

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

Oslo, 28 March 2025

To the bondholders in:

**ISIN: NO0013106666 AND NO0013462010 - JØTUL AS UP TO NOK 600,000,000 SENIOR SECURED CALLABLE FLOATING RATE BONDS 2024/2026**

All claims under the Existing Bonds will automatically be converted into equity. Bondholders will receive shares in the Issuer's New Parent (as defined below) pro rata based on their holdings of Existing Bonds as of the date falling two (2) business days prior to the Effective Date the "Conversion Record Date").

In order to participate in the new bond instrument as further described herein, Bondholders must elect to subscribe for the New Money Liquidity Bonds based on their pro rata holding of Existing Bonds as of 7 April 2025 (the "Allocation Record Date"). Subscription is done by completing and delivering the Subscription Form attached hereto by no later than 9 April 2025 (17:00 Oslo time), together with proof of holdings of Existing Bonds as of the Allocation Record Date, by email labeled "Jøtul Subscription" to the Settlement Agent (ps.kuo@paretosec.com), with a copy to bahrprojectfire@bahr.no.

Any Bondholder deciding to subscribe shall be restricted to sell or otherwise dispose of any part of their Existing Bonds from and including the Allocation Record Date until an including the Effective Date.

Bondholders not delivering a duly executed Subscription Form within the deadline will not be able to subscribe for any Liquidity Bonds issued by Jøtul AS pursuant hereto. All Bondholders are encouraged to carefully review this Notice and its attachments, including the Company presentation attached in Schedule 4 (*Company Presentation*) hereto.

#### NOTICE OF WRITTEN PROCEDURE - RECAPITALISATION OF THE JØTUL GROUP

This voting request for Written Procedure (the "Request") has been sent via the CSD to persons registered in the Securities Account with the CSD as holders of Bonds. If you are a custodian or otherwise are holding Bonds on behalf of someone else, please forward this notice to the holder you represent at your earliest convenience.

#### Key information:

Record Date for being eligible to vote:	1 April 2025
Deadline for voting ("Voting Deadline"):	15:00 (CEST) 22 April 2025
Quorum requirement:	At least twenty (20) per cent. of the Adjusted Nominal Amount
Majority requirement:	At least two thirds (2/3) of the Adjusted Nominal Amount

## 1. INTRODUCTION

Nordic Trustee AS acts as agent (the “**Agent**”) for the holders of the bonds (the “**Bondholders**”) in the above-mentioned bond issue with ISINs NO0013106666 and the claim for the overdue interest payment due 15 January 2025 under ISIN NO0013462010 (the “**Existing Bonds**”) issued by Jøtul AS (the “**Issuer**” and together with its direct and indirect subsidiaries, the “**Group**”) pursuant to the terms and conditions made between the Agent and the Issuer dated 9 January 2024 (as amended and restated on 20 June 2024) (the “**Terms and Conditions**”).

All capitalised terms used herein and not otherwise defined in this notice (the “**Notice**”) shall have the meanings assigned to them in the Terms and Conditions or in the Recapitalisation Term Sheet (as the case may be). References to Clauses and paragraphs are references to Clauses and paragraphs in the Terms and Conditions, unless otherwise stated herein.

In its capacity as Agent, as requested by the Issuer, the Agent hereby initiates a Written Procedure as required by the Terms and Conditions, whereby Bondholders can vote for or against the Request.

Bondholders may participate by completing and sending the voting form, attached hereto as Schedule 1 (the “**Voting Form**”).

The Agent must receive the Voting Form no later than 15:00 (CEST) on 22 April 2025 (the “**Voting Deadline**”) either by mail, courier or email to the Agent using the contact details set out in Clause 7.5 (*Address for sending replies*) below. Votes received thereafter will be disregarded.

***Disclaimer:** The Request is presented to the Bondholders, without any evaluation, advice or recommendations from the Agent whatsoever. The Agent has not reviewed or assessed this Notice or the Request (and its effects, should it be adopted) from a legal or commercial perspective of the Bondholders, and the Agent expressly disclaims any liability whatsoever related to the content of this Notice and the Request (and its effects, should it be adopted). The Agent may assume that documentation and other evidence delivered to it pursuant to the Request is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation. The Bondholders are recommended to seek legal advice in order to independently evaluate whether the Request (and its effects, should it be adopted) is acceptable or not. Each Bondholder must make its own determination as to the tax consequences of the proposals set out in this Notice and is recommended to consult with its tax advisor(s) for information with respect to any tax consequences that may arise in each individual case.*

## 2. BACKGROUND

Reference is made to the Existing Bonds and the notices from the Agent to the Bondholders (i) on 22 January 2025, informing that an Event of Default had occurred due to the Issuer’s failure to, *inter alia*, pay interest due on 15 January 2025 in accordance to Clause 14.1 (*Non-payment*) of the Terms and Conditions and to meet

the general undertaking to list the Existing Bonds on a Regulated Market within twelve months after the First Issue Date in accordance to Clause 14.3 (*Other Obligations*) of the Terms and Conditions, and (ii) on 30 January 2025, informing that upon instruction of certain Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount of the Existing Bonds, the Agent had declared the Existing Bonds immediately due and payable in accordance with Clause 14.10 (*Acceleration of the Bonds*) of the Terms and Conditions, and instructed the Security Agent to replace certain board members of the Issuer. Further, as of 28 March 2028 the shares of the Issuer have been transferred to and is held by NT Refectio XVIII AS (“**Refectio**”) (on behalf of the Secured Parties), to be further transferred to the newly established holding company Recovery Holdco AS (the “**New Parent**”) through an equity contribution (Nw. *tingsinnskudd*) on the Effective Date.

Refectio has entered into a mandate agreement pursuant to which it has agreed to hold the shares as nominee for the Security Agent (acting on behalf of the Secured Parties (for the avoidance of doubt, also including the creditors under the Existing Super Senior RCF (as defined below)), until instructed otherwise.

In light of its financial challenges, the Group has engaged with its stakeholders and investors, including a certain ad-hoc group of Bondholders holding more than 50 per cent. of the Adjusted Nominal Amount of the Existing Bonds (the “**AHG**”) with a view to manage its short and medium-term liquidity position and create a sustainable balance sheet and stable platform for a longer-term solution for the Group as a whole. These discussions have resulted in a proposal for a Bondholder-led financing and recapitalisation of the Group (the “**Recapitalisation**”) which is intended to, *inter alia*:

- (a) reduce the Group’s debts through equitization of the Existing Bonds (including principal and accrued interest thereunder) (subject to the Elevation as set out below) (the “**Bond Conversion**”), ultimately making the existing Bondholders the owners of 100 per cent. of the shares in the New Parent;
- (b) raise new debt financing and reinstate portions of Existing Bonds into a new bond instrument consisting of the following separate tranches (with separate ISINs):
  - (i) NOK 100,000,000 of new bonds issued against a money injection (with the addition of fees settled through issuance of New Money Liquidity Bonds as set out under Clause 4.4 (*Economics*) below), with a maximum issue amount of NOK 150,000,000 (the “**New Money Liquidity Bonds**”); and
  - (ii) NOK 100,000,000 of bonds issued as reinstatement of Existing Bonds to the bondholders subscribing for the New Money Liquidity Bonds (the “**Elevated Liquidity Bonds**”),  
  
(the “**Liquidity Bond Issue**”);
- (c) reinstate the **Existing Super Senior RCF** (as defined below), with an increase

- (d) of NOK 20,000,000 and hence total available commitment of NOK 100,000,000; and
- (e) implement corporate governance arrangements between the Bondholders becoming the Group's new shareholders,

in each case on such terms and as set out herein and in the Recapitalisation Term Sheet (as defined below).

The Recapitalisation will be implemented and become effective on or about the Effective Date (as defined in the Recapitalisation Term Sheet). The key terms of the Recapitalisation are set out in the recapitalisation term sheet attached hereto as Schedule 3 (the "**Recapitalisation Term Sheet**"), including the following appendices: (i) the key terms for the Liquidity Bond Issue (the "**Liquidity Bonds Term Sheet**"), (ii) the key terms for the amendments to the Existing Super Senior RCF, and (iii) the key terms for the amendments to the articles of association of the New Parent and a shareholders' agreement between the Bondholders (the "**Governance Term Sheet**").

Finally, the Recapitalisation Term Sheet includes an appendix containing a subscription form (also attached hereto as Schedule 2) that existing bondholders will need to complete and deliver in order to subscribe for the New Money Liquidity Bonds, as set out in further detail therein and in accordance with Clause 4 (*Offer to Participate in the Liquidity Bond Issue*) herein.

For the avoidance of doubt, the offer to subscribe for the New Money Liquidity Bonds is made by the Issuer. Nordic Trustee acts solely in its capacity as Agent and is not responsible for the offer or its terms.

In case of any conflict of terms between the Recapitalisation Term Sheet and this Notice, the terms of the Recapitalisation Term Sheet shall prevail.

For additional information, see the press release published on the Issuer's website on 28 March 2025.

### 3. RECAPITALISATION TERMS

#### 3.1 Conversion of Existing Bonds

As of 28 March 2025 there is approx. NOK 562,500,000 in outstanding claims under the Existing Bonds (including principal amount, premium, overdue amount and interest accrued thereon). As part of the Recapitalisation, all claims in respect of the Existing Bonds (which shall be equal to the abovementioned amount) shall be converted to equity (subject to the elevation of a principal amount of NOK 100,000,000 and the Agent's costs and expenses into Elevated Liquidity Bonds (as set out below)), (the "**Converted Bonds**"). On the Effective Date, the Converted Bonds will be set-off against newly issued shares in the Issuer and placed in Refectio, which shall be further contributed as an in-kind equity contribution in the New Parent, and the New Parent shall as consideration, issue new shares in the New Parent to Refectio (the "**HoldCo Shares**").

All Bondholders holding Existing Bonds on the date falling two (2) Business Days prior to the Effective Date, (the “**Conversion Record Date**”) (each an “**Entitled Bondholder**”) will be entitled to receive, and shall automatically receive, their relevant portion of HoldCo Shares pro rata to their holdings of existing claims under the Existing Bonds as of the Conversion Record Date. Consequently, the Entitled Bondholders will become the owners of 100 per cent. of the equity interest in the New Parent, being the sole owner of 100 per cent. of the equity interest in Jøtul AS.

The Effective Date will tentatively be 14 April 2025, but Bondholders should be advised that the Effective Date, including the Allocation Record Date and Conversion Record Date, may be changed on short notice and be subject to the “forward start” as described in Clause 5 (*Forward Start*) below.

Allocations may be rounded up or down for whole numbers of shares. The Holdco Shares will be distributed to Entitled Bondholders through and pursuant to the regulations of the Norwegian CSD.

### 3.2 Liquidity Bond Issue

Subject to the approval of the Request, the Issuer shall raise new money in an amount of NOK 100,000,000 through the issuance of New Money Liquidity Bonds, which shall be offered by the Issuer to each Bondholder *pro rata* to their holdings of Existing Bonds at the Allocation Record Date as further described in Clause 4 (*Offer to Participate in the Liquidity Bond Issue*) below. The issuance of New Money Liquidity Bond will allow for further issuances up to a maximum total issue amount of NOK 150,000,000.

The Bondholders subscribing for the New Money Liquidity Bonds will also receive Elevated Liquidity Bonds in an aggregate nominal principal amount of NOK 100,000,000 (the “**Elevation**”), allocated *pro rata* based on final allocation in the Liquidity Bond Issue (not including any New Money Liquidity Bonds received as settlement for fees as set out in Clause 4.4 (*Economics*) below). Consequently, each Bondholder’s participation in the Liquidity Bond Issue as a whole, is subject to it electing to subscribe in the New Money Liquidity Bonds in accordance with the procedures set out herein.

Further, costs and expenses of the Agent outstanding in respect of the issuance of the Existing Bond, will also be reinstated as due amounts under the New Money Liquidity Bonds and settled on or about the Effective Date.

The New Money Liquidity Bonds will share security with the Elevated Liquidity Bonds and the Existing Super Senior RCF, and shall rank senior to the Elevated Liquidity Bonds but junior to the Existing Super Senior RCF in priority and application of proceeds.

The respective terms for the New Money Liquidity Bonds and the Elevated Liquidity Bonds shall be documented in one joint bond agreement, substantially on the terms as set out in Appendix 1 (*Liquidity Bonds Term Sheet*) of the Recapitalisation Term Sheet, with such adjustments as may be further agreed and instructed by the Instructing Group (as defined in the Recapitalisation Term Sheet). All Bondholders

are strongly encouraged to review and consider the Liquidity Bonds Term Sheet and the company presentation as set out in Schedule 4 (*Company Presentation*) hereto.

### 3.3 Amendments to the Intercreditor Agreement

To regulate that the New Money Liquidity Bonds shall form part of the Senior Debt (as such term is defined in the Intercreditor Agreement) subject to the super senior ranking of the Super Senior Liabilities with respect to application of proceeds, together with certain other changes reflecting, *inter alia*, that the governing law shall be changed from Swedish to Norwegian, the existing intercreditor agreement, originally dated 19 January 2024 and entered into between, *inter alios*, the Issuer, the Agent and Pareto Bank ASA, shall be amended and restated substantially on the terms set out in Appendix 1 (*Changes to the Intercreditor Agreement*) to the Liquidity Bonds Term Sheet (the “**Intercreditor Agreement**”), with such adjustments as may be further agreed and instructed by the Instructing Group.

### 3.4 Amendments to the Existing Super Senior RCF

The existing working capital facility provided by Pareto Bank ASA for (i) an RCF in an aggregate maximum amount of up to NOK 120,000,000 and (ii) guarantee facilities in an aggregate maximum amount of up to EUR 1,200,000 and NOK 16,500,000, or its equivalent in other currencies (the “**Existing Super Senior RCF**”) shall be amended substantially on the terms set out in Schedule 2 (*Amendment to the Existing Super Senior RCF*) to the Recapitalisation Term Sheet, with such adjustments as may be further agreed and instructed by the Instructing Group.

## 4. OFFER TO PARTICIPATE IN THE LIQUIDITY BOND ISSUE

All Bondholders holding Existing Bonds in an aggregate nominal principal amount exceeding NOK 1,100,000 or ‘qualified investors’ in accordance with the EU prospectus regulation, (being a threshold determined to ensure compliance with the EU Regulation (EU) 2017/1129, based on current information about the ownership of Bonds) (the “**Eligible Existing Bondholders**”) are hereby invited by the Issuer to participate in the Liquidity Bond Issue. Participation is done by electing to subscribe for New Money Liquidity Bonds *pro rata* to its share of the Existing Bonds as of 7 April 2025 (the “**Allocation Record Date**”) (the “**Subscription Entitlement**”), subject to its pro-rata right to oversubscribe for any unsubscribed portion of the New Money Liquidity Bonds. Bondholders electing to subscribe in accordance with the procedure set out herein (the “**Participating Bondholders**”), must subscribe for their full Subscription Entitlement (not only parts).

The invitation to Eligible Existing Bondholders to participate in the Liquidity Bond Issue is subject to availability of applicable exemptions from the prospectus requirement pursuant to EU Regulation (EU) 2017/1129 on prospectuses for securities, the UK Prospectus Regulation as well as other relevant filing and registration requirements. Fractions of New Money Liquidity Bonds are not allocated; therefore, the allocation amount must always correspond to the nominal amount of each New Money Liquidity Bond or an integral multiple thereof.

Subscription in the New Money Liquidity Bonds can be made during the period from the Allocation Record Date until 9 April 2025 (17:00 CEST) (the “**Subscription Deadline**”) in accordance with the instructions set out below.

The full amount of New Money Liquidity Bonds have been fully underwritten by certain holders of Existing Bonds (the “**Underwriting Bondholders**”).

#### **4.1 Subscribing for the New Money Liquidity Bonds**

To subscribe for the New Money Liquidity Bonds, the following actions must be taken:

- (a) complete and deliver the subscription form (authorised signature by the beneficial holder of the Existing Bonds or any person (entity or individual) with authority to manage and act in relation to the holding of such beneficial holder) set out in Schedule 2 (the “**Subscription Form**”) hereto; and
- (b) submit the Subscription Form together with proof of holdings evidencing holdings as of the Allocation Record Date by email labeled “Jøtul Subscription” to the Settlement Agent, with copy to BAHHR in accordance with the instructions in the Subscription Form so that it is received no later than on the Subscription Deadline. Under “Amount of bonds owned” fill in the aggregate nominal amount of the Existing Bonds you hold under the respective ISINs.

The Subscription Form is attached hereto. If you represent more than one beneficial holder of bonds, please submit one form for each beneficial holder.

Detailed instructions on how to subscribe to participate in the New Money Liquidity Bonds are set out in the Subscription Form. Delivery of the Subscription Form will constitute an irrevocable and binding commitment to participate in the New Money Liquidity Bonds on the terms set out therein.

#### **4.2 Allocation of New Money Liquidity Bonds**

Following the Subscription Deadline, the New Money Liquidity Bonds shall be allocated between the Entitled Bondholders as follows:

- (a) *first*, to each Bondholder who have subscribed for New Money Liquidity Bonds based on their Subscription Entitlement as of the Allocation Record Date (primary subscription right);
- (b) *secondly (in respect of any amounts not subscribed for under step one)*, to each Bondholder who have subscribed for New Money Liquidity Bonds in excess of their Subscription Entitlement (and in case of oversubscription, *pro rata* to their share of Existing Bonds in relation to the other Bondholders who have subscribed in excess of their Subscription Entitlement as of the Allocation Record Date and to the extent not possible, by lottery); and
- (c) *thirdly (in respect of any amounts not subscribed for under steps (a) and (b) above)*, to the Underwriting Bondholders.

#### **4.3 Timing for completing the participation in the Liquidity Bond Issue**

No later than **10 April 2025**, Participating Bondholders will receive (i) notice of their allocation under the New Money Liquidity Bonds and Elevated Liquidity Bonds, and (ii) settlement instructions from the Settlement Agent.

**By 14:45 Oslo time on of 14 April 2025**, Participating Bondholders must ensure that all payments in respect of the New Money Liquidity Bonds are positioned with the Settlement Agent as further set out in the settlement instructions received.

The settlement is intended to take place on **14 April 2025**.

Elevated Liquidity Bonds are allocated pro rata based on final allocation in the Liquidity Bond Issue (not including any New Money Liquidity Bonds received as settlement for fees, as described in Clause 4.4 (*Economics*) below).

#### **4.4 Economics**

As consideration for underwriting the issue of the New Money Liquidity Bonds, the Underwriting Bondholders will receive a fee of 4 per cent. of the nominal amount of New Money Liquidity Bonds underwritten. As consideration for work performed by the AHG, the AHG shall receive an aggregate fee of 1 per cent. of the nominal amount of Existing Bonds, allocated pro rata based on their respective holdings. These fees shall be payable through the issuance of additional New Money Liquidity Bonds on the Effective Date.

#### **4.5 Implementation and timing**

The Recapitalisation is intended to be completed on the Effective Date, subject to completion of certain conditions precedent. The completion structure and sequencing will be subject to instructions from the Instructing Group and the conditions precedent may be waived temporarily or permanently by the Agent or the Instructing Group as further set out in the Recapitalisation Term Sheet.

### **5. FORWARD START**

As set out in the Recapitalisation Term Sheet, the Issuer may request a so-called forward start in the event that the Group's liquidity needs are too pressing and does not allow for all Bondholders to subscribe in the Liquidity Bonds in time for the tentative Effective Date. The Agent, acting on a request from the Issuer and the instructions from the Instructing Group, may then decide to defer the subscription rights of the Bondholders set out under Clause 4 (*Offer to Participate in Liquidity Bond Issue*) above (a "**Forward Start**").

In the event of a Forward Start, Bondholders will be notified and will receive updated settlement instructions and details of the settlement of the New Money Liquidity Bonds in due course, in accordance with the Recapitalisation Term Sheet, provided that all Existing Bondholders shall receive the amount of New Money Liquidity Bonds (and Elevated Liquidity Bonds) that they would have been entitled to subscribe for and receive had the Forward Start not taken place (and the subscription had taken place as otherwise set out herein).

In the event of a Forward Start, the final settlement of the New Money Liquidity Bonds shall take place on instructions from the Settlement Agent and by no later than 15 Business Days following the Recapitalisation Proposal Date (unless otherwise decided by the Agent acting on instructions from the Instructing Group).

## 6. PROPOSAL

Based on the foregoing, the Issuer has approached the Agent to issue this Notice pursuant to Clause 18 (*Written Procedure*) of the Terms and Conditions in order to approve the Recapitalisation as contemplated by the Recapitalisation Term Sheet and its appendices, subject to the terms and conditions as contemplated therein. Specifically, In addition to all terms and conditions of the Recapitalisation Term sheet, it is proposed that the Bondholders resolve to approve (i) the Liquidity Bonds Term Sheet, (ii) the amendments to the Intercreditor Agreement, (iii) the amendments to the Existing Super Senior RCF, (iv) the Governance Term Sheet, and (v) any such other steps or actions required or deemed reasonable in order to implement the transactions contemplated in this Notice (including its schedules), in each case based substantially on the terms set out herein or in the Recapitalisation Term Sheet, and otherwise with such further amendments as may be further agreed by the Agent acting on instructions from the Instructing Group and as further set out below (the “**Proposal**”).

The Bondholders are hereby requested to:

- (a) approve the Recapitalisation, the Bond Conversion and the transactions, steps and actions contemplated by the Recapitalisation Term Sheet and its appendices, subject to the terms and conditions as contemplated therein, and further subject to such changes determined by the Instructing Group pursuant to the Recapitalisation Term Sheet;
- (b) approve, agree and hereby provide a power of attorney in favour of the Agent and the Security Agent (acting through Refectio) to complete the Bond Conversion, including the contribution (Nw. *tingsinnskudd*) to the New Parent and to hold the Holdco Shares on behalf of the Entitled Bondholders until delivered as soon as possible in accordance with the regulations of the Norwegian CSD;
- (c) approve that the Agent is authorised and instructed to act upon an instruction by the Instructing Group (as defined in the Recapitalisation Term Sheet), with binding effect on all Bondholders, and that the Agent is held harmless for acting on such instructions; and
- (d) acknowledge and agree that the Agent and the Instructing Group shall be authorised in accordance with the Recapitalisation Term Sheet to, including but not limited to, take various actions and exercise various rights and remedies with respect to the Existing Bonds and the Holdco Shares on behalf of the Bondholders, including but not limited to, shareholder rights, making adjustments to the terms of the Recapitalisation, finalise the documentation in respect of the transactions contemplated under the Recapitalisation Term Sheet and take such other steps that either of them deem appropriate in order to complete the transactions contemplated therein.

## 7. WRITTEN PROCEDURE

Bondholders in ISIN NO001310666 are hereby provided with a voting request for a Bondholders’ Resolution pursuant to Clause 18 (*Written Procedure*) of the Terms and Conditions. The Bonds issued under ISIN NO0013462010 does not have any voting

rights, pursuant to Clause 8(d) of the Terms and Conditions. For the avoidance of doubt, no Bondholders' Meeting (as defined therein) will be held.

It is proposed that the Bondholders resolve the following (the "**Proposed Resolution**"):

*"The Bondholders approve the Proposal as described in Clause 6 (Proposal) of this Notice.*

*The Agent is hereby authorized to implement the Proposal and to take such steps on behalf of the Bondholders as may be necessary or desirable (in the discretion of the Agent) and/or as authorised and instructed by the Instructing Group (as defined in the Notice) in connection with the implementation of the Proposal or as contemplated by the Proposal, including to prepare, negotiate, finalize and enter into all necessary agreements in connection with documenting the decisions made by way of this Proposed Resolution as well as to carry out necessary completion work, including agreeing on necessary amendments to the Terms and Conditions and other Finance Documents."*

The following instructions need to be adhered to in the Written Procedure.

#### **7.1 Final date to participate in the Written Procedure**

The Agent must have received the votes by mail, courier or email to the address indicated below no later than on the Voting Deadline. Votes received thereafter will be disregarded.

#### **7.2 Decision procedure and Effective Date**

The Agent will determine if received replies are eligible to participate under the Written Procedure as valid votes.

When a requisite majority of consents of the total Adjusted Nominal Amount have been received by the Agent, the Request shall be deemed to be accepted, even if the time period for replies in the Written Procedure has not yet expired.

Information about the decision taken under the Written Procedure will be published on the website of the Issuer and [www.stamdata.com](http://www.stamdata.com).

A matter decided under the Written Procedure will be binding for all Bondholders, irrespective of them responding in the Written Procedure.

#### **7.3 Quorum**

To approve the Proposed Resolution, Bondholders representing at least twenty (20) per cent. of the Adjusted Nominal Amount must reply to the requests under the Written Procedure in order to form a quorum.

If a quorum does not exist, the Agent 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.

**7.4 Majority**

At least sixty-six and two-thirds (66 2/3 per cent.) of the Adjusted Nominal Amount for which Bondholders reply under the Written Procedure must consent to pass the Proposed Resolution.

**7.5 Address for sending replies**

Return the Voting Form, Schedule 1 by regular mail, scanned copy by e-mail with subject “Jøtul Voting Form”, or by courier to:

**By regular mail:**

Nordic Trustee AS  
PO Box 1470 Vika  
N-0116 Oslo

**By courier:**

Nordic Trustee AS  
Kronprinsesse Märthas plass 1  
NO - 0160 Oslo

**By email:**

E-mail: [mail@nordictrustee.com](mailto:mail@nordictrustee.com)

**8. Further Information**

For further questions regarding the Proposed Resolution, please contact Advokatfirmaet BHR AS ([bahrprojectfire@bahr.no](mailto:bahrprojectfire@bahr.no)).

For further questions to the Agent, regarding the administration of the Written Procedure, please contact the Agent at [laerum@nordictrustee.com](mailto:laerum@nordictrustee.com) or +47 22 87 94 06.

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Oslo, 28 March 2025

NORDIC TRUSTEE AS

As Agent

**Enclosed:**

<b>Schedule 1</b>	Voting Form
<b>Schedule 2</b>	Subscription Form
<b>Schedule 3</b>	Recapitalisation Term Sheet
<b>Schedule 4</b>	Company Presentation

**SCHEDULE 1**  
**VOTING FORM**

For the written procedure in Jøtul AS up to NOK 600,000,000 Senior Secured Callable Floating Rate Bonds 2024/2026, ISIN NO0013106666 (the “Bonds”), dated 28 March 2025.

The undersigned Bondholder or authorised person/entity votes either **For** or **Against** the Proposed Resolution by marking the applicable box below.

**For** the Proposed Resolution

**Against** the Proposed Resolution

<b>ISIN</b> NO0013106666	<b>Nominal Amount of Bonds owned (NOK)</b>
<b>Custodian Name</b>	<b>Account number at custodian</b>
<b>Company</b>	<b>Day time telephone number</b>
	<b>E-mail</b>

Enclosed to this form is the complete printout from our custodian/CSD, verifying our holding in the Bonds as of \_\_\_\_\_ 2025, together with a duly executed power of attorney or other proof of authorisation or proof of holding.<sup>1</sup>

We acknowledge that Nordic Trustee AS in relation to the Written Procedure for verification purposes may obtain information regarding our holding of Bonds on the above stated account in the securities register CSD.

Authorised signature: \_\_\_\_\_

Place, date: \_\_\_\_\_

**Return:**

Nordic Trustee AS

PO Box 1470 Vika

N-0116 Oslo

Telephone: +47 22 87 94 00

E-mail: mail@nordictrustee.com

\_\_\_\_\_

<sup>1</sup> If the Bonds are held in custody other than in the CSD, power of attorney or other proof of authorization or proof of holding from the custodian confirming that (i) you are the owner of the Bonds, (ii) in which account number the Bonds are held, and (iii) the amount of Bonds owned.

**SCHEDULE 2**  
**SUBSCRIPTION FORM NEW MONEY LIQUIDITY BONDS**

A signed copy of this duly executed Subscription Form, together with statement of holdings of Existing Bonds as of 7 April 2025 (the “Allocation Record Date”), to be sent to Pareto Securities AS (the “Settlement Agent”) with a copy to Advokatfirmaet BAHR AS, to the below addresses, by no later than 17:00 (CEST) on 9 April 2025 (the “Subscription Deadline”).

To: ps.kuo@paretosec.com

Reference: “Jøtul - Subscription”

CC: bahrprojectfire@bahr.no

**1. BACKGROUND**

- 1.1 Reference is made to the notice for written resolution dated 28 March 2025 (the “Notice”) in relation to Jøtul AS’ up to NOK 600,000,000 Senior Secured Callable Floating Rate Bonds 2024/2026 with ISINs NO0013106666 and NO0013462010 (the “Existing Bonds”) and the recapitalisation term sheet (including its appendixes) (the “Recapitalisation Term Sheet”).
- 1.2 Terms used and not defined herein shall have the same meaning ascribed to them in the Recapitalisation Term Sheet.
- 1.3 By this Subscription Form, the undersigned shall approve the terms and conditions for the subscription of New Money Liquidity Bonds as set out in the Notice and the Recapitalisation Term Sheet, including the term sheet setting out the principal terms of the New Money Liquidity Bonds and the Elevated Liquidity Bonds (together referred to as the “Liquidity Bonds”) (the “Liquidity Bonds Term Sheet”). The Recapitalisation Term Sheet, together with this subscription form (the “Subscription Form”) and the company presentation (the “Company Presentation”), shall together constitute the “Subscription Materials”.

