB shall be entitled to make a demand under the Sponsors' guarantee in respect of Facility B if failure to do so would otherwise prejudice their rights.</p>
<p><b>11</b></p>	<p><b>Conditions precedent to the Facility C Implementation Date</b></p>	<p>Implementation of the amendments shall be subject to, and shall become effective on the date (the "<b>Facility C Implementation Date</b>") on which each of the following conditions precedent have been satisfied (or waived), as determined by the Bond Trustee and the Agent:</p> <ul style="list-style-type: none"> <li>a) the amendments ) to the Bond Terms having been duly approved by the necessary 2/3 majority of Voting Bonds present at a duly convened Bondholders' Meeting, including the pre-approval of the voluntary sale through a competitive selling process referred to in Section 4 and Section 6 and in item 11g) below;</li> <li>b) the amendments to the SSRCF having been duly approved by DNB;</li> <li>c) the amendments to the Piscicultura Facility Agreement having been duly approved by DNB and EKF;</li> <li>d) the delivery to the Bond Trustee of the amended Bond Terms and any other agreement required for the implementation of the amendments to become effective on the Facility C Implementation Date, duly executed by the parties to the Bond Terms thereto;</li> <li>e) the delivery to the Agent under the SSRCF the amended SSRCF and fulfilment of any other condition required for the implementation of the amendments to become effective on the Facility C Implementation Date, duly executed by the parties to the SSRCF;</li> <li>f) the delivery to the Agent under the Piscicultura Facility Agreement the amended Piscicultura Facility Agreement and fulfilment of any other condition required for the implementation of the amendments to become effective on the Facility C Implementation Date, duly executed by the parties to the Piscicultura Facility;</li> <li>g) signed agreement regulating voluntary sale between the Parent and all Creditors on a debt-free basis (whereby all security is released and any residual claims under the Financing Agreements which are not covered by the sales proceeds are released), duly executed by the Company, the Parent and all the Creditors;</li> </ul>

		<p>h) evidence of payment of all legal and administrative/internal costs and expenses incurred by the Agent, the Security Agent, the Paying Agent, the Bond Trustee, the Company as well as legal fees and reasonable costs and expenses of the advisors of the group of Bondholders representing a majority of the bonds in both the First Lien Bonds and the Second Lien Bonds;</p> <p>i) the delivery to the Creditors of any legal opinions as may be reasonably required by the Creditors in relation to the implementation of the amendments to the Financing Agreements, confirming the due execution by the parties thereto of the Financing Agreements;</p> <p>j) all necessary corporate resolutions of all the parties (except the Creditors) approving the transactions contemplated by this Term Sheet and the entering into amendment agreements in respect of the relevant Financing Agreements; and</p> <p>k) a power of attorney from each respective Group Company to relevant individuals for their execution of amendment agreements in respect the Financing Agreements to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Financing Agreements on its behalf, and</p> <p>l) appointment by the Company of the Interim Representative.</p>
12	<p><b>Conditions precedent to the Restructuring Implementation Date</b></p>	<p>Each of the following conditions subsequent have been satisfied (or waived) within the deadlines indicated below:</p> <p>a) completion of a due diligence by the New Sponsor with results satisfactory to it (in its sole discretion) (to be made available to the Company and to all Creditors);</p> <p>b) agreement of final terms and definitive legal documentation evidencing the amendments to the Financing Agreements (the "<b>Definitive Documentation</b>"), including, without limitation, the Bond Terms, the Piscicultura Facility Agreement, the SSRCF, any shareholder agreement or any other Finance Document and following consultation with the Norwegian and Chilean legal counsel of the Company, the Bondholders, the Agent and EKF;</p> <p>c) evidence of payment of all legal and administrative/internal costs and expenses incurred by the Agent, the Security Agent, the Paying Agent, the Bond Trustee, as well as legal fees and reasonable costs and expenses of the advisors of the group of Bondholders</p>

		<p>representing a majority of the bonds in both the First Lien Bonds and the Second Lien Bonds;</p> <p>d) any third-party consents or waivers required for implementation of the Restructuring being obtained;</p> <p>e) a restructuring of all material due accounts payable, and any other payable that arises from the execution of the Debt-to-Equity Swap satisfactory to the New Sponsor;</p> <p>f) the Agreement with suppliers per item 13 below being agreed satisfactory to the New Sponsor and DNB;</p> <p>g) satisfactory KYC checks (including necessary KYC on owners exceeding 25%);</p> <p>h) the delivery to the Creditors of any legal opinions as may be reasonably required by the Creditors in relation to the implementation of the amendments to the Financing Agreements, confirming the due execution by the parties thereto of the Financing Agreements;</p> <p>i) all necessary corporate resolutions of all the parties (except the Creditors) to the Definitive Documentation; and</p> <p>j) an agreement between the Issuer and the Ultimate Parent for the irrevocable forgiveness or release of the Ultimate Parent from its remaining indebtedness to the Company under the upstream loan provided by the Company to the Ultimate Parent in 2017 on or before the date falling one year after the Restructuring Implementation Date).</p>
<b>13</b>	<b>Agreement with suppliers</b>	<p>The Company and the New Sponsor shall use their best efforts to enter into agreements with all material suppliers and creditors (including feed providers) to improve payment terms, including an agreement with feed providers (Cargill and Skretting) to extend payment terms to 180 days.</p>
<b>14</b>	<b>Reservation of Rights</b>	<p>The provisions of the Financing Agreements will continue in full force and effect until subject to specific amendment agreement to the contrary and nothing in this Term Sheet will effect a modification or waiver of any rights under the Financing Agreements or any other documents and agreements ancillary thereto, or to any of the Creditors' rights as secured creditors of the Group.</p> <p>The rights of each of the Creditors are fully reserved in the event that the Restructuring is not fully implemented as contemplated by this Term Sheet, and until such time each of their rights is fully reserved, and this Term Sheet shall not limit or prejudice any of their rights, including all rights of the</p>

		Creditors in connection with any defaults or events of default under the relevant Financing Agreements.
<b>15</b>	<b>Release and waiver</b>	The Definitive Documentation will include a waiver, release and discharge from each Creditor of any current, future, actual or contingent claims, actions, proceedings, liabilities, rights and demands, of whatsoever nature and howsoever arising, it had, may have or hereafter may have against any director of any Group Company, the Sponsors, their Affiliates and their respective directors, employees and other related persons.
<b>16</b>	<b>Documentation</b>	To be based on existing documentation, with agreed changes and other logical changes, and to be subject to Norwegian law (save for such security documents and other documents which the Creditors agree will need to be subject to the laws of other jurisdictions).
<b>17</b>	<b>Governing Law</b>	This Term Sheet and any non-contractual obligations arising out of or in connection with it shall be governed by Norwegian law. The Norwegian courts, legal venue in the first instance being Oslo District Court, shall have exclusive jurisdiction of with respect to any disputes arising out of or in connection with this Term Sheet.