



## **Jøtul AS**

relating to the listing of

**NOK 475,000,000 Senior Secured Floating Rate Bonds due 2024**

ISIN: NO0011104069

**Sole Bookrunner**



**Prospectus dated 2 November 2022 and valid for a maximum period of twelve months up until 2 November 2023. The Issuer's obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this Prospectus is no longer valid.**

## IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by Jøtul AS (the "**Issuer**", or the "**Company**" or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the "**Group**" or "**Jøtul**"), a limited liability company incorporated in Norway, having its headquarters located at the address, Langøyveien, 1678 Kråkerøy, Norway, with reg. no. 989 519 247, in relation to the application for the listing of the senior secured floating rate bonds denominated in NOK (the "**Bonds**") on the corporate bond list on Oslo Børs ASA, reg. no. 983 268 633 ("**Oslo Børs**"). Pareto Securities AB has acted as sole bookrunner in connection with the issue of the Bonds (the "**Sole Bookrunner**"). This Prospectus has been prepared in accordance with the standards and requirements of the Norwegian Securities Trading Act of June 29, 2007 no. 75 (the "**Norwegian Securities Act**") and related regulations including the Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council (the "**Regulation**") and the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 and repealing Commission Regulation (EC) No 809/2004 (the "**Delegated Regulation**"). The Regulation and the Delegated Regulation are jointly referred to as the "**Prospectus Regulations**".

This Prospectus has been reviewed and approved by the Norwegian Financial Supervisory Authority (Nw. *Finanstilsynet*) (the "**NFSA**") in accordance with sections 7-7 and 7-8, cf. section 7-3 of the Norwegian Securities Trading Act. The NFSA approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the bonds that are subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 66 (the "**Terms and Conditions**") shall have the same meaning when used in this Prospectus.

Except where expressly stated otherwise, no information in this Prospectus has been reviewed or audited by the Company's auditor. Certain financial and other numerical information set forth in this Prospectus has been subject to rounding and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. This Prospectus shall be read together with all documents incorporated by reference in, and any supplements to, this Prospectus. In this Prospectus, references to "**NOK**" refer to Norwegian krone.

Investing in bonds is not appropriate for all investors. Each investor should therefore evaluate the suitability of an investment in the Bonds in light of its own circumstances. In particular, each investor should:

- (a) have sufficient knowledge and experience to carry out an effective evaluation of (i) the Bonds, (ii) the merits and risks of investing in the Bonds, and (iii) the information contained or incorporated by reference in the Prospectus or any supplements;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate in the context of its particular financial situation the investment in the Bonds and the impact that such investment will have on the investor's overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks resulting from an investment in the Bonds, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the investor's own currency;
- (d) understand thoroughly the Terms and Conditions and the other Finance Documents and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the assistance of a financial adviser) possible scenarios relating to the economy, interest rates and other factors that may affect the investment and the investor's ability to bear the risks.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of listing the Bonds on the corporate bond list on Oslo Børs. This Prospectus may not be distributed in or into any country where such distribution or disposal would require any additional prospectus, registration or additional measures or contrary to the rules and regulations of such jurisdiction. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are being offered and sold outside the United States to purchasers who are not, or are not purchasing for the account of, U.S. persons in reliance upon Regulation S under the Securities Act. In addition, until 40 days after the later of the commencement of the offering and the closing date, an offer or sale of the Bonds within the United States by a dealer may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an exemption from registration under the Securities Act.

The offering is not made to individuals domiciled in Australia, Japan, Canada, Hong Kong, the Italian Republic, New Zealand, the Republic of Cyprus, the Republic of South Africa, the United Kingdom, the United States (or to any U.S person), or in any other country where the offering, sale and delivery of the Bonds may be restricted by law.

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Company's management or are assumptions based on information available to the Group. The words "considers", "intends", "deems", "expects", "anticipates", "plans" and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Although the Company believes that the forecasts of, or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Group's operations. Such factors of a significant nature are mentioned in the section "**Risk factors**" below.

This Prospectus shall be read together with all documents that are incorporated by reference, see subsection "**Documents incorporated by reference**" under section "**Other information**" below, and possible supplements to this Prospectus.

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## Summary

### INTRODUCTION AND WARNINGS

**Summary:** This prospectus summary (the "**Summary**") has been prepared in accordance with Article 7 of the Regulation, setting out the key information that investors need in order to understand the nature and the risks of the Issuer and the Bonds, and is to be read together with the other parts of this Prospectus to aid investors when considering whether to invest in the Bonds.

**Introduction and warnings:** This Prospectus has been drawn up in relation to the admission to trading of the NOK 475,000,000 senior secured floating rate bonds due 2024 of the Issuer.