**2. SUBSCRIPTION TO PARTICIPATE IN THE NEW MONEY LIQUIDITY BONDS**

- 2.1 The undersigned confirms to be the beneficial holder (the “Beneficial Holder”) of, or have the discretionary power and authority to, for and on behalf of the Beneficial Holder, manage and act in relation to, the Nominal Amount of Existing Bonds as of the Allocation Record Date (7 April 2025) as set out in Exhibit I hereto, and hereby confirm that it has not sold or otherwise disposed of any of its Existing Bonds from and including the Allocation Record Date.
- 2.1.1 The undersigned acknowledges that each holder of Existing Bonds holding an aggregate nominal principal amount exceeding NOK 1,100,000 or being a qualified investor (as defined below) in accordance with the EU prospectus regulation, has a right to subscribe for New Money Liquidity Bonds, of at least an amount equal to its pro rata holding of Existing Bonds on the Allocation Record Date (the “Subscription Entitlement”), in each case rounded up or down to the nearest NOK 1, subject to the pro rata right to oversubscribe for any unsubscribed portion of the New Money Liquidity Bonds and that Participating Bondholders must subscribe for their full Subscription Entitlement and not parts.
- 2.2 The undersigned, on its own behalf or acting on behalf of the Beneficial Holder (the “Participating Bondholder”), hereby acknowledges to have received and accepted the terms of the Subscription Materials, and hereby exercises its right to subscribe to the initial issue of

New Money Liquidity Bonds subject to the terms set out herein and in the Subscription Materials.

2.3 'qualified investors' means persons or entities that are listed in points (1) to (4) of Section I of Annex II to Directive 2014/65/EU, and persons or entities who are, on request, treated as professional clients in accordance with Section II of that Annex, or recognised as eligible counterparties in accordance with Article 30 of Directive 2014/65/EU unless they have entered into an agreement to be treated as non-professional clients in accordance with the fourth paragraph of Section I of that Annex. For the purposes of applying the first sentence of this point, investment firms and credit institutions shall, upon request from the issuer, communicate the classification of their clients to the issuer subject to compliance with the relevant laws on data protection.

2.4 Further, the undersigned acknowledges that by subscribing for its allocated portion of New Money Liquidity Bonds, it will also receive its pro rata portion of Elevated Liquidity Bonds.

2.5 By executing this Subscription Form, the Participating Bondholder:

(a) irrevocably confirms its request to subscribe for its full Subscription Entitlement and not parts (the "**Allocated Amount**"), up to the nominal amount as set out in Exhibit I to this Subscription Form under the heading Subscribed Nominal Amount (the "**Subscribed Nominal Amount**") (being the maximum nominal amount the Beneficial Holder is prepared to finance which shall in no event be less than the Allocated Amount); and

(b) undertakes to pay the subscription amount, being an amount equal to the number of New Money Liquidity Bonds allocated multiplied with their price (the "**Subscription Amount**") to Pareto Securities AS ("**Pareto Securities**") no later than on the settlement date for the New Money Liquidity Bonds as communicated by and in accordance with the instructions provided by Pareto Securities.

2.6 Further, the Participating Bondholder hereby expressly and irrevocably agree and acknowledges that:

(a) as of the Effective Date it shall automatically become a party to the Shareholders Agreement (as defined in the Recapitalisation Term Sheet) with its respective pro rata share in the company, without the need for any further action; and

(b) it may not sell any part of its Existing Bonds following submission of this Subscription Form (unless in accordance with the Shareholders Agreement), and have not sold or otherwise disposed of any part of its share in the Existing Bonds as of Allocation Record Date.

### 3. CONFIRMATIONS

3.1 The Participating Bondholder further confirms that:

- 3.1.1 It has made its own assessment, to the extent deemed necessary, in consultation with its own independent advisors, based on information it has requested or which is publicly available, and has satisfied itself concerning the relevant legal, tax, currency and other economic considerations relating to its investment in the New Money Liquidity Bonds.
- 3.1.2 It is aware that certain financial information contained in the Subscription Materials may not have been audited or subject to any review by the auditor or financial experts and that such financial information may not have been produced in accordance with applicable or recommended accounting principles and may contain errors and/or miscalculations.
- 3.1.3 It has either:
- (a) received, reviewed and understood the Subscription Materials including the important information, disclaimers and risk factors described therein as well as other legal matters as described in the Company Presentation; or
  - (b) received the Subscription Materials, but decided, at its own risk, that such review would not be required.
- 3.1.4 It acknowledges that the final terms of the Liquidity Bonds (the “**New Bond Terms**”) and other finance documents referred to therein have not yet been finalised, and that the final terms and conditions may differ from those set out in the Subscription Materials or the terms and conditions of other bond issuances (either by the Issuer on previous occasions or by other recent issuers), and that such change/amendment cannot form basis for any claim that the Participating Bondholder is not bound by this Subscription Form. In the case of discrepancies, the final version of the New Bond Terms shall prevail.
- 3.1.5 It has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision in the Issuer by applying for and purchasing the New Money Liquidity Bonds, and is able to bear the economic risk, and to withstand a complete loss of its investment.
- 3.1.6 It confirms that the decision to invest in the New Money Liquidity Bonds is made solely at the Participating Bondholder’s own risk, and based upon its own judgment and analysis and not upon any view expressed or information provided by or on behalf of any other party
- 3.1.7 Furthermore, it irrevocably acknowledges and agrees that:
- (a) it/the Beneficial Holder have a right to be allotted New Money Liquidity Bonds;
  - (b) it/the Beneficial Holder is the Beneficial Holder of Existing Bonds as of the Allocation Record Date;
  - (c) there is no assurance that the actions contemplated in the Notice will be completed and/or that the Subscribed Nominal Amount will be allotted to it; and
  - (d) the Issuer and Pareto Securities will be relying upon this Subscription Form in its preparations with respect to the actions contemplated in the Notice.
- 3.2 It represents and warrant that (i) it have the corporate power and authority to enter into and perform its obligations under this Subscription Form, (ii) no consents or approvals of or filings with any governmental or other regulatory body are required for it to enter into this Subscription Form or to fulfil any of the undertakings set forth herein, and (iii) the undertakings herein will not violate any law or regulation that is applicable to such sale, including Norwegian laws restricting or prohibiting insider trading or dealing in securities.

- 3.3 It confirms that the undersigned:
- (a) is not located in the United States and is not a “U.S. person” (as such term is defined in Regulation S under the U.S. Securities Act, as amended) nor is it purchasing the New Money Liquidity Bonds for the account or benefit of a U.S. person; or
  - (b) has executed and delivered to the Settlement Agent the “Additional Representations and Warranties Required for U.S. persons or for Applicants Acquiring New Money Liquidity Bonds in the United States”, certifying that it is a “Qualified Institutional Buyer” within the meaning of Rule 144A under the U.S. Securities Act.
- 3.4 It understands that Nordic Trustee AS (the “**Agent**”) will represent it in all matters in relation to the New Money Liquidity Bonds pursuant to the New Bond Terms.
- 3.5 Pareto Securities and the Issuer, expressly disclaims any liability whatsoever in relation to the New Money Liquidity Bonds to the fullest possible extent permitted pursuant to applicable law, and the undersigned understands and expressly agrees that it is subscribing for New Money Liquidity Bonds on this basis.
- 3.6 The contents of this Subscription Form may be disclosed in press releases relating to the Notice as well as in other public communications with respect to the Notice.
- 3.7 There will be no public offer in the United States. The New Money Liquidity Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or under the securities law of any state or other jurisdiction of the United States and may not be reoffered, resold, pledged or otherwise transferred, directly or indirectly, except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. The New Money Liquidity Bonds are “restricted securities” within the meaning of Rule 144 under the U.S. Securities Act and may not be deposited into any unrestricted depositary receipt facility in the United States, unless at the time of deposit the New Money Liquidity Bonds are no longer “restricted securities”. The New Money Liquidity Bonds may not be reoffered, resold, pledged or otherwise transferred, except (a) outside the United States in accordance with Rule 903 or Rule 904 of Regulation S, as applicable or (b) pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and subject to the provisions of a U.S. investor representation letter.

#### 4. **GOVERNING LAW AND JURISDICTION**

This Subscription Form shall be governed by and construed in accordance with the laws of Norway. Any dispute, controversy or claim arising out of or in connection with this Subscription Form, or the breach, termination or invalidity thereof, shall be finally settled by the courts of Norway with the District Court of Oslo (Nw: *Oslo tingrett*) as the court of first instance.

\_\_\_\_\_ on \_\_\_\_\_ 2025  
Place:                      Date:

\_\_\_\_\_  
Full legal name of Beneficial Holder or person authorised to manage/act in relation to the holdings of such  
Beneficial Holder in block letters

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name in block letters

\_\_\_\_\_  
Name in block letters

EXHIBIT I

**Existing Bonds held by Beneficial Holder**

Nominal amount held on 7 April 2025 (the "Allocation Record Date")

NOK amount in figure: \_\_\_\_\_

**Attachment:** Enclosed hereto is the complete printout from our custodian/VPS, verifying our bondholding in the Existing Bonds (including identification by ISIN) as of the Allocation Record Date.<sup>2</sup>

**(i) Beneficial Holder or (ii) Person with discretionary power to manage and act in relation to the holdings**

If (ii): an asset management person or other person managing/acting in relation to the Beneficial Holder's investments who is authorized by way of agreement with the Beneficial Holder to do so.

Name of undersigned: \_\_\_\_\_

Reg. no./id: \_\_\_\_\_

Contact person: \_\_\_\_\_

Telephone No: \_\_\_\_\_

Address: \_\_\_\_\_

Telefax number: \_\_\_\_\_

E-mail address: \_\_\_\_\_

LEI number: \_\_\_\_\_

**Subscribed Nominal Amount<sup>3</sup>**

Maximum NOK amount: \_\_\_\_\_

*\*Only complete the following if applicable:*

**Beneficial Holder (if other than undersigned person):** Applicable if the letter is signed by a person with discretionary power and authority to manage and act in relation to the holdings.

Name and reg. no. \_\_\_\_\_

**Nominee if applicable:** Nominee registered for the holding in the debt register for the Existing Bonds held with VPS.

Name and reg. no. \_\_\_\_\_

<sup>2</sup> Please attach transcript of your holdings from VPS / Prime Broker duly legible, or other evidence of holdings in the form of a screen-shot or custodian letter.

<sup>3</sup> Note that the full Subscribed Nominal Amount may or may not be allocated to you.

**SCHEDULE 3**  
**RECAPITALISATION TERM SHEET**

**JØTUL GROUP**  
**RECAPITALISATION TERM SHEET**

This term sheet and its Schedules contain the principal terms and conditions in connection with a proposed recapitalisation of Jøtul AS (the “**Company**”) and its subsidiaries, comprising the Jøtul group (the “**Group**”) as set out in this term sheet (the “**Recapitalisation**”).

<b>Definitions:</b>	<p>“<b>Allocation Record Date</b>” means the date falling 6 Business Days after the Recapitalisation Proposal Date.</p> <p>“<b>Business Days</b>” means a day on which both the relevant CSD settlement system and the relevant settlement system for the Bond Currency are open.</p> <p>“<b>Conversion Record Date</b>” means the date falling 2 Business Days prior to the Effective Date, estimated to be the date falling 9 Business Days after the Recapitalisation Proposal Date.</p> <p>“<b>Converted Bonds</b>” means all outstanding amounts under the Existing Bonds (including accrued and unpaid interest up to and including the Effective Date) (subject to the Elevation).</p> <p>“<b>Effective Date</b>” means the date on which the conditions set out under “Effective Date and Conditions for Effective Date” are confirmed by the Bond Trustee acting on instructions from the Instructing Group to be satisfied.</p> <p>“<b>Elevated Liquidity Bonds</b>” means the bonds issued as elevation of Existing Bonds to Subscribing Bondholders under the Liquidity Bond Issue.</p> <p>“<b>Existing Bond Issue</b>” means the up to NOK 600,000,000 Senior Secured Callable Floating Rate 2024/2026 bond issue with ISIN NO0013106666 and the claim for the overdue interest payment due 15 January 2025 issued under ISIN NO0013462010.</p> <p>“<b>Existing Bondholders</b>” means bondholders under the Existing Bond Issue.</p> <p>“<b>Existing Bonds</b>” means the bonds issued under the Existing Bond Issue.</p> <p>“<b>Existing Super Senior RCF</b>” means the existing Pareto facility for (i) a RCF in an aggregate maximum amount of up to NOK 120,000,000 and (ii) a guarantee facility in an aggregate maximum amount of up to EUR 1,200,000 and NOK 16,500,000, or its equivalent in other currencies.</p> <p>“<b>Fully Diluted Equity</b>” means the equity and ownership interests in the Holding Company on a fully diluted basis, following completion of the transactions set out in the Recapitalisation Terms, other than the MIP.</p> <p>“<b>Holding Company</b>” means a Norwegian law incorporated holding company of the Company owning 100% of the shares in the Company (directly or indirectly), which sole purpose is to own the shares in the Company.</p>
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**“Instructing Group”** shall mean Existing Bondholders being the beneficial owners of more than 50% in aggregate of Existing Bonds, which shall include no less than three (3) unaffiliated Existing Bondholders each holding at least 5% of the Existing Bonds.

**“Liquidity Bond Issue”** means the issue of bonds on the terms set out in Schedule 1 (*Liquidity Bonds Term Sheet*) hereto.

**“Liquidity Bonds”** means the New Money Liquidity Bonds and Elevated Liquidity Bonds to be issued under the Liquidity Bond Issue.

**“MIP”** means the management incentive plan referenced in Schedule 3 (*Governance Term Sheet*).

**“New Money Liquidity Bonds”** means the bonds issued against a new money injection as further set out in “Subscription in the Liquidity Bonds” below.

**“Recapitalisation Terms”** means this term sheet and its Schedules, subject to such adjustments or amendments (including adjustments to the terms relating to the Liquidity Bond Issue and/or any document or right relating thereto) as the Instructing Group may agree and instruct, provided that such adjustments or amendments do not materially and adversely change the transaction set out in term sheet and its Schedules (save for any adjustments or amendments relating solely to implementation).

**“Recapitalisation Proposal Date”** means the date on which the Recapitalisation Terms are presented to the Existing Bondholders for approval.

**“Shareholders’ Agreement”** means the agreement regulating the shareholding of the Company on the terms set out in Schedule 3 (*Governance term sheet*).

**“Shares”** means the shares in the Holding Company.

**“Schedules”** means the schedules hereto.

**“Subscribing Bondholders”** means the Existing Bondholders subscribing in the initial Liquidity Bond Issue, contemplated under these Recapitalisation Terms.

**“Underwriters”** means the parties having underwritten the Liquidity Bond Issue pursuant to a separate underwriting arrangement.

**OVERVIEW OF THE RECAPITALISATION**

**Key terms of the Recapitalisation:**

The Recapitalisation Terms will address the Group’s current capital structure as follows:

- (a) Existing Bonds being converted to equity (subject to the Elevation) (Converted Bonds), with 100% of the equity interests in the Holding

Company being distributed to Existing Bondholders pro rata based on their pre-recapitalization holdings.

- (b) Raise of NOK 100,000,000 of new debt financing through the issuance of New Money Liquidity Bonds (with the addition of fees settled through issuance of New Money Liquidity Bonds as set out below), with a maximum capacity of NOK 150,000,000 on the terms set out in Schedule 1 (*Liquidity Bonds Term Sheet*).
- (c) NOK 100,000,000 of the Existing Bonds being elevated and reinstated as Elevated Liquidity Bonds, pro rata to the Bondholders subscribing in the New Money Liquidity Bonds (Subscribing Bondholders) based on subscriptions, and otherwise on the terms set out in Schedule 1 (*Liquidity Bonds Term Sheet*).
- (d) Reinstatement of the Existing Super Senior RCF, with a total available commitment of NOK 100,000,000 (not including the guarantee facility), on the terms set out in Schedule 2 (*Amendments to the Existing Super Senior RCF*).
- (e) Extinguish substantially all existing shareholder claims from Jotul Holding SARL of approx. NOK 90,000,000 against the Company.
- (f) Implementation of corporate governance arrangements between the Existing Bondholders becoming the Group's new shareholders as further set out in Schedule 3 (*Governance Term Sheet*).

The Recapitalisation will be implemented and become effective on or about the Effective Date.

**Capital structure:**

Pursuant to the Recapitalisation Terms, the proforma post-Effective Date loan structure of the Holding Company will be as follows:<sup>1</sup>

	Day-1	Maximum
Existing Super Senior RCF	NOK 80,000,000	NOK 100,000,000
New Money Liquidity Bonds	NOK 100,000,000	NOK 150,000,000
Elevated Liquidity Bonds	NOK 100,000,000	NOK 100,000,000
<b>Aggregate</b>	<b>NOK 280,000,000</b>	<b>NOK 350,000,000</b>

**EQUITY TERMS**

<sup>1</sup> See company presentation for overview of company financials.

<b>Equity allocation</b>	100% of the Fully Diluted Equity will be allocated to the Existing Bondholders on a pro-rata basis relevant to their holdings of Existing Bonds as of the Conversion Record Date.
<b>Debt conversion:</b>	<p><b>Shareholder debt and existing equity</b></p> <p>Prior to Effective Date, existing shareholder debt to Jotul Holdings SARL will be converted to equity pursuant to the terms of the existing intercreditor agreement. Following conversion, all equity interests in the Company will be either transferred voluntarily from the existing shareholder (for no consideration) to the Security Agent or appropriated by the Security Agent through enforcement (following instructions from a requisite majority of the Bondholders), in each case prior to Effective Date.</p> <p><b>Conversion of Existing Bonds</b></p> <p>On the Effective Date the Converted Bonds (including any interest accrued and unpaid under the Existing Bonds up to and including the Effective Date) will be converted into newly issued Shares (the “<b>Bond Conversion</b>”). The Shares, constituting 100% of the Fully Diluted Equity immediately post-Effective Date, will be allocated to all Existing Bondholders holding Existing Bonds at the Conversion Record Date (each an “<b>Entitled Bondholder</b>”) on a pro-rata basis based on the principal amount of their holdings of Existing Bonds on the Conversion Record Date (the “<b>Allocated Portion</b>”). Allocations may be rounded up or down for whole numbers.</p> <p>The Bond Conversion will be effectuated in two steps:</p> <ul style="list-style-type: none"> <li>(a) Firstly, the Bond Trustee shall convert all claims in respect of the Converted Bonds on behalf of the Existing Bondholders into additional shares in the Company (the “<b>Company Shares</b>”), by subscribing for such shares in exchange for setting-off the claims under the Converted Bonds against the Company (the “<b>Set-off Issue</b>”).</li> <li>(b) Secondly (immediately after (a)): <ul style="list-style-type: none"> <li>(i) the Bond Trustee will contribute the Company Shares to the Holding Company, as an in-kind equity contribution, and the Holding Company will be owner of 100% of the shares in the Company.</li> <li>(ii) As consideration the Holding Company will issue new shares.</li> <li>(iii) 100% of the Shares will be distributed to Entitled Bondholders, with each Entitled Bondholder receiving its Allocated Portion of Shares.</li> </ul> </li> </ul> <p>Both steps (a) and (b) of the Bond Conversion is intended to take place on the Effective Date.</p>

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	<p>For the avoidance of doubt, no claim for damages or liability against any party or persons shall be relinquished, released or forfeited as a result of the conversion.</p> <p><u>Allotment of Shares to Entitled Bondholders</u></p> <p>Each Entitled Bondholder will as soon as practicable following the Bond Conversion receive its Allocated Portion of 100% of the Fully Diluted Equity, with such Shares being distributed to Entitled Bondholders through and pursuant to the practice of the Norwegian CSD.</p>
<b>Corporate governance</b>	<p>On the Effective Date, Subscribing Bondholders receiving Shares, will as a condition for receiving such instruments become bound by the terms of a shareholders' agreement, and the Holding Company's articles of association will be amended, in each case as set out in Schedule 3 (<i>Governance Term Sheet</i>).</p> <p>Further, Subscribing Bondholders shall be restricted to sell or otherwise dispose of any part of their Existing Bonds from and including the Allocation Record Date.</p>
<b>NEW MONEY TERMS</b>	
<b>The Liquidity Bond Issue</b>	<p>The Liquidity Bond Issue will occur on or prior to the Effective Date, and will consist of:</p> <ul style="list-style-type: none"> <li>(a) New Money Liquidity Bonds in an initial amount of NOK 100,000,000 and a maximum amount of NOK 150,000,000; and</li> <li>(b) Elevated Liquidity Bonds in an amount of NOK 100,000,000.</li> </ul> <p>The New Money Liquidity Bonds will rank senior to the Elevated Liquidity Bonds in priority and right of payment, and their respective terms shall be documented in one joint bond agreement, substantially as set out in Schedule 1 (<i>Liquidity Bonds Term Sheet</i>).</p>
<b>Subscription in the Liquidity Bond</b>	<p>All holders of Existing Bonds holding an aggregate nominal principal amount exceeding NOK 1,100,000 or qualified investors in accordance with the EU prospectus regulation, will have a right to subscribe to the new capital in the New Money Liquidity Bonds pro rata to their holdings of total claims in the Existing Bonds,<sup>2</sup> or in the event of a Forward Start their holding of Shares, in each case on the Allocation Record Date, subject to the right to oversubscribe (the "<b>Subscription Entitlement</b>").</p> <p>The Settlement Agent may at its sole discretion allocate bonds for an amount below NOK 1,100,000 to the extent applicable exemptions from the prospectus</p>

<sup>2</sup> Subject to applicable exemptions from the EU prospectus regulation being available.

	<p>requirement pursuant to Regulation (EU) 2017/1129 on prospectuses for securities as well as the UK prospectus regulation are available.</p> <p>Subscribing Bondholders shall have a pro-rata right to oversubscribe for any unsubscribed portion of the initial New Money Liquidity Bond Issue.</p> <p>Any shortfall, following allocation pursuant to any oversubscription set out above, will be subscribed by the Underwriters under the terms of the underwriting arrangement, resulting in a total allocation to Subscribing Bondholders of (i) NOK 100,000,000 of New Money Liquidity Bonds and (ii) NOK 100,000,000 of Elevated Liquidity Bonds (as set out under Elevation below).</p> <p>Subscription in the New Money Liquidity Bond Issue shall be made through execution and delivery of the subscription form attached as Schedule 4 (<i>Liquidity Bonds Subscription Form</i>) no later than the date falling 8 Business Days following the Recapitalisation Proposal Date (the “<b>Subscription Deadline</b>”).</p> <p>Subscribing Bondholders must subscribe for their full Subscription Entitlement and not parts.</p> <p>Subscribing Bondholders will through their subscription accede to the Shareholders’ Agreement.</p> <p>The settlement of the Liquidity Bond Issue will take place on the date falling 3 Business Days following the Subscription Deadline, unless a later date is agreed by the Instructing Group and the Subscribing Bondholders receive notice no less than 2 Business Days prior to such settlement date. Settlement will take place on the instructions and as set out by a settlement agent appointed by the Company (the “<b>Settlement Agent</b>”).</p>
<b>Elevation</b>	<p>Subscribing Bondholders will receive Elevated Liquidity Bonds in an aggregate nominal principal amount of NOK 100,000,000, allocated pro rata based on final allocation in the Liquidity Bond Issue (not including any New Money Liquidity Bonds received as settlement for fees).</p> <p>Costs and expenses of the Bond Trustee outstanding in respect of the Existing Bond Issue, will be reinstated as due amounts under the New Money Liquidity Bonds or netted from the bond proceeds, on or about the Effective Date.</p>
<b>Underwriting fee</b>	<p>The Underwriters shall receive a fee of 4% of the nominal amount of New Money Liquidity Bonds underwritten, payable through the issuance of additional New Money Liquidity Bonds on Effective Date.</p>
<b>Work fee</b>	<p>Bondholders who have taken part in the ad-hoc group since 1 February 2025 and who take part in providing the necessary instructions and indemnities to the Bond Trustee shall receive an aggregate fee of 1% of the nominal amount of the Existing Bonds, allocated between them on a pro-rata basis based on relative holdings of Existing Bonds.</p>

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	The fee is payable through the issuance of additional New Money Liquidity Bonds on Effective Date.
<b>Forward Start</b>	<p>If the Instructing Group determines that the Group’s liquidity needs do not allow for subscription in the Liquidity Bonds by all Existing Bondholders in time for the Effective Date, The Bond Trustee, acting on the instructions from the Instructing Group may decide to defer the subscription rights of the Existing Bondholders set out under “Subscription in the Liquidity Bond” above (a “<b>Forward Start</b>”).</p> <p>In such event, the New Money Liquidity Bond Issue may be structured so that the Underwriters subscribe for all or parts of the New Money Liquidity Bonds in advance, and that other Existing Bondholders will receive a right to purchase or subscribe at a later time, provided that all Existing Bondholders shall receive the amount of New Money Liquidity Bonds (and Elevated Liquidity Bonds) that they would have been entitled to subscribe for and receive had the Forward Start not taken place (and the subscription had taken place as otherwise set out herein).</p> <p>In the event of a Forward Start, the final settlement of the New Money Liquidity Bond Issue shall take place on instructions from the Settlement Agent and by no later than 15 Business Days following the Recapitalisation Proposal Date (unless otherwise decided by the Bond Trustee acting on instructions from the Instructing Group).</p> <p>No amendments may be made to the Liquidity Bonds which are inconsistent with the Recapitalisation Terms prior to the settlement of the Secondary Acquisition.</p>
<b>EXISTING BONDS</b>	
<b>Conversion and Elevation of Existing Bonds:</b>	<p>On the Effective Date, NOK 100,000,000 of the Existing Bonds, with the addition of costs and expenses of the Bond Trustee outstanding in respect of the Existing Bond Issue, will be elevated into Liquidity Bonds as set out under “Elevation” above.</p> <p>The remaining outstanding principal amount and any outstanding interest accrued and unpaid up to and including the Effective Date under the Existing Bond Issue will be converted to equity on or about the Effective Date as set out under “Debt conversion” above.</p>
<b>OTHER TERMS</b>	
<b>Effective Date and Conditions for Effective Date:</b>	<p>The Effective Date is tentatively scheduled for 14 April 2025.</p> <p>The implementation of the Recapitalisation shall be conditional upon satisfaction of the following conditions, in form and substance satisfactory to the Instructing Group:</p>

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	<ul style="list-style-type: none"> <li>(a) that the amendments to the Existing Super Senior RCF as contemplated under Schedule 2 (<i>Amendments to the Existing Super Senior RCF</i>) have become effective;</li> <li>(b) that the Liquidity Bond Issue has been fully subscribed and that the conditions for settlement thereunder have been satisfied as contemplated under Schedule 1 (<i>Liquidity Bonds Term Sheet</i>);</li> <li>(c) that the Holding Company's articles of association have been amended and that a shareholders' Agreement has been validly executed by the contemplated parties thereto as contemplated under Schedule 3 (<i>Governance Term Sheet</i>);</li> <li>(d) that all existing shareholder claims from Jotul Holding SARL against the Company have been converted into shares in the Company;</li> <li>(e) Resolution to outstanding issues under the Group's factoring arrangements with Factofrance; and</li> <li>(f) that any and all actions, steps and documents required to effectuate the conversion of the Existing Bonds have been completed, including all necessary corporate resolutions having been passed.</li> </ul> <p>The Instructing Group may instruct the Bond Trustee to waive or amend the above conditions.</p>
<p><b>Final terms</b></p>	<p>The Recapitalisation and related transactions contemplated herein shall be documented, conducted and completed substantially in accordance with the Recapitalisation Terms, subject to such adjustments or amendments (including adjustments to the terms relating to the Bond Issues and/or any document or right relating thereto) as Bond Trustee acting on the instructions from the Instructing Group may agree and instruct, provided that such adjustments or amendments do not materially and adversely change the transaction as set out in this term sheet and its Schedules (save for any adjustments or amendments relating solely to implementation).</p> <p>The Bond Trustee, acting on the instructions from Instructing Group, shall be authorized to (i) provide such instructions and notices to any party, and (ii) take such further actions, in each case as it deems prudent or appropriate in order to consummate the transactions contemplated under the Recapitalisation Terms.</p> <p>The Existing Bondholders irrevocably authorise the Instructing Group to vote for or on behalf of any Share, bond or other instrument (as the case may be) they have received or is entitled to receive and take any such actions in respect of such Shares and exercise any other rights pertaining to the Shares, bonds or other instruments (as the case may be), from the date of approval by the Existing Bondholders of the Recapitalisation Terms up to and including 10 Business Days following the Effective Date, to the extent the Instructing Group deems it appropriate to implement the transactions contemplated under the Recapitalisation Terms. To the extent required, Existing Bondholders will take</p>

