

INVITATION TO JOIN THE REFINANCING AGREEMENT AND EXERCISE OPTIONS FOR CAPITALIZATION OR WRITE-OFF

January 26th. 2017

1. Background

On December 30th 2016 an agreement for refinancing Nueva Pescanova S.L.'s financial liability (*Nueva Pescanova* or the *Company*) was concluded between Nueva Pescanova, (as debtor) and Banco de Sabadell, S.A., Banco Popular Español, S.A., Banco Pastor, S.A.U., Caixabank, S.A., Abanca Corporación Bancaria, S.A., Banco Bilbao Vizcaya Argentaria, S.A., Bankia S.A., UBI Banca International S.A., Spain branch, Purple Ruby, S.à r l. and HSBC Bank Plc. (as creditors) (hereinafter jointly referred to as the *Original Creditors*) and Banco de Sabadell, S.A. also as the Agent Entity (hereinafter referred to as the *Refinancing Agreement*). Once all the conditions provided for such Agreement to enter into force have been met, the Refinancing Agreement took full effect on December 31st. 2016 (the *Effective Date*).

Basically the Agreement entails capitalization by increasing capital (the *Capital Increase*) (or write-off, as the case may be) of certain Financial Liability amounts (as such term is defined below) of Nueva Pescanova, aiming to guarantee the Company's financial viability in the short and middle term.

Such Refinancing Agreement is planned to pass approval by the courts according to the provisions set forth under Additional Provision 4 of Spain's Bankruptcy Law 22/2003 of July 9th (*Disposición Adicional Cuarta de la Ley Concursal 22/2003*) (hereinafter *AD 4 of Bankruptcy Law*) so that its effects may reach any holders of the Company's Financial Liabilities who don't wish to join the Refinancing Agreement or disagree with it.

The purpose of this communication (the *Invitation*) is, on the one hand, to inform any Nueva Pescanova's Financial Liabilities holders (other than the Original Creditors) about the existence of the Refinancing Agreement, and to offer them the opportunity to join on a voluntary basis and on the other hand to explain them the different capitalization or write-off options they are offered in the event they choose not to join the said Agreement.

2. Main terms of the Refinancing Agreement

2.1 Financial Liability

For the purpose of the Refinancing Agreement, *Financial Liabilities* shall mean any Nueva Pescanova's liabilities as of the Effective Date considered as financial liabilities according to AD 4 of Bankruptcy Law (*Ley Concursal*) which is split into the following sections according to due date and applicable interest rate (each a *Section* and jointly the *Sections*):

- (a) Financial Liability included within the ordinary senior section (i) of Pescanova, S.A. debt and provided by Pescanova S.A. to the Company by separation of assets and liabilities held by Pescanova, S.A. after merging with most of its subsidiaries declared bankrupt; (ii) of Novapesca Trading, S.L.U. and Insuiña, S.L.U. debt, the latter being assumed by the Company according to their respective composition agreements; and (iii) of Harinas y Sémolas del Noroeste,

S.A. debt assumed by the Company according to refinancing agreement of Harinas y Sémolas del Noroeste, S.A. (**Ordinary Senior Section**);

- (b) Financial Liability included within subordinate senior section (i) of Pescanova, S.A. debt and provided by Pescanova S.A. to the Company by separation of assets and liabilities held by Pescanova, S.A. after merging with most of its subsidiaries declared bankrupt; and (ii) of Novapesca Trading, S.L.U. and Insuiña, S.L.U. debt assumed by the Company according to their respective composition agreements (**Subordinate Senior Section**);
- (c) Financial Liability included within ordinary junior section (i) of Pescanova, S.A. debt and provided by Pescanova S.A. to the Company by the separation of assets and liabilities held by Pescanova, S.A. after merging with most of its subsidiaries declared bankrupt; (ii) of Novapesca Trading, S.L.U. and Insuiña, S.L.U. debt assumed by the Company according to their respective composition agreements; and (iii) Harinas y Sémolas del Noroeste, S.A. debt assumed by the Company according to the refinancing agreement of Harinas y Sémolas del Noroeste, S.A. (**Ordinary Junior Section**);
- (d) Financial Liability included within subordinate junior section (i) of Pescanova, S.A. debt provided by Pescanova S.A. to the Company by the separation of assets and liabilities held by Pescanova, S.A. after merging with most of its subsidiaries declared bankrupt; (ii) of Novapesca Trading, S.L.U. and Insuiña, S.L.U. debt assumed by the Company according to their respective composition agreements (**Subordinate Junior Section**);
- (e) Financial Liability corresponding to the subordinate additional credit under the super senior credit agreement concluded on 29th. December 2015, among other, between the Company and certain financial institutions (**Subordinate Additional Credit**);
- (f) Financial Liability for interest accrued from the Financial Liabilities included within the Ordinary Senior Section which was still outstanding on the Effective Date (included) due to Nueva Pescanova being unable to access to the holders bank account details; and
- (g) Financial Liability for payables with companies directly or indirectly controlled by the Company.