This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. An investment in the Bonds involves inherent risk. Before making an investment decision, investors should carefully consider the risk factors and all information contained in the Prospectus, including the Financial Information. An investment in the Bonds is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment, as all the invested capital can be lost in an investment in the Bonds.

Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability can only be imposed on those persons who have put forward the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

The Bonds as an investment product is not simple and may be difficult to understand.

**Legal and commercial name of the Issuer and its ISIN and LEI** The legal and commercial name of the Issuer is Jøtul AS. The Issuer is a limited liability company incorporated under the laws of Norway, with reg. no. 989 519 247 and with its registered office at Langøyveien, 1678 Kråkerøy, Norway. The registered office of the Board of Directors is Langøyveien, 1678 Kråkerøy, Norway and the Issuer's head quarter is located at Fredrikstad, Norway. The Issuer's legal entity identifier code ("**LEI Code**") is 549300Q04IHV3V82QT54. The Bonds will be identified by the ISIN NO0011104069.

**Identity and contact details of the competent authority approving the prospectus** The competent authority approving the Prospectus is the NFSA, business registration number 840 747 972, and registered office at Revierstredet 3, 0151 Oslo, Norway.

**Date of approval of the prospectus** The NFSA has, in its capacity as competent authority under the Prospectus Regulation, on 2 November 2022, approved this Prospectus.

### KEY INFORMATION ON THE ISSUER

**Who is the issuer of the securities?**

|  |  |
|--|--|
| <b>Issuer's domicile and legal form, its LEI, the law under which it operates and its country of incorporation</b> | The legal and commercial name of the Issuer is Jøtul AS. The Issuer is a public limited liability company incorporated under the laws of Norway, with reg. no. 989 519 247 and its registered office is Langøyveien, 1678 Kråkerøy, Norway. The Issuer's LEI Code is 549300Q04IHV3V82QT54. The Issuer is subject to regulations such as, <i>inter alia</i> , the Norwegian Securities Trading Act (Nw. <i>verdipapirhandelloven</i> ).   |
| <b>Principal activities of the Issuer/Group</b>  | The Group (including the Issuer) is a global premium manufacturer of stoves and fireplaces. The Group's main brands are Jøtul, Scan and Ravelli. The Jøtul fireplaces are manufactured from cast iron and appear timeless and robust, with Norwegian origins. The Scan fireplaces are manufactured from plated steel and are characterized by modern Danish design, while the Ravelli pellets stoves are characterized by Italian design and technology.   |
| <b>Major shareholders</b>  | <p>All the shares in the Issuer are owned by Jotul Holdings S.à r.l., a limited liability company (<i>société à responsabilité limitée</i>) operating under the laws of Luxembourg with reg. no. B203258. Jotul Holdings S.à r.l. is indirectly owned by the following private equity funds: OpenGate Capital Partners I, LP; OpenGate Capital Partners I-A, LP; and OGCP I Employee Co-Invest, LP (collectively, "<b>OpenGate Fund I</b>"), each of which is a Cayman Islands exempted limited partnership. The Issuer is consequently controlled, by OpenGate Fund I, which is advised by OpenGate Capital Management, LLC ("<b>OpenGate</b>"), a global private equity company. OpenGate Fund I, indirectly through a holding company, holds 100 percent of the votes in Jotul Holdings S.à r.l.</p> <p>The shares of the Issuer are denominated in NOK. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, the Issuer had an issued share capital of NOK 139,413,732 divided into 1 share.</p> |
| <b>Executive Management</b>  | The executive management of the Group consists of a team of 7 people. Nils Agnar Brunborg, CEO, Adrian Postolache, CFO of Jøtul Group, Lars Tore Heggem, COO, Brian Steen Ørum, product development, Rene Christensen, senior vice president sales in North-Europe, Guy-Cédric Galea, managing director, Jotul France S.A.S. and South Europe and Robert M. Watson, president, Jotul North America Inc..   |
| <b>Sponsor</b>   | OpenGate Capital Management, LLC or an Affiliate thereof (the " <b>Sponsor</b> ").   |
| <b>Auditor</b>   | PricewaterhouseCoopers AS with business address Dronning Eufemias gate 71, 0194 Oslo, Norway, has been the Issuer's independent auditor since 2021. PricewaterhouseCoopers AS is a member of the Norwegian Institute of Public Accountants (Nw. <i>Den Norske Revisorforening</i> ), the professional institute of the accountancy sector in Norway.   |
| <b>What is the key financial information regarding the Issuer?</b>   |  |
| <b>Key financial information</b>   | <p>The table below sets out a summary of the key financial information extracted from the Issuer's audited consolidated financial statements for the financial year ended 31 December 2021 (IFRS), the audited stand-alone financial statements for the financial year ended 31 December 2020 (NGAAP) and the unaudited interim consolidated financial statements for the period 1 January 2022 to 30 June 2022 (IAS 34), respectively (in thousands of NOK).</p> <p>The 2021 consolidated financial statements with the Issuer as a parent are the first financial statements the parent has issued on a consolidated basis, and in accordance with</p>   |