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	<p>such further actions and give such further instructions (and authorises the Bond Trustee to do the same on their behalf) to ratify any such action taken by the Instructing Group or the Bond Trustee acting on the Instructions of the Instructing Group as authorised hereunder, for the purpose of implementing the transactions contemplated under the Recapitalisation Terms.</p> <p>No further resolution shall be required from Existing Bondholders in order to consummate any of the transactions or actions contemplated or the authorizations granted to the Instructing Group or Bond Trustee herein.</p> <p>For the avoidance of doubt, no Existing Bondholders shall be required to provide any indemnity or assume any additional commitments, including with respect to funding or similar, and the Instructing Group may not impose any such obligation on the Existing Bondholders.</p>
<b>Conflicts</b>	<p>To the extent there are any discrepancies between the summary of provisions in this document and the provisions of the attachments hereto, the latter shall prevail.</p>
<b>Governing law</b>	<p>All aspects of the Recapitalisation Terms shall be governed by Norwegian Law, and subject to the jurisdiction of Norwegian courts, with Oslo city court as court of first instance.</p>

**Schedule 1**  
**LIQUIDITY BONDS TERM SHEET**

S1/439956/3

## SCHEDULE 1: LIQUIDITY BONDS TERM SHEET

*This term sheet summarises the principal terms of the New Money Liquidity Bonds and the Elevated Liquidity Bonds (each term as defined below), as amended pursuant to the Recapitalisation Term Sheet. Defined terms used but not defined herein shall have the meaning ascribed to them in the Recapitalisation Term Sheet or the Intercreditor Agreement (as the context requires).*

PARTIES	
<b>Issuer:</b>	Jøtul AS.
<b>Holding Company</b>	The holding company of the Issuer (the “Parent”).
<b>Parent Group</b>	The Parent with all its Subsidiaries from time to time (each a “Parent Group Company”).
<b>Group:</b>	The Issuer with all its Subsidiaries from time to time (each a “Group Company”).
<b>Guarantors:</b>	The Initial Guarantors and any Group Company which subsequently becomes a Material Group Company.
<b>Initial Guarantors:</b>	Jøtul AS, the Holding Company, Jotul France S.A.S, Jotul North America Inc., Jotul Poland sp. z o.o.
<b>Obligors:</b>	the Issuer and the Guarantors
<b>Bond Trustee and Security Agent:</b>	Nordic Trustee AS.
STRUCTURE AND DOCUMENTATION	
<b>Structure and Bond Terms:</b>	<p>The Bond Terms will be entered into by the Issuer and the Bond Trustee acting as the Bondholders' representative, and it shall be based on the Nordic standard (Bond Trustee's September 2022 template) and be governed by Norwegian law.</p> <p>The Bond Terms shall regulate the Bondholders' rights and obligations with respect to the Liquidity Bonds and shall, together with all related documentation, be on terms satisfactory to the Instructing Group. If any discrepancy should occur between this Term Sheet and the Bond Terms, then the Bond Terms shall prevail.</p> <p>Any term not defined herein, or otherwise as set out in Schedule 2 (<i>Other Definitions</i>), shall have the meaning ascribed to it in the Intercreditor Agreement.</p>

<b>New Money Liquidity Bonds:</b>	Bonds issued under the New Money Tranche.
<b>New Money Tranche:</b>	The tranche under the Liquidity Bond Issue with ISIN [●] being subject to the general terms and the terms specified to apply specifically to the New Money Tranche, as set out in this term sheet.
<b>Elevated Liquidity Bonds:</b>	Bonds issued under the Elevated Tranche.
<b>Elevated Tranche:</b>	The tranche under the Liquidity Bond Issue with ISIN [●] being subject to the general terms and the terms specified to apply specifically to the Elevated Tranche, as set out in this term sheet.
<b>Liquidity Bond Issue:</b>	The Issue of Liquidity Bonds on the terms set out in this term sheet.
<b>Liquidity Bonds:</b>	The New Money Liquidity Bonds and Elevated Liquidity Bonds to be issued under the Liquidity Bond Issue.
<b>KEY TERMS - NEW MONEY LIQUIDITY BONDS:</b>	
<b>Currency:</b>	NOK.
<b>Issue Date:</b>	The First Issue Date and any other subsequent issue date following a Tap Issue.
<b>First Issue Date:</b>	Expected to be the Effective Date, unless brought forward under the forward start as set out in the Recapitalisation Term Sheet (on which date the Net Proceeds of the Initial Issue Amount shall be credited to the Escrow Account). Notice to be given to subscribers minimum two Business Days prior to the First Issue Date.
<b>Initial Issue Amount</b>	up to NOK 100,000,000, with the addition of any bonds to be issued as settlement of any underwriting fees and/or work fees (the “Initial Bond Issue”).
<b>Maximum Issue amount</b>	up to NOK 150,000,000 with the addition of any bonds to be issued as settlement of any underwriting fees and/or work fees in respect of the Initial Bond Issue.
<b>Ranking and priority</b>	Junior to the Super Senior RCF and senior to the Elevated Liquidity Bonds, in priority and application of proceeds.
<b>Maturity Date:</b>	The date falling three and a half (3.5) years after the First Issue Date.

<b>Amortisation:</b>	The Liquidity Bonds shall be repaid in full on the Maturity Date at a price of 100.00 per cent. of the Nominal Amount.
<b>Interest Rate:</b>	3 Months NIBOR + Margin of 6.5 per cent. per annum.
<b>Interest Payment Date:</b>	The last day of each Interest Period, the first Interest Payment Date being [●] July 2025; and the last Interest Payment Date being the Maturity Date.
<b>Interest Periods:</b>	Means, subject to adjustment in accordance with the Business Day Convention, the period between [●] April, [●] July, [●] October and [●] January each year, provided however that an Interest Period shall not extend beyond the Maturity Date.
<b>Nominal Amount:</b>	Each Bond will have a Nominal Amount of NOK 1.
<b>Issue price:</b>	100%
<b>Voluntary early redemption -  Call Option (New Money Liquidity Bonds):</b>	<p>The Issuer may redeem all or part of the New Money Liquidity Bonds on any Business Day from and including:</p> <ul style="list-style-type: none"> <li>(a) the First Issue Date to, but not including, the First Call Date, at a price equal to the Make Whole Amount;</li> <li>b) the First Call Date to, but not including, the Interest Payment Date in October 2026 at a price equal to 105.00 per cent. of the Nominal Amount for each redeemed Bond;</li> <li>c) the Interest Payment Date in October 2026 to, but not including, date falling ninety (90) days prior to the Maturity Date at a price equal to 102,50 per cent. of the Nominal Amount for each redeemed Bond; and</li> <li>d) the date falling ninety (90) days prior to the Maturity Date to, but not including, the Maturity Date at a price equal to 100.00 per cent. of the Nominal Amount for each redeemed Bond.</li> </ul> <p>Any redemption of Bonds pursuant to the Call Option shall include accrued but unpaid interest on the redeemed Bonds.</p> <p>All partial redemptions will be made on a pro-rata basis between the Bondholders according to the procedure of CSD.</p> <p>The redemption prices above shall be determined based on the Call Option Repayment Date and not based on the date the Call Option was exercised (issue of call notice).</p>

<b>Put Option - Change of Control Event:</b>	Upon a Change of Control Event occurring, each Bondholder shall have a right to require that the Issuer repurchases the relevant Bondholder's Bonds ("Put Option") at a price of 102.00 per cent. of the Nominal Amount of the repurchased Bonds (plus any accrued but unpaid interest on the repurchased Bonds), such put option to be exercised within fifteen (15) Business Day following the notice of a Change of Control Event. The settlement date of the put option(s) shall be on the fifth (5) Business Day after the end of the fifteen (15) Business Days period.
<b>Change of Control Event:</b>	The occurrence of an event or series of events whereby a person or group of persons being Affiliates or otherwise acting in concert gaining decisive influence over the Holding Company, provided that the participation in the Shareholders' Agreement (as defined in the Recapitalisation Term Sheet) or any lock-up arrangements, and the fulfilling of any obligations thereunder shall not constitute "acting in concert".
<b>First Call Date:</b>	The Interest Payment Date falling in April 2026.
<b>Make Whole Amount:</b>	Means an amount equal to the sum of:  a) the present value on the Call Option Repayment Date of the Nominal Amount of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and  b) the present value on the Call Option Repayment Date of the remaining interest payments of the redeemed Bonds, less any accrued and unpaid interest on the redeemed Bonds as at the Call Option Repayment Date, to the First Call Date,  where the present value shall be calculated by using a discount rate of 5.5 per cent. per annum.
<b>KEY TERMS - ELEVATED LIQUIDITY BONDS:</b>	
<b>Currency:</b>	NOK.
<b>Issue Date:</b>	The First Issue Date.
<b>First Issue Date:</b>	Expected to be the Effective Date, unless brought forward under the forward start as set out in the Recapitalisation Term Sheet (on which date the Net Proceeds of the Initial Issue Amount (as defined above) shall be credited to the Escrow Account). Notice to be given to subscribers minimum two Business Days prior to the First Issue Date.
<b>Issue Amount</b>	NOK 100,000,000.

<b>Ranking and priority</b>	Junior to the Super Senior RCF and the New Money Liquidity Bonds, in priority and application of proceeds.
<b>Maturity Date:</b>	The date falling four (4) years after the First Issue Date.
<b>Amortisation:</b>	The Elevated Liquidity Bonds shall be repaid in full on the Maturity Date at a price of 100.00 per cent. of the Nominal Amount.
<b>Interest Rate:</b>	12.5 per cent. per annum, subject to the PIK Toggle Right.
<b>Interest Payment Date:</b>	The last day of each Interest Period, the first Interest Payment Date being [●] July 2025; and the last Interest Payment Date being the Maturity Date. Interest shall be settled in cash but may be settled in additional Bonds in the event of the Issuer exercising a PIK Toggle Right (as defined below).
<b>PIK Toggle Right:</b>	<p>The Issuer may elect that the Interest otherwise scheduled to be paid on an Interest Payment Date (rounded down to the nearest Nominal Amount) shall be capitalised and paid by issuing new Bonds on the applicable Interest Payment Date (“PIK Bonds”) by giving notice to the Bond Trustee as soon as possible and no less than 10 Business Days prior to the applicable Interest Payment Date.</p> <p>PIK Bonds shall bear interest of 15 per cent. per annum.</p>
<b>Interest Periods:</b>	Means, subject to adjustment in accordance with the Business Day Convention, the period between [●] April, [●] July, [●] October and [●] January each year, provided however that an Interest Period shall not extend beyond the Maturity Date.
<b>Nominal Amount:</b>	Each Bond will have a Nominal Amount of NOK 1.
<b>Issue price:</b>	The Elevated Liquidity Bonds are issued to subscribers in the New Money Liquidity Bond as reinstatement Existing Bonds as set out under the Recapitalisation Term Sheet.
<b>Voluntary early redemption - Call Option (Elevated Liquidity Bonds)</b>	<p>The Issuer may redeem all or part of the Elevated Liquidity Bonds on any Business Day from and including:</p> <p>a) the First Issue Date to, but not including, the Interest Payment Date in April 2027, at a price equal to the Make Whole Amount;</p> <p>b) the Interest Payment Date in April 2027 to, but not including, the Interest Payment Date in April 2028 at a price equal to 107.50 per cent. of the Nominal Amount for each redeemed Bond;</p>

	<p>c) the Interest Payment Date in April 2028 to, but not including, the Maturity Date at a price equal to 100.00 per cent. of the Nominal Amount for each redeemed Bond.</p> <p>Any redemption of Bonds pursuant to the Call Option shall include accrued but unpaid interest on the redeemed Bonds.</p> <p>All partial redemptions will be made on a pro-rata basis between the Bondholders according to the procedure of CSD.</p> <p>The redemption prices above shall be determined based on the Call Option Repayment Date and not based on the date the Call Option was exercised (issue of call notice).</p>
<b>Put Option - Change of Control Event:</b>	<p>Upon a Change of Control Event occurring, each Bondholder shall have a right to require that the Issuer repurchases the relevant Bondholder's Bonds ("<b>Put Option</b>") at a price of 102.00 per cent. of the Nominal Amount of the repurchased Bonds (plus any accrued but unpaid interest on the repurchased Bonds), such put option to be exercised within fifteen (15) Business Day following the notice of a Change of Control Event. The settlement date of the put option(s) shall be on the fifth (5) Business Day after the end of the fifteen (15) Business Days period.</p>
<b>OTHER TERMS</b>	
<b>Business Day:</b>	<p>means a day on which both the relevant CSD settlement system and the relevant settlement system for the Bond Currency are open.</p>
<b>Business Day Convention:</b>	<p>In respect of the New Money Liquidity Bonds, means that if the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (Modified Following).</p> <p>In respect of the Elevated Liquidity Bonds, means that if the last day of any Interest Period originally falls on a day that is not a Business Day, no adjustment will be made to the Interest Period.</p>
<b>Default interest:</b>	<p>Interest Rate plus 3 percentage points p.a.</p>
<b>Transaction Security:</b>	<p>Subject to mandatory limitations under applicable law and the Agreed Security Principles, as Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent:</p> <p><b>Pre-Settlement Security</b></p>

	<p>(a) a first priority pledge over the Escrow Account (the "<b>Escrow Account Pledge</b>").</p> <p>The Pre-Settlement Security shall be granted in favour of the Bond Trustee (on behalf of the Bondholders under the New Money Liquidity Bonds) and shall be established in due time before the Issue Date. The Bond Trustee shall have the right (acting in its sole discretion) to release the Pre-Settlement Security in connection with the release of funds from the Escrow Account. Security over the Escrow Account shall solely secure the New Money Liquidity Bonds.</p> <p><b>Pre-Disbursement Security</b></p> <p>(a) all other Transaction Security (as defined in the Existing Intercreditor Agreement).</p> <p>The Transaction Security (other than the Escrow Account Pledge) shall be made in favour of the Security Agent on behalf of and in favour of the Secured Parties. The Transaction Security (but not the Pre-Settlement Security) will be shared between the Secured Parties in accordance with the terms of the Intercreditor Agreement, subject to the ranking set out under "Ranking and priority" herein. The Bond Trustee will, to the extent permitted by applicable law, act as security agent in respect of the Transaction Security and any other security provided in accordance with the terms of the Intercreditor Agreement (unless otherwise set out in the Intercreditor Agreement for any Permitted Security not to be shared among the Secured Parties). The Bond Trustee (in its capacity as Security Agent) shall be permitted to release any Transaction Security (1) over assets which are sold or otherwise disposed of in connection with any merger, de-merger or disposal, to the extent permitted by the Finance Documents, (2) in connection with any enforcement or insolvency, or (3) as otherwise set out in the Bond Terms.</p>
<b>Guarantees:</b>	<p>The Liquidity Bonds will be guaranteed by the same guarantors as the Existing Bonds and Existing Super Senior RCF in accordance with the Intercreditor Agreement (which will reflect the ranking contemplated under "Ranking and priority" herein).</p>
<b>Purpose:</b>	<p>The Net Proceeds from the issue of the New Money Liquidity Bonds (including any Tap Issue) shall be made available to the Issuer subject to the Conditions Precedent and used towards general corporate purposes. Any New Money Liquidity Bonds issued as settlement of any underwriting fees and/or work fees shall be issued to the underwriters as settlement of that claim.</p>
<b>Escrow Account:</b>	<p>The Issuer shall in due time prior to the Issue Date establish an escrow account (the "<b>Escrow Account</b>") with a Norwegian bank acceptable to the Bond Trustee or similar escrow arrangement where the bank has waived any set-off rights.</p> <p>The Escrow Account shall be pledged on first priority in favour of the Bond Trustee (on behalf of the Bondholders under the New Money Liquidity Bonds) and be blocked so that no withdrawals can be made therefrom without the Bond Trustee's prior written consent.</p>

<p><b>Tap Issues:</b></p>	<p>The Issuer may on one or more occasions after the First Issue Date issue additional New Money Liquidity Bonds (each a “<b>Subsequent Bond</b>”) provided that:</p> <ul style="list-style-type: none"> <li>(a) The board of directors of the Issuer have obtained the necessary approvals to issue the additional Liquidity Bonds and provided the existing Bondholders under the New Money Liquidity Bonds with at least seven (7) Business Days advance notice;</li> <li>(b) no Event of Default is continuing or would result from the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, or from the Tap Issue; and</li> <li>(c) that the aggregate amount of Bonds issued (<i>i.e.</i>, the Initial Issue Amount aggregated with any Subsequent Bonds) does not exceed the Maximum Issue Amount.</li> </ul> <p>Any Tap Issue shall, for the avoidance of doubt, be issued subject to the same Bond Terms as the Initial Bond Issue, adjusted as set out in any tap issue addendum. The price of Subsequent Bonds may be set at the Nominal Amount, at a discount or at a higher price than the Nominal Amount.</p>
<p><b>Conditions Precedent:</b></p>	<p><b><u>Pre-Settlement Conditions Precedent</u></b> - Payment of the Net Proceeds from the Initial Bond Issue into the Escrow Account shall be conditional on the Bond Trustee having received two (2) Business Days prior to the First Issue Date each of the following documents, in form and substance satisfactory to the Instructing Group</p> <ul style="list-style-type: none"> <li>(a) the Bond Terms duly executed by all parties thereto;</li> <li>(b) copies of all necessary corporate resolutions of the Issuer required to issue the Liquidity Bonds and execute the Finance Documents to which it is a party;</li> <li>(c) copies of the certificate of registration and articles of association of the Issuer;</li> <li>(d) copy of a power of attorney (unless signature rights are provided for in the relevant corporate resolution) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party;</li> <li>(e) the Escrow Account Pledge duly executed by all parties thereto and perfected;</li> <li>(f) the Bond Trustee Fee Agreement duly executed by all parties thereto;</li> <li>(g) copies of the Issuer’s latest Financial Reports (if any);</li> <li>(h) confirmation that the Liquidity Bonds are registered in the CSD (by obtaining an ISIN for the Liquidity Bonds);</li> <li>(i) legal opinions as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and legality, validity and enforceability of the Finance Documents).</li> </ul>

**Pre-Disbursement Conditions Precedent** - prior to first release from the Escrow Account:

- (a) a duly executed Release Notice from the Issuer (including a written confirmation from the Issuer to the Bond Trustee confirming that (a) the amount to be released from the Escrow Account shall be applied in accordance with the Purpose of the Initial Bond Issue, and (b) no Event of Default has occurred and is continuing or will result from the release);
- (b) unless delivered as Pre-Settlement Conditions Precedent:
  - (i) copies of all necessary corporate resolutions of each Obligor and each Security Provider required to provide the Transaction Security and execute the Finance Documents to which it is a party;
  - (ii) copies of each Obligor's and each Security Provider's (to the extent such Security Provider is granting Pre-Disbursement Security) articles of association and of a full extract from the relevant company register in respect of each such Obligor or Security Provider evidencing that each such Obligor and Security Provider is validly existing; and
  - (iii) a copy of a power of attorney (unless included in the relevant corporate resolutions) from each Obligor and each Security Provider to relevant individuals for their execution of the Finance Documents to which it is a party;
- (c) the Transaction Security Documents evidencing the Pre-Disbursement Security duly executed and/or amended (as the case may be) by all parties thereto and evidence of establishment and perfection of the Transaction Security in accordance with the Closing Procedure;
- (d) all Finance Documents (unless delivered Pre-Settlement) duly executed;
- (e) That the changes to the Existing Intercreditor Agreement as set out in Appendix 1 (*Changes to the Intercreditor Agreement*) hereto have been implemented and are effective.
- (f) Effective Date occurring under the Recapitalisation.
- (g) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to any Obligor or Security Provider entering into Finance Documents Pre-Disbursement and the legality, validity and enforceability of the Finance Documents (unless delivered Pre-Settlement)).

**Conditions Precedent - Tap Issues:**

Settlement of any Tap Issue and disbursement of the Net Proceeds (net of legal costs, fees to the manager(s) and the Bond Trustee, and any other agreed costs and expenses) to the Issuer will be subject to the fulfilment of certain conditions precedent, to be set out in the marketing documentation for such Tap Issue.

A Tap Issue shall further be subject to:

- (a) a Tap Issue addendum to the Bond Terms, duly executed;

	<p>(b) copies of corporate resolutions required for the Tap Issue and any power of attorney or other authorization required for execution of the Tap Issue addendum and any other Finance Documents; and</p> <p>(c) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of the Tap Issue addendum and any other Finance Documents (if applicable)).</p> <p>In respect of the initial issue on or about Effective Date, the Bond Trustee, acting in its sole discretion, or at the instruction of the Instructing Group, may waive the requirements for documentation or decide that delivery of certain documents shall be made subject to the Closing Procedure (as set out below).</p>
<p><b>Voting rules:</b></p>	<p>Customary voting provisions where the Bondholders under the New Money Tranche and the Elevated Tranche vote together, provided that any resolutions which are to the detriment of, or materially more detrimental to, only the Bondholders in one tranche shall require the approval of the requisite majority of Bondholders under that tranche in order to be adopted.</p> <p>The following matters shall always require the consents from each tranche affected:</p> <p>(a) Release of security;</p> <p>(b) Adverse adjustments to priority and ranking (including prior-ranking debt): and</p> <p>(c) Reduction of amounts payable or change in the time or form of payment.</p>
<p><b>Closing Procedure:</b></p>	<p>The Pre-Disbursement Conditions Precedent may be made subject to a closing procedure (the "<b>Closing Procedure</b>") agreed between the Bond Trustee and the Issuer where the parties may agree that certain Pre-Disbursement Conditions Precedent that are to be delivered prior to or in connection with the release of funds from the Escrow Account are delivered as conditions subsequent.</p> <p>Perfection of the Security (except for the Escrow Account Pledge) shall be established as soon as possible in accordance with the terms of the Closing Procedure subject to the Agreed Security Principles on or immediately after the release of funds from the Escrow Account, including to allow for certain matters to be handled post disbursement, as customary or required for practical reasons.</p> <p>Without limiting the generality of the foregoing, the Issuer and the Bond Trustee (acting on instructions from the Instructing Group) may, under the terms of the Closing Procedure, agree that any conditions precedent (including the grant of Transaction Security) which are to be delivered by or in respect of any Obligor (other than the Issuer) may be waived and/or delivered as conditions subsequent.</p>

<b>UNDERTAKINGS AND REPRESENTATIONS/WARRANTIES</b>	
<b>Representations and Warranties:</b>	The Bond Terms shall include standard representations and warranties (based on the Bond Trustee's September 2022 template). The representations and warranties shall be made by the Issuer in respect of itself and each Obligor at the date of the Bond Terms, at the Issue Date, on each date of disbursement of proceeds from the Escrow Account and at the date of issuance of any Subsequent Bonds.
<b>Information Undertakings:</b>	<p>The Bond Terms shall include information undertakings (in accordance with the Bond Trustee's September 2022 template), including information of any Mandatory Prepayment occurring.</p> <p>Without limiting the generality of the foregoing, the Issuer shall, without being requested to do so, prepare:</p> <ul style="list-style-type: none"> <li>(a) its Annual Financial Statements and make them available on its website (alternatively by arranging for publication on another relevant information platform) as soon as they become available, and not later than 120 days after the end of each of its financial years, provided that with respect to the Annual Financial Statements for the period ending on 31 December 2024, the reporting obligation shall be satisfied by the Issuer making them available not later than 181 days after the end of the financial year; and</li> <li>(b) the Interim Accounts and make them available on its website (alternatively by arranging for publication on another relevant information platform) as soon as they become available, and not later than 60 days after the end of each relevant interim period, the first time with respect to the interim period ending on 31 March 2025.</li> </ul> <p>The Issuer shall also submit to the Bond Trustee a Compliance Certificate together with each of its Financial Reports (the first time with respect to the Interim Accounts for the interim period ending on 31 March 2025) which shall contain calculations and figures in respect of the Financial Covenants.</p>
<b>General undertakings:</b>	As set out in Schedule 1 ( <i>General Undertakings</i> ) to this term sheet.
<b>Financial Covenants:</b>	Cash and Cash equivalents of the Group (including amounts available and undrawn under an RCF) to exceed NOK 25,000,000 at all times.
<b>Event of Default:</b>	Substantially as per the Existing Bonds, with reference to Material Group Companies, with a cross-default threshold of NOK 10,000,000 (or equivalent thereof in any other currency) and an equal insolvency or insolvency proceedings threshold amount (or equivalent thereof in any other currency).

	<p>If for any Material Group Company:</p> <ul style="list-style-type: none"> <li>(i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or</li> <li>(ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or</li> <li>(iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or</li> <li>(iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),</li> </ul> <p>provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of NOK 10,000,000 (or the equivalent thereof in any other currency).</p>
<b>Repurchase of Bonds:</b>	The Issuer may purchase and hold Liquidity Bonds and such Liquidity Bonds may be retained or sold in the Issuer's sole discretion, but not cancelled.
<b>Tax gross up:</b>	<p>If any Obligor is required by law to withhold any tax from any payment in respect of the Liquidity Bonds under the Finance Documents the amount of the payment due will be grossed-up to such net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required.</p> <p>Any public fees levied on the trade of Liquidity Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.</p>
<b>Early redemption option due to a tax event:</b>	If the Issuer is required by law to withhold any tax from any payment in respect of the Liquidity Bonds under the Finance Documents as a result of a change in applicable law implemented after the date of the Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Liquidity Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the relevant repayment date, provided that no such notice shall be given earlier than 60 days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Liquidity Bonds then due.
<b>Listing:</b>	The Liquidity Bonds will not be listed.

<b>DOCUMENTATION AND DEFINITIONS</b>	
<b>Existing Super Senior RCF:</b>	The existing Pareto Bank working capital facility for (i) an RCF in an aggregate maximum amount of up to NOK 100,000,000 and (ii) guarantee facilities in an aggregate maximum amount of up to EUR 1,200,000 and NOK 16,500,000, or its equivalent in other currencies.
<b>Existing Bonds / Existing Bond Issue:</b>	The up to NOK 600,000,000 Senior Secured Callable Floating Rate Bond 2024/2026 with ISIN NO0013106666, issued by Jøtul AS on 15 January 2024, in an amount of NOK 510,000,000, documented through the terms and conditions dated 9 January 2024 (as amended and restated from time to time) (the “Existing Terms and Conditions”)
<b>Secured Parties:</b>	As defined in the Intercreditor Agreement, including the Existing Super Senior RCF, and any permitted hedging, and the Liquidity Bonds.
<b>Finance Documents:</b>	The Bond Terms, the Bond Trustee Agreement, any Intercreditor Agreement, any Transaction Security Document, any Security Agent Agreement and any other document designated by the Issuer and the Bond Trustee as a Finance Document.
<b>Intercreditor Agreement:</b>	The Existing Intercreditor Agreement shall be amended pursuant to the terms set out in Appendix 1 ( <i>Changes to the Intercreditor Agreement</i> ) hereto.
<b>Governing law:</b>	Laws of Norway
<b>Jurisdiction:</b>	The courts of Norway, with Oslo District Cour (No: <i>Oslo tingrett</i> ) as court of first instance.

**SCHEDULE 1**  
**GENERAL UNDERTAKINGS**

**1. Authorisations**

The Issuer shall, and shall procure that each other Parent Group Company will, in all material respects obtain, maintain and comply with the terms of any authorisation, approval, licence and consent required for the conduct of its business as carried out from time to time.

**2. Compliance with laws**

The Issuer shall, and shall procure that each other Parent Group Company will, comply in all material respects with all laws and regulations to which it may be subject from time to time.

**3. Continuation of business**

The Issuer shall procure that no material change is made to the general nature of the business from that carried on by the Parent Group at the Issue Date.

Nothing in these terms shall prevent the dissolution of a Subsidiary of the Issuer as part of a solvent reorganization of the Parent Group.

**4. Ownership**

The Parent shall at all times directly hold 100% of the equity interests and voting rights in the Issuer.

**5. Holding company**

The Parent shall not have any subsidiaries, trade, carry on any business, own any material assets or incur any liabilities, except for that arising as a result of:

- (a) the provision of administrative services to the Issuer of a type customarily provided by a holding company;
- (b) ownership of shares in the Issuer;
- (c) Shareholder Loans;
- (d) ownership of cash and cash equivalent investments;
- (e) any liabilities incurred by the Parent under the Transaction Documents to which it is a party; and

liabilities relating to the incurrence of administrative costs (limited upwards to NOK 1,000,000 per calendar year) and amounts payable by the Parent to any public body or otherwise for the purpose of meeting statutory requirements, provided that no such amounts are owed or due to any shareholder or Affiliate of any shareholder of the Parent. The Parent shall in no event have claims against the Issuer or Group, exceeding NOK 1,000,000 in aggregate at any time.

**6. Corporate status**

The Issuer shall not change its type of organization or jurisdiction of incorporation.

**7. Mergers and de-mergers**

The Issuer shall not, and shall procure that no other Parent Group Company will, carry out:

- (a) any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Issuer or any other Group Company with any other person other than with a Group Company; or
- (b) any demerger or other corporate reorganisation having the same or equivalent effect as a demerger involving the Issuer and any Parent Group Company;

if such merger, demerger, combination or reorganisation would have a Material Adverse Effect.

