

Notice for 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 (the "**Trustee**") is acting as Trustee on behalf of the Bondholders under the Terms and Conditions.

Pursuant to cl. 19.2, the Trustee has received a request from the Issuer to arrange for the Bondholders to decide whether 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.

The decision by the bondholders is hereby arranged for by the way of a written procedure in accordance with cl. 19.2.

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 a 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 represent 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.

3. 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.

4. 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 4 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 Written Procedure, continuously calculate the replies provided in respect of the Request and determine the result of the 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 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 Written Procedure has not yet expired.

Information about the decision taken in the 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 Written Procedure shall at the request of a Bondholder be sent to it by the Trustee.

If the a Proposal is approved by the Written Procedure it will be binding on all Bondholders whether they participated in the 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 Written Procedure must on the day falling three (3) Business Days after the communication instigating such 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 within **7 October 2019**, and the record date will fall on **10 October 2019**.

Each Bondholder may participate in the 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 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 19.10 of the Terms and Conditions, a quorum in respect of the Written Procedure will only exist if a Bondholder (or Bondholders) representing at least **Fifty (50) per cent.** of the Adjusted Nominal Amount reply to the Request.

If a quorum does not exist, the Trustee shall initiate a second Written Procedure, provided that the relevant proposal has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure. At the option of each Bondholder, a voting form provided at or before **12.00 (CET) on 23 October 2019** in respect of the Written Procedure shall also remain valid for any such second Written Procedure.

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 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 23 October 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 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

6. Further information

For further questions please contact:

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

Oslo, 4 October

Intertrust (Norway) AS

as Trustee

Schedule 1 – Voting Form

VOTING FORM

for the Written Procedure initiated on 4 October 2019 for the 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.

The Bondholders are requested to approve or reject the Proposal set out in the notice for the 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 legal 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/AUTHORISATION¹

for the Written Procedure initiated on 4 October 2019 for the 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

Authorized Person²: _____

Nominal Amount³: _____

Grantor of authority⁴: _____

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 of⁵: _____

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 through⁶ _____

Date:

Signature

¹ 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.

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

³ Insert the aggregate nominal amount the Authorized Person should be able to vote for.

⁴ Insert the name of entity/person confirming the authority.

⁵ The total Nominal Amount the undersigned represents

⁶ 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.

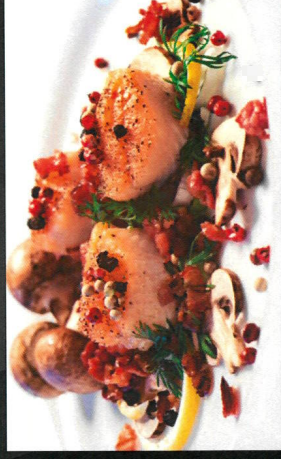
Med vennlig hilsen
Håvard Belbo
Styreleder

BLÅFJELL

ECOLOGICAL • SUSTAINABLE • MOUNTAIN FISH

Statusrapport oktober 2019

BLÅFJELL



- Slakting kom i gang i vinter og hittil i år er det levert 80 tonn røye (ut juli).
- Langsiktig samarbeidsavtale med Nordic Group med garantert minstevolum på 25 tonn pr mnd.
- Prismålet er NOK 80,- pr kg, og det oppnår vi på den største fisken, fra 1kg. På mindre fisk er prisnivået lavere, delvis pga at svensk fisk ligger her. Snittprisen ligger dog godt over opprinnelig kalkyle på NOK 73,-.
- Produksjonskostnader pr kg ligger over kalkyle pt, men er på vei ned etterhvert som volumene øker.
- Det har tatt lengre tid enn forventet å komme opp i full produksjon, og for å få stor nok fisk til å matche etterspørselen vil det ikke bli full produksjon før uti september.
- Fortsatt pågående erstatningssak med hovedleverandør av anlegget. Har opplevd ny fiskedød pga for dårlig vannkvalitet også denne sommeren.
- Eierne har tilført kapital og garantert for lån, men likviditeten vil fortsatt være stram ut 2019.



Blue Mountain CharTM
Sustainable Arctic Char from N

Slakting er i gang



Solgt volum (kg HOG) akkumulert



Januar 2019 Februar 2019 Mars 2019 April 2019 Mai 2019 Juni 2019 Juli 2019

Langsiktig strategisk samarbeidsavtale inngått

- Nordic Group tar ansvaret for alt markedsarbeid (med unntak av mindre lokale videreforedlere)
- Blåfjell leverer slaktet fisk (HOG) til Trondheim, og derfra tar Nordic Group videre distribusjon
- Nordic Group kjøper minst 25 tonn pr mnd fra september
- Betaling ved levering.