IFRS. The comparative figures for 2020 are unaudited. For further information, please refer to note 2.1 Basis of preparation of the Issuer's 2021 consolidated financial statements.

| <b>Table 1 – Key Financials - Income Statement (Amounts in NOK`000)</b> |             |              |              |                        |              |
|---|-------------|--------------|--------------|------------------------|--------------|
|   | Year ended  |              |              | Six-month period ended |              |
|   | 31 December |              |              | 30 June                |              |
|   | 2020        | 2020         | 2021         | 2021                   | 2022         |
|   | Stand-alone | Consolidated | Consolidated | Consolidated           | Consolidated |
| Operating profit/(loss)   | (2,672)     | (44,615)     | 34,762       | (1,183)                | 65,445       |

| <b>Table 2 – Key Financials – Balance Sheet (Amounts in NOK`000)</b> |             |              |              |              |              |
|--|-------------|--------------|--------------|--------------|--------------|
|  | As at       |              |              | As at        |              |
|  | 31 December |              |              | 30 June      |              |
|  | 2020        | 2020         | 2021         | 2021         | 2022         |
|  | Stand-alone | Consolidated | Consolidated | Consolidated | Consolidated |
| Net financial debt   | 506,569     | 899,777      | 1,145,266    | 1,323,133    | 1,157,400    |

| <b>Table 3 – Key Financials – Cash Flow Statement (Amounts in NOK`000)</b> |             |              |                        |              |
|--|-------------|--------------|------------------------|--------------|
|  | Year ended  |              | Six-month period ended |              |
|  | 31 December |              | 30 June                |              |
|  | 2020        | 2020         | 2021                   | 2021         |
|  | Stand-alone | Consolidated | Consolidated           | Consolidated |
| Net cash flow from operating activities                                    | 76,479      | 18,091       | (112,413)              | (83,775)     |
| Net cash flow from investment activities                                   | (141,833)   | (35,573)     | (38,956)               | (16,669)     |
| Net cash flow from financing activities                                    | 65,168      | 65,610       | 172,610                | 34,659       |

#### **Audit qualifications**

There are no qualifications in the auditors' reports pertaining to the Issuer's consolidated financial statements for the year ending 31 December 2021 and the Issuer's stand-alone financial statements for the year ended 31 December 2021.

#### **What are the key risks that are specific to the Issuer?**

Investing in the Bonds involves inherent risks. A number of risk factors and uncertainties may adversely affect 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 each Guarantor, and no specific risk factor is applicable to only the Issuer or a Guarantor and not the rest of the Group. The key risk factors relating to the Issuer, each Guarantor and the Group's business and markets are listed below. The risk factors listed are key risk factors and additional risks and uncertainties not presently known to the Group, or that the Group currently believes are immaterial, could also impair the Group's business, results of operations and financial condition or an investment in the Issuer.

**Suppliers and raw material** Inability to maintain a 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 significant adverse effects on the Group's net sales, earnings and financial position.

**Coronavirus disease (COVID-19) risks**

The COVID-19 pandemic has been a challenge for the Group, particularly with regards to the liquidity and financial standing of the Group due to stoppages in production and a decline in sales. As a result, the Group needed to increase its working capital facility as well as renegotiate the terms of the Group's long term financing arrangements to not strain the liquidity position of the Group further. Any additional production stoppages may significantly adversely affect the operations, business, financial position of the Group

**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. 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 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.

**Risks relating to production**

The Group currently have its manufacturing in Norway, Poland, USA and France. Having the production in the aforementioned countries could become a competitive disadvantage for the Group as the Group's products becomes relatively expensive. In addition, cost reduction action, such as the relocation of certain parts of the Group's production to Poland and lay-offs, may negatively affect the perception of the Group's brands and could entail increased costs, resulting in adverse effects on the Group's business, financial position or results of operations.

**Damage to warehouse facilities and factories**

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.

**Borrowing by the Group and interest risk**

The Group has incurred and may subject to, *inter alia*, the Terms and Conditions, 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. If interest rates increase, the Group's current financial costs will also increase, which will have a negative effect on the Group's liquidity. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses. Higher interest rates could affect the Group's operations, earnings 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. Materialisation of these risks may have an adverse effect on the Group's business, earnings, and financial position as well as future prospects.