**8. Financial Indebtedness**

The Issuer shall not, and shall procure that no other Group Company will, incur any additional Financial Indebtedness or maintain or prolong any existing Financial Indebtedness, other than any Permitted Financial Indebtedness.

**9. Negative pledge**

The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any Security over any of its/their assets (whether present or future), other than any Permitted Security. No Security shall be provided over assets being subject to Transaction Security (save for in respect of a Working Capital Facility and any Permitted Hedging provided that such security is made subject to the Intercreditor Agreement).

**10. Loans or credit**

The Issuer shall not, and shall procure that no other Group Company will, be a creditor in respect of any Financial Indebtedness, other than any Permitted Loan.

**11. No guarantees or indemnities**

The Issuer shall not, and shall procure that no other Group Company will, incur or allow to remain outstanding any guarantee in respect of any obligation of any person, other than any Permitted Guarantee.

**12. Disposals**

The Issuer shall not, and shall procure that no other Group Company will, sell, transfer or otherwise dispose of its assets (including shares or other securities in any person) or operations (other than to another member of the Group), unless such sale, transfer or disposal, is carried out on arms' length terms and on terms and conditions customary for such transactions and provided that it would not have a Material Adverse Effect.

**13. Distributions**

The Issuer may not make any Distributions other than a Permitted Distribution.

**14. Related party transactions**

Without limiting Clause 2 (*Compliance with laws*), the Issuer shall, and shall procure that each other Parent Group Company will, conduct all business transactions with any Affiliate at market terms and otherwise on an arm's length basis.

**15. Designation of Material Group Companies**

- (a) The Issuer shall ensure that a Group Company whose assets or EBITDA constitutes more than 5% of the Group's assets or EBITDA on a consolidated basis shall be nominated as a Material Group Company and accede as a Guarantor and that Security is granted over the

shares in such Material Group Company no later than 60 Business Days after its designation and in connection therewith provides to the Security Agent:

- (i) Transaction Security pursuant to the Bond Terms and the Intercreditor Agreement;
  - (ii) duly executed accession letters to the Guarantee and Adherence Agreement;
  - (iii) duly executed accession letters to the Intercreditor Agreement;
  - (iv) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/ -ies to execute the Finance Documents) for it and each other party to a Finance Document (other than the Agent);
  - (v) any legal opinion on the capacity and due execution, issued by a reputable law firm; and
  - (vi) any legal opinion on the validity and enforceability in respect of any Finance Documents which, if requested by the Agent, shall also include customary opinions regarding the role of the Security Agent in such jurisdiction (such as no residency or registration requirement and no need to deposit funds), issued by a reputable law firm.
- (b) Compliance with the conditions set out above shall be measured on each Quarter Date.
  - (c) The Issuer may request that any entity no longer Qualifying as a Material Group Company may be redesignated and released from any guarantees and transaction security.
  - (d) Notwithstanding anything to the contrary herein, AICO S.P.A shall not be nominated as a Material Group Company in accordance with paragraph (a) above, until and unless it falls within the threshold set out therein on or following 31 December 2025.

## **16. Subordination**

The Issuer shall procure that:

- (a) any claims or liabilities held by any direct or indirect shareholders of any Parent Group Companies (excluding (i) in respect of the Bonds and (ii) where such shareholder is another Parent Group Company) and/or any Affiliates of such direct or indirect shareholder against the Parent Group shall be solely against the Parent or the Issuer; and
- (b) any claim or liabilities from the Parent against the Group shall be solely against the Issuer; and

shall, irrespective of any agreement or provision to the contrary, be (i) subordinated in right of payment to the liabilities owed by the Parent Group Companies to the Secured Parties, (ii) subject to release provisions in connection with enforcement (substantially identical to those in the Intercreditor Agreement) in favour of the Liquidity Bond Issue and the Super Senior RCF, and (iii) have no right of payment/service until the Liquidity Bond Issue and the Super Senior RCF is repaid in full, in each case on terms satisfactory to the Agent.

**17. Payment of amounts due to previously related parties**

The Issuer shall not, and shall procure that no other Parent Group Company will make any payment or settlement of any amounts owed to Opengate Capital Management LLC or its Affiliates (the “**Opengate Group**”) including but not limited to amounts in relation to services previously provided by any part of the Opengate Group or any fee or service arrangement between any member of the Group and any part of the Opengate Group, including but not limited to amounts owed under a corporate advisory and Monitoring Services Agreement originally entered into on 1 March 2018 as amended and restated on 29 June 2023 (and as further amended and/or restated from time to time), until all amounts outstanding in relation to the Bonds have been irrevocably repaid in full, unless consented to by majority bondholders.

**SCHEDULE 2**  
**OTHER DEFINITIONS**

**“Affiliate”** means any Person, directly or indirectly, controlling or controlled by or under direct or indirect common control or management with such specified Person, including for the avoidance of doubt any investment manager, investment adviser or any Related Fund of such specified Persons. For the purpose of this definition, **“control”** when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms **“controlling”** and **“controlled”** have meanings correlative to the foregoing.

**“Related Fund”** in relation to a fund (the “first fund”), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

**“Distribution”** means, in respect of the Issuer:

- (c) the declaration, making or payment of any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);
- (d) the payment any management, advisory or other fee to or to the order of any direct or indirect shareholder or the Affiliates of such direct and indirect shareholders;
- (e) the redemption, repurchase, defeasance, retirement or repayment any of its share capital, or resolution to do so;
- (f) the granting of any loans to any direct or indirect shareholder or the Affiliates of such direct and indirect shareholders; or
- (g) make any other similar distributions or transfers of value to its or its Subsidiaries’ direct and indirect shareholders or the Affiliates of such direct and indirect shareholders.

**“Effective Date”** shall have the meaning given to that term under the Recapitalisation Term Sheet.

**“Instructing Group”** shall have the meaning given to that term under the Recapitalisation Term Sheet.

**“Issuer’s Bonds”** means any Bonds which are beneficially owned by any Parent Group Company or any Affiliate of the Parent, or any other member of the Parent Group. For the avoidance of doubt, no Bondholder shall be deemed an Affiliate of the Parent by virtue of being party to the Shareholder Agreement or any lock-up arrangements.

**“Material Adverse Effect”** means a material adverse effect on:

- (h) the ability of the Issuer or any Obligor’s ability to perform and comply with its obligations under any of the Finance Documents; or
- (i) the validity or enforceability of any of the Finance Documents.

**“Material Intra-Group Loan”** means any intra-group loan provided by the Issuer to any of its Subsidiaries where:

- (a) the term is at least twelve months; and
- (b) the principal amount (alone or when aggregated with all other intra-group loans owed to the Issuer or a Guarantor by that Subsidiary) exceeds NOK 20,000,000 (or the equivalent thereof in any other currency),

excluding any amounts related to cash pool arrangements or any intra-group balances arising from cash pooling systems.

**“Net Proceeds”** means the proceeds from the Bond Issue net of expenses and fees payable by the Issuer to the Bond Trustee on the date of the Initial Bond Issue or any Tap Issue, including estimated closing costs reasonably determined by the Bond Trustee and settlement of any amounts payable as agreed by the Instructing Group.

**“Permitted Distribution”** means any Distribution:

- (a) made to another Group Company and, if made by a Group Company which is not wholly-owned, is made pro rata to its shareholders on the basis of their respective ownership; and
- (b) made to the Parent to meet due administrative costs (limited upwards to NOK 1,000,000 per calendar year) and amounts payable by the Parent to any public body or otherwise for the purpose of meeting statutory requirements, provided that no such amounts are owed or due to any shareholder or Affiliate of any shareholder of the Parent.

**“Permitted Financial Indebtedness”** means any Financial Indebtedness:

- (a) incurred pursuant to the Finance Documents;
- (b) incurred pursuant to any Finance Leases entered into in the ordinary course of the Group's business and relating to equipment, in a maximum aggregate amount not exceeding NOK 25,000,000 (or the equivalent thereof in any other currency);
- (c) arising out of any Permitted Loan, Permitted Guarantee or Permitted Security;
- (d) incurred under any counter-indemnity obligation in respect of performance guarantees issued in the ordinary course of trading of the Group;
- (e) arising under a foreign exchange transaction or a commodity transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under these Bond Terms and/or any Working Capital Facility, but not any transaction for investment or speculative purposes;
- (f) arising under Permitted Hedging (subject to the terms of the Intercreditor Agreement);
- (g) incurred in the ordinary course of business of the Group under any advance purchase agreement or trade credit where payment is due not more than one hundred and twenty (120) calendar days after the date of supply, or any guarantee in respect of such Financial Indebtedness;

- (h) incurred under any Shareholder Loan;
- (i) incurred under any pension or tax liabilities in the ordinary course of business;
- (j) related to any agreements under which a Group Company leases office space or other premises provided that such Financial Indebtedness is incurred in the ordinary course of such Group Company's business;
- (k) incurred by the Issuer if such Financial Indebtedness (i) is incurred as a result of a Subsequent Bond Issue and meets the Incurrence Test on a pro forma basis, pari passu or is subordinated to the obligations of the Issuer under the Finance Documents and the Working Capital Facilities, and (A) meets the Incurrence Test on a pro forma basis (B) has a final maturity date or a final redemption date; and (C) when applicable, early redemption dates or instalment dates, in each case of (B) and (C) which occur after the Final Maturity Date;
- (l) incurred by the Issuer under any working capital facility provided for the general corporate purposes of the Group where the aggregate drawn cash amount may not exceed NOK 160,000,000 entered into between the Issuer and a reputable bank (a "**Working Capital Facility**");
- (m) incurred by any Group Company under any factoring arrangements provided for the general corporate purposes of the Group, provided that the maximum amount of such Financial Indebtedness, when aggregated with any drawings under any Working Capital Facility, may not exceed the amount permitted under paragraph (l) above;
- (n) owing from a Group Company to another Group Company, provided that any such debt shall be subject to a Subordination Undertaking;
- (o) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds (as applicable) and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, inter alia, the redemption of the Bonds;
- (p) any pension debt;
- (q) the Unsecured French Covid Loans; and
- (r) and any other Financial Indebtedness not permitted by the preceding paragraphs and the aggregate outstanding principal amount of which does not exceed an aggregate amount of NOK 1,000,000 for the Group (or the equivalent in other currencies) at any time.

"Permitted Guarantee" means:

- (a) any guarantee obligation arising under or out of the Finance Documents;
- (b) the endorsement of negotiable instruments in the ordinary course of trade;
- (c) any guarantee securing performance under any contract by, or which is in respect of an underlying obligation of, a Group Company, which, in each case, is entered into in the ordinary course of business;

- (d) any guarantee given in respect of the cash pooling, netting or set-off arrangements permitted pursuant to paragraph (c) of the definition of Permitted Security;
- (e) guarantees granted in connection with a disposal provided that the maximum aggregate liability for the Group Companies under any such guarantees do not exceed the value of the assets disposed of;
- (f) provided for the Working Capital Facilities (provided that the Bonds shall receive guarantee from the same party subject to the terms of the Intercreditor Agreement);
- (g) guarantees given by a Group Company to a landlord in its capacity as such;
- (h) any guarantee constituting Permitted Financial Indebtedness (other than the Working Capital Facilities) or a guarantee granted in order to secure Permitted Financial Indebtedness of any Group Company;
- (i) customary indemnities given in mandate, engagement and commitment letters; and
- (j) any guarantees or indemnities not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed NOK 1,000,000 (or its equivalent in other currencies) in aggregate of the Group at any time.

«**Permitted Hedging**» means any interest rate hedging transactions in respect of payments to be made under these Bond Terms and/or any Working Capital Facility, but not any transaction for investment or speculative purposes.

"**Permitted Loan**" means:

- (a) any Financial Indebtedness or loan made by a Group Company to another Group Company, provided that such loan shall be subject to a Subordination Undertaking;
- (b) deposits of cash or cash equivalent investments with financial institutions for cash management purposes or in the ordinary course of business;
- (c) any Financial Indebtedness or loan made or credit extended by any Group Company to its customers in the ordinary course of business;
- (d) any Financial Indebtedness arising out of any Permitted Guarantee or Permitted Security; and
- (e) any Financial Indebtedness or loan not permitted pursuant to the preceding paragraphs and the aggregate principal amount of which does not exceed NOK 1,000,000 for the Group (or its equivalent in other currencies) at any time.

"**Permitted Security**" means:

- (a) provided under the Finance Documents;
- (b) any Security arising by operation of law and in the ordinary course of trading, (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or Security in respect of any monies borrowed or raised) provided that if such Security has arisen as a result of

any default or omission by any member of the Group it shall not subsist for a period of more than 30 calendar days;

- (c) provided in relation to any lease agreement entered into by a Group Company;
- (d) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (e) provided for the Working Capital Facilities (provided that the Bonds shall receive Security over the same assets subject to the terms of the Intercreditor Agreement);
- (f) any Security over cash paid into an escrow or similar account of a Group Company in connection with a disposal;
- (g) payments into court or any Security arising under any court order or injunction or as security for costs arising in connection with any litigation or court proceedings being contested by any Group Company in good faith (which do not otherwise constitute or give rise to an Event of Default); and
- (h) any Security securing Financial Indebtedness which constitutes Permitted Financial Indebtedness or Permitted Guarantees.

**“Recapitalisation”** means the completion of all transactions contemplated under the Recapitalisation Term Sheet for the restructuring of Jøtul AS dated 28 March 2025, consummation of the transactions contemplated therein to take place on or before the Effective Date, and satisfaction of the conditions for the Effective Date set out therein (other than the issuance of the Liquidity Bonds).

**“Recapitalisation Term Sheet”** means the term sheet for the Recapitalisation.

**“Shareholder Loan”** means shareholder loan to the Issuer subject to a Subordination Undertaking.

**“Subordination Undertaking”** means a subordination undertaking where the creditor in respect of any Financial Indebtedness made available thereunder is subordinated to the obligations in respect of the Bonds and the Super Senior RCF on terms satisfactory to the Bond Trustee, including release provisions similar to those in the Intercreditor Agreement.

**“Transaction Documents”** means the Finance Documents and the documents relating to the Recapitalization.

## APPENDIX 1: CHANGES TO THE INTERCREDITOR AGREEMENT

<p><i>In addition to any logical and consequential changes, including with respect to the change of governing law, and subject to the final key terms for the Liquidity Bond Issue, the Intercreditor Agreement shall be amended and/or amended and restated as follows:</i></p>	
<b>Parties</b>	<p>Pareto Bank ASA as Original Facility Agent</p> <p>Nordic Trustee AS as Original Bonds Agent and Original Security Agent.</p>
<b>“Bonds”</b>	<p>Shall be amended and read as follows:</p> <p><u>“means the New Money Liquidity Bonds and the Elevated Liquidity Bonds (as such terms are defined in the Bond Terms).”</u></p>
<b>“Bond Terms”</b>	<p>A new definition to be added to replace all references to the “Terms and Conditions”:</p> <p><i>“means the bond terms regulating the Bonds entered into between the Issuer and the Bonds Agent on [●] April 2025 (as amended from time to time).”</i></p>
<b>“Bond Trustee”</b>	<p>A new definition to be added to replace all references to the “Bonds Agent”:</p> <p><i>“means the Original Bond Trustee or a new agent replacing the Original Bond Trustee in accordance with Clause 22 (Appointment and Replacement of the Agent) of the Bond Terms.”</i></p>
<b>Call option</b>	<p>In the case of an Event of Default which is continuing, the Bondholders under the Elevated Tranche shall have the right to purchase the New Money Liquidity Bonds for cash considerations at the outstanding amount subject to any applicable call price.</p>
<b>“Conflicting Enforcement Instructions”</b>	<p>Shall be amended and read as follows:</p> <p><i>“<b>“Conflicting Enforcement Instructions”</b> means instructions (or proposed instructions) as to enforcement of the Transaction Security or the taking of any Enforcement Action <u>actually</u> delivered to the Security Agent by a Representative that are inconsistent as to the manner of enforcement (including any inconsistency as to the timeframe for realising value from an Enforcement Action in respect of the Transaction Security or the Guarantees or a distressed disposal) <del>it being understood that, for the purpose of triggering the consultation requirements under paragraph 12.2(b) (Consultation) only and not for any other purpose (including, without limitation, determining the Instructing Party), the failure to give</del></i></p>

	<del>instructions by either the Super Senior Representative or the Senior Representative(s) will be deemed to be an instruction inconsistent with any other instructions given.”</del>
“Elevated Bond Debt”	A new definition to be added:  <i>“has the meaning given to such term in the Bond Terms.”</i>
“Elevated Liquidity Bonds”	A new definition to be added:  <i>“has the meaning given to such term in the Bond Terms.”</i>
“Elevated Tranche”	A new definition to be added:  <i>“has the meaning given to such term in the Bond Terms.”</i>
“Group”	Shall be amended and read as follows:  <i>““Group” means the Issuer and its Subsidiaries <del>for the time being</del> from time to time.”</i>
“New Money Bond Debt”	A new definition to be added:  <i>“means all indebtedness outstanding under the Bonds Finance Documents relating to the New Money Tranche.”</i>
“New Money Liquidity Bonds”	A new definition to be added:  <i>“has the meaning given to such term in the Bond Terms.”</i>
“New Money Tranche”	A new definition to be added:  <i>“has the meaning given to such term in the Bond Terms.”</i>
Clause 3.1 (Ranking of Debt)	Shall be amended to read as follows:  <i>“Unless expressly provided to the contrary in this Agreement, the Secured Obligations owed by the ICA Group Companies to the Secured Parties and the other relevant parties shall rank in right and priority of payment in the following order:</i>  <i>(a) first, the Super Senior Debt (pari passu between all indebtedness under the Super Senior RCF and the Hedging Obligations);</i>  <i>(b) <u>secondly, the New Money Bond Debt (pari passu between all indebtedness under the New Money Liquidity Bonds);</u></i>

	<p>(b) <u>thirdly</u>, the Senior Debt (less the New Money Bond Debt) (pari passu between all indebtedness under the <u>Elevated</u> Liquidity Bonds and any New Debt);</p> <p>(c) <u>fourthly</u>, any liabilities raised in the form of Intercompany Debt; and</p> <p>(d) <u>fifthly</u>, any liabilities raised in the form of Shareholder Debt.”</p>
<p><b>Clause 3.2 (Transaction Security and Guarantees) (a) (i)</b></p>	<p>Shall be amended to read as follows:</p> <p>“Unless expressly provided to the contrary in this Agreement, the Transaction Security and the Guarantees will be granted in accordance with the Agreed Security Principles and the Transaction Security Documents or the Guarantee and Adherence Agreement (as applicable) and with the following ranking and priority:</p> <p>(i) the Guarantees and the Transaction Security shall be granted with first priority ranking in respect of the Super Senior Debt and the Senior Debt, pari passu between the Super Senior Debt and the Senior Debt, <u>provided however that the New Money Debt shall rank ahead of any other Senior Debt, in each case subject always to the allocation of proceeds provision as set out in Clause 15 (Application of Recoveries); and”</u></p>
<p><b>Clause 12.1 (Enforcement Actions and Enforcement Instructions)</b></p>	<p>Subject to certain exceptions, including but not limited to the restriction set out in Clause 12.1 (d), the right to issue Enforcement Instructions to the Security Agent shall in the event of Conflicting Enforcement Instructions first go to the Instructing Party (the “<b>Initial Enforcement Instruction</b>”).</p> <p>If (a) enforcement has not commenced within three months after the Initial Enforcement Instruction was delivered to the Security Agent by the Senior Representative, or (b) no proceeds from an Enforcement Action in respect of the Transaction Security or the Guarantees have been received by the Security Agent within six (6) months after the Initial Enforcement Instruction was delivered, and provided that the Super Senior Representative has provided an Enforcement Instruction, then the Super Senior Representative shall become the Instructing Party, and any Enforcement Instruction that the Super Senior Representative will have already provided shall prevail.</p>
<p><b>Clause 12.2 (Consultation)</b></p>	<p>Clause 12.2 (Consultation), and all references to consultation in the Intercreditor Agreement shall be deleted in its entirety to allow for immediate enforcement by the Instructing Party.</p>
<p><b>Clause 15.1 (Order of Application) (a)</b></p>	<p>Shall be amended to read as follows:</p> <p>“Subject to the rights of creditors mandatorily preferred by law applying to companies generally, the proceeds of any Enforcement Action (including but not limited to any proceeds received from any direct or indirect realisation or sale by the Security Agent of any assets being</p>

subject to Transaction Security, payments under any Guarantees or proceeds received in connection with bankruptcy or other insolvency proceedings) shall be paid to the Security Agent for application in the following order of priority:

(i) **first**, in or towards payment pro rata of unpaid fees, costs, expenses and indemnities payable by the Issuer to the Security Agent;

(ii) **secondly**, in or towards payment pro rata of unpaid fees, costs, expenses and indemnities payable by the Issuer to the Paying Agent, the Super Senior RCF Creditor, the Liquidity Bonds Agent, the Bonds Agent and any agent representing creditors of any New Debt;

(iii) **thirdly**, towards payment pro rata of accrued interest unpaid under the Super Senior RCF Documents

(iv) **fourthly**, towards payment pro rata of principal under the Super Senior RCF Documents and any other costs or outstanding amounts under the Super Senior RCF Documents, and any Early Termination Amount and any other outstanding amounts under the Hedging Obligations;

(v) **fifthly**, towards payment pro rata of accrued interest unpaid with respect to the New Money Tranche (interest due on an earlier Interest Payment Date to be paid before any interest due on a later Interest Payment Date);

(vi) **sixthly**, towards payment pro rata of principal under the New Money Tranche;

(vii) **seventhly**, towards payment pro rata of accrued interest unpaid under the remaining Senior Debt (interest due on an earlier Interest Payment Date to be paid before any interest due on a later Interest Payment Date);

(viii) **eighthly**, towards payment pro rata of principal under the remaining Senior Debt;

(ix), **ninthly**, in or towards payment pro rata of any other costs or outstanding amounts unpaid under the Terms and Conditions and any Senior Finance Documents;

(x), **tenthly**, after the Final Discharge Date, towards payment pro rata of accrued interest unpaid and principal under the Intercompany Debt;

(xi), **eleventh** after the Final Discharge Date, towards payment pro rata of accrued interest unpaid and principal under the Shareholder Debt; and

(xi) **twelfth**, after the Final Discharge Date, in payment of the surplus (if any) to the relevant ICA Group Company or other person entitled to it.”

<b>Clause 17 (Release of Security and Guarantee)</b>	TBD
<b>Governing law</b>	Laws of Norway
<b>Jurisdiction</b>	The courts of Norway, with Oslo District Cour (No: <i>Oslo tingrett</i> ) as court of first instance.
<b>Other</b>	Terms in other agreements referring to terms of the intercreditor agreement that are amended pursuant hereto shall be updated accordingly to reflect the changes herein.

**Schedule 2**  
**AMENDMENTS TO THE EXISTING SUPER SENIOR RCF**

This term sheet contains the key amendments to the Existing Super Senior RCF.

<i>Defined terms used but not defined herein shall have the meaning ascribed to them in Existing Super Senior RCF.</i>	
<b>RCF Amount</b>	Reinstate the facility with a commitment of (i) NOK 100,000,000 with respect to the RCF Facility, divided into (a) a NOK 20,000,000 revolving facility (the “ <b>Revolving Facility</b> ”) and (b) a NOK 80,000,000 term facility (the “ <b>Term Facility</b> ”), and (ii) the aggregate amount of up to EUR 1,200,000 and NOK 16,500,000 with respect to the Guarantee Facility.
<b>Clean-down</b>	All drawn cash loans under the Revolving Facility, less any cash held by and available to the Group, shall be subject to simultaneous clean-down for three (3) consecutive Business Days once every calendar year. A minimum of 3 months shall elapse between each such clean down.
<b>Pricing</b>	Same as current
<b>Representations and Warranties</b>	Representations and warranties to mirror the Bond Terms for the Liquidity Bonds (as defined in the Recapitalisation Term Sheet).
<b>Term Loan</b>	Existing outstanding amount of NOK 80,000,000 to become a term loan tranche under the Term Facility.
<b>Maturity</b>	Three (3) months prior to the maturity date for the Liquidity Bonds, i.e. three years and three months.
<b>Financial Covenants</b>	Deletion of existing financial covenants.  Cash and Cash equivalents of the Group (including amounts available and undrawn under an RCF) to exceed NOK 25,000,000 at all times.
<b>Other terms</b>	Covenants, reps and warranties not more onerous than those of the New Money Liquidity Bonds, including for the avoidance of doubt chapter 20 ( <i>information undertakings</i> ) (with the exception of customary “know your customer check” and the requirement to deliver compliance certificates after the end of a clean down period). Notwithstanding anything to the contrary herein, clauses 22.3 (Environmental compliance), 22.4 (Environmental Claims) and 22.5 (Taxation) and all regulations relating to sanctions and anti-corruption in the Existing Super Senior RCF will remain in the amended and restated agreement

S1/439/95/90/3

**Schedule 3**  
**GOVERNANCE TERM SHEET**

S1/439966/3

### Schedule 3: Governance term sheet

This term sheet summarises the principal terms relating to the shareholders' agreement that will be required to be entered into by any Bondholder receiving shares in the Holding Company of Jøtul AS (the "Company") and the Holding Company's bylaws on the Effective Date. Defined terms used but not defined herein shall have the meaning ascribed to them in the Recapitalisation Term Sheet.

