

## **Nueva Pescanova will call a General Meeting of Shareholders to invite its creditors to a voluntary capital increase**

- **With this capital increase the company would secure its viability in the short and medium term. By doing so the restructured company would have a strong equity position and would be able to carry out its business without the burden of the current debt inherited from its predecessor.**
- **In 2017, 35% of the 1 billion debt inherited from the creditors' composition of the former Pescanova was converted into capital, today Nueva Pescanova still has €643M debt that damages both the bottom line, its cash flow as well as the access to funding.**

**Vigo, 19 January 2021.**- The Board of Directors of Nueva Pescanova, S.L. will call its shareholders and creditors to a voluntary debt to equity swap, to secure the future viability of the company and the accomplishment of its business plan.

The decision was taken following today's notice of the judgment of the Mercantile Court No 1 in Pontevedra, which has left without effect the judicial approval of the refinancing agreement of last June 30, 2020, which foresaw the swap of a large part of the debt taken over from Pescanova S.A.'s creditors composition (currently 643 million euros) into equity. Last August, Nueva Pescanova, S.L. got the judicial approval for this refinancing agreement, which was challenged by Broadbill and other funds, as well as by Pescanova S.A., based on various arguments that challenged the company's viability plan, arguing that creditors would "get greater value with the winding up of the company rather than with the swap offered", also claiming that "the plan would impose a disproportionate sacrifice on them".

The judgment states **that the viability plan submitted by Nueva Pescanova complies with the principle of equal treatment and does not impose a disproportionate sacrifice on creditors. It also sustains that the Plan presented by the Company is justified to safeguard the future viability of the company and its business plan.** However, the judgement agrees, in part, with the challengers by noting that the majority required for the approval of the agreement was not achieved. For this reason, it approves Broadbill's challenge, dismissing the remaining arguments, and rejects the claims brought by Pescanova S.A. and the other challenging funds. The judgment cannot be appealed.

In 2017, 35% of the 1 billion debt inherited from the creditors' composition of the former Pescanova was converted into capital, at present Nueva Pescanova still has €643M debt that damages both the bottom line, its cash flow as well as the access to funding. **With this capital increase the company will be restructured, with a sound equity and capable of undertaking its business without the burden of its current debt.**