**Alternative heating costs**

Households tend to evaluate alternative heating sources based on the current energy prices in order to reduce the overall household costs. Changes in energy prices for

alternative heating sources may have a material adverse effect on the Group's business, earnings and financial position.

## KEY INFORMATION ON THE SECURITIES

### What are the main features of the securities?

**Governing law, type, class and ISIN** The Terms and Conditions of the Bonds are governed by Swedish law. The Bonds are senior secured floating rate bonds with ISIN: NO0011104069.

**Currency, denomination, par value, the number of securities issued and the term of the securities** The Bonds are denominated in NOK. The Initial Nominal Amount of each Bond is NOK 1.00. The Issuer has issued a total of 475,000,000 bonds in an initial aggregate amount of NOK 475,000,000 on the First Issue date of 6 October 2021, and may also issue Subsequent Bonds up to an aggregate principal amount of NOK 750,000,000, pursuant to the Terms and Conditions. The final maturity date of the Bonds is 6 October 2024.

**Rights attached to the securities** Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent.

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

The Issuer has the right to redeem outstanding Bonds in full at any time at the applicable Call Option Amount in accordance with the Terms and Conditions.

The Issuer may at one occasion, in connection with an Equity Listing Event, repay up to 35 % of the total Nominal Amount in accordance with the Terms and Conditions.

**Ranking** The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer (other than as follows from the provisions of the Intercreditor Agreement), except, without any preference among them, those obligations which are preferred in accordance with the Intercreditor Agreement or which are mandatorily preferred by law.

**Transfer Restrictions** The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

**Payout policy** The Bonds Interest Payment Dates are quarterly each year 6 January, 6 April, 6 July and 6 October commenced on 6 January 2022. Interest will accrue from (and including) the First Issue Date. The last Interest Payment Date shall be the relevant Redemption Date (or such earlier date on which the Bonds are redeemed in full). The Bonds carry an interest of three month NIBOR (with a floor of zero per cent.) plus margin of 6.95 per cent. *per annum*.

### Where will the securities be traded?



**Trading** The Bonds will be admitted to trading on the regulated market of Oslo Børs or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.

**Is there a guarantee attached to the securities?**

**Nature and scope of the guarantee** The Guarantors (as defined below) have agreed to jointly and severally guarantee the full and punctual payment and performance of all Secured Obligations, including the payment of principal and interest under the Senior Finance Documents (as defined in the Intercreditor Agreement as defined below) when due, whether at maturity, by acceleration, by redemption or otherwise, and interest on any such obligation which is overdue, and of all other monetary obligations of the Issuer to the Secured Parties under the Senior Finance Documents.

**Guarantors** The Issuer's obligations under the Bonds are jointly and severally guaranteed by each of the following entities:

- **Jotul France S.A.S**, a *société par actions simplifiée* (limited liability company) incorporated under the laws of France, whose registered address is at 3 Chemin du Jubin 69570 Dardilly, France, registered under number 311 472 351 RCS Lyon with LEI Code 984500A54D4EAM909005. The financial statements of Jotul France S.A.S for the years ended 31 December 2021 and 2020 have been prepared in accordance with the regulations of the Authority for Accounting Standards no. 2020-09 of 4th December 2020 amending ANC regulation no. 2014-03 concerning minor adjustments ("**FGAAP**"). The interim financial statements of Jotul France S.A.S for the six-month period ended 30 June 2022 have been prepared based on recognition and measurement requirements in accordance with FGAAP;
- **AICO France S.A.S**, a *société par actions simplifiée* (limited liability company) incorporated under the laws of France, whose registered address is at 3 Chemin du Jubin 69570 Dardilly, France, registered under number 829 817 170 RCS Lyon with LEI Code 984500I0CB4K91F85754. The financial statements of AICO France S.A.S for the years ended 31 December 2021 and 2020 have been prepared in accordance with FGAAP. The interim financial statements of AICO France S.A.S for the six-month period ended 30 June 2022 have been prepared based on recognition and measurement requirements in accordance with FGAAP;
- **Jotul North America Inc.**, US EIN Reg. No. 01-0371493, a limited liability company incorporated under the laws of Delaware, United States whose registered address is at 55 Hutcherson Drive, Gorham, Maine 04038, USA with LEI Code 984500877RAFED804947. The financial statements of Jotul North America Inc. for the years ended 31 December 2021 and 2020 have been prepared in accordance with accounting principles generally accepted in the United States of America ("**US GAAP**"). The interim financial statements of Jotul North America Inc. for the six-month period ended 30 June 2022 have been prepared based on recognition and measurement requirements in accordance with US GAAP;
- **Jotul Poland sp. z o.o.**, a limited liability company incorporated under the laws of Poland, with its registered seat in Jerzego Popiełuszki 17, 55-080 Kąty Wrocławskie, Poland, entered in the register of entrepreneurs of the National Court Register held by the District Court for Wrocławia-Fabrycznej in Wrocław, IX Commercial Division of the National Court Register, under KRS number 0000782487, REGON number 383166583, NIP number 8961586152 with LEI Code 9845000C5BB0B1D7F836. The financial statements of Jotul Poland sp. z o.o. for the years ended 31 December 2021 and 2020 have been prepared in accordance with the Polish Accounting Act of 29 September 1994 and adopted accounting principles ("**PGAAP**"). The interim financial