<b>General</b>	
<b>Definitions</b>	<p><b>"Holding Company"</b> means a Norwegian law incorporated holding company of the Company owning 100% of the shares in the Company (directly or indirectly).</p> <p><b>"Majority Participating Shareholders"</b> means a group of Participating Shareholders holding more than 50% of the Shares (excluding any MIP Shares) held by Participating Shareholders, which shall include no less than three (3) unaffiliated Participating Shareholders each holding at least 5% of the Shares held by Participating Shareholders.</p> <p><b>"MIP Shares"</b> means any shares issued as a result of the MIP.</p> <p><b>"Participating Shareholders"</b> means each Shareholder party to the Shareholders' Agreement.</p> <p><b>"Shareholders' Agreement"</b> means the shareholders' agreement entered into on the terms set out under "Shareholders' Agreement" below.</p> <p><b>"Shares"</b> means the shares in the Holding Company.</p> <p><b>"Shareholder"</b> means any holder of Shares at any time.</p>
<b>Articles of Association</b>	
<b>Articles of Association</b>	<p>The following amendments to the existing articles of association shall be resolved on and approved by the Shareholders at a general meeting held in the Holding Company on or before the Effective Date:</p> <p>The Holding Company's articles of association will be updated to reflect such changes as appropriate in order to reflect the contemplated transactions.</p> <p>The Articles of Association shall further include the following:</p> <ul style="list-style-type: none"> <li>(a) The day 1 board of directors shall consist of three (3) directors elected by the shareholders and such additional number of employee representatives as required by law;</li> <li>(b) That there shall be no pre-emption rights with respect to the Shares;</li> <li>(c) Shareholders owning more than 50% of the Shares (excluding any MIP Shares) may demand that all Shares (including any MIP Shares) be sold to a party unrelated to any such Shareholder (Drag-along);</li> <li>(d) Customary tag-along provision triggered by a disposal of 50% or more of the Shares (including any MIP Shares);</li> <li>(e) Provision requiring the dissolution of the Holding Company upon:</li> </ul>

	<p>(i) a disposal of all or substantially all of the shares in the Company and any remaining shares shall be sold; or</p> <p>(ii) a disposal of all or substantially all assets of the Group, provided that prior to dissolution of the Holding Company, the remaining direct or indirect subsidiaries of the Holding Company shall be dissolved and their assets sold,</p> <p>to be approved by no less than three unaffiliated Shareholders holding more than 50% of the Shares (excluding any MIP shares); and</p> <p>(f) In the event of an IPO of any member of the Group (other than the Holding Company), the Holding Company shall make an offer to the Shareholders to redeem their Shares (fully or partly based on fair market value) and receive shares in the IPO company as consideration.</p>
<b>Shareholders' Agreement</b>	
<b>Parties and accession</b>	<p>Each Shareholder which has subscribed for Liquidity Bonds ("<b>Subscribing Shareholder</b>"), shall become party to the Shareholders' Agreement (together with the Holding Company (to the extent the Shareholders' Agreement has any provisions pertaining to the Holding Company)) (collectively the "<b>Parties</b>").</p> <p>The provisions of the Shareholders' Agreement may on decision of the Instructing Group be included in and/or moved to the Articles of Association and any provisions rendered superfluous thereby shall be deleted.</p>
<b>Exit</b>	<p>It is the Parties' intention to facilitate a full or partial exit for the Participating Shareholders who wish to exit, either through an M&amp;A transaction ("<b>M&amp;A</b>") or through listing of the Holding Company or the Company on Oslo Børs or another regulated market (the "<b>Marketplace</b>") (an "<b>IPO</b>"), and the Parties shall use reasonable endeavors to achieve this within 24 months of the Effective Date.</p>
<b>IPO</b>	<p>In the event of a planned IPO in the Holding Company, the Participating Shareholders shall take the necessary steps that the Majority Participating Shareholders deems necessary or appropriate to effectuate a conversion of the Holding Company to an ASA, including:</p> <p>(1) transform the Holding Company into a public limited company with articles of association that, in the Majority Participating Shareholders' view, are customary for a company listed on the Marketplace, including, among other things, a nomination committee and without any transfer restrictions; and</p> <p>(2) take the necessary steps to elect a new board that meets the listing requirements of the Marketplace.</p>
<b>Lock-up and selling restrictions</b>	<p>Participating Shareholders shall be restricted from disposing of their Shares, other than to an affiliate acceding to the Shareholder Agreement as a Participating Shareholder, for a period of up to 24 months unless a shorter lock-up period is agreed by Majority Participating Shareholders (the "<b>Lock-</b></p>

	<p>up”). The Lock-up shall not prevent the Shareholders from exercising their drag- and tag-along rights.</p> <p>Following an IPO, the Participating Shareholders may freely dispose of their Shares, provided that (i) any right to dispose of Shares as part of the IPO shall be allocated prorata to Participating Shareholders, and (ii) the Majority Participating Shareholders may determine that lock-up arrangements shall continue to apply to all Participating Bondholders for up to 6 months post-IPO (applying equally to all Participating Bondholders).</p> <p>As part of an IPO, the Majority Participating Shareholders may decide that Participating Shareholders shall dispose of up to an additional 20% of their Shares originally allotted, to parties not affiliated with any Participating Shareholder, as the Majority Participating Shareholders on advice from the IPO financial adviser deems it necessary in order to meet the relevant listing requirements or facilitate a market for trading in the shares (the “<b>IPO Disposal</b>”).</p> <p>The Participating Shareholders shall have a right to participate pro rata relative to their holding of Shares in any sale of Shares in any IPO, but also an obligation to sell pro rata if so advised by the IPO advisors, as further set out under “Lock-up and selling restrictions” below.</p>
<b>Funding</b>	<p>To the extent additional funding is required, the Company shall seek to raise such funding through debt financing, structured as bond issuances or RCF bank financing, unless Majority Participating Shareholders reasonably determine that it is not feasible to raise such debt on sustainable terms, in which case it may be raised as equity in the Holding Company.</p> <p>Participating Shareholders shall have a first right of refusal (no obligation) to subscribe for any such funding (debt or equity), other than any bank financing, with their pro-rata share based on relative holdings of Shares, with a right to oversubscribe to cover for any Participating Shareholder not subscribing for its prorata share (which shall be divided pro rata between the over-subscribing Participating Shareholders based on holdings of Shares).</p> <p>The right to participate in any equity funding may be transferred to any party acceding to the Shareholders Agreement.</p> <p>All external funding of the Company shall be made on arm’s length terms. All funding from the Participating Shareholders or any of their affiliates to be provided at Company or Holding Company level (i.e. not with subsidiaries).</p>
<b>Governance</b>	<p>The day 1 directors shall be appointed by the Instructing Group (as defined in the Recapitalisation Term Sheet).</p>
<b>MIP</b>	<p>The Board of Directors shall be authorized to approve a capital increase pursuant to which the directors of the board and management of the Company shall be granted MIP Shares on terms determined by the Majority Participating Shareholders, not to exceed 10% of the share capital of the Holding Company on a fully diluted basis. The MIP Shares shall be issued as B shares without any right to vote.</p>

<b>Remedies upon breach of agreement:</b>	If a Shareholder has materially breached the Shareholders' Agreement by selling its Shares to a third party in breach of the Shareholders' Agreement, and such breach has not been remedied, the non-defaulting Participating Shareholders shall be entitled to compensation equal to the difference between (a) the higher of (i) the actual purchase price and (ii) the fair market value of the Shares, and (b) the purchase price determined in accordance with the paragraph immediately above.
<b>Confidentiality</b>	Customary confidentiality provision. The Shareholders' Agreement may be disclosed to any buyer or prospective buyer of Shares in the Company or assets of the Company, to the extent relevant in relation to the proposed transaction.
<b>Cooperation</b>	The Participating Shareholders shall vote their Shares and exercise their other shareholder rights under the Shares with the aim of achieving what has been agreed under the Shareholder Agreement.
<b>Amendment</b>	Subject to "Termination" below, amendments can be approved by the Majority Participating Shareholders, provided that no amendment may be implemented that substantially and disproportionately adversely affects one Participating Shareholder (in its capacity as such) over other shareholders and no amendments may impose any financing obligations, additional liability on any Participating Shareholder.
<b>Termination</b>	<p>The Shareholders' Agreement may be terminated by the decision of the Majority Participating Shareholders.</p> <p>The Shareholders' Agreement, shall be terminated automatically on the earlier of:</p> <ul style="list-style-type: none"> <li>(a) upon an IPO, save for in respect of an IPO any lock-up provisions; and</li> <li>(b) the date on which the Participating Shareholders cease to hold more than 50% of the Shares.</li> </ul> <p>The termination date may only be extended with the consent of all Participating Shareholders, save as set out below.</p>
<b>Governing law</b>	<p>Norwegian Law, and subject to the jurisdiction of Norwegian courts, with Oslo city court as court of first instance.</p> <p>No shareholder shall have the right to exercise its rights under mandatory provisions of Norwegian company law which may conflict the Shareholders' Agreement.</p>

Schedule 4  
LIQUIDITY BONDS SUBSCRIPTION FORM

*[intentionally omitted]*

**SCHEDULE 4**  
**COMPANY PRESENTATION**



Company  
Presentation

28 March 2025



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# Background

During FY20, the production facilities were relocated to Wrocław, Poland. The new production premises allowed capitalisation on the very strong market during FY22 and FY23 by ramping up production and seizing market shares. However, the abrupt market decline in FY24 has put pressure on margins following the added capacity. Efforts are currently underway to implement initiatives aimed at optimizing the cost base and accelerating growth to enhance margins.

Units sold declined from record volumes in FY22 of c. 99k units, to c. 49.4k units in FY24 (equal to a 50% decline). Meanwhile the market declined by 12.3%.

Supply chain issues in competitors during FY22/FY23 caused a backlog, boosting market share above normal levels despite lower demand. As this was resolved in FY24, market share dropped back. To offset this, initiatives to reduce overhead spend and decrease the direct cost base have been implemented. However, significant capital has been tied up in inventory and additional cost saving initiatives are being implemented.

The assumed increase in sales during H2 2024 did not materialise despite de-stocking at distributors as the underlying demand in key markets was weaker than expected.

Due to the above and increased interest rates, the current debt structure is difficult to service. As such further right-sizing of both the cost base and the capital structure is required to obtain a viable business.

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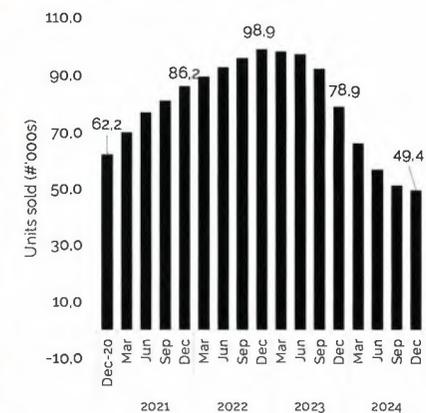
1) Pro forma adjusted in FY21. NOK 11.7m

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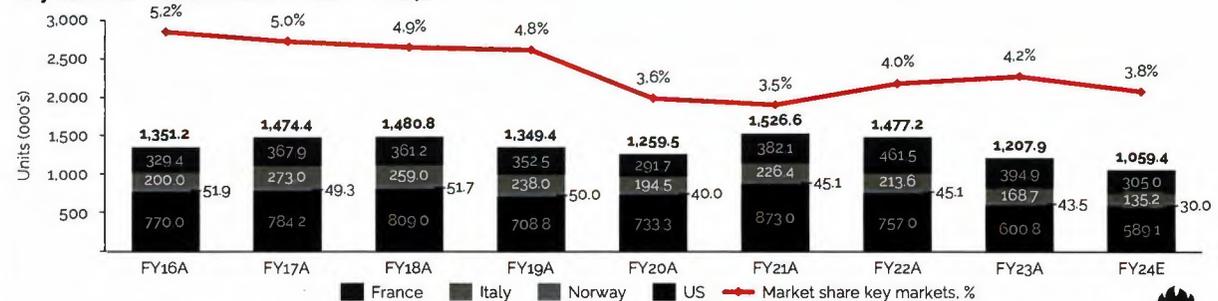
## Overview of trading FY21A – FY24A

NOKm	FY21A	FY22A	FY23A	FY24A
Norway	323.7	351.5	337.5	257.5
Italy	175.9	227.0	170.6	95.5
France	331.0	404.9	498.8	381.3
North-America	202.9	277.0	194.9	171.3
Other	235.5	354.2	372.9	161.1
<b>Total net sales</b>	<b>1,269.0</b>	<b>1,614.5</b>	<b>1,574.8</b>	<b>1,066.7</b>
Contribution	514.3	727.3	719.4	400.4
SG&A cost	(357.5)	(447.9)	(483.0)	(448.9)
<b>EBITDA</b>	<b>156.9</b>	<b>279.4</b>	<b>236.4</b>	<b>(48.6)</b>
<b>NWC impact</b>	<b>(63.1)</b>	<b>(69.8)</b>	<b>(108.8)</b>	<b>144.7</b>
Leasing payments	(44.2)	(38.3)	(47.5)	(74.2)
Other operating cash flows	(53.4)	(38.9)	(22.8)	(16.4)
<b>CF before investments</b>	<b>(3.8)</b>	<b>132.4</b>	<b>57.3</b>	<b>5.5</b>
Capex	(33.1)	(37.5)	(47.8)	(26.1)
<b>CF after investments</b>	<b>(37.0)</b>	<b>94.9</b>	<b>9.6</b>	<b>(20.6)</b>
Total CF from financing <sup>1</sup>	<b>57.7</b>	<b>(54.9)</b>	<b>(71.9)</b>	<b>32.5</b>
<b>Total cash flow</b>	<b>20.8</b>	<b>40.0</b>	<b>(62.4)</b>	<b>11.9</b>
Opening cash	70.3	91.1	131.1	68.7
Cash flow	20.8	40.0	(62.4)	11.9
<b>Closing cash</b>	<b>91.1</b>	<b>131.1</b>	<b>68.7</b>	<b>80.6</b>

## LTM Volumes sold FY21A – FY24A



## Key markets overall volume FY21A – FY24E



# Liquidity development before bond interest and before new money

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Prolonged weak financial performance and overleveraged balance sheet results in unsustainable liquidity development

Assuming a 10% YoY increase in volume sold in FY25, Jøtul is forecasting continued severe decline in liquidity following the typical pattern of lower activity during the first half of the year. A low point of NOK -60.1m, excluding operating cash need, is estimated to be reached by the time the high season starts. Gradual sales recovery, alongside matured cost saving initiatives are expected to stabilise cash flows during FY26 and generate a surplus during FY27.

## New debt structure and additional funding

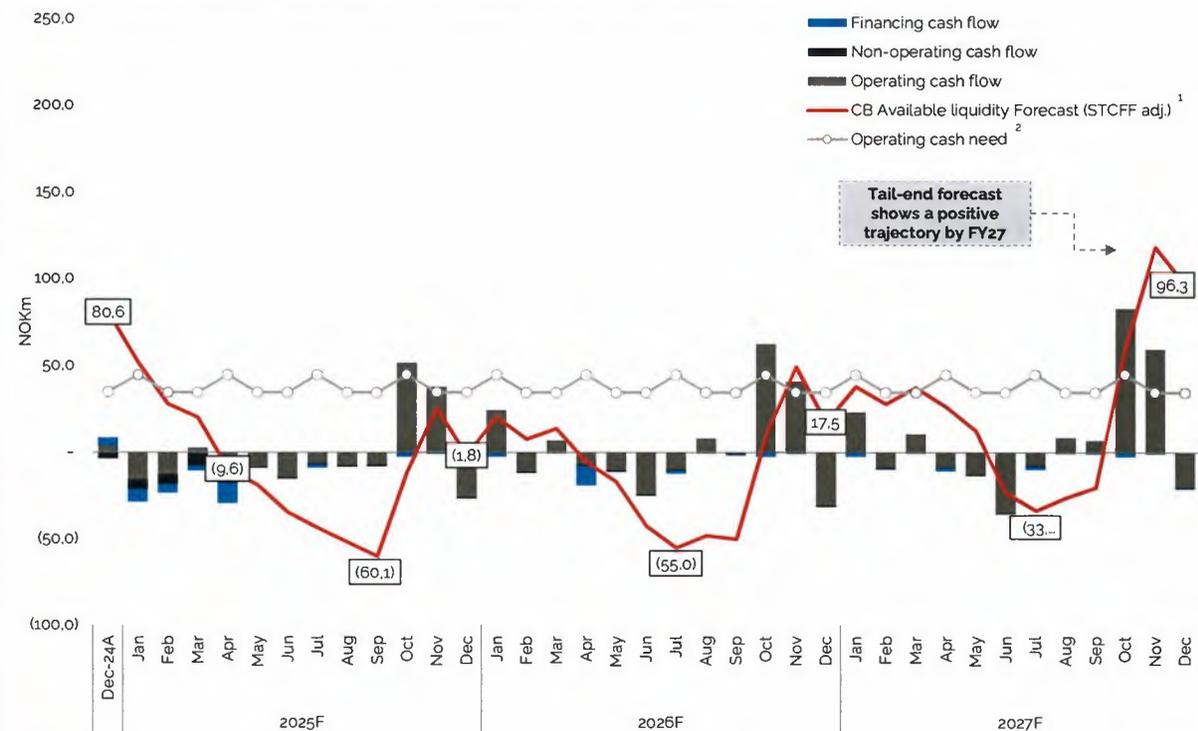
Considering these projections, Jøtul would not be able to continue operating without a substantial restructuring of its debt and without additional funding. An injection of **NOK 120m in the form of new money is required in the near term** in order to secure the seamless continuation of business.

Jøtul is requesting from various relevant stakeholders liquidity support of NOK 120m to cover the seasonal lows.

## Projections beyond debt restructuring and new money

Positive impact from cost savings and continued volume growth from commercial initiatives will mean operating leverage and a positive EBITDA development. Cash flows are expected to stabilise during FY26 and increase during FY27.

Liquidity forecast (NOKm) – excluding bond interest and excluding new money



Tail-end forecast shows a positive trajectory by FY27

Notes  
 1) Liquidity forecast adjusted for the learning from the STCFF review (refer to the supplementary analysis section of this document)  
 2) Intra-month swing NOK 10m higher in the first month of each quarter due to quarterly lease payment



# Overview of current capital structure (as of year-end 2024)

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Majority of external debt exposures are situated in the issuing entity Jøtul AS

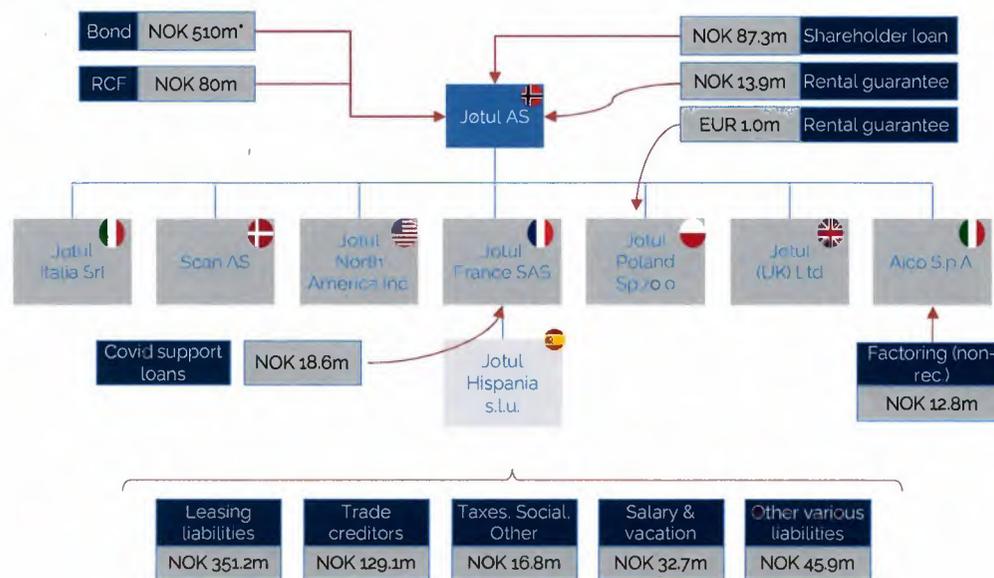
## Key debt exposure and other liabilities in Jøtul AS and Group

- Senior secured RCF and Secured Bond both issued in Jøtul AS, as well as Shareholder loan from OpenGate.
- Aico Italy currently uses factoring with recourse (on-balance), although this is planned to be wound down during early 2025. Factoring without recourse (off balance sheet) is assumed continued to be used in several jurisdictions (France, Norway, Italy and other).
- The two French entities have Covid support loans which are to be repaid in equal parts in Apr25 and Apr26.
- Leasing liabilities (IFRS16) mainly relate to rental agreements in Norway, Poland and US. Note that Jøtul AS has issued bank guarantees (with Pareto Bank) for the rental contracts in Norway and Poland.

## Key stakeholders considered in the debt restructuring process

- OpenGate Capital (Sole shareholder and issuer of shareholder loan)
- Pareto Bank ASA (SSRCF holder and guarantor for NO/PL rental guarantees)
- Bondholder community, together representing >2/3 majority (Ad Hoc Group "AHG")

## External Debt overview across Group (Dec24A balances)



## Other liabilities across Group (Total Group balances)

Note: \* Excluding accrued interest



# Debt restructuring<sup>1)</sup>

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A comprehensive restructuring of debt is envisaged with certain key stakeholders to strengthen the balance sheet of the Group and to reduce the servicing cost

Creditor category	Quantum	Current position	Envisaged long-term solution
Super Senior RCF	<ul style="list-style-type: none"> <li>NOK 80m (Dec24A)</li> </ul>	<ul style="list-style-type: none"> <li>Draw freeze</li> <li>Maturity date: 15<sup>th</sup> April 2026 (3 months prior to Secured Bond)</li> </ul>	<ul style="list-style-type: none"> <li>Extend maturity to 3 months prior to the maturity date for the New Money Liquidity Bonds</li> <li>Reinstate the facility up to NOK 100m, divided into a NOK 80m term facility and NOK 20m RCF (New money) with annual clean-down</li> <li>Covenants, reps and warranties not more onerous than those of the New Money Liquidity Bonds</li> </ul>
Secured Bond	<ul style="list-style-type: none"> <li>NOK 510m (Principal)</li> </ul>	<ul style="list-style-type: none"> <li>Unpaid Jan25 coupon (NOK 16.4m)</li> <li>Total balance at Apr25 includes principal, interests overdue, interest accrued, etc.</li> <li>Maturity date: 15<sup>th</sup> July 2026</li> </ul>	<ul style="list-style-type: none"> <li>All outstanding amounts (incl. accrued and unpaid interest) less (i) Elevated Liquidity Bonds and (ii) all claims for fees and expenses of the Bond Trustee, converted to equity</li> </ul>
Elevated Liquidity Bonds	<ul style="list-style-type: none"> <li>NOK 100m</li> </ul>	<ul style="list-style-type: none"> <li>N/a</li> </ul>	<ul style="list-style-type: none"> <li>NOK 100m re-instated and to be allocated to subscribers (only) of New Money Liquidity Bonds</li> <li>Elevated Liquidity Bonds ranking behind New Money Liquidity Bonds</li> <li>4 years maturity</li> <li>12.5%/15.0% PIK toggle</li> </ul>
Shareholder loans and unpaid management fees	<ul style="list-style-type: none"> <li>NOK 87.3m (Dec24A)</li> <li>NOK 8m unpaid management fees (Dec24A)</li> </ul>	<ul style="list-style-type: none"> <li>PIK interest on the loans</li> </ul>	<ul style="list-style-type: none"> <li>Shareholder loans have been converted to equity in full</li> <li>Expected to be settled at a discount on closing.</li> </ul>
New Money – Liquidity Bonds	<ul style="list-style-type: none"> <li>NOK 100m</li> </ul>	<ul style="list-style-type: none"> <li>N/a</li> </ul>	<ul style="list-style-type: none"> <li>3.5 years maturity</li> <li>3mN + 6.5% (cash)</li> <li>Ranking senior to Elevated Liquidity Bonds but behind Super Senior RCF</li> <li>Financial Covenant: Minimum cash of NOK 25m</li> </ul>

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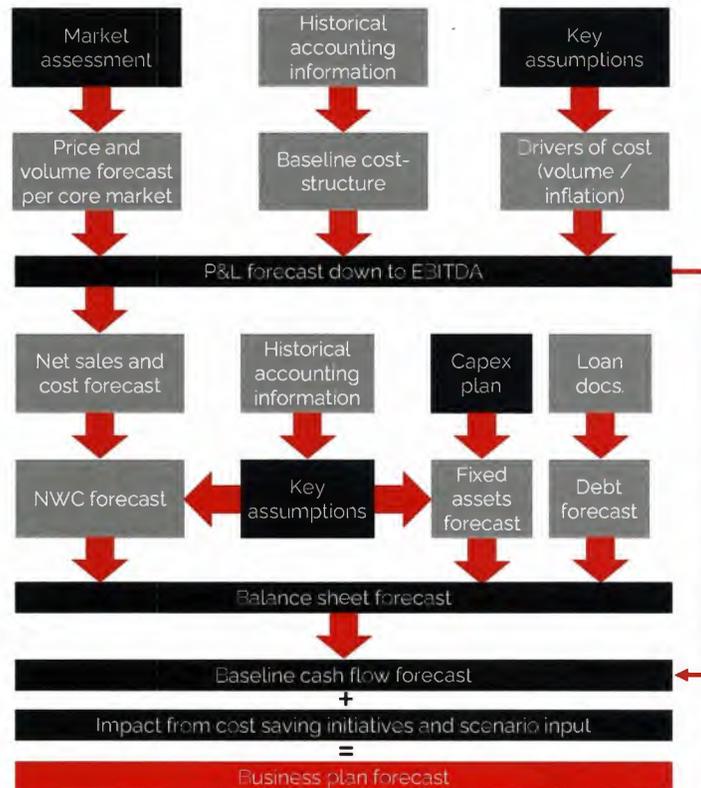
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# Business plan approach and structure

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## Baseline model structure



The business plan was developed by Jøtul's management, with support from its advisor, Alvarez & Marsal. The overview below summarizes the approach used for building up the various elements of the model and for feeding them with data.

- The market assessment report is the baseline driving the volume scenario used in the model
- Historical accounting information has been analysed to establish the current cost base with the following key inputs
  - Standard price / cost analysis per fuel type and region
    - Per YTD Sep24
  - Extract from the general ledger
    - Jan21-Oct24
  - Entity-level SG&A breakdown by function and cost-type
    - Has been made available per YTD Oct24, covering 82% of total cost base
  - Entity-level breakdown of FTEs
    - Per FY24
  - IFRS 16 extract from House of control
    - Containing all contracts but USA
- Starting point for key assumptions have been historical information where:
  - Standard cost and price mix per region and core market is assumed to remain stable
  - Standard cost deviation is assumed to vary equal to historical level based on volumes
  - SG&A cost base has been divided into volume driven and inflation driven components, with the baseline being equal to YTD Oct24 across the whole group.
  - Leasing baseline has been assumed to remain in line with Oct24 levels + inflation then reduced straight line depending on the volume scenario.
  - Net working capital modelled in line with most recent historical trading with some adjustments to cater for seasonality appropriately
  - Debt items modelled according to current capital structure
- The model is built to simulate a baseline, on which initiatives are added to reflect the actual business plan.
- The business plan has been adjusted to reflect findings from the STCF review

# Market outlook – Key markets

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## Forecast market development

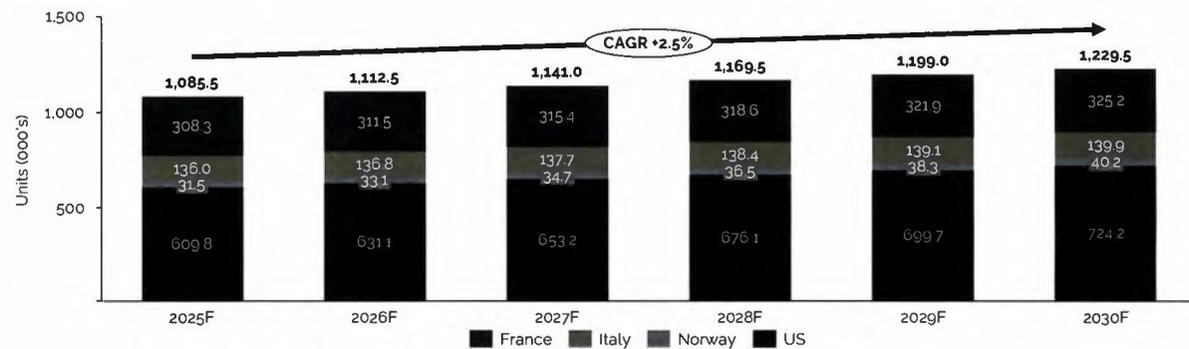
Volumes in key markets are expected to grow in FY25F from FY24's historical lows, largely driven by the current backlog of residential renovation accumulated during FY23 and FY24.

The recovery is most evident in the US where recent orders for early 2025 display a pick-up fuelled by post-election optimism and confirmation of a more expansive monetary policy stance by the Federal Reserve. In European markets, volumes are expected to remain largely stable. In Norway, the main growth driver is the introduction of pellet stoves in the local market with the expectation to sell c. 500 units in FY25.

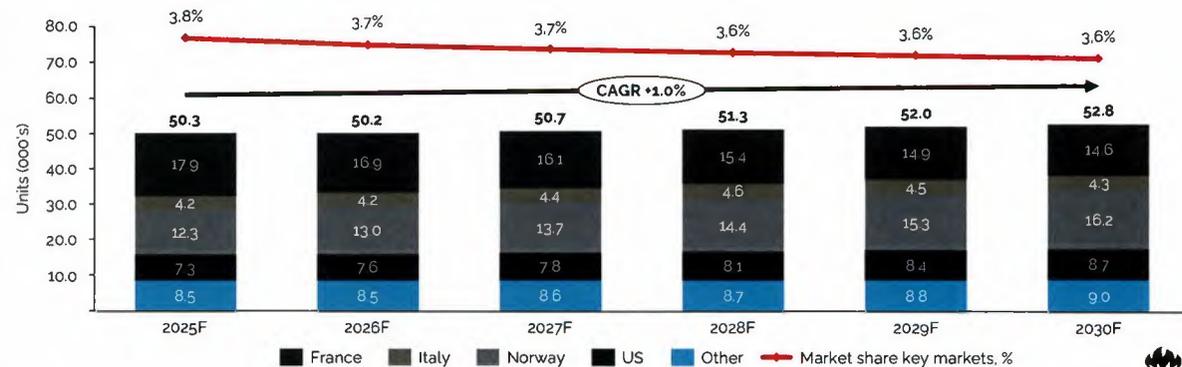
Underlying key markets are expected to grow by 2.5% CAGR over FY25-FY30F. However, the growth is driven by a stronger market outlook for pellets compared to wood, as pellet fuel prices have normalized following a surge in pellet prices over the recent years, especially in France and Italy. Since Jøtul's current product mix is biased toward wood, the market share in these markets are expected to reduce over the period. This is expected to have a negative impact to overall growth, implying an underlying 1.0% CAGR in over the period.

While the overall growth trajectory is modestly positive, the growth mix favoring pellets is unfavorable to Jøtul given their current market position, which is favorable to wood. Hence, commercial actions are needed to ensure that volumes are recovered by targeting growth opportunities within pellets and increasing expanding market share within wood, to ensure a stable growth going forward.

Key markets forecast FY25F – FY30F



Jøtul implied volume FY25 – FY30F



## Key assumptions

The underlying market is expected to **gradually recover** from FY25 to FY27, primarily driven by increased pellet stove sales. To accelerate growth, the company is implementing initiatives focused on **production improvements, supply chain optimization, and market expansion** in Germany, Sweden, and other export markets.

Key measures include enhancing **delivery performance**, targeting **cost savings**, and optimizing **cross-selling** within the current product portfolio. While pricing remains under pressure in FY25 due to demand for lower-priced stoves, they are expected to normalize and increase in line with inflation from FY26 onward.

Operational efficiencies and cost-saving measures, such as insourcing distribution, workforce right-sizing, and optimized production, will help strengthen EBITDA from NOK 96.8m in FY25 to NOK 226.2m in FY27.

**NWC** expected to remain stable in FY25, with inventory destocking in AICO balancing AP roll-over from Dec24.

**Seasonality** results in inventory build up until August, which is then released during peak season (Sept–Dec), driving swings in receivables and payables.

Covid-support loans will be fully repaid in FY26. **New financing** of NOK 120m from bondholders and RCF in Apr25.

