

Financial Statement

Jøtul Holding S.a.r.l
31. March 2018

Statement of Financial Position

(NOK 1000)	31.03.2018	31.03.2017
OPERATING REVENUE AND COST		
Operating revenue		
Gross sales	369 333	389 690
Discounts	164 770	177 732
Net sales	204 563	211 958
Operating cost		
Direct materials	70 580	72 717
Direct personnel cost	22 421	29 721
Distribution costs	8 455	8 505
Sales commission	9 123	8 383
Contribution margin	93 983	92 631
Indirect production costs	37 474	42 799
Gross margin	56 509	49 832
Sales, general and administration costs	47 320	47 077
EBITDA	9 189	2 756
Non-recurring items	28 388	4 966
EBITDA, incl. non-recurring items	-19 199	-2 210
Depreciation	10 913	11 553
Operating profit	-30 112	-13 764
FINANCE REVENUE AND COST		
Financial income		
Other interest	164	178
Other finance revenue	6 427	0
Total financial income	6 591	178
Financial cost		
Interest cost shareholder loan	229	645
Other interest cost	5 845	4 934
Other financial cost	390	1 362
Total financial cost	6 464	6 941
NET FINANCIAL ITEMS	128	-6 764
PROFIT BEFORE TAX	-29 984	-20 527
Income tax expenses	1 766	-1 797
PROFIT FOR THE YEAR	-28 218	-22 324

Statement of Financial Position

(NOK 1000)	31.03.2018	31.03.2017
ASSETS		
NON-CURRENT ASSETS		
Intangible fixed assets		
Trademark	112 562	190 000
Other intangible assets	14 041	24 132
Deferred tax assets	1 261	3 108
Goodwill	1 160	219 431
Total intangible fixed assets	129 024	436 672
Tangible fixed assets		
Property	1 748	2 121
Plant and equipment	142 419	159 233
Total tangible fixed assets	144 167	161 354
Financial fixed assets		
Other financial fixed assets	15 831	15 897
Total financial fixed assets	15 831	15 897
TOTAL NON-CURRENT ASSETS	289 021	613 922
CURRENT ASSETS		
Inventory	157 028	192 067
Receivables		
Accounts receivables	85 019	87 998
Other receivables	9 738	8 798
Total receivables	94 757	96 796
Other current financial assets	0	910
Bank and cash equivalents	98 266	4 074
TOTAL CURRENT ASSETS	350 052	293 847
TOTAL ASSETS	639 073	907 769

Statement of Financial Position

(NOK 1000)	31.03.2018	31.03.2017
EQUITY AND LIABILITIES		
EQUITY		
Paid in capital		
Issued capital	121	135 914
Share premium	0	565 112
Total paid in capital	121	701 026
Other equity		
Other equity/ retained earnings	32 879	-593 501
Total other equity	32 879	-593 501
TOTAL EQUITY	33 000	107 525
LIABILITIES		
NON-CURRENT LIABILITIES		
Provisions		
Deferred tax	632	4 851
Other provisions	40 132	44 883
Total provisions	40 765	49 734
Other non-current liabilities		
Interest bearing loans and borrowings	253 894	480 830
Shareholder loan	177 321	90 017
Total other non-current liabilities	431 215	570 847
TOTAL NON-CURRENT LIABILITIES	471 979	620 581
CURRENT LIABILITIES		
Short term financial liabilities	0	41 507
Accounts payable	68 758	66 144
Liability for current tax	501	2 569
Other liabilities to public institutions	12 457	15 442
Other short term liabilities	51 457	53 864
Other current financial liabilities	611	138
TOTAL CURRENT LIABILITIES	134 093	179 663
TOTAL LIABILITIES	606 073	800 244
TOTAL EQUITY AND LIABILITIES	639 073	907 769

Cash Flow Statement

(NOK 1000)	31.03.2018	31.03.2017
Cash flow from operating activities		
Profit before tax	-29 984	-20 527
Income tax paid	690	451
Capitalized interest		2 754
Depreciation and impairment of property, plant	10 913	11 553
Amortisation and impairment of intangible assets	0	
Change in inventory	10 385	158
Change in accounts receivables	6 984	-3 421
Change in accounts payable	-5 515	-5 591
Other changes in operating assets and liabilities	-22 029	11 015
Net foreign exchange differences	-4 094	944
Net cash flow from operating activities	-32 650	-2 664
Cash flows from investing activities		
Purchase of property, plant and equipment	-4 420	-6 628
Net cash flows from investing activities	-4 420	-6 628
Cash flows from financing activities		
Proceeds from borrowings	284 284	7 473
Repayment of debt	-332 563	0
Other cash flow from financing	177 321	0
Net cash flows from financing activities	129 042	7 473
Net cash flow	91 972	-1 819
Cash and cash equivalents at beginning of period	6 294	5 893
Cash and cash equivalents at end of period	98 266	4 074
Unused credit facilities	75 000	58 493

Jøtul Group Holding S.a.r.l – Q1 2018

Comments related to the financial statement

The financial statement for Q1 2018 show the consolidated management accounts of Jøtul Holding S.a.r.l. including of Jøtul AS and all its subsidiaries, while the comparable figures for Q1 2017 show the consolidated management accounts of Jøtul AS.

The Group's net sales decreased from NOK 212 mill. in 2017 to NOK 205 mill. in 2018. The revenue shortfall is to a large extent related to a decline in the Norwegian market mainly as a result of seasonality as the largest dealers had a higher stock level at the beginning of the year. The order inflow as of Q1 2018 was in line with last year and the Group had a higher order backlog end of Q1 2018 compared with end of Q1 2017.

The Group' gross margin increased compared with Q1 2017 due to productivity improvements at Kråkerøy (Norway) factory and lower discounts to dealers.

The fixed cost reduced substantially versus last year due to less indirect headcount and the effect of the closure of the operations in Halden (Norway).

The EBITDA increased from NOK 3 mill. in 2017 to NOK 9 mill. in 2018.

Non-recurring items include transaction costs of 28 MNOK at Jøtul Holding S.a.r.l. related to the acquisition of the Jøtul group in February 2018.

Total cash flow from operating activities decreased from NOK -3 mill. in 2017 to NOK -33 mill. in 2018 as a result of higher non-recurring items at Jøtul Holding S.a.r.l.

The Group's capital investments as of Q1 2018 amounted to NOK 4 mill., 2 NOK mill. lower than in 2017.