statements of Jotul Poland sp. z o.o. for the six-month period ended 30 June 2022 have been prepared based on recognition and measurement requirements in accordance with PGAAP; and

- **AICO S.p.A.**, a company with a sole shareholder incorporated under the laws of Italy with registered office in Via Consorzio Agrario 3/D, 25032, Chiari (BS), Italy, registration number with the Registry of Brescia 07007260966 (REA No. BS - 516133) with LEI Code 815600DC8ACAAC4E2674, each a "**Guarantor**" and jointly the "**Guarantors**". The financial statements of AICO S.p.A. for the years ended 31 December 2021 and 2020 have been prepared in accordance with articles 2423 et seq. of the Civil Code and with the national accounting standards as published by the Italian Accounting Board ("**IGAAP**"). The interim financial statements of AICO S.p.A. for the six-month period ended 30 June 2022 have been prepared based on recognition and measurement requirements in accordance with IGAAP.

**Key financial information** The tables below sets out a summary of the key financial information extracted from each Guarantor's audited financial statements for the period ending 2020 and 2021, and from each Guarantor's unaudited interim financial statements for the six-months ended 30 June 2022.

#### Jotul France S.A.S

**Table 4 – Key Financials - Income Statement for Jotul France S.A.S (Amounts in EUR`000)**

|                         | Year ended  |       | Six-month period ended |       |
|-------------------------|-------------|-------|------------------------|-------|
|                         | 31 December |       | 30 June                |       |
|                         | 2020        | 2021  | 2021                   | 2022  |
| Operating profit/(loss) | 682         | 1,011 | 555                    | 1,595 |

**Table 5 – Key Financials – Balance Sheet for Jotul France S.A.S (Amount in EUR`000)**

|                    | As at       |       | As at   |       |
|--------------------|-------------|-------|---------|-------|
|                    | 31 December |       | 30 June |       |
|                    | 2020        | 2021  | 2021    | 2022  |
| Net financial debt | 4,006       | 3,512 | 4,155   | 4,832 |

**Table 6 – Key Financials – Cash Flow Statement for Jotul France S.A.S (Amounts in EUR`000)**

|                                      | Year ended  |       | Six-month period ended |       |
|--------------------------------------|-------------|-------|------------------------|-------|
|                                      | 31 December |       | 30 June                |       |
|                                      | 2020        | 2021  | 2021                   | 2022  |
| Cash flow from operating activities  | 164         | 2,699 | 298                    | (375) |
| Cash flow from investment activities | 394         | 154   | 50                     | (865) |
| Cash flow from financing activities  | 1,250       | (450) | (450)                  | 0     |

#### AICO France S.A.S

**Table 7 – Key Financials - Income Statement for AICO France S.A.S (Amounts in EUR`000)**

|                         | Year ended<br>31 December |      | Six-month period ended<br>30 June |      |
|-------------------------|---------------------------|------|-----------------------------------|------|
|                         | 2020                      | 2021 | 2021                              | 2022 |
| Operating profit/(loss) | 116                       | 173  | 206                               | 167  |

**Table 8 – Key Financials – Balance Sheet for AICO France S.A.S (Amounts in EUR`000)**

|                    | As at<br>31 December |       | As at<br>30 June |       |
|--------------------|----------------------|-------|------------------|-------|
|                    | 2020                 | 2021  | 2021             | 2022  |
| Net financial debt | 1,563                | 2,245 | 1,779            | 2,464 |

**Table 9 – Key Financials – Cash Flow Statement for AICO France S.A.S (Amounts in EUR`000)**

|                                      | Year ended<br>31 December |       | Six-month period ended<br>30 June |       |
|--------------------------------------|---------------------------|-------|-----------------------------------|-------|
|                                      | 2020                      | 2021  | 2021                              | 2022  |
| Cash flow from operating activities  | (18)                      | 246   | 96                                | (329) |
| Cash flow from investment activities | (11)                      | 0     | 0                                 | 0     |
| Cash flow from financing activities  | (110)                     | (240) | (90)                              | 0     |

