

## **Notice for Second Written Procedure for senior secured bonds issued by Blåfjell AS**

**To the holders of senior secured fixed rate bonds due 4 November 2019 with ISIN NO 001 080980.9 (the "Bonds") issued by Blåfjell AS (the "Issuer") on 9 November 2017**

Capitalized terms not otherwise defined in this notice shall have the meaning given to them in the terms and conditions relating to the Bonds dated 9 November 2019 (the "Terms and Conditions").

**This notice (the "Notice") will be sent by Intertrust (Norway) AS (the "Trustee") to the direct registered owners and registered authorised nominees of the Bonds. This voting request has also been published on the website of the Trustee in accordance with the Terms and Conditions. If you are an authorised nominee under the Norwegian Securities Register Act of 2002 no.64 (Nw. *Verdipapirregisterloven*) or if you otherwise are holding Bonds on behalf of someone else on a Securities Account, please forward this notice to the holder you represent as soon as possible. See "Voting rights" in section B (*Decision procedure*) for further information.**

Intertrust (Norway) AS is acting as Trustee on behalf of the Bondholders under the Terms and Conditions.

Pursuant to the outcome of the First Written Procedure, communicated to the bondholders in the Notice of outcome, the Trustee, acting in its capacity as trustee for the Bondholders under the Terms and Conditions, hereby initiates a second Written Procedure (the "**Second Written Procedure**") in accordance with cl. 19.11 and 21.1 under the Terms and Conditions.

Under the Second Written Procedure, the Bondholders are asked to vote in order to accept or reject a proposal from the Issuer (the "Proposal"), to waive the next two instalments on the bonds, which fall due 9 November 2019 and 9 February 2020 in accordance with cl. 12.1.1. The Proposal is described in detail in section A.

**All Bondholders are strongly encouraged to review and consider the Proposal.**

### **A. Proposal from the Issuer**

#### **1. Background and summary of the Proposal**

On 4 October 2019, the Trustee received a letter (the "**Letter**") from the Issuer stating that the Issuer will not be able to pay the next two installments on the bond, amounting to NOK 2 million per installment, which fall due 9 November 2019 and 9 February 2020 in accordance with cl. 12.1.1. The Issuer is therefore asking the bondholders to waive the payment of the two next installments due 9 November 2019 and 9 February 2020, meaning that these instalments will be deferred to the principal maturity in November 2020.

Both a Norwegian version and an English version of the Letter is attached hereto in Schedule 3.

#### **2. The Proposal**

In accordance with cl. 21.1 of the Terms of Conditions, this Notice of Written Procedure is sent to the Bondholders in order for the Bondholders to consider the following proposal as described in the letter attached hereto in Schedule 3:

*The Bondholders approve that:*

*The Issuer will not be able to pay the next two installments on the bond, which fall due 9 November 2019 and 9 February 2020, meaning that these installments will be deferred to the principal maturity in November 2020.*

#### **3. Evaluation of the Proposal**

In the Issuer's opinion, the Proposal represents the only alternative currently available to the Issuer to avoid bankruptcy. If the Bondholders fail to approve the Proposal, there is a distinct and immediate risk that the Issuer will need to file for bankruptcy. The Issuer is of the opinion that the market value of the Properties sold on a voluntary basis is far greater than what can be achieved in an enforcement scenario or a through a sale conducted by a bankruptcy estate. Accordingly, in the Issuer's opinion, it is in the best interests of the Bondholders to approve the Proposal.

#### **4. Limitation of liability**

The Proposal is presented to the Bondholders without evaluation, advice or recommendations from the Trustee. The Trustee has not reviewed or assessed the Proposal (and its effects, should it be adopted) from a legal or commercial perspective of the Bondholders and the Trustee expressly disclaims any liability whatsoever related to the content of this Notice or the Proposal (and its effects, should it be adopted). The Bondholders must independently evaluate whether the Proposal (and its effects) is acceptable or not.