**Capex** focus primarily targetting essential R&D and revenue-driving projects; **leasing** payments decreasing due to portfolio optimisation.

**Taxes** payable in profitable divisions, and offset in those with tax losses carried forward. **NRI** most significant in FY25 related to the refinancing.

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Item	Description	Key assumption	Output / cash impact		
			FY25	FY26	FY27
<b>P&amp;L</b>			<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
<b>Volume</b>	Market comprises of pellet, wood and gas burning stoves	Addressing manufacturing and supply chain inefficiencies to improve delivery performance. Expanding German market potential and further developing export markets. Strengthening pellet stove sales and optimizing cross-selling opportunities.	Net sales increase from NOK 1,146.8m (FY25) to NOK 1,553.3m (FY27)		
<b>Price</b>	Price per unit by region and fuel type	Short-term price pressure due to mix shift, but price normalization expected from FY26.			
<b>Cost Management &amp; Operational Efficiency</b>	Direct and Indirect cost optimization	Insourcing of distribution to replace 3PL, reducing long-term logistics costs but temporarily increasing FY25-FY26 distribution expenses. Foundry optimization in Norway and workforce restructuring to improve cost efficiency. Standard COGS inflation of -2% p.a. from FY26, with deviations expected to normalize as production volumes increase.	Total direct costs increase from NOK (644.1)m (FY25) to NOK (852.2)m (FY27)		
<b>SG&amp;A and indirect personnel costs</b>	Fixed costs	Reduction in indirect personnel costs through FTE optimization in FY25. Salary increase of -3% p.a. from FY26 onward, in line with industry trends. SG&A expenses to rise with inflation (-2.5% in FY25, -2% from FY26 onward).	NOK (405.9)m	NOK (440.8)m	NOK (475.0)m
<b>EBITDA</b>		Expected to strengthen significantly, supported by: Cost savings of NOK 36m (FY25) and NOK 25m annually in FY26-FY27. Volume growth and efficiency improvements in supply chain and manufacturing.	NOK 96.8m	NOK 150.0m	NOK 226.2m
<b>Balance sheet</b>			<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
<b>Working capital (NWC)</b>	Inventory, accounts receivable and other current assets less accounts payable and other current liabilities	Inventory overstock reduces throughout H1-25, aligning with volume needs. Receivables will follow a normalize patten, with a reduction in Italy (factoring). Payables adjusted for seasonality effects.	NOK 2.2m	NOK 7.6m	NOK 3.8m
<b>Financing cash flows</b>	Comprise Covid loans, Factoring, Loan receivable, RCF and new financing	Debt repayments: Covid loans cleared by FY26. New funding: NOK 120m in Apr25 (NOK 100m bonds, NOK 20m RCF). Factoring fees and amortization managed quarterly.	NOK 78.3m	NOK (34.5)m	NOK (25.2)m
<b>Capex and leases</b>	Group capex, specified by type of capex. Leases related to house and other leases	Investments focus on machinery, R&D, and IT (-NOK 26.5m in FY25, scaling up in FY27). Lease costs reduce as agreements expire, offset by indexation on remaining leases.	NOK (99.2)m	NOK (103.2)m	NOK (124.7)m
<b>Taxes and other</b>	Cash taxes related to the profitable entities of the Group. NRI consists of one-off expenses	Tax payments assumed to prior years payments in relation to net sales in each respective entity. NRI comprises refinancing fees of NOK 28m in FY25 and management fee of NOK 8m (unpaid) per year.	NOK (42.8)m	NOK (15.2)m	NOK (15.6)m



# Summary Business Plan

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Continued weak market is expected during H1-25 with a slight recovery during H2-25. From FY26 Net sales are expected to increase following implementation of commercial acceleration initiatives, expected to start taking effect by late FY25 and then ramp up. Cost savings from personnel reductions, SG&A savings and right sizing of leasing portfolio are currently being implemented. NWC requirements are sized to service the volume forecast, while capex spend will be reduced to the most essential investments.

Net sales have been forecast by core markets Norway, Italy, France, North America and "Other" and by fuel type (Wood / Pellets / Gas). Main growth expected from gas stoves in North-America and wood stoves in Norway, supported by growth in non-core markets, while France and Italy is expected to remain stable albeit a mix-shift from wood to pellet stoves.

Cost saving initiatives targeting FTEs in Norway, Poland, Italy and Denmark, mainly relating to Manufacturing and R&D, insourcing of distribution and right-sizing of leasing portfolio are being implemented with an expected total EBITDA impact of NOK 48m in FY25 and run-rate impact of c. NOK 36m and NOK 25m in FY26 and FY27, respectively.

The cost base is generally assumed to increase by 2.5% in FY25 and 2% in FY26-FY27 and partly volume driven. Capex has been assumed to a minimum spend to meet regulatory requirements and keep machines functioning.

The base case assumes a financing of NOK 120m at 12% interest to meet the capital requirements of the business plan. Additionally, the current foundry equipment needs replacement in the coming 3-5 years, which will require additional capex of c. EUR 6m

1 Cash flow from financing comprises Covid related debt and factoring

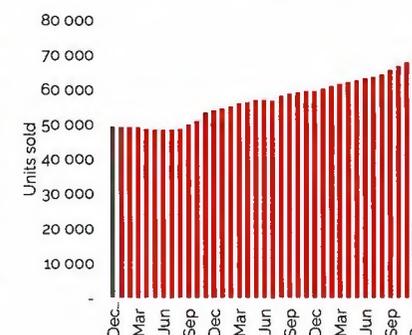
## Business plan forecast FY24A-FY27F

NOKm	FY24A	FY25F	FY26F	FY27F
Norway	257.5	231.1	323.3	373.8
Italy	95.5	115.6	101.3	119.0
France	381.3	394.8	406.4	432.6
North-America	171.3	160.8	180.7	205.7
Other	161.1	244.4	304.6	422.2
<b>Total net sales</b>	<b>1,066.7</b>	<b>1,146.8</b>	<b>1,316.2</b>	<b>1,553.3</b>
Contribution	400.4	502.7	590.8	701.1
SG&A cost	(448.9)	(405.9)	(440.8)	(475.0)
<b>EBITDA</b>	<b>(48.6)</b>	<b>96.8</b>	<b>150.0</b>	<b>226.2</b>
NWC impact	144.7	2.2	7.6	3.8
Leasing payments	(74.2)	(72.7)	(71.8)	(70.7)
Other operating cash flows	(16.4)	(42.8)	(15.2)	(15.6)
<b>CF before investments</b>	<b>5.5</b>	<b>(16.6)</b>	<b>70.6</b>	<b>143.7</b>
Capex	(26.1)	(26.5)	(31.4)	(54.0)
<b>CF after investments</b>	<b>(20.6)</b>	<b>(43.1)</b>	<b>39.3</b>	<b>89.6</b>
Cash flow from financing <sup>1</sup>	32.5	78.3	(34.5)	(25.2)
<b>Total cash flow</b>	<b>11.9</b>	<b>35.2</b>	<b>4.8</b>	<b>64.4</b>
Opening cash	68.7	80.6	115.9	120.7
Cash flow	11.9	35.2	4.8	64.4
<b>Closing cash</b>	<b>80.6</b>	<b>115.9</b>	<b>120.7</b>	<b>185.1</b>

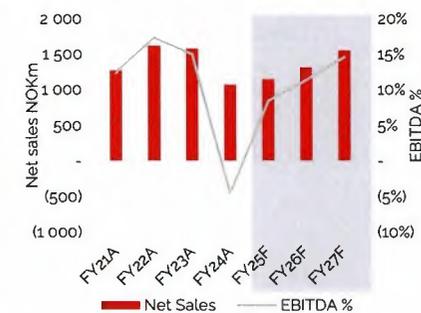
## Cost saving and other cash release initiatives FY25-27F

NOKm	Comment	FY25F	FY26F	FY27F
FTE reduction	Reduction and furloughs	20.4	14.0	5.3
Salary freeze	Implemented in FY25	3.9	4.0	4.1
Bill of material	COGS related to Scan stoves	0.4	1.1	1.6
Insourcing of distribution	Insourcing from Q4-24	5.1	4.9	4.5
Manufacturing	Repairs, system terminations	2.3	1.1	(0.3)
Warranty claims	Improved quality	2.8	3.2	2.1
Purchase and logistics	Rentals, fuel and consultants	3.1	3.2	2.1
Sales	Fairs and red. of dealer income	6.7	(0.8)	(1.5)
Marketing	Non-participation of fairs	1.3	1.4	0.9
R&D	Testing and certification	0.1	-	-
General administration	Office maint. and other	1.1	0.8	0.6
Leasing payments	Right-sizing of lease portfolio	1.1	3.2	5.4
<b>Total cost savings</b>		<b>48.4</b>	<b>36.1</b>	<b>24.9</b>

## LTM Volume forecast FY24A-FY27F



## Net sales and EBITDA FY24A-FY27F



# Business plan – Monthly and quarterly forecast

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A continued decline during H1-25 is expected following the typical pattern of lower activity during the spring, followed by a pick-up during H2-25, which will drive NWC need, and resulting in a cash low point of NOK 61.1m by Sep-25, excluding operating cash need. Total YoY volume growth in FY25 assumed to 10%, driven mainly by Italy and non-core markets, offset by decline in Norway. Increased volumes from commercial initiatives and run-rate impact of cost savings are expected to stabilise cash flows during FY26 and generate a surplus during FY27.

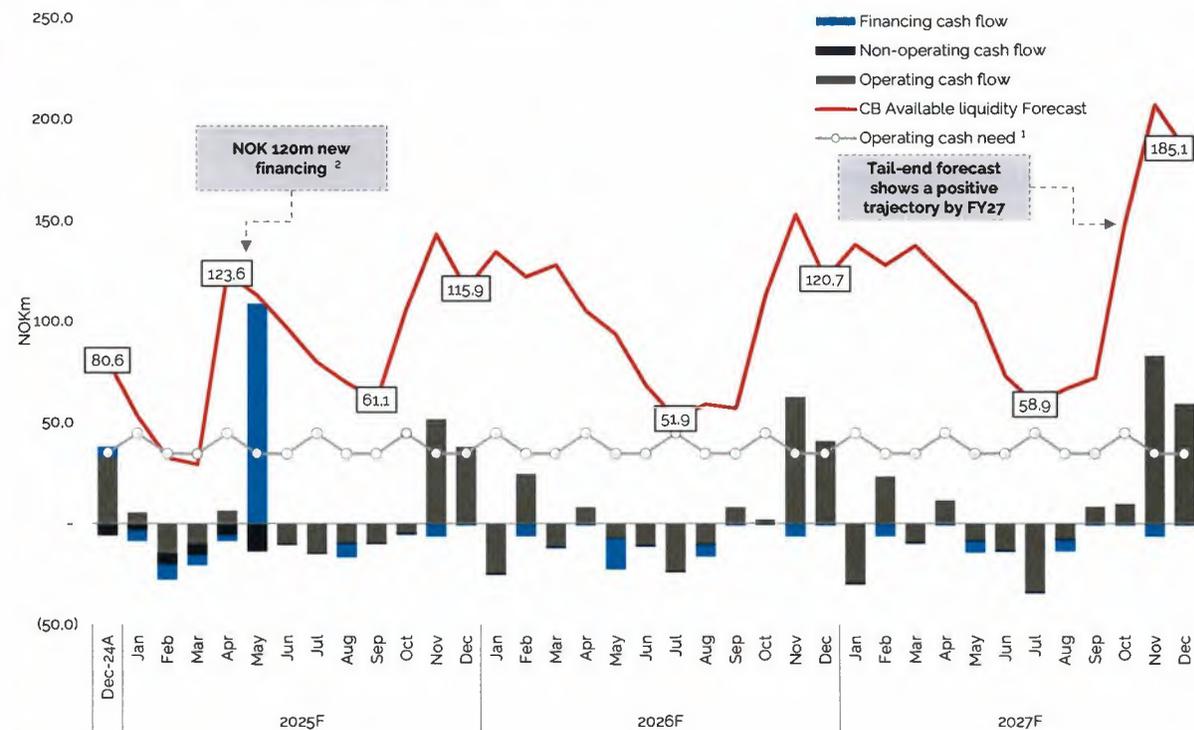
## H1-25 to H2-25 cash flow

During H1, operating cash flows are expected to be suppressed from seasonal low trading, high leasing payments, capex need, payment of deferred supplier payables from FY24 year-end and covid related debt. This is however offset by a positive impact in NWC following de-stocking of inventory, mainly in Aico Italy. Trading is expected to have a positive impact on H2, which is offset by working capital need, continued leasing payments and capex spend. Furthermore, initial investments necessary to allow for future growth are assumed to be made during H1-25. Due to an expected ramp-up in sales and working capital need during early fall, intra-year low-point is expected in September of NOK 61.1m, excluding operating cash need of NOK 35m.

## FY26-27 forecast

Positive impact from cost savings and continued volume growth from commercial initiatives will mean operating leverage and a positive EBITDA development. Cash flows are expected to stabilise during FY26 and increase during FY27.

Liquidity forecast (NOKm) – Including new financing NOK 120m



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Notes

1) Intra-month swing NOK 10m higher in the first month of each quarter due to quarterly lease payment

2) NOK 120m if new financing assumed to be secured via NOK 100m additional loan from the bondholders and NOK 20m additional credit from the Senior secured RCF (i.e. increase of facility from NOK 80m to NOK 100m)



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# Adjusted Business Plan

**An in-depth review of the Group's short-term cash flow forecasting (STCFF) process was conducted by advisors during February 2025 and learnings from that review were applied to the business plan.**

Based on the findings of the STCFF review, certain assumptions in the BP have been identified that do not align with the latest available information, or managements latest view. These assumptions include:

1. Factoring implementation in Italy in BP assumed in Jan25 is not yet implemented
2. Sales margins are assumed to remain stable in all regions compared to YTD Sep24 levels in the BP, while we understand sales campaigns in North America have been implemented in Jan-Feb25, impacting margins negatively.
3. Sales campaigns historically run in FY24 in North America giving future discounts to orders placed before April, impacting net sales negatively.

The business plan has been adjusted for the updated assumptions to align closing cash to the opportunity adjusted STCFF forecast.

## Key assumptions in Business Plan

- Following preparation of FY25 Budget in Nov24, the FY25-27 BP process was initiated in end of Nov24.
- The BP is largely driven by YTD Oct24 historical information as per latest available at the onset of the BP process, with updates to more recent information (per Dec24) as available.

### Key inputs for the business plan include:

- Market assessment volumes, with additional volume driven by identified initiatives providing upside to market assessment
- YTD Sep24 information of price and cost for products per fuel type and region
- Historical SG&A cost breakdown by function and cost type
- Entity-level breakdown of FTEs and related costs
- Cost savings initiatives implemented or planned for FY25
- Key assumptions for BP include:
- Standard cost price and mix per region assumed to remain stable
- SG&A cost divided in volume / inflation driven components
- Leasing baseline remain in line with Oct24, driven by inflation
- NWC in line with most recent historical trading, adjusted for seasonality

## Adjustments to Business Plan

### Proposed adjustments include:

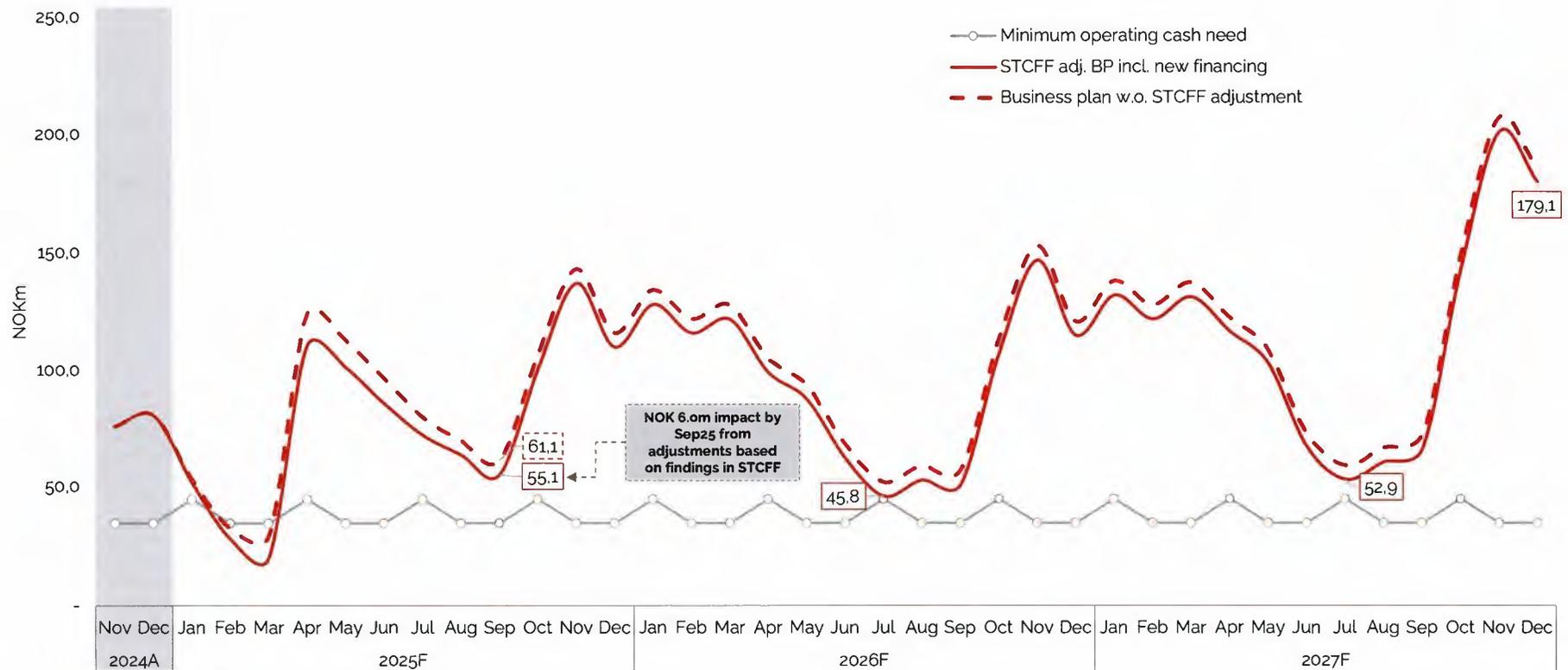
1. Adjustment for factoring implementation in Italy, originally assumed in Jan25 ramping up until Jun25, to May25 ramping up until Aug25. This has a cash impact of NOK (6.9)m in Jan25-Apr25 in the BP (positive net cash impact of NOK 0.1m over FY25-27 due to less factoring fees). We understand that Management is looking in to starting this already in Mar-25. However, as implementation may take extra time, we conservatively adjust this with start in May25.
2. Adjustment of North America price index to 90% (vs 97.5%) input over Jan25 to Feb25 to account for early buy campaign (10% discount) which was launched during Jan-Feb and early pay discounts (2% discount). This has a cash impact of NOK (2.0)m in Jan25-Apr25 and net cash impact of NOK (1.9)m in FY25-FY27.
3. Adjustment to North America net sales in Mar25-Apr25 to account for accrued credits relating to marketing campaigns in 2024 expected to be credited to customers over Mar25/Apr25, amounting to USD 399k (NOK 4.3m).

**Total cash impact to Sep-25 low point amount to negative c. NOK 6m, compared to the original business plan.**

# Business plan – STCFF adjusted business plan

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The business plan has been adjusted to reflect the findings from the STCFF review, which has a total of NOK 6.0m impact to cash flows.



# Business plan – Monthly liquidity forecast, **Base case**

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The graph illustrates the forecast liquidity in STCFF adj. BP and STCFF adj. BP incl. new financing, excluding bond interest payments on old bonds, before operating cash need.

Both scenarios assumes a market recovery starting from FY25 and base case impact from volume acceleration initiatives (excluding the mass merchant initiative and OEM manufacturing initiatives) driving the following volumes:

- FY25: 53,892
- FY26: 59,407
- FY27: 68,443

**STCFF adj. BP** includes above volumes applied to Original BP, including the proposed adjustments to the business plan, including Advisor fees of NOK 13m paid in Apr25

**STCFF adj. BP incl. new financing** includes above volumes applied to STCFF adj. BP and new financing:

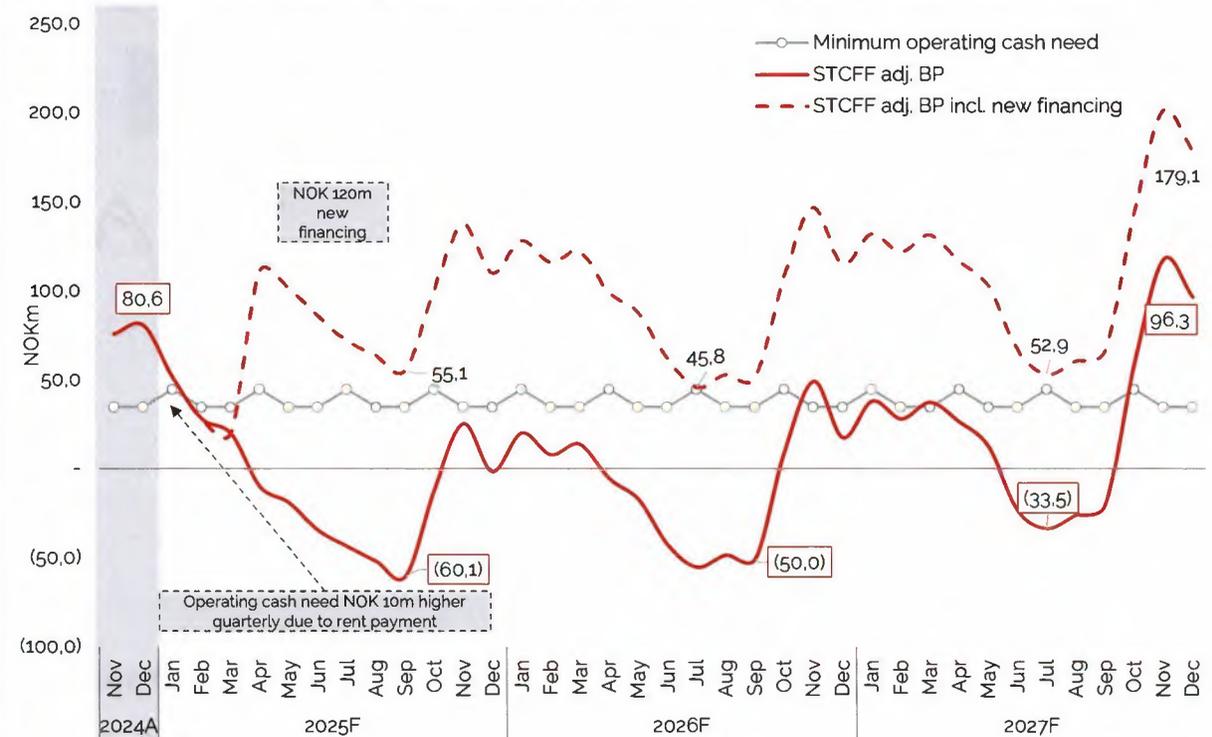
- New financing of NOK 120m from 1<sup>st</sup> April 2025 (for forecasting purposes assumed all as new bond at 12% interest rate). Interest paid quarterly.

## Funding requirement STCFF adj. BP – Base case

NOKm	FY25	FY26	FY27
Intra-year low point	(47.1)	(42.0)	(20.5)
Date	Sep-25	Jul-26	Jul-27
Operating cash need <sup>1</sup>	(34.6)	(44.6)	(44.6)
<b>Op. funding requirement<sup>2</sup></b>	<b>(81.7)</b>	<b>(86.6)</b>	<b>(65.1)</b>
Paid interest	(4.8)	(19.2)	(33.6)
Advisor fees	(13.0)	(13.0)	(13.0)
<b>Tot. funding requirement</b>	<b>(99.5)</b>	<b>(118.8)</b>	<b>(111.7)</b>

- 1) Intra month swing NOK 10m higher in the first month of each quarter due to quarterly lease payment
- 2) Excluding bond interest

Liquidity forecast (NOKm) – STCFF adj. BP and STCFF adj. BP incl. new financing, with Base case volumes scenario



# Sensitivity: Volumes

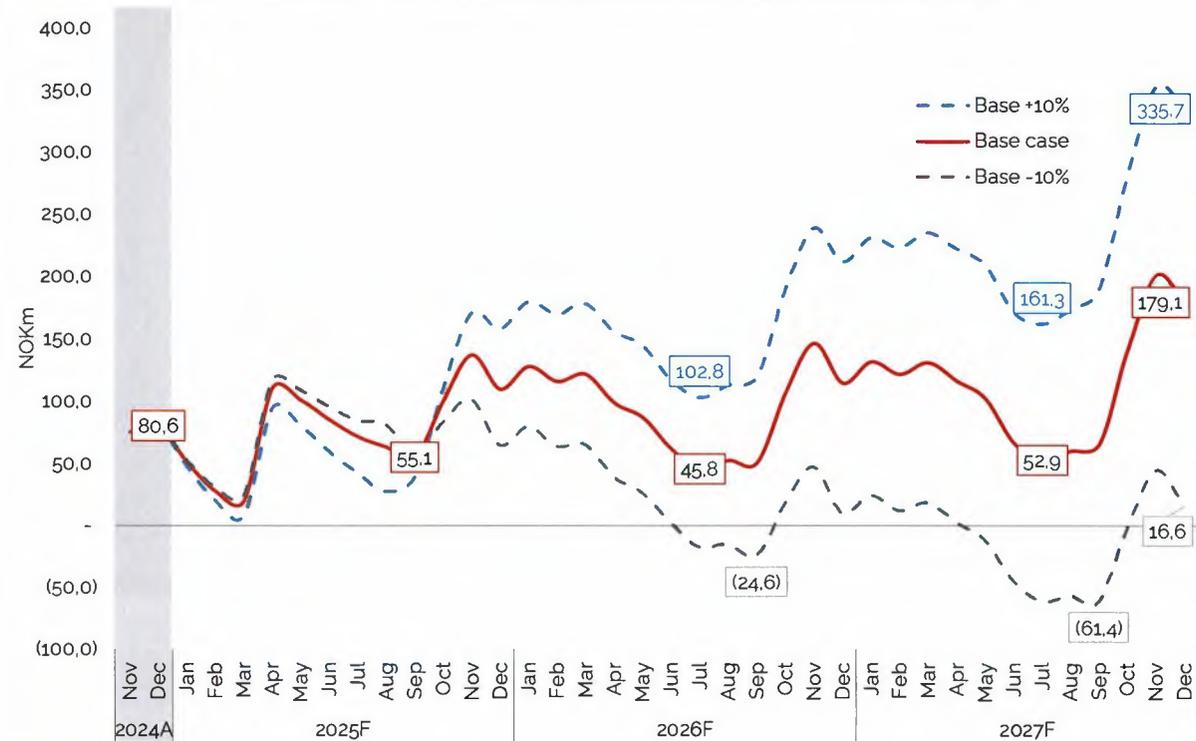
The graph illustrates the forecast liquidity in STCFF adj. BP incl. New Financing with applied sensitivity to volumes, before operating cash need.

STCFF adj. BP incl. New Financing volumes:

- FY25: 53,892
- FY26: 59,408
- FY27: 68,443

CB impact (NOKm)	FY25	FY26	FY27
Volumes +15%	71.1	146.7	234.9
Volumes +10%	47.5	96.4	156.6
Volumes +5%	23.1	47.8	77.8
Base	-	-	-
Volumes -5%	(22.7)	(50.8)	(78.8)
Volumes -10%	(45.1)	(104.5)	(162.5)
Volumes -15%	(67.5)	(153.8)	(241.7)

Illustrative liquidity forecast (NOKm) – Volume sensitivity applied to STCFF adj. BP incl. New Financing



# Sensitivity: Inventory

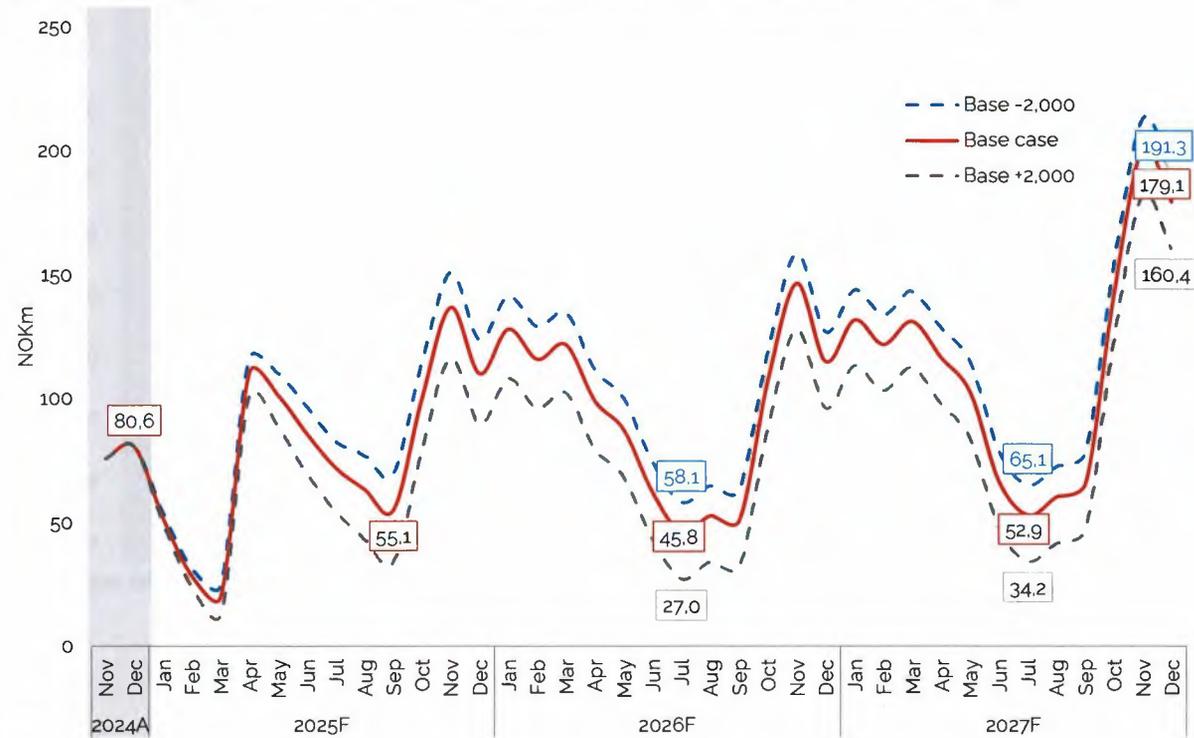
The graph illustrates the forecast liquidity in STCFF adj. BP incl. New Financing with applied sensitivity to inventory build-up in Aug and Dec each year, before operating cash need.