Any interest accrued up to the Effective Date (included) from the Financial Liability Sections whose current interest period ended on such date were either paid or capitalized, depending on each Section position according to applicable agreement terms. For the avoidance of doubt, as of the Effective Date (i) any interests accrued until that moment for the Ordinary Senior Section were paid; and (ii) interests accrued until that moment for the Ordinary Junior Section and the Subordinate Additional Credit were capitalized.

Furthermore, any interest to be accrued from the Financial Liability between the Effective Date and the performance date of Capital Increase shall not be taken into account and shall not be affected whatsoever by capitalization or write-off.

All the foregoing shall be construed notwithstanding any interest accrued by Financial Liabilities subject to capitalization or write-off according to the Refinancing Agreement between the Effective Date of and the date of execution of Capital Increase being paid or capitalized on the last day of the ongoing at the time of execution of the Capital Increase, as applicable for each Section according to any applicable terms of the Agreement.

Therefore, and for the avoidance of doubt, the last day of the ongoing interest period by the date of execution of the Capital Increase (i) in any event, any interest accrued until such date from the Ordinary Senior Section subject to capitalization or write-off shall be paid; and (ii) any interest accrued until such date from by such portion of the Ordinary Junior Section and the Subordinate Additional Credit subject to capitalization or write-off shall be either paid or capitalized, as the case may be.

2.2 Capitalization or write-off

In order to accomplish the Company's Financial Liability restructuring and recapitalization goals, which the Company assumed under the Refinancing Agreement, it is planned to convert Financial Liabilities into Company's newly created shares by the Capital Increase, or alternatively by writing off. The main terms of such Capital Increase are described under **Schedule 1**.

Thus, any Financial Liability holders shall capitalize a Financial Liability amount which, on the Effective Date, represents 35% of their share in each Section of the Financial Liability in terms of Amortised Cost¹ and therefore, it also represents 35% of his own Financial Liability in terms of same date nominal amount.

Alternatively, holders of Financial Liability may opt to a 35% write-off from their share in each Financial Liability Section in terms of Amortised Cost by the Effective Date, which as a result also represents 35% of the Financial Liability they own in terms of nominal value on the same date.

Therefore, such write-off shall be equivalent to the aggregate amount of:

- (i) The nominal value of Nueva Pescanova shares which the relevant Financial Liability holder should assume if he had opted to capitalize; and
- (ii) The implicit write off for an amount equal to the difference between nominal and legally enforceable value at maturity of Financial Liability object of capitalization and its Amortised Cost at the Effective Date.

Notwithstanding the foregoing, by using the procedure set forth under paragraph 3 below, any Financial Liability holder may discretionally choose (as appropriate) such capitalization or write-off to be distributed in a different way among each Section in which they may have any shares provided that their Financial Liability is subject to capitalization or write-off and it represents as of the Effective Date and at the same time 35% of their Financial Liability in terms of Amortized Cost and at least 35% of their Financial Liability in terms of nominal value.

As an exception to the foregoing, companies directly or indirectly controlled by the Company shall not be entitled to opt to capitalization of their Financial Liability, and in any case such companies shall be subject to the aforementioned write-off.