BLÅFJELL®



NORDIC GROUP

Positiv medieomtale

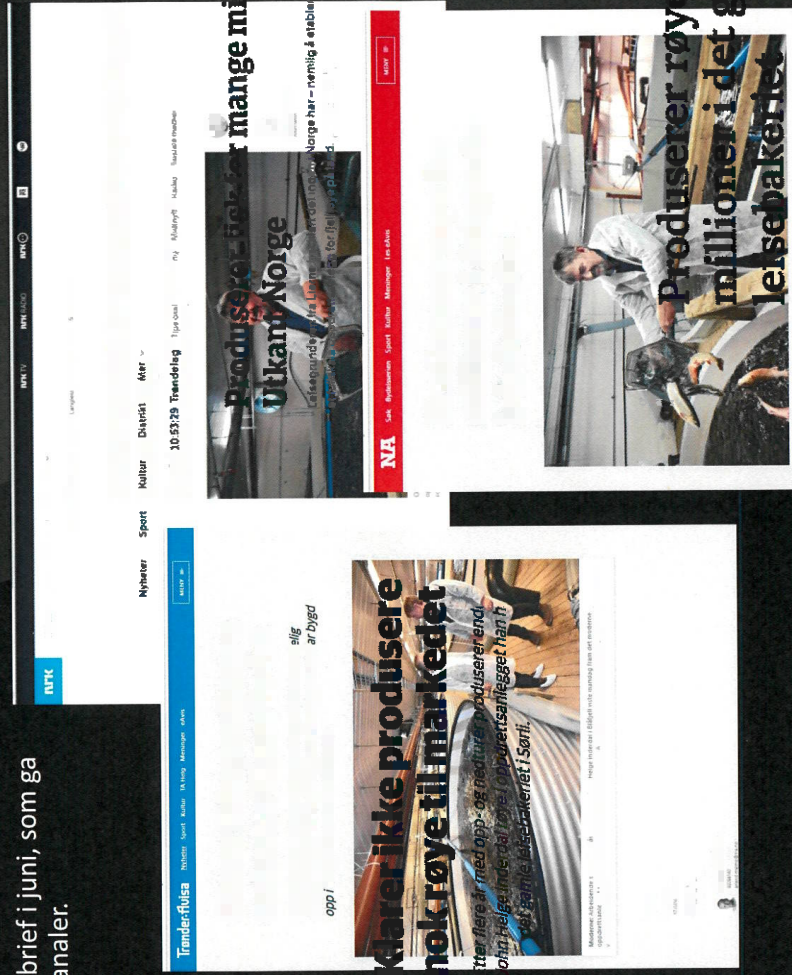
BLÅFJELL

Media ble invitert til pressebrief i juni, som ga positiv omtale i regionale kanaler.

<https://www.nrk.no/trondelag/gammelt-bakeri-ble-det-forste-landbaserte-oppdrettsanlegget-av-sitt-slag-1.14592799>

<https://www.t-avis.no/nyheter/2019/06/17/Klarer-ikke-produsere-nok-C3%B8-ye-til-markedet-19284075.ece?rs=5312361566723284798&l=1>

<https://www.namdalsavis.no/artikkel/2019/06/17/Produserer-1-C3%B8-ye-for-millioner-i-det-gamle-lefsebakeriet-19283531.ece>



1.halvår litt bak budsjett

BLÅFJELL

- Første halvår viser et driftsresultat på + 355.000. Andre halvår forventes å bli bedre, selv om juli og august har vært krevende i produksjon.
- Det er bygd opp betydelig biomasse, 170 tonn rundfisk pr 31.07.
- Driftskompetanse er bygd opp, slik at man nå håndterer utfordringer som vannkvalitet og fiskedød bedre enn for et år siden.
- Ved full produksjon vil lønnsomheten være på nivå med opprinnelige kalkyler.
- Kommer selskapet seg gjennom den krevende oppstartsfasen og får god lønnsomhet i byggetrinn 1, vil det være stort potensial for videre utbygging.

Helt år regnskap 2019

NDK tuåen	Regnskap	Budsjett
Salgsinntekter	5 158	3 093
Værd utsteri biomasse	6 748	620
Sum inntekter/ig	11 906	8 713
Produksjonskostnader	10 368	6 460
Dekningsbidrag	1 538	2 253
Faste adm driftskostnader	1 183	948
Driftsresultat (EBIT)	355	1 305
Finanskostnader	1 715	1 180
Resultat før skatt (EBT)	-1 360	125

Kapitaltilførsler

BLÅFJELL

- **Vinter 2018:**

Forsinkelser og fordyrelser på anlegget. Emisjon på 6 MNOK i januar.

- **Vår 2018:**

Feilleveranser ga første fiskedød i april. Forsinket igangkjøring og behov for bedre slakteri. Kapital tilført i form av konvertible lån på 3 MNOK i juni og slakteri finansiert med leieavtale.

- **Sommer/høst 2018:**

Feilleveranser ga H2S-forgiftning og gjellebetennelse og ny stor fiskedød. Etter at situasjonen til slutt var brakt under kontroll, så kom en finansieringsløsning på plass - en kombinasjon av lån knyttet til Skattefunn, lokale tilskudd og 8 MNOK i ny egenkapital.

- **Vinter/vår 2019:**

Produksjon og slaktning kom i gang, men forventet full produksjon skjøvet fra april til juni. Lån fra eiere på 3 MNOK i april for å sikre likviditet fram til full produksjon (slaktning).

- **Sommer 2019:**

Markedet etterspør større fisk enn vi har kunnet levere, og derfor var det ikke mulig å slakte store volum fra juni. Redusert tilvekst og fiskedød pga for dårlig vannkvalitet i juli. Emisjon på 4 MNOK gjennomført i august.

Veien videre

Produksjon

- Fokus på vanntemperatur og –kvalitet for å få opp tilvekst og bli klar til å levere stor fisk i store volum.
- God tilgang på rogn gjør at det ikke er behov for egen stamfisk på kort sikt. Denne slaktes derfor ut for å få økt produksjonskapasitet.

Erstatningssaken

- Vi har fortsatt en erstatningssak gående mot leverandøren av anlegget. Utbedringer som skulle gjøres ved årsskiftet ble først utført nå i juli.
- Leveransen av slakteri er også forsinket og mangelfull, så der er det også fremmet krav om erstatning.

Finansiell kalender

- Selskapet mottar Skattefunn ifm skatteoppgjøret i oktober, men dette er midler som det allerede er lånt på for å få tidligst mulig likviditet.
- Selskapet har behov for å avvente avdragsbetaling på obligasjonslånet.