## STCFF adj. BP incl. New Financing inventory:

- Aug25: NOK 341m, 7,209 units
- Aug26: NOK 353m, 8,157 units
- Aug27: NOK 381m, 10,189 units
- December 5,000 units closing balance every year

CB impact (NOKm)	FY25	FY26	FY27
+3,000 units	(29.2)	(26.7)	(26.8)
+2,000 units	(20.3)	(18.6)	(18.7)
+1,000 units	(10.2)	(9.3)	(9.4)
Base	-	-	-
-1,000 units	10.2	9.3	9.4
-2,000 units	13.8	12.1	12.2
-3,000 units	24.3	21.8	21.9

Illustrative liquidity forecast (NOKm) – Inventory sensitivity applied to STCFF adj. BP incl. New Financing



# Sensitivity: Accounts payable

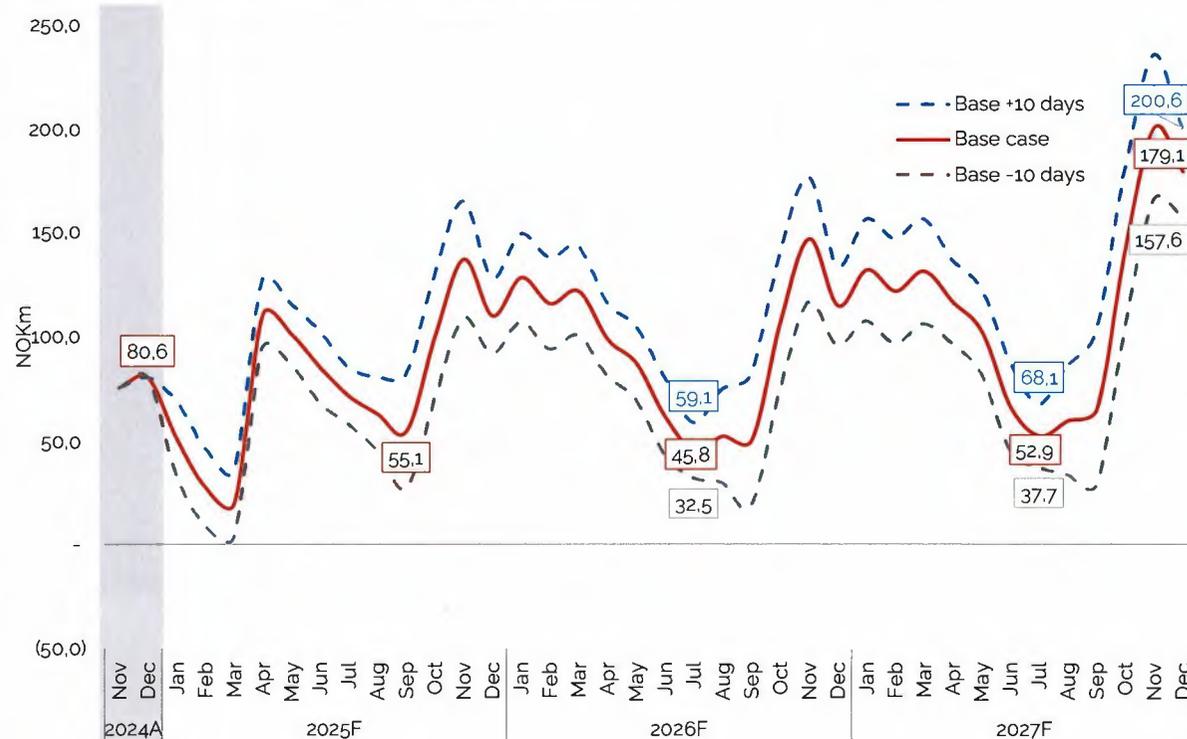
The graph illustrates the forecast liquidity in STCFF adj. BP incl. New Financing with applied sensitivity to DPO, before operating cash need.

STCFF adj. BP incl. New Financing DPO:

- 50.7 days payable outstanding

CB impact (NOKm)	FY25	FY26	FY27
-15% / (7.6) days	(13.6)	(14.1)	(16.3)
-10% / (5.1) days	(9.1)	(9.4)	(10.9)
-5% / (2.5) days	(4.5)	(4.7)	(5.4)
Base	-	-	-
+5% / 2.5 days	4.5	4.7	5.4
+10% / 5.1 days	9.1	9.4	10.9
+15% / 7.6 days	13.6	14.1	16.3

Illustrative liquidity forecast (NOKm) – DPO sensitivity applied to STCFF adj. BP incl. New Financing



# Sensitivity: Cost savings

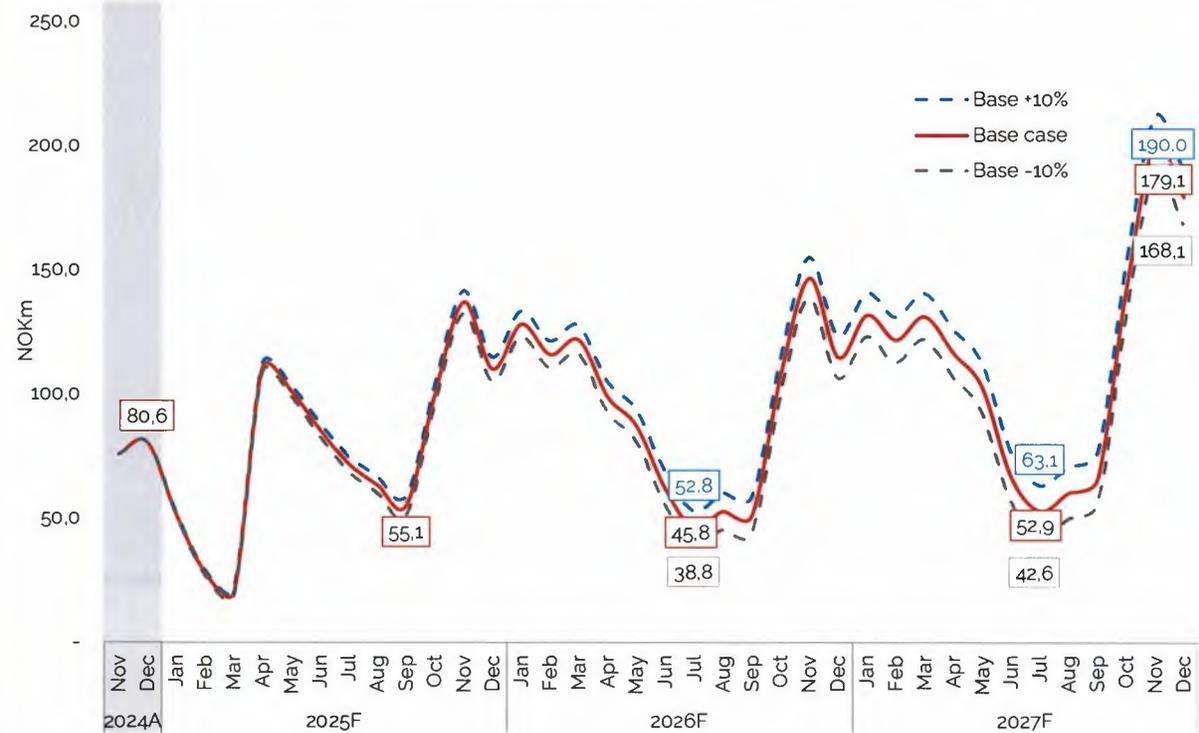
The graph illustrates the forecast liquidity in STCFF adj. BP incl. New Financing with applied sensitivity to cost savings, before operating cash need.

### STCFF adj. BP incl. New Financing Cost savings:

- FY25: NOK 48.4m
- FY26: NOK 36.1m
- FY27: NOK 24.9m

CB Impact (NOKm)	FY25	FY26	FY27
Savings +15%	(7.3)	(12.7)	(16.4)
Savings +10%	(4.8)	(8.5)	(10.9)
Savings +5%	(2.4)	(4.2)	(5.5)
Base	-	-	-
Savings -5%	2.4	4.2	5.5
Savings -10%	4.8	8.5	10.9
Savings -15%	7.3	12.7	16.4

Illustrative liquidity forecast (NOKm) – Cost saving sensitivity applied to STCFF adj. BP incl. New Financing



# Summary of sensitivities

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## Summary of sensitivities (NOKm)

Cash impact FY25	-15%	-10%	-5%	Base	+5%	+10%	+15%
Volumes	(67.5)	(45.1)	(22.7)	-	23.1	47.5	71.1
Inventory	(29.2)	(20.3)	(10.2)	-	10.2	13.8	24.3
AP	(13.6)	(9.1)	(4.5)	-	4.5	9.1	13.6
Cost savings	(7.3)	(4.8)	(2.4)	-	2.4	4.8	7.3

Cash impact FY26	-15%	-10%	-5%	Base	+5%	+10%	+15%
Volumes	(153.8)	(104.5)	(50.8)	-	47.8	96.4	146.7
Inventory	(26.7)	(18.6)	(9.3)	-	9.3	12.1	21.8
AP	(14.1)	(9.4)	(4.7)	-	4.7	9.4	14.1
Cost savings	(12.7)	(8.5)	(4.2)	-	4.2	8.5	12.7

Cash impact FY27	-15%	-10%	-5%	Base	+5%	+10%	+15%
Volumes	(241.7)	(162.5)	(78.8)	-	77.8	156.6	234.9
Inventory	(26.8)	(18.7)	(9.4)	-	9.4	12.2	21.9
AP	(16.3)	(10.9)	(5.4)	-	5.4	10.9	16.3
Cost savings	(16.4)	(10.9)	(5.5)	-	5.5	10.9	16.4

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## FY24 Key figures

Severe drop in profitability compared to prior year (LY) due mainly to drastic reduction in the volume of units sold

**EBITDA** dropping to NOK -48.6m (preliminary, unaudited) due to reduction of sales, while the savings in production fixed costs and SG&A had only a partial offsetting effect.

**Cash generation** was positive in 2024 however this is mostly on the account of significant **working capital release** (destocking) alongside NOK 80.0m of **RCF** drawn by year end (NOK 0 at the end of LY).

**Production** output reduced significantly due to actions to right-size the organization and to adjust to the lower demand from the key markets. Simultaneously, the Group has focused on reducing inventories, which had built up following the sudden contraction of demand which started in the second half of 2023.

**Deliveries** reflect the dynamics of the key markets and are ultimately the key reason of the poor financial performance.

**Order book** reduced to levels which are more representative to the seasonality effects, while at the end of LY the book still contained a small portion of backlog carried from the past. The current year closing order book should be considered reasonable given that most of the orders that it contains are with short term delivery dates. **New orders** are generally with short delivery dates.

**FTEs** have reduced following actions to right-size the organization to the new realities of weaker demand.

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		Full year				
		AC *	BU	vs. BU%	LY	vs. LY%
<b>P&amp;L (kNOK)</b>	Net sales	1,066,685	1,738,727	-38.7%	1,574,779	-32.3%
	Contribution margin	400,350	819,210	-51.1%	719,350	-44.3%
	Contribution margin %	37.5%	47.1%		45.7%	
	Production fixed costs	-220,307	-257,986	-14.6%	-254,416	-13.4%
	SG&A	-221,028	-254,547	-13.2%	-239,695	-7.8%
	Other operating (Chg. in inv of indir. costs)	-7,572	-4,352	74.0%	11,153	-167.9%
	EBITDA	-48,557	302,324	-116.1%	236,392	-120.5%
	EBITDA %	-4.6%	17.4%		15.0%	
<b>Cash (kNOK)</b>	Net cash flow	11,879			-62,370	-119.0%
	Opening cash balance	68,727			131,096	-47.6%
	Closing cash balance	80,606			68,727	17.3%
<b>Operations</b>	Production (units)	38,788	77,711	-50.1%	76,953	-49.6%
	Deliveries (units)	49,452	80,129	-38.3%	78,903	-37.3%
	Efficiency	57%	82%		60%	
<b>Commercial</b>	Order book (kNOK)	71,174			114,987	-38.1%
	New intake (kNOK)	1,022,872			1,205,025	-15.1%
<b>HR</b>	FTE	563	691	-18.5%	635	-11.3%

• Preliminary, unaudited figures.

Source: December management report prepared in mid-January 2025.



# January 25 Key figures

Improved performance vs budget, mainly due to higher sales, and vs LY, mainly due to lower cost base

**EBITDA** overperforming vs budget and LY. **Sales** were higher than estimated in the first month of the budget and broadly in line with last year. Cost base lower mainly due to cost saving initiatives.

**Cash generation** was negative, however there is an unfavourable timing effect due to a certain accumulation of overdues at the end of December, and a partial catch-up in January. Interest on bonds not paid in January 2025, thus the Group is in default with the terms of the bond agreement.

**Production** output slightly lower than last year but above budget. For the full year, the volume of units produced is expected to increase with about 20% vs LY following gradual increase in sales (deliveries expected to increase with ~10% vs LY during the same period).

**Deliveries** broadly in line with last year and better than budget, denoting a better-than-expected start of the year, especially in North America and in the pellet markets in Europe.

**Order book** roughly at the level of the year-end 2024 balance, and should be considered reasonable for this time of the year. **New orders** in January slightly above the month's sales.

**FTEs** have reduced vs LY following actions to right-size the organization to the new realities of weaker demand. Vs budget, the FTE numbers are unfavourable, mainly due to the timing of the temporary layoffs in Norway (assumed to have a full month effect in the budget)

		January YTD					Full year				
		AC	BU	vs. BU%	LY	vs. LY%	FC	BU	vs. BU%	LY	vs. LY%
<b>P&amp;L (kNOK)</b>	Net sales	99,854	84,357	18.4%	99,600	0.3%	1,155,090	1,155,090	0.0%	1,070,943	7.9%
	Contribution margin	46,600	35,403	31.6%	42,090	10.7%	502,271	502,271	0.0%	406,129	23.7%
	Contribution margin %	46.7%	42.0%		42.3%		43.5%	43.5%		37.9%	
	Production fixed costs	-17,441	-16,199	7.7%	-17,594	-0.9%	-197,270	-197,270	0.0%	-216,937	-9.1%
	SG&A	-16,538	-17,103	-3.3%	-21,356	-22.6%	-201,083	-201,083	0.0%	-225,952	-11.0%
	Other operating	-3,803	-1,554	144.7%	-3,595	5.8%	-3,804	-3,804	0.0%	-7,572	-49.8%
	EBITDA	8,818	546	1515.1%	-456	-2035.8%	100,113	100,113	0.0%	-44,331	-325.8%
EBITDA %	8.8%	0.6%		-0.5%		8.7%	8.7%		-4.1%		
<b>Cash (kNOK)</b>	Net cash flow	-15,649			10,534	-248.6%					
	Opening cash balance	80,606			68,727	17.3%					
	Closing cash balance	64,957			79,261	-18.0%					
<b>Operations</b>	Production (units)	3,094	2,268	36.4%	3,314	-6.6%	46,674	45,847	2%	38,788	20%
	Deliveries (units)	4,381	4,091	7.1%	4,307	1.7%					
	Efficiency	63%	80%		57%						
<b>Commercial</b>	Order book (kNOK)	75,669			97,547	-22.4%					
	New intake (kNOK)	104,349			82,159	27.0%					
<b>HR</b>	FTE	480	453	5.9%	549	-12.6%					

# February 25 Key figures

Improved performance vs budget, mainly due to higher sales, and vs LY, mainly due to higher sales and lower cost base

On a YTD basis, **EBITDA** is overperforming vs budget and LY. **Sales** were higher than previously estimated in the first two months of the year mainly due to improved performance in key markets like Norway, North America and France. Cost base slightly above budget but substantially lower than LY mainly due to implemented cost saving initiatives.

**Cash generation** was negative, however there is an unfavourable timing effect due to a certain accumulation of overdues at the end of December, and a partial catch-up subsequently. Liquidity progression in line with expectations as the company is moving into the low season.

**Production** higher than budget and last year. For the full year, the volume of units produced is expected to increase with about 20% vs LY following gradual increase in sales (deliveries expected to increase with ~10% vs LY during the same period).

**Deliveries** better than budget and last year, denoting a good start of the year.

**Order book** somewhat on the lower end but not unreasonable for this time of the year, while **new orders** continue to trend above last year.

**FTEs** have reduced significantly vs LY following actions to right-size the organization to the new realities of weaker demand. Vs budget, the FTE numbers are slightly unfavourable.

		YTD					Full year				
		AC	BU	vs. BU%	LY	vs. LY%	FC	BU	vs. BU%	LY	vs. LY%
<b>P&amp;L (kNOK)</b>	Net sales	194,144	162,293	19.6%	183,533	5.8%	1,155,090	1,155,090	0.0%	1,070,943	7.9%
	Contribution margin	86,626	68,486	26.5%	69,927	23.9%	502,271	502,271	0.0%	406,129	23.7%
	Contribution margin %	44.6%	42.2%		38.1%		43.5%	43.5%		37.9%	
	Production fixed costs	-33,744	-32,201	4.8%	-36,740	-8.2%	-197,270	-197,270	0.0%	-216,937	-9.1%
	SG&A	-35,350	-33,636	5.1%	-41,248	-14.3%	-201,083	-201,083	0.0%	-226,446	-11.2%
	Other operating	-5,769	-2,711	112.8%	-4,972	16.0%	-3,804	-3,804	0.0%	-7,572	-49.8%
	EBITDA	11,763	-62	-19124.0%	-13,033	-190.3%	100,113	100,113	0.0%	-44,825	-323.3%
EBITDA %	6.1%	0.0%		-7.1%		8.7%	8.7%		-4.2%		
<b>Cash (kNOK)</b>	Net cash flow	-28,449			-9,365	203.8%					
	Opening cash balance	80,606			80,606	0.0%					
	Closing cash balance	52,157			71,241	-26.8%					
<b>Operations</b>	Production (units)	5,955	5,198	14.6%	4,942	20.5%	46,604	45,847	2%	38,788	20%
	Deliveries (units)	8,637	7,744	11.5%	8,158	5.9%					
	Efficiency	65%	85%		54%						
<b>Commercial</b>	Order book (kNOK)	63,053			94,420	-33.2%					
	New intake (kNOK)	186,023			162,966	14.1%					
<b>HR</b>	FTE	461	450	2.4%	526	-12.4%					

# Weekly sales – weeks 1 to 11

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Year-to-date sales trending above budget and slightly above last year (with two less days than last year)

Net sales (before discounts)	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Total AC	Total BU	% vs BU	Total LY	% vs LY
	30/12 - 5/01	6/01 - 12/01	13/01 - 19/01	20/01 - 26/01	27/01 - 2/02	3/02 - 9/02	10/02 - 16/02	17/02 - 23/02	24/02 - 2/03	3/03 - 9/03	10/03 - 16/03	30/12 - 16/03	30/12 - 16/03		1/01 - 17/03	
	2 days	5 days	5 days	5 days	5 days	5 days	5 days	5 days	5 days	5 days	5 days	52 days	52 days		54 days	
Jøtul AS	2,079	6,146	6,360	7,400	6,708	8,018	5,680	6,750	9,332	4,012	5,839	68,324	60,751	12%	76,734	-11%
Jotul North America	-	4,320	5,176	5,649	5,874	2,656	4,745	4,869	5,573	1,589	2,881	43,333	29,852	45%	35,970	20%
Jotul France	5,309	8,421	5,972	9,613	9,957	9,363	7,166	5,662	6,803	4,834	5,431	78,531	74,313	6%	86,943	-10%
Jotul Italy	-	290	394	383	872	623	963	1,198	1,154	890	679	7,445	6,748	10%	8,209	-9%
Total Jotul Poland	2	606	1,455	1,592	1,010	1,392	2,113	953	4,448	327	458	14,358	12,438	15%	8,757	64%
AICO Italy	1,355	953	1,298	1,932	1,801	1,124	1,222	3,566	1,444	693	2,237	17,626	17,750	-1%	11,873	48%
<b>Total Jøtul Group</b>	<b>8,746</b>	<b>20,736</b>	<b>20,655</b>	<b>26,569</b>	<b>26,222</b>	<b>23,176</b>	<b>21,890</b>	<b>22,999</b>	<b>28,754</b>	<b>12,346</b>	<b>17,525</b>	<b>229,617</b>	<b>201,851</b>	<b>14%</b>	<b>228,486</b>	<b>0%</b>

Units sold	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Total AC	Total BU	% vs BU	Total LY	% vs LY
	30/12 - 5/01	6/01 - 12/01	13/01 - 19/01	20/01 - 26/01	27/01 - 2/02	3/02 - 9/02	10/02 - 16/02	17/02 - 23/02	24/02 - 2/03	3/03 - 9/03	10/03 - 16/03	30/12 - 16/03	30/12 - 16/03		1/01 - 17/03	
	2 days	5 days	5 days	5 days	5 days	5 days	5 days	5 days	5 days	5 days	5 days	52 days	52 days		54 days	
Jøtul AS	63	250	237	293	289	371	187	295	483	112	209	2,789	2,707	3%	2,930	-5%
Jotul North America	-	165	287	225	247	98	185	216	283	54	106	1,866	1,703	10%	1,658	13%
Jotul France	237	368	266	423	408	406	296	245	284	198	257	3,388	3,566	-5%	4,003	-15%
Jotul Italy	-	12	21	20	24	32	50	52	56	48	35	350	363	-4%	436	-20%
Total Jotul Poland	-	31	81	95	48	64	103	50	217	29	23	741	664	12%	434	71%
AICO Italy	89	27	37	88	50	37	40	153	53	18	85	677	785	-14%	481	41%
<b>Total Jøtul Group</b>	<b>389</b>	<b>853</b>	<b>929</b>	<b>1,144</b>	<b>1,066</b>	<b>1,008</b>	<b>861</b>	<b>1,011</b>	<b>1,376</b>	<b>459</b>	<b>715</b>	<b>9,811</b>	<b>9,788</b>	<b>0%</b>	<b>9,942</b>	<b>-1%</b>



# Order intake – weeks 1 to 11

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Order intake trending above last year in terms of both value and units booked

## Order intake, kNOK

Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Total AC
30/12 - 5/01	6/01 - 12/01	13/01 - 19/01	20/01 - 26/01	27/01 - 2/02	3/02 - 9/02	10/02 - 16/02	17/02 - 23/02	24/02 - 2/03	3/03 - 9/03	10/03 - 16/03	30/12 - 16/03
2 days	5 days	5 days	5 days	5 days	5 days	5 days	5 days	5 days	5 days	5 days	52 days

Total LY	% vs LY
1/01 - 17/03	
54 days	

Jøtul AS	3,020	5,882	5,969	8,195	10,503	6,136	6,502	6,077	8,113	5,265	4,467	70,127	65,824	7%
Jotul North America	-	7,443	8,908	2,576	8,447	3,798	4,544	3,242	5,823	2,142	3,618	50,540	44,996	12%
Jotul France	5,021	5,462	6,691	6,088	5,625	5,885	5,286	5,357	4,613	5,291	10,968	66,287	73,788	-10%
Jotul Italy	-	81	731	325	1,237	1,245	423	1,327	1,971	972	1,323	9,634	10,130	-5%
Jotul Poland	476	964	3,373	3,251	1,075	519	2,157	1,410	1,128	2,272	370	16,995	8,686	96%
AICO Italy	775	666	2,472	1,005	537	3,432	1,015	2,637	2,239	3,024	1,656	19,458	17,990	8%
<b>Total Jøtul Group</b>	<b>9,292</b>	<b>20,497</b>	<b>28,142</b>	<b>21,440</b>	<b>27,424</b>	<b>21,016</b>	<b>19,927</b>	<b>20,050</b>	<b>23,886</b>	<b>18,965</b>	<b>22,402</b>	<b>233,041</b>	<b>221,414</b>	<b>5%</b>

## Order intake, units

Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Total AC
30/12 - 5/01	6/01 - 12/01	13/01 - 19/01	20/01 - 26/01	27/01 - 2/02	3/02 - 9/02	10/02 - 16/02	17/02 - 23/02	24/02 - 2/03	3/03 - 9/03	10/03 - 16/03	30/12 - 16/03
2 days	5 days	5 days	5 days	5 days	5 days	5 days	5 days	5 days	5 days	5 days	52 days

Total LY	% vs LY
1/01 - 17/03	
54 days	

Jøtul AS	126	243	232	333	545	269	259	223	357	228	156	2,971	2,347	27%
Jotul North America	-	308	442	97	323	126	180	110	307	80	133	2,106	2,214	-5%
Jotul France	208	236	287	270	226	271	216	224	200	234	537	2,909	3,471	-16%
Jotul Italy	-	7	42	5	50	60	35	46	97	75	49	466	547	-15%
Jotul Poland	30	52	161	189	45	28	104	82	63	98	44	896	411	118%
AICO Italy	39	15	106	46	(24)	114	76	154	108	152	71	857	804	7%
<b>Total Jøtul Group</b>	<b>403</b>	<b>861</b>	<b>1,270</b>	<b>940</b>	<b>1,165</b>	<b>868</b>	<b>870</b>	<b>839</b>	<b>1,132</b>	<b>867</b>	<b>990</b>	<b>10,205</b>	<b>9,794</b>	<b>4%</b>



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## Factoring facilities overview

Until the end of 2024, factoring was used in Jotul AS (for Norwegian and Swedish customers), Jotul France, and AICO Italy. Jotul AS and Jotul France have non-recourse factoring, while in AICO Italy the solution is a mix between non-recourse and recourse, the later being predominant.

**Factofrance** is the legacy solution implemented by the Group back in 2018. **General Finance** was used by AICO Italy in the past years but is discontinued as the entity is being onboarded to the Factofrance contract.

With the onboarding of the two Italian entities to the Factofrance factoring agreement, the total amount of the facility was increased from EUR 9.0m to EUR 13.0m.

As of 31 Jan 2024

Solution provider	Entity	Facility amount	Amount drawn		
			W/o recourse	With recourse	Total
Factofrance	Jøtul AS	5,000.0	2,696.0	-	2,696.0
Factofrance	Jotul FR *	4,000.0	3,058.0	-	3,058.0
General Finance	AICO IT	7,000.0	-	1,081.7	1,081.7
<b>All</b>	<b>Total Jøtul Group</b>	<b>16,000.0</b>	<b>5,754.0</b>	<b>1,081.7</b>	<b>6,835.7</b>

From Jan 2025

Solution provider	Entity	Facility amount
Factofrance	Jøtul AS	5,000.0
Factofrance	Jotul FR *	2,000.0
Factofrance **	AICO IT + Jotul IT	6,000.0
<b>All</b>	<b>Total Jøtul Group</b>	<b>13,000.0</b>

\* No contractual limit. Can draw up to the total unused facility available to the Group.

\*\* Contract signed in January, but no receivables transferred yet. Implementation in progress and the goal is to start in March/April.