For the purpose of this Invitation, *Amortized Cost* shall mean, (in connection with Nueva Pescanova liabilities included under a specific Section on a specific date) the amount of first assessment less any principal repayments carried out, plus or less, as the case may be, the portion allocated to the profit and loss account by using the effective interest method, of the difference between the initial amount and the repayment value at maturity, ascertained according to provisions under paragraph 2, section 6 (Valuation Criteria) of the First Part (Conceptual Accounting Framework) of Royal Decree 1514/2007, of 16th. November, approving Spain's General Accounting Scheme (*Plan General de Contabilidad*) and applicable legislation and which matches with the book value.

2.3 Approval by the courts and impact of the Refinancing Agreement

On January 20th 2017 Nueva Pescanova asked for the Refinancing Agreement to be approved by the courts, according to AD 4 of Bankruptcy Law (*Ley Concursal*). Therefore once the Refinancing Agreement has been judicially approved the effects thereof shall be extended to any Financial Liability holders who had not joined or disagreed (*Non-Participant Creditors*).

Therefore Non-Participant Creditors shall be entitled to opt to capitalization or write-off under paragraph 2.2 above except when such condition of Non-Participant Creditor falls on companies directly or indirectly controlled by Nueva Pescanova, in which case Non-Participant Creditors shall not be entitled to chose capitalization, and only a 35% write off from their Financial Liability, both in terms of Amortized Cost and nominal value, shall apply.

2.4 Novation of Residual Financial Liability

Terms and conditions of any Financial Liability within Ordinary Senior Section, Subordinate Senior Section, Ordinary Junior Section and Subordinate Junior Section owned by the Company's creditors which has not been subject to capitalization or write-off (the *Residual Financial Liability*) shall be automatically deemed novated with effects from Capital Increase execution date.

Novation has exclusively an amending nature. It shall only modify Residual Financial Liability terms and conditions and shall not have any nullifying effect.

2.5 Capitalization by Pescanova S.A.

Given that Pescanova S.A. is the Company's only partner that is not an owner of any Financial Liability, it shall be offered the opportunity to capitalize part of its credit against the Company on a voluntary basis, under the terms and conditions applicable to Financial Liability owners, and therefore:

- a) It may have the opportunity to financially support the Company's financial clean-up in the same way as any other partner/ creditor;
- b) It may have the possibility to restrict its dilution with the Company's equity through the same scheme as any other partner-creditor; and
- c) It may benefit from any legal effects of the Refinancing Agreement.

3 The Invitation

In view of the subscription to the Refinancing Agreement and the legal approval thereof, with this letter all holders of Financial Liability other than the Original Creditors (the *Offerees*) are offered the possibility to join such Refinancing Agreement and/or to choose between capitalization or write off from 35% of the amount in each one of the Financial Liability Section where Offerees have any share, both in terms of Amortized Cost on the Effective Date and in terms of nominal value. As an exception, however, Offerees which are companies directly or indirectly controlled by Nueva Pescanova shall not be entitled to capitalization, and write-off as described under paragraph 2.2 shall apply.

Notwithstanding the foregoing, if they so wish, an Offeree shall be entitled to opt for their Financial Liability capitalization (or write-off, as the case may be) to be distributed in different proportion among the various Sections where such Offeree is participating. For this purpose, together with the relevant Bulletin the Offeree **on 20th February 2017 (included) at the latest** shall send to the Company a request specifying the distribution of his choice to the email address acreedores@nuevapescanova.com, so that the Company may verify such requested distribution meets the requirements provided for the purpose by the Refinancing Agreement, i.e that on the Effective Date capitalization or write-off searched by the Offeree represents 35% of the Offeree's Financial Liability in terms of Amortized Cost and also and at the same time, represents at least 35% of the Offeree's Financial Liability in terms of nominal value.

In the event that an Offeree has requested a distribution for capitalization (or write off as the case may be) in a different proportion for each Section the Offeree is participating and such distribution is not received in the correct manner and time as provided for by previous paragraph or does not meet any requirements set forth thereby, then capitalization (or write-off) for such Offeree's Financial Liability shall be distributed with the same proportion among every Section where Offeree is participating, and capitalization (or write-off if appropriate) shall be applied to 35% the amount under each one of such Sections, both in terms of Amortized Cost on the Effective Date and in terms of nominal value.