#### Jotul North America Inc.

**Table 10 – Key Financials - Income Statement for Jotul North America Inc. (Amounts in USD`000)**

|                         | Year ended<br>31 December |       | Six-month period ended<br>30 June |      |
|-------------------------|---------------------------|-------|-----------------------------------|------|
|                         | 2020                      | 2021  | 2021                              | 2022 |
| Operating profit/(loss) | 452                       | 1,257 | 715                               | 868  |

**Table 11 – Key Financials – Balance Sheet for Jotul North America Inc. (Amounts in USD`000)**

|                    | As at<br>31 December |       | As at<br>30 June |       |
|--------------------|----------------------|-------|------------------|-------|
|                    | 2020                 | 2021  | 2021             | 2022  |
| Net financial debt | 4,036                | 3,275 | 5,938            | 4,193 |

**Table 12 – Key Financials – Cash Flow Statement for Jotul North America Inc. (Amounts in USD`000)**

|                                     | Year ended<br>31 December |       | Six-month period ended<br>30 June |      |
|-------------------------------------|---------------------------|-------|-----------------------------------|------|
|                                     | 2020                      | 2021  | 2021                              | 2022 |
| Cash flow from operating activities | 390                       | 2,415 | 571                               | 136  |

|                                      |       |         |       |       |
|--------------------------------------|-------|---------|-------|-------|
| Cash flow from investment activities | (267) | (410)   | (210) | (222) |
| Cash flow from financing activities  | 94    | (1,361) | (663) | (124) |

### Jotul Poland sp. z o.o.

**Table 13 – Key Financials - Income Statement for Jotul Poland sp. z o.o (Amounts in PLN'000)**

|                         | Year ended<br>31 December |          | Six-month period ended<br>30 June |       |
|-------------------------|---------------------------|----------|-----------------------------------|-------|
|                         | 2020                      | 2021     | 2021                              | 2022  |
| Operating profit/(loss) | (31,020)                  | (20,271) | (14,521)                          | 2,616 |

**Table 14 – Key Financials – Balance Sheet for Jotul Poland sp. z o.o (Amounts in PLN'000)**

|                    | As at<br>31 December |         | As at<br>30 June |         |
|--------------------|----------------------|---------|------------------|---------|
|                    | 2020                 | 2021    | 2021             | 2022    |
| Net financial debt | 135,187              | 229,207 | 229,207          | 238,996 |

**Table 15 – Key Financials – Cash Flow Statement for Jotul Poland sp. z o.o (Amounts in PLN'000)**

|                                      | Year ended<br>31 December |          | Six-month period ended<br>30 June |         |
|--------------------------------------|---------------------------|----------|-----------------------------------|---------|
|                                      | 2020                      | 2021     | 2021                              | 2022    |
| Cash flow from operating activities  | (75,708)                  | (74,184) | (38,815)                          | 1,213   |
| Cash flow from investment activities | (8,227)                   | (1,231)  | (693)                             | (502)   |
| Cash flow from financing activities  | 91,202                    | 74,725   | 37,086                            | (1,134) |

### AICO S.p.A.

**Table 16 – Key Financials - Income Statement for AICO S.p.A (Amounts in EUR'000)**

|                         | Year ended<br>31 December |         | Six-month period ended<br>30 June |         |
|-------------------------|---------------------------|---------|-----------------------------------|---------|
|                         | 2020                      | 2021    | 2021                              | 2022    |
| Operating profit/(loss) | (9,282)                   | (4,523) | (1,592)                           | (1,707) |

**Table 17 – Key Financials – Balance Sheet for AICO S.p.A (Amounts in EUR'000)**

|                    | As at<br>31 December |        | As at<br>30 June |        |
|--------------------|----------------------|--------|------------------|--------|
|                    | 2020                 | 2021   | 2021             | 2022   |
| Net financial debt | 16,472               | 24,653 | -                | 19,883 |

| <b>Table 18 – Key Financials – Cash Flow Statement for AICO S.p.A (Amounts in EUR'000)</b> |                    |             |                               |             |
|--|--------------------|-------------|-------------------------------|-------------|
|  | <b>Year ended</b>  |             | <b>Six-month period ended</b> |             |
|  | <b>31 December</b> |             | <b>30 June</b>                |             |
|  | <b>2020</b>        | <b>2021</b> | <b>2021</b>                   | <b>2022</b> |
| Cash flow from operating activities  | (1,624)            | (229)       | (967)                         | (3,563)     |
| Cash flow from investment activities   | (813)              | (733)       | (270)                         | (78)        |
| Cash flow from financing activities  | (643)              | 1,426       | 313                           | 3,012       |

### **Audit qualifications**

The independent auditor's report issued by Deloitte sp. z.o.o. in respect of Jotul Poland sp. z.o.o's financial statements for the financial year ended 31 December 2020 includes an audit qualification about the lack of receipt regarding certain documents in respect of Jotul Poland sp. z.o.o's use of transfer pricing during the financial year ended 31 December 2020. The reason for the audit qualification related to a late submission of the applicable documentation on the use of the transfer pricing activities which Jotul Poland sp. z.o.o. failed to report on 30 September 2021 when such reporting was due regarding the financial statements for the financial year ended 31 December 2020. The audit report issued by PricewaterhouseCoopers Polska Sp. z.o.o. in respect of the financial statements for the financial year ended 31 December 2021 were submitted without qualification.