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# RISK FACTORS (1/5)

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*Risk factors deemed to be of importance for Jøtul AS, incorporated in Norway (the "Issuer") and its direct and indirect subsidiaries (the "Group"). The Group operates through all of its subsidiaries. Hence, the same risks are applicable to each member of the Group, including the Issuer, and no specific risk factor is applicable only to the Issuer. If any of these risks or uncertainties actually occurs, the business, operating results and financial position of the Group could be materially and adversely affected, which could have a material adverse effect on the Group's ability to meet its obligations (including payment of interest and repayment of principal) under the bond terms of the new senior secured bonds to be issued by the Issuer (the "Bonds"), including both a floating and fixed rate tranche. Unless defined otherwise in these risk factors, defined terms in these risk factors shall have the same meaning as in the term sheet setting out the terms for the Bonds (the "Term Sheet") or in the final bond terms of the Bonds to be entered into by the Issuer and the Agent (as defined therein) (the "Bond Terms") (as applicable). The risk factors presented below are categorised as "RISKS RELATING TO THE GROUP" or "RISKS RELATING TO THE BONDS" on the basis of whether they pertain to the Group or to the Bonds. The risk factors categorised as "RISKS RELATING TO THE GROUP", are categorised as risk factors pertaining to the Group and not as risk factors pertaining to the Issuer, as a major part of the business operations of the Group are conducted by the Issuer's subsidiaries. The risks presented herein are not exhaustive, and other risks not discussed herein, not currently known or not currently considered to be material, may also affect the Group's future operations, performance and financial position, and consequently the Group's ability to meet its obligations under the Bond Terms. Potential investors should consider carefully the information contained in this section and make an independent evaluation before making an investment in the Bonds. The assessment of the materiality of the risk factors have been based on the probability of their occurrence and the expected magnitude of their adverse impact. The assessment of the materiality and probability for each risk factor has been made by the Issuer.*

## RISKS RELATING TO THE GROUP

### Market specific risks

#### Suppliers and raw material

The Group's ability to service its customers depends on the availability and timely supply of products from external suppliers. Inability to maintain a national and international logistic network for customer deliveries or other problems with regard to supplies, such as delays, may have adverse consequences for customer relations, etc. resulting in an adverse effect on the Group's net sales, earnings and financial position. Further, the Group is dependent on certain suppliers for its ongoing manufacturing. The Group is currently experiencing higher production costs, which adversely affects the Group's earnings and financial condition. As of the date of this Presentation, the Group has five to ten important supplier agreements in place, some of which constitute the Group's sole supplier of the relevant raw material or component (as applicable). If any of these agreements are terminated, the manufacturing process of the relevant products could be delayed and/or permanently stopped until such agreement is either re-instated or a contract with a new supplier has been entered into. Such stoppage in production may lead to a material adverse effect on the Group's business, earnings and financial position as well as the Group's reputation for reliability, as such stoppage in production may result in the Group not being able to deliver its products to its customers in time.

The Group is also exposed to risks relating to fluctuations in e.g. the prices of raw materials or specific components used in the Group's production and the price relating to the power supply needed to operate the Group's production sites. If the Group is unable to add its production costs on to its end customers, any significant and/or lengthy increase in the price of raw materials, specific components used in the Group's production or relating to the power supply would have a significant negative effect on the Group's business and earnings.

#### Production error

The Group's business is susceptible to risks associated with production errors, particularly in the manufacturing of fireplaces. If a component of the fireplace is incorrectly produced, it can lead to significant safety hazards, including the risk of overheating, fire or emission of harmful particles. Such errors may necessitate costly recalls or repairs, adversely affecting the Group's reputation and customer trust. The financial implications of addressing these errors, including potential legal liabilities and compensation claims, could materially impact the Group's earnings and financial position. Furthermore, production errors can disrupt supply chains, leading to delays in delivery and affecting customer satisfaction and retention.

#### Export risks / tariffs

The Group's operations and financial performance are significantly influenced by international trade dynamics, including tariffs and export regulations. As the Group engages in cross-border sales and distribution, it faces several risks associated with tariffs and export restrictions that could adversely affect its business. Changes in tariff policies by governments can lead to increased costs for importing raw materials or exporting finished products. Higher tariffs may reduce the competitiveness of the Group's products in international markets, potentially leading to decreased sales and profitability. Furthermore, the Group's operations are subject to international trade agreements and policies. Any changes or termination of these agreements could disrupt supply chains, increase costs, and impact market access. These factors could impact the Group's competitiveness, market access, and financial performance. The recently announced US tariffs on steel and aluminum products may have an unfavourable impact of up to -500k USD in 2025. Jøtul is exploring opportunities to partially offset such effects with price increases.

#### Seasonality of the Group's business may lead to volatility in cash flow

The Group's business is exposed to and is affected by seasonal variations in temperature. Weather conditions vary between seasons over the course of the year but also between individual years. Historical spikes in the demand for the Group's products have been caused by natural catastrophes and extremely cold weather which impact the overall heating infrastructure. Conversely, there is a risk that warm seasons and warmer than average winters could decrease the consumers' interest and demand for stoves and fireplaces and may result in low cash flow. Further, changes in weather conditions can also impact demand through their influence on energy prices. For example, precipitation has a direct effect on energy prices due to its impact on hydroelectric power.

The demand for the products sold by the Group is strongly influenced by the prevailing climate and the Group's sales increases significantly during long and cold winters. The Nordics, USA, France Germany and Italy being the Group's most important markets, have suffered many warm winters in a row, resulting in a negative impact on the Group's sales and as a result, the operations and financial results of the Group. There is a risk that future temperature increases, and overall climate changes will have a negative impact on the liquidity and cash flow of the Group.

These seasonal variations are beyond the Group's control and can significantly affect the Group's liquidity and cash flow which in turn can have a material adverse effect on the Group's business, earnings and financial position.

#### Macroeconomic and regional specific factors

The economic situation on the global market affects the Group's business, result and financial position as the Group operates business in multiple geographic markets such as Norway, Poland, France, USA and Italy. The demand for the Group's products and services depends on the level of planned capital and maintenance expenditures by the end customers. The level of capital and maintenance expenditures, such as house building and property renovation, by the end customers depends, in turn, on general economic conditions, availability of credit and economic conditions. Adverse changes in the economy may accordingly have a material negative effect on the Group's business, earnings or financial position.

The Group is dependent upon its ability to produce, sell and develop new products and services and render such products and services successful within existing and new market segments at certain volumes. A decrease in demand for the Group's products as a result of an economic downturn could have a material negative effect on the Group's business, earnings or financial position.

The Group must also be able to develop its existing products in order to stay competitive and to avoid losing market shares to competitors. Research and development efforts of new products are costly and always entail a risk of unsuccessful commercialisation. In addition, there is a risk that the Group is not successful in its attempts to preserve and develop its product segment if not successful in the aforementioned fields, this may have an adverse effect on the Group's business, earnings or financial position.

Pandemics and ongoing war and military conflicts may also affect the economy in general and may, inter alia, result in increased cost of supplies of the Group. If one or several of these factors would develop negatively, this could have a significant negative impact on the Group's business, financial position and results of operation.

# RISK FACTORS (2/5)

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## Risks related to technological developments

The industry in which the Group operates has been, and is expected to continue to be, characterised by new, stricter environmental regulations, such as the EcoDesign directive in the EU, the new pan-European EN16510 standard and the EPA 2020 regulation in US, and consumer awareness that have resulted in, and will likely continue to result in, improvements in function and performance of the Group's products, such as higher efficiency and lower emission of harmful particles. As a result, the future success and profitability of industry participants will to certain extent be dependent upon its development capabilities to address the increasingly sophisticated needs of its customers and anticipate changes in technology and industry standards, and to respond to technological developments and stricter environmental regulations in a timely manner. Further, a part of the Group's resources will need to be spent on updating old products to abide by the new aforementioned emission standards to be introduced. If the Group is not successful in developing its products, as well as keeping its existing products up to industry standards, in a timely and cost-effective manner, this could materially adversely affect the Group's business and financial conditions.

## Competition

The Group operates on a variety of local and international markets that are highly competitive, with a variety of heating sources, such as electrical water heating, heat pumps, oil/gas/water heating and room heating. Companies in the industry compete by price, availability, time to delivery, innovations, design and quality of goods, but also by other competitive factors such as production capacity, up to date technology and market penetration. The Group has a number of competitors across different product categories, segments and geographic markets. It cannot be ruled out that these competitors will grow to be stronger in the future, for example, by means of further consolidation in the market or that these competitors would not take any additional competitive actions against the Group.

The demand for the Group's products is in the short term mainly influenced by local outside temperatures and the cost development for alternative heating sources (e.g. electricity, gas and oil). In the long term, market growth is driven primarily by climate changes, the willingness of consumers to invest in homes, as well as an increased focus on reduction of local particle emissions and the use of renewable energy. There is a risk that the Group may not adapt to the short term and long term demands of the intended end customers as efficiently as the Group's competitors, which can result in the Group losing market shares or not establishing it on new markets which in turn would have a material adverse effect on the Group's business, earnings and financial position.

## Exposure to currency fluctuations

The Group's revenue and cash flow is primarily denominated in, inter alia, EUR, GBP, NOK, PLN, SEK and USD while the Group reports its financial results in NOK. The exchange rates between some of these currencies and NOK have fluctuated significantly in recent years and the Group's local currencies may in the future fluctuate significantly. For example, if the NOK were to increase by 10 per cent relative to EUR, this would mean a loss of approximately NOK 15,000,000 for the Group based on the interim report for the financial quarter ending 30 September 2024. As per the date of this Presentation, the Issuer does not hold any hedging arrangements for its current foreign exchange rate exposures. The Group tries to match the currency for its assets and liabilities. To the extent that foreign exchange rate exposures are not hedged, the assets and liabilities remain unmatched or adequately transferred to the end consumers of the Group, fluctuations in currencies may adversely affect the Group's financial results in ways unrelated to the operations and could affect the Group's financial statements when the results are translated into NOK for reporting purposes.

Further, due to the international reach of the Group both in Europe and in the USA, and considering that the Group purchases material for its products from foreign suppliers in different currencies and sells products to customers in different currencies, the Group is exposed to risks relating to currency fluctuations. As the Issuer does not hold any hedging arrangements towards foreign currency exposure, there is a risk that a devaluation or appreciation in a currency that the Group has exposure towards (as applicable) results in a reduced value of the Group's local monetary assets and generate local currency losses, which in turn would have an adverse effect on the Group's business, earnings or financial position.

## Alternative heating costs

Households tend to evaluate alternative heating sources based on the current energy prices in order to reduce the overall household costs. Energy prices in respective markets, including fossil fuels such as oil as well as natural gas and electricity prices, have a strong impact on the demand for stoves and fireplaces. There is a risk that lower energy prices on alternative heating sources could decrease the consumer's interest and demand for the Group's products. The Group cannot predict the impact of changing demand of alternative heating sources, and changes in energy prices for alternative heating sources may have a material adverse effect on the Group's business, earnings and financial position, e.g. with respect to cash flows.

## Group and business specific risks

### Risk relating to the Group's business plan and funding need

The Group's funding need is estimated based on its business plan (which again is based on several underlying assumptions which are highly uncertain and based on Group expectations and estimates) and capital structure. Some key underlying drivers in the business plan are the number of units sold, the price obtained per unit sold, operational cost and cost cutting measures initiated. Should the Group's business plan not be met there is a risk that additional financing may be needed. This may result in increased financial risk and, in worst case, insolvency. The Group has embarked on several commercial acceleration initiatives aimed at enhancing market presence, increasing sales, and ensure growth. These initiatives are critical to achieving strategic objectives and improving the Group's competitive and financial position. However, there is a risk that these initiatives may not be successfully implemented or meet the Group's expectations, which could have several adverse consequences for the Group including its financial position and future prospects.

### Risks relating to production

The majority of the Group's production activities are located in Poland. In addition to the production in Poland, the Group has production sites in USA, Norway and France. The result of having multiple production sites across the globe is an expensive infrastructure for production due to higher rents, higher salaries, an inflexibility to adjust the workload due to stricter labour regulations and the requirements to adhere to strict governmental regulations and controls with regard to environmentally friendly production. The various regulatory requirements in each country also result in increased costs for the Group's continuous work with legal compliance. Having the production in the aforementioned countries could also become a competitive disadvantage for the Group as the Group's products becomes relatively expensive. Further, the Group's business is very cyclical to its nature and the Group's current organisation and cost structure is oversized and inflexible given current volumes, which could make the adjustment of the business to market fluctuations difficult. With challenging external market conditions, the profitability may therefore come under pressure. Should the Group not be successful in identifying, and execute identified, opportunities for cost reduction in its production and infrastructure, there is a risk that this will have an adverse effect on the Group's business, earnings and financial position. In addition, cost reduction action, such as outsourcing to low cost countries and lay offs, may negatively affect the perception of the Group's brands, resulting in adverse effects on the Group's business, financial position or results of operations.

### Damage to warehouse facilities and factories

The Group manages several factories for its productions in Poland, USA, Norway and France. If one of the Group's material factories or the equipment therein would be damaged, for example as a result of fire, or if any of the factories would have to close, the Group may suffer losses and delays in delivery, which in turn could adversely affect the Group's business, financial condition and results of operations.

### Borrowing by the Group and interest risk

The Group has incurred and have a right to, in compliance with the limits set out in the final Bond Terms of the Bonds, further incur financial indebtedness to finance its business operations. There is a risk that such financing generates interest costs which will be higher than the gains produced by the investments made by the Group.

# RISK FACTORS (3/5)

CONFIDENTIAL

If interest rates increase, the Group's current financial costs will also increase, which will have a negative effect on the Group's liquidity. The Group has previously experienced difficulties in finding refinancing sources with favourable interest rates. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses. Interest on the Group's borrowings from time to time is subject to fluctuations in the applicable interest rates. Higher interest rates could affect the Group's operations, earnings and financial position.

## Risks relating to the Group's factoring arrangements

The Group's financial operations are significantly reliant on factoring arrangements, which are used to manage cash flow and liquidity across various subsidiaries, including the Issuer, Jotul France, Jotul Italy and AICO Italy. The dependency on factoring facilities introduces risks in connection to the Group's ability to draw funds under the factoring agreements, which is contingent upon the creditworthiness of its customers and the factoring provider. Any deterioration in customer payment behaviour or the financial stability of the factoring provider could adversely affect the Group's liquidity and financial position.

## Insurance

The Group is exposed to various types of risks, such as product liability, environmental risk, property damage, third party liability and business interruption, including events caused by natural disasters and other events beyond the Group's control. The Group may in such case be required to pay for losses, damages and liabilities out of own funds, which could materially and adversely affect its business, earnings and financial position. Even if the insurance coverage would be adequate to cover direct losses, the Group may not be able to take remedial actions or other appropriate measures. Furthermore, the Group's claim records may affect the premiums which insurance companies may charge in the future. In addition, the Group's current insurance coverage could be cancelled or become unavailable on reasonable economic terms in the future. Materialisation of these risks may have an adverse effect on the Group's business, earnings, and financial position as well as future prospects.

There is also a risk that cost of ensuring sufficient insurance cover may increase due to the limited number of insurance providers willing to insure the business and products of the Group. If the Group's insurance premiums would increase, there is a risk that it could have an adverse effect on the earnings, operations and liquidity of the Group.

## Changes in legislation and regulations

A number of legislations and regulations, compulsion regulations, and environmental regulations, taxes and rules can affect the business conducted by the Group and the Group must observe and comply with a vast number of laws and regulations relating to the regulatory environment for the industry in which the Group operates. New or amended legislations and regulations could call for unexpected costs or impose restrictions on the development of the business operations or otherwise affect net sales, which could have an adverse effect on the Group's business and results of business operations. As previously mentioned under section "Risks related to technological developments", the EcoDesign standard has been implemented throughout the European Union during 2022 and the Group must comply with such new standard and regulatory framework. Compliance with these or other new standards may result in increased R&D costs as well as the need for other investments for the purpose of ensuring compliance with the new regulations and standards. Increased R&D costs and costs for necessary investments which cannot be transferred to the end customers when selling the Group's products can have an adverse effect on the Group's liquidity, cash flow and earnings.

## Risks related to expansion of the product portfolio

As the Group has experienced over the past years and decades significant growth, expansion and recognition on its current markets, especially the Norwegian market, the Group may, in the future, experience saturated markets with regard to their current product portfolio and can only achieve further growth through new products, products improvements and/or establishment on new markets. As a result, the Group may experience strains on operational and financial resources associated with development of products and establishment on new markets to cover different sections of the market. Hence, there is a risk that the Group invests time and financial resources in expansion strategies and the development of new products which turn out not to be successful, which would have an adverse effect on the Group's business, results of operations and financial position.

## Counterparty risk and dependency on sellers

Counterparty risk is the risk that the counterparty of a contract will not live up to its contractual obligations. The Group only conducts business to business and is therefore exposed to counterparty risk in all of its contracts. Should any of the Group's dealers experience a deterioration in their financial position, they may not be able to meet their payment obligations under the customer agreements which could have a material adverse effect on the Group's earnings and financial position.

Further the Group is largely dependent on its dealers' knowledge, experience and commitment to meet sales targets on the local markets, and having a well motivated and loyal dealer network is essential in the respect that the Group's products are properly marketed towards customers. The products are sold through the Group's own sales companies and distributors. In the event that key sales personnel leave the Group, the sales may decrease which would have a negative effect on the Group's business, results of operations and financial position. In the event the Group's dealers fail to act and perform in accordance with expectations, or should the Group not be successful in maintaining its relations with its dealers, this could have an adverse effect on the Group's business, results of operations and financial position.

## Protection of know-how and loss of key employees

The Group's future development depends largely on the skills, experience and commitment of its key employees and advisers. Persons employed by the Group also have a comprehensive knowledge of the industry in general and of the Group in particular. It is important for the Group's future business activities and development that the Group is able to retain, and where necessary also recruit, skilled personnel and to provide relevant incentives for its personnel in order to keep their key employees and management. If the Group should become unable to retain or recruit such personnel, there is a risk that it has an adverse impact on the Group's operations and results.

## Dependency on trademarks

The Group is dependent upon its brands and marketing and the Group is exposed to the risk of lost market appeal. A decline in the market appeal of the Group (including its brands) may derive from, amongst other things, a poor product offering, negative publicity concerning the brands (whether or not it is justifiable) or lack of investments in the products in order to keep them updated and attractive for the customers. There is a risk that the Group fails to build and maintain its brand perception resulting in adverse effects on the Group's business, financial position or results of operations.

## Environment

The Group's business includes risks associated with running of industrial factories. The Group is exposed to risks of liability under e.g. environmental laws and regulations due to the production, storage, transportation, disposal and sale of materials that can cause contamination or personal injury if released into the environment. Furthermore, the Group is also required to maintain compliance with international and national standards relating to e.g. efficiency and emission related requirements imposed on the wood stove manufacturing industry.

Compliance with environmental laws involves cost of the manufacturing, cost of registration/approval requirements, costs of transportation and storage of raw materials and finished products, as well as the costs of the storage and disposal of wastes. The Group may furthermore incur substantial costs, including fines, damages, criminal or civil sanctions and remediation costs for violations arising under environmental laws. In addition, the discovery of contamination arising from historical industrial operations at some of the Group's former and present factories may expose the Group to clean-up obligations and other damages. There is a risk that non-compliance with environmental laws and liability arising in connection with any personal injuries or damages to the environment may have a material negative effect on the Group's business, result and financial position.

## Legal disputes and litigations

The Group is not currently involved in any material legal disputes or litigations. As the Group sells products that may constitute a risk to consumers, there is a risk that the Group may be held liable for damages on consumers and their property, with material costs, negative publicity and a damaged brand perception as a consequence. These risks relating to product liability may, if they materialise, have a material adverse effect on the Group's business, earnings and financial position.

# RISK FACTORS (4/5)

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Disputes of different kinds can be time consuming, disrupt normal operations, involve large amounts and result in considerable costs and reputational risks, which would have a negative effect on the Group's business, financial position and results of operation.

## Tax

The Group conducts its business in accordance with its interpretation of applicable law regulations and applicable requirements and decisions. It is possible that the Group's or its advisors' interpretation and the Group's application of laws, provisions, judicial practice has been, or will at some point be, incorrect or that such laws, provisions and practice will be changed, potentially with retroactive effect. There is a risk that if such an event should occur, the Group's tax liabilities can increase, which negatively affects the Group's earnings and financial position.

## RISKS RELATING TO THE BONDS

### Credit risks

Investors in the Bonds carry a credit risk towards the Group. The investor's ability to receive payment under the Bonds is therefore dependent on the Issuer's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors of which some have been mentioned above. There is a risk that an increased credit risk will cause the market to charge the Bonds a higher risk premium, which will affect the Bonds' value negatively. Another aspect of the credit risk is that there is a risk that a deteriorating financial position of the Group will reduce the Group's possibility to receive debt financing at the time of the maturity of the Bonds.

### Refinancing risk

There is a risk that the Issuer will be required to refinance certain or all of its outstanding debt, including the Bonds. The Issuer's ability to successfully refinance its debt depends, among other things, on the conditions of the debt capital markets and its financial condition at such time. Even if the debt capital markets improve, there is a risk that the Issuer's access to financing sources will not be available on favourable terms, or at all. Should the Issuer be unable to refinance its debt obligations on favourable terms, or at all, it would have a material adverse effect on the Group's business, financial condition and results of operations and on the bondholders' recovery under the Bonds.

### Interest rate risks

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. The Bonds will bear a floating rate interest based on three-month NIBOR and margin. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. There is a risk that an increase of the general interest rate level will adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the Norwegian and the international financial development and is outside the Group's control.

### Ability to service debt

The Issuer's ability to service its debt under the Bonds will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond the Group's control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. There is a risk that the Group will not be able to affect any of these remedies on satisfactory terms, or at all. This would have a negative effect on the Group's operations, earnings, results and financial position.

### Risks relating to the transaction security

Although the Issuer's obligations towards the Investors under the Bonds will be secured by, inter alia, first priority pledges over the shares in the Issuer and certain Group companies as well as security over certain intragroup loans from the Issuer to any subsidiary, it is not certain that the

proceeds of any enforcement sale of the security assets would be sufficient to satisfy all amounts then owed to the Investors.

The bondholders will be represented by Nordic Trustee AS as security agent (the "**Agent**") in all matters relating to the transaction security. There is a risk that the Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the transaction security. Further, the transaction security is subject to certain hardening periods during which times the bondholders do not fully, or at all, benefit from the transaction security. The risk of clawback and hardening periods increases when the Issuer is issuing new bonds, as opposed to refinancing existing debt. Security interests granted to bondholders during the hardening period may be at risk of being invalidated or reduced in priority if challenged during insolvency proceedings. This could result in bondholders not fully benefiting from the transaction security, thereby affecting their recovery prospects.

The Agent is entitled to enter into agreements with members of the Group or third parties or to take any other action necessary for the purpose of maintaining, releasing or enforcing the transaction security or for the purpose of settling, among other things, the bondholders' rights to the security.

### Risks relating to enforcement of the transaction security

If the Issuer or any of its subsidiaries, which shares have been pledged in favour of the bondholders, is subject to any foreclosure, dissolution, winding up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, the shares that are subject to such pledge may then have limited value because all of the subsidiary's obligations must first be satisfied, potentially leaving little or no remaining assets in the subsidiary for the bondholders. As a result, the bondholders may not recover the full value (or any value in the case of an enforcement sale) of the shares. In addition, the value of the shares subject to pledges may decline over time.

The value of any intra group loan granted by the Issuer to any subsidiary, which is subject to security in favour of the bondholders, is largely dependent on such subsidiary's ability to repay its loan. Should such subsidiary be unable to repay its debt obligations upon an enforcement of a pledge over the intra group loan, the bondholders may not recover the full or any value of the security granted over the intra group loan.

If the proceeds of an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the bondholders will only have an unsecured claim against the Issuer and its remaining assets (if any) for the amounts which remain outstanding under or in respect of the Bonds.

### Risks related to Intercreditor arrangement

The Issuer has the possibility to incur additional debt under a super senior revolving credit facility (the "Super Senior RCF") which will, in accordance with the terms of an Intercreditor Agreement (as defined below), rank senior to the Bonds. Further, the Issuer may incur additional financial indebtedness which also will rank pari passu with the Bonds. The relation between certain of the Issuer's creditors (jointly the "Secured Creditors") and a security agent is governed by an intercreditor agreement (as amended and restated, the "Intercreditor Agreement"). Although the obligations under the Bonds and certain other obligations of the Group towards the bondholders and the Secured Creditors (if any) will be secured by first priority security, there is a risk that the proceeds of any enforcement sale of the security assets will not be sufficient to satisfy all amounts then owed to the Secured Creditors. Furthermore, if the Issuer issues additional Bonds, the security position of the current bondholders may be impaired.

The security agent will in accordance with the Intercreditor Agreement in some cases take instructions from a super senior representative under the Super Senior RCF (if any). There is a risk that the security agent and/or a super senior representative under the Super Senior RCF will act in a manner or give instructions not preferable to the bondholders. In addition, the security agent will in some cases take instructions from a senior representative, being those senior creditors whose senior debt at that time aggregate to more than 50 per cent of the total senior debt. If the outstanding senior debt towards other senior creditors than the bondholders exceed the obligations under the Bonds, the bondholders will therefore not be in a position to control the enforcement procedure.

If the outstanding obligations of the Group towards other Secured Creditors than the bondholders increase, there is a risk that the security position of the bondholders is impaired.

# RISK FACTORS (5/5)

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Furthermore, there is a risk that the security will not at all times cover the outstanding claims of the Secured Creditors.

The Intercreditor Agreement will also contain provisions regarding the application of proceeds from an enforcement of security where any agent will receive payments first, secondly any creditor under any super senior debt, thirdly any creditor pro rata under any senior debt (including the bondholders under the new money tranche), fourthly any creditor under the elevated tranche and lastly any creditor under any shareholder, intercompany and subordinated debt. There is a risk that the enforcement proceeds will not be sufficient in order for the Issuer to satisfy the waterfall provisions above.

#### **Risks related to early redemption and partial repayment of the Bonds**

Under the Bond Terms, the Issuer has reserved the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed or partially repaid before the final redemption date, the holders of the Bonds have the right to receive an early redemption amount or a premium on the repaid amount (as applicable) which exceeds the nominal amount in accordance with the Bond Terms. However, there is a risk that the market value of the Bonds is higher than the early redemption amount or the repayment amount (including the premium) (as applicable) and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

In addition, a partial repayment of the Bonds may affect the liquidity of the Bonds and may have a negative impact on the market value of the Bonds, which could result in bondholders' difficulties to sell the Bonds (at all or at reasonable terms).

It is further possible that the Issuer will not have sufficient funds at the time of the mandatory prepayment to carry out the required redemption of Bonds.

#### **The Issuer is dependent on its subsidiaries**

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. Accordingly, the Issuer is dependent upon receipt of sufficient income and cash flow related to the operation of and the ownership in the subsidiaries to enable it to make payments under the Bonds. Consequently, the Issuer is dependent on the subsidiaries' availability of cash, and their legal ability to make dividends. The subsidiaries are legally distinct from the Issuer and have no obligation to make payments to the Issuer of any profits generated from their business. The ability of the subsidiaries to make payments to the Issuer is restricted by, among other things, the availability of funds, corporate restrictions and legal restrictions (e.g. limitations on value transfers). Should the Issuer not receive sufficient income from its subsidiaries, there is a risk that the bondholder's ability to receive payment under the Bond Terms and the Group's financial condition may be adversely affected.

The Group or its assets may not be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Group could result in the obligation of the Group to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

#### **Put option**

According to the Bond Terms, the Bonds are subject to prepayment at the option of each bondholder (put option) if any person or group of persons, acting in concert gains decisive influence over the Issuer's holding company. There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which could adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Bond Terms, and thus adversely affect all bondholders and not only those that choose to exercise the option.

#### **No action against the Issuer and bondholders' representation**

In accordance with the Bond Terms, the Agent will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual bondholders do not have the right to take legal actions to

declare any default by claiming any payment from the Issuer and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that an individual bondholder, in certain situations, could bring its own action against the Issuer (in breach of the Bond Terms), which could negatively impact an acceleration of the Bonds or other action against the Issuer.

#### **The rights of bondholders depend on the Agent's actions and financial standing**

By subscribing for, or accepting the assignment of, any Bond, each holder of a Bond will accept the appointment of the Agent (being on the issue date Nordic Trustee AS) to act on its behalf and to perform administrative functions relating to the Bonds. The Agent shall have, among other things, the right to represent the bondholders in all court and administrative proceedings in respect of the Bonds. However, the rights, duties and obligations of the Agent as the representative of the holders of the Bonds will be subject to the provisions of the Bond Terms, and there is no specific legislation or market practice in Norway (under which laws the Bond Terms will be governed) which would govern the Agent's performance of its duties and obligations relating to the Bonds. There is a risk that a failure by the Agent to perform its duties and obligations properly or at all will adversely affect the enforcement of the rights of the bondholders.

There is a risk that materialisation of the above risks will have a material adverse effect on the enforcement of the rights of the holders of the Bonds and the rights of the holders of the Bonds to receive payments under the Bonds.

#### **Bondholders' decisions**

The Bond Terms will include certain provisions regarding bondholders' meetings. Such meetings may be held in order to resolve on matters relating to the bondholders' interests. The Bond Terms allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting and those who have voted differently to the required majority at a duly convened and conducted bondholders' meeting. Consequently, there is a risk that the actions of the majority in such matters will affect a bondholder's rights in a manner that is undesirable for some of the bondholders.



  
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