The option procedure described under point 7, shall be implemented according to provisions of the bulletins attached to this letter as **Schedule 2.1** (Opt-in Bulletin) and Schedule 2.2 (Opt-out Bulletin) (the Bulletins). Such Bulletins, duly filled and signed by Offerees shall be received by the Company **on 24th February 2017 (included) at the latest**.

Where an Offeree does not send any Bulletin, or Offeree does not provide such Bulletin timely and correctly according to the provisions set forth by this Invitation and the relevant Bulletins; i) a Financial Liability write-off for each Section the Offeree has joined representing 35% in terms of Amortized Cost and furthermore representing 35% the Offeree's Financial Liability in terms of nominal value; and ii) such Offeree shall be deemed as a Non-Participant Creditor for the purposes of the Refinancing Agreement.

3.1 Additional Information

From the publication of this Invitation, any Offeree shall be entitled to free of charge delivery of the information below. To this effect, Offerees shall send on **14th. February at the latest (included)** the form duly completed and the Additional Information Request (a template of which is attached as **Schedule 3**) to Nueva Pescanova.

Prior verification of all Additional Information Requests, Nueva Pescanova shall send individually to each applicant Offeree all or part of the following information, as stated on the Additional Information Request:

- Copy of the Refinancing Agreement, including any new terms of the Residual Financial Liability.
- Amount the Offeree shall be entitled to capitalize from each Section where the Offeree has shares (assuming capitalization 35% *pro rata* for every Section where the Offeree participates).

3.2 Caveats

Assignment

This Invitation shall not be totally or partially assigned, transferred or in any other way alienated or subject to any lien or encumbrance for the benefit of any third parties.

Original Forms

Any Bulletin or Additional Information Requests which (i) do not follow the templates published in Nueva Pescanova website (www.nuevapescanova.com) and/or (ii) are not timely and correctly received according to this Invitation and the Bulletins and the Additional Information Request shall be deemed as not received with the consequences provided hereby.

Financial Liability Title Certification. Assignments

Any Bulletin and Additional Information Requests from individuals/entities of whom Nueva Pescanova has no reliable evidence that are Financial Liability holders shall be deemed as not received. Therefore, those creditors who had obtained Financial Liability after the Effective Date and who did not inform Nueva Pescanova about their position as Financial Liability holders shall attach a photocopy of any document(s) which certify their title to the relevant Bulletin and/or Information Request.

Power Certification

Any Signatory to the Bulletins and Additional Information Requests acting on behalf of and for the account of legal entities or natural persons shall certify their sufficient powers to act by sending a copy of such powers together with the relevant Bulletin or Additional Information Request.

Prevalence rules on bulletins delivery

In the event that an Offeree sends several Bulletins in due time and manner, the last one received by Nueva Pescanova shall prevail.

Confidentiality

Offeree acknowledges that any information and documentation he may receive within the context of the accession process to the Refinancing Agreement according to this Invitation (the ***Confidential Information***) (i) constitutes confidential information belonging to Nueva Pescanova and its group, and the disclosure thereof should be detrimental for the company; and (ii) such information shall be sent to the Offeree to sole purpose to assess and if appropriate, to choose among the different accession possibilities to the Refinancing Agreement, and involvement with the Capital Increase, or the Offeree's Financial Liability write-off. Offeree shall not be entitled to use such information for any other purpose.

Thus, the Offeree shall not be entitled to:

- Communicate, reveal or disclose the Confidential Information, totally or partially to any person or legal entity other than the Offeree's managers, officials, employees or professional advisers who may need access to such Confidential Information for the assessment thereof and for the purposes previously described. The foregoing shall not apply where the Offeree (or the Offeree's managers, officials, employees or professional advisors who had Access to such Confidential Information, as the case may be) is legally obliged to disclose such Confidential Information according to applicable law at any time or requested to do so by any public, administrative or judicial authority; and
- Use such Confidential Information for any purposes other than those aforementioned.

The Offeree shall also:

- Take any security measures for the Confidential Information custody, filing and access; and
- Adopt any necessary measures to guarantee compliance with the foregoing obligations by the Offeree's managers, officials, employees and professional advisers.