### **Material risk factors pertaining to the Guarantors**

#### **Risks relating to the guarantees**

Although the Group's obligations towards the bondholders under the Bonds are guaranteed to a limited extent, there is risk that any enforcement of claims under the guarantees would be insufficient to satisfy all amounts owed to the bondholders at the time of enforcement. Furthermore, guarantors are not restricted from granting any additional guarantees. If the guarantors were to guarantee any other obligations, there is a risk that guarantees granted towards the bondholders would be impaired.

Any guarantees of the Issuer's obligations under the Bonds from the Issuer's subsidiaries are limited by relevant financial assistance rules and corporate benefit principles.

If the Issuer were to be unable to make repayment under the Bonds, there is a risk that the bondholders would find it difficult or impossible to recover the amounts owed to them under the Bonds. There is a risk that the guarantees granted in respect of the Bonds will be insufficient in respect of any of the Issuer's obligations under the Bonds in the event the Issuer becomes insolvent.

There is a risk that guarantees granted under the Bonds could be unenforceable or that enforcement of the claims under the guarantees could be delayed according to, *inter alia*, French law, Italian law, Polish law and US law or any other applicable laws. Should claims be unenforceable, delayed or subject to a certain degree of uncertainty, there is a risk that this would have a significant negative effect on the likelihood of the bondholders receiving the amounts owed to them under the Bonds.

### **What are the key risks that are specific to the securities?**

**Risks relating to the transaction security**

Although the Issuer's obligations towards the Investors under the Bonds are secured by 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 are 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 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 related to the intercreditor arrangements**

The Issuer has the possibility to incur additional debt under a super senior revolving credit facility (the "**Super Senior RCF**") which, in accordance with the terms of an Intercreditor Agreement (as defined below), ranks senior to the Bonds. Further, the Issuer has incurred additional financial indebtedness which also ranks *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 (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) are 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.

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

The Intercreditor Agreement also contains provisions regarding the application of proceeds from an enforcement of security where any agent receives payments first, secondly any creditor under any super senior debt, thirdly any creditor *pro rata* under any senior debt (including the bondholders) 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.

## KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET

### Under which conditions and timetable can I invest in this security?

**Details of the admission to trading on Oslo Børs** This Prospectus has been prepared for the admission to trading of the Bonds on the corporate bond list of Oslo Børs (or another Regulated Market). This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell Bonds.

**Listing costs** The aggregate cost for the Bonds' admission to trading is estimated to be approximately SEK 428,000.

**Expenses charged to the Bondholders by the Issuer** No costs will be borne by the Bondholders.

### Why is this Prospectus being produced?

**Reason for the admission to trading on a regulated market** This Prospectus has been prepared to enable the Bonds to be admitted to trading on the corporate bond list of Oslo Børs (or another Regulated Market) which is a requirement from the Bondholders and as set out in the Terms and Conditions.

**Use and net amount of proceeds** The Issuer has used, and will use, the net proceeds from the issuance of the Bonds to (i) refinance the Existing Debt (including accrued and unpaid interest and applicable redemption premium) by way of, *inter alia*, repayment of shareholder loans from the Parent, (ii) repay the Bridge Loan, (iii) finance general corporate purposes, including capital expenditures, and (iv) finance Transaction Costs.

**Material conflicts** The Sole Bookrunner and/or its affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Sole Bookrunner and/or its affiliates having previously engaged, or engaging in future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

## **Risk Factors**

*Investing in the Bonds involves inherent risks. A number of risk factors and uncertainties may adversely affect the Issuer and its subsidiaries. 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 Terms and Conditions. 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. The materiality of the risk factors is disclosed by the use of a qualitative ordinal scale of low, medium or high. 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**

###### **High level risk**

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. As of the date of this Prospectus there is a global supply chain crisis which for the Group results in higher production costs, which can have a negative impact on the Group's earnings and financial condition. As of the date of this Prospectus 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 is 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.