#### **5. Important information from the Trustee**

BEFORE MAKING A DECISION, EACH BONDHOLDER IS ADVISED TO CAREFULLY REVIEW THE CONTENT OF THIS DOCUMENT AND THE PROPOSED RESOLUTIONS SET OUT IN SECTION 2 ABOVE INCLUDING THE LIMITATION OF LIABILITY SET OUT IN SECTION 3 ABOVE. IF A BONDHOLDER IS UNCERTAIN AS TO THE CONTENT AND SIGNIFICANCE OF THIS DOCUMENT AND THE MEASURES A BONDHOLDER SHOULD TAKE, THE BONDHOLDER IS ADVISED TO CONSULT ITS OWN LEGAL, TAX OR FINANCIAL ADVISOR FOR THIS PURPOSE. THE TRUSTEE WILL NOT, AND IS UNDER NO OBLIGATION TO, UPDATE THIS DOCUMENT.

### **B. DECISION PROCEDURE**

The Trustee will determine whether replies received are eligible to participate in the Second Written Procedure, continuously calculate the replies provided in respect of the Request and determine the result of the Second Written Procedure as soon as possible based thereon.

Once a requisite majority of consents of the Adjusted Nominal Amount for which Bondholders reply in the Second Written Procedure have been received by the Trustee, the relevant decision shall be deemed to be adopted, even if the time period for replies in the Second Written Procedure has not yet expired.

Information about the decision taken in the Second Written Procedure will be sent by notice to the Bondholders, published on the website of the Trustee and published by way of press release by the Trustee.

Minutes from the Second Written Procedure shall at the request of a Bondholder be sent to it by the Trustee.

If the a Proposal is approved by the Second Written Procedure it will be binding on all Bondholders whether they participated in the Second Written Procedure or voted against the Proposal or not, in accordance with the Terms and Conditions.

#### **1. Voting rights and procedure**

Anyone who wishes to participate in the Second Written Procedure must on the day falling three (3) Business Days after the communication instigating such Second Written Procedure has been published (the "**Record Date**"):

- (1) be registered on the Securities Account as a direct registered owner; or
- (2) be registered on the Securities Account as authorised nominee,

with respect to one or several Bonds.

The communication instigating the Second Written Procedure is published **25 October 2019**, and the record date will fall on **30 October 2019**

**Each Bondholder may participate in the Second Written Procedure by voting through VPS Investortjenester (only applicable for Norwegian holders with a VPS account in Norway), through your nominees or by completing and sending the voting form attached to this Notice in Schedule 1 to the Trustee.**

If you have an interest in a Bond but are not registered as a direct registered owner or authorised nominee on a Securities Account, you need to obtain a power of attorney or other proof of authorisation from the person who fulfils the formal criteria for being a Bondholder on the Record Date, to be able to participate, substantially in the form as attached hereto as Schedule 2. An alternative may be to ask the person that is registered as a Bondholder and holds the Bonds on your behalf to vote in its own name as instructed by you. The Trustee recommends that you contact the securities firm that holds the Bonds on your behalf for assistance, if you wish to participate in this Second Written Procedure and do not know how your Bonds are registered or need authorisation or other assistance to participate.

Bonds owned by the Issuer, any other Group Company or an Affiliate do not entitle the holders to any voting rights and are not included in the Adjusted Nominal Amount.

## **2. Quorum**

Pursuant to Clause 19.11 of the Terms and Conditions, the quorum requirements in Clause 19.10 shall not apply to a Second Written Procedure, which means that the votes received in this Second Written Procedure will be decisive regardless of how many votes that will be received.

## **3. Majority**

Pursuant to Clause 19.8 of the Terms and Conditions, at least **sixty six and two thirds (66 2/3) per cent.** of the Adjusted Nominal Amount for which Bondholders reply in a Written Procedure must consent to the Proposal in order for it to be approved.