In the event that an Offeree eventually joins the Refinancing Agreement, the Offeree's obligations in connection with Confidential Information shall be deemed replaced by the Refinancing Agreement provisions on the matter. Otherwise on 24th February 2017 at the latest, Offeree shall before and before his option is made, either i) return any material, data, documents, papers and any copy thereof containing Confidential Information to Nueva Pescanova; ii) or destroy such material, data, documents, papers and copies and confirm in written such circumstance to Nueva Pescanova.

Risk assessment

In no event this Invitation shall be intended as a recommendation from Nueva Pescanova to join the Refinancing Agreement. Offerees shall perform their own risk analysis, both from a financial and a legal point of view, or any other kind, in connection with the Refinancing Agreement, their holding in the Capital Increase or Financial Liability write-off, and Nueva Pescanova assumes no liability whatsoever in this respect.

Advise

Nueva Pescanova shall not give legal or financial counsel or any other kind of assistance to the Recipients in connection with the Refinancing Agreement and Capital Increase or any action related to them. Therefore, Recipients shall seek the necessary independent and expert assistance before making any decision on whether or not to join the Refinancing Agreement, or to get involved into the Capital Increase or to opt for write-off of their Residual Financial Liability.

Nature of the Invitation

Neither joining the Refinancing Agreement nor shares of a private limited company, such as Nueva Pescanova, are legally considered as marketable securities or financial instruments to which Spain's Securities Market Act (*Ley del Mercado de Valores, LMV*) applies. This Law's rewritten text was approved by Royal Legislative Decree 4/2015, of October 23rd.

This fact prevents the invitation to join the Refinancing Agreement, and subsequent Capital Increase to be considered as a public offering or subscription of shares according to article 35 of the mentioned LMV. Therefore obligations set forth by the LMV and implementing rules are not enforceable, such as publication of an information brochure previously verified by the CNMV (Spain's Stock Market Authority) or marketing through financial intermediaries subject to control by the CNMV.

On the contrary, the legal treatment of shares is laid down in the Spanish Corporate Law, of which the Rewritten Text was approved by Royal Legislative Decree 1/2010, of July 2nd. This law besides excluding those from being negotiable securities, also sets forth some restrictions affecting their transmission and makes difficult any liquidity possibilities to the shareholders. All this should be taken into account by the Offerees when assessing their decision to join the Refinancing Agreement and/or to get involved with the Capital Increase.

3.3 Other relevant information

E-mail Address

Bulletins and Additional Documentation Requests shall compulsory be sent by email within the relevant periods mentioned in this announcement to the following email address: [\[acreedores@nuevapescanova.com\]](mailto:acreedores@nuevapescanova.com)

Additionally, Nueva Pescanova shall be entitled to require any Offeree to provide an original hard copy of the Bulletin and/or any power(s) and/or the Additional Documentation Request that may have been sent by email, in order to send the same by ordinary mail to the Company's registered office.

By signing the relevant Bulletins and Additional Documentation Requests, and for the purpose of the Refinancing Agreement and the Capital Increase and any other documentation related to the foregoing, as the case may be, Offeree agrees on communications to be sent by email to the address(es) included in the relevant Bulletin. This shall be a reliable communication method between Nueva Pescanova and the relevant Offeree.

Offeree support

Any queries the Offerees may have in connection with Capital Increase and the Refinancing Agreement, including whether or not they are considered as such Offerees, shall be sent to the following email address: acreedores@nuevapescanova.com.

Language

Any information and documents sent to the Recipients and, in general, any information and documents related to the Invitation shall be written only in Spanish.

Terms

The terms set forth in this document and the Bulletins might be extended by the Company when the Company deems necessary in order to facilitate the official approval process and Capital Increase under the Refinancing Agreement. Any extension shall be posted in the Company's website (www.nuevapescanova.com) and shall be effective as of that moment.

4 Governing Law and jurisdiction

This letter shall be governed by the law of Spain.

Any legal issue that may arise regarding the Refinancing Agreement and the contents of this Invitation as well as any action and obligation in connection thereof shall be settled exclusively by the courts of Pontevedra

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