## **Coronavirus disease (COVID-19) risks**

### **Medium level risk**

The 2019 novel coronavirus ("COVID-19") has been a challenge for the Group, particularly with regards to the liquidity and financial standing of the Group due to stoppages in production and a decline in sales. The Group needed to increase its working capital facility as well as renegotiate the terms of the Group's long term financing arrangements to not strain the liquidity position of the Group further. The Sponsor also put in NOK 40,000,000 into the business of the Group to mitigate the effects of the COVID-19 pandemic on the Group's liquidity.

The Group operates on several markets in various jurisdictions and, therefore, it is necessary for the Group to comply with various regulations and governmental recommendations in order to be able to continue its various operations. There is a risk that complying with such regulations and/or governmental regulations would have an adverse effect on the Group's business, earnings or financial position. The Group was further affected by the COVID-19 pandemic in connection with the establishment and move of the majority of its production to a newly opened production site in Poland. The Group experienced several instances of COVID-19 cases on the production site which resulted in temporary production stoppages. There is a risk that the Group will be affected by COVID-19 related disruptions in the future. Any production stoppages and/or other future disruptions due to COVID-19 may significantly adversely affect the operations, business and financial position of the Group.

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

#### **Medium level risk**

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 and France, 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**

### **Low level risk**

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 and USA. 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.

### **Risks related to technological developments**

#### **Low level risk**

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 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**

##### **Low level risk**

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**

#### **Low level risk**

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 10,000,000 for the Group based on the annual accounts for the financial year ended 31 December 2021. Consequently, to the extent that foreign exchange rate exposures are not hedged 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. 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 Groups local monetary assets and, to the extent that foreign exchange rate exposures are not hedged, generate local currency losses, which in turn would have an adverse effect on the Group's business, earnings or financial position.

### **Alternative heating costs**

#### **Low level risk**

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**

### **Risks relating to production**

#### **Medium level risk**

In January 2020, the majority of the Group's production activities in Norway and Denmark were transferred to Poland. In addition to the production in Poland, the Group has production sites in USA 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 become 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 executing 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**

#### **Medium level risk**

The Group manages several factories for its productions in Poland, USA 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**

#### **Medium level risk**

The Group has incurred and has a right to, in compliance with the limits set out in the final Terms and Conditions 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. 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.

## **Insurance**

### **Medium level risk**

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**

#### **Low level risk**

A number of legislations and regulations, competition 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 new EcoDesign standard will be implemented throughout the European Union during 2022 and the Group must comply with such new standard and regulatory framework. Compliance with these 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**

#### **Low level risk**

As the Group has experienced significant growth, expansion and success 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**

#### **Low level risk**

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**

#### **Low level risk**

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**

#### **Low level risk**

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**

**Low level risk**

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. 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 and damages to the environment may have a material negative effect on the Group's business, result and financial position.

**Legal disputes and litigations****Low level risk**

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.

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****Low level risk**

The Group conducts its business in accordance with its interpretation of applicable tax 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 effects the Group's earnings and financial position.

**RISKS RELATING TO THE BONDS****Credit risks****Medium level risk**

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**

#### **Medium level 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 is 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**

#### **Medium level risk**

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. The Bonds has a floating rate interest of three month NIBOR (with a floor of zero per cent.) plus a margin of 6.95 per cent. *per annum* and the interest rate of the Bonds is determined two business days prior to the first day of each interest period. 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.

### **Liquidity risks and secondary market**

#### **Medium level risk**

Pursuant to the Terms and Conditions the Issuer has listed the Bonds on the unregulated market of Open Market of the Frankfurt Stock Exchange and shall use its best effort to list the Bonds on the corporate bond list of a regulated market within 12 calendar months from the First Issue Date. Even if the Bonds are admitted to trading on a regulated market, active trading in the Bonds does not always occur and a liquid market for trading in the Bonds might not occur even if the Bonds are listed. This may result in that the bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market.

Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if the Bonds are admitted for trading on a regulated market. It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at



reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

### **Ability to service debt**

#### **Medium level risk**

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**

#### **Medium level risk**

Although the Issuer's obligations towards the Investors under the Bonds are 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 are 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 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**

#### **Medium level risk**

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**

#### **Medium level risk**

The Issuer has the possibility to incur additional debt under a super senior revolving credit facility (the "**Super Senior RCF**") which, in accordance with the terms of an Intercreditor Agreement (as defined below), ranks senior to the Bonds. Further, the Issuer has incurred additional financial indebtedness which also ranks *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 (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) are 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.

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

The Intercreditor Agreement also contains provisions regarding the application of proceeds from an enforcement of security where any agent receives payments first, secondly any creditor under any super senior debt, thirdly any creditor *pro rata* under any senior debt (including the bondholders) 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**

### **Medium level risk**

Under the Terms and Conditions, the Issuer has reserved the