## **4. Final date to vote in the Second Written Procedure**

The Trustee must have received the votes by mail, courier or e-mail to the address indicated below no later than by **12:00 (CET) on 14 November 2019**. Votes received thereafter will be disregarded.

Please find attached hereto a Bondholder's Form from the VPS, which indicates your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights in the Second Written Procedure. 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.

## **5. Address for sending replies**

*By regular mail:*

Intertrust (Norway) AS  
Attn: Peter Drachmann, P.O. Box 2051 Vika, 0125 Oslo, Norway

*By courier:*

Intertrust (Norway) AS  
Attn: Peter Drachmann, Munkedamsveien 59B, 0270 Oslo, Norway

*By e-mail:*

[peter.drachmann@intertrustgroup.com](mailto:peter.drachmann@intertrustgroup.com)

## **6. Further information**

For further questions please contact:

For the Trustee:  
Intertrust (Norway) AS,  
Peter Drachmann, peter.drachmann@intertrustgroup.com, +47 400 22 444.

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**Oslo, 24 October 2019**

**Intertrust (Norway) AS, as Trustee**

**Schedule 1 – Voting Form**

**VOTING FORM**

**for the Second Written Procedure initiated on 24 October 2019 for the senior secured bonds due 2019 with ISIN NO 001 080980.9 (the "Bonds") issued by Blåfjell AS (the "Issuer") on 9 November 2017.**

**The Bondholders are requested to approve or reject the Proposal set out in the notice for the Second Written Procedure. The Trustee is hereby empowered to enter into all necessary documentation required to implement the Proposal, in the event the Proposal is approved.**

**Reply**

Name of person/entity voting: \_\_\_\_\_

Nominal Amount voted for: \_\_\_\_\_

The undersigned hereby (put a cross in the appropriate box) votes for alternative:

**A) Approve**      
 **B) Reject**      
 **C) Refrain from voting**

with respect to the Request.

The undersigned hereby confirms (put a cross in the appropriate box) that this voting form shall constitute a vote also for a second Written Procedure (if any) pursuant to Clause 19.11 of the Terms and Conditions with respect to the Request:

**Confirmed**      
 **Not confirmed**

Signature

\_\_\_\_\_

Name in print:

Contact information

Email:

Tel:

**NOTE: Please attach a power of attorney/authorization if the person/entity voting is not registered on the Securities Account as a direct registered owner or authorized nominee. The voting form shall be signed by an authorized signatory. A certified copy of a registration certificate or a corresponding authorization document for the legal entity shall be appended to the voting form for any legal entity voting. The registration certificate, where applicable, may not be older than one year.**

**Schedule 2 – Power of Attorney/Authorisation**

**POWER OF ATTORNEY/AUTHORISATION<sup>1</sup>**

**for the Second Written Procedure initiated on 24 October 2019 for the senior secured bonds due 2019 with ISIN NO 001 080980.9 (the "Bonds") issued by Blåfjell AS (the "Issuer") on 9 November 2017.**

Authorized Person<sup>2</sup>: \_\_\_\_\_

Nominal Amount<sup>3</sup>: \_\_\_\_\_

Grantor of authority<sup>4</sup>: \_\_\_\_\_

We hereby confirm that the Authorized Person specified above has the right to vote for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of<sup>5</sup>: \_\_\_\_\_

We are (put a cross in the appropriate box):

Registered as authorized nominee on a Securities Account

Registered as direct registered owner on a Securities Account

Other intermediary and hold the Bonds through<sup>6</sup> \_\_\_\_\_

Date:

Signature

\_\_\_\_\_

<sup>1</sup> Use this form to confirm a person's/entity's authority to vote if the person/entity is not registered as a direct registered owner or authorized nominee.

<sup>2</sup> Insert the name of the person/entity that should be authorized to vote.

<sup>3</sup> Insert the aggregate nominal amount the Authorized Person should be able to vote for.

<sup>4</sup> Insert the name of entity/person confirming the authority.

<sup>5</sup> The total Nominal Amount the undersigned represents

<sup>6</sup> Mark this option if the undersigned is not registered as authorized nominee or direct registered owner in the Securities Account kept by VPS. Please insert the name of the firm the undersigned holds the Bonds through.

**Schedule 3**

From: Blåfjell AS

To: Intertrust (Norge) AS and bondholders in Blåfjell AS Senior Secured Bonds 2017/2020 with ISIN NO 0010809809

**Request for postponement of bond installments**

Blåfjell AS has started production of char in a land-based aquaculture facility but has had a number of challenges with delays and cost increases during the establishment. The company has not reached full production as quickly as desired and this has led to a strained liquidity situation in the company.

**As a result, the company will not be able to pay the next two installments on the bond, which fall due in November 2019 and February 2020, and request that these be deferred to the principal maturity in November 2020.**

**Background**

Blåfjell has succeeded in establishing a land-based RAS breeding facility. It has taken significantly longer than expected and there have been challenges including a number of errors and deficiencies in deliveries from the main supplier. In addition to delays and costly delays in the construction project itself, faults and deficiencies have also led to illness, fish deaths and reduced growth.

Despite this, we have so far paid interest on all maturities. We have also sent status updates to bondholders along the way. Please see attached the latest status of Blåfjell.

Blåfjell is now in a situation where we again need to raise more capital. We have on several occasions succeeded in getting existing owners to add more equity, but they have limited capacity.

**The way forward**

We are now in a process with external investors, who may be interested, but we must have a robust plan which unfortunately makes it impossible to pay installments yet. We are also in dialogue with the largest creditors to establish payment plans, which makes it realistic to get through the challenges.

Best regards  
Håvard Belbo  
Chairman



Fra: Blåfjell AS

Til: Intertrust (Norge) AS og obligasjonseiere i Blåfjell AS Senior Secured Bonds 2017/2020 med ISIN NO 0010809809

### **Anmodning om utsettelse av avdrag**

Blåfjell AS har kommet i gang med produksjon av røye i landbasert oppdrettsanlegg, men har hatt en rekke utfordringer med forsinkelser og fordyrelser i etableringen. Selskapet har ikke kommet i full produksjon så raskt som ønsket og dette har ført til at selskapet har anstrengt likviditet.

**Som et resultat av dette vil selskapet ikke være i stand til å betale de kommende to avdragene på obligasjonen, som skal betales i november 2019 og februar 2020, og ber om at disse utsettes til hovedforfall i november 2020.**

### **Bakgrunn og situasjon**

Blåfjell har lyktes med å etablere et landbasert RAS-anlegg for oppdrett av røye. Det har derimot tatt vesentlig lengre tid enn forventet og det har vært utfordringer bl.a med en rekke feil og mangler på leveransene fra hovedleverandøren. Feil og mangler har i tillegg til forsinkelser og fordyrelser i selve byggeprosjektet også ført til sykdom, fiskedød og redusert tilvekst.

På tross av dette har vi hittil betalt renter på alle forfall. Vi har også sendt statusoppdateringer til obligasjonseiere underveis. Vedlagte oppdatert status viser siste informasjon.

Blåfjell er nå i en situasjon der vi igjen må få tilført mer kapital. Vi har i flere omganger lyktes med å få eksisterende eiere til å tilføre mer egenkapital, men de har begrenset løfteevne.

### **Veien videre**

Vi er nå i prosess med eksterne investorer, som kan være interessert, men vi må ha en robust plan, og da er det ikke mulig å betale avdrag enda. Vi er også i dialog med de største kreditorene for å få etablert betalingsplaner, som gjør det realistisk å komme oss gjennom utfordringene.

Med vennlig hilsen  
Håvard Belbo  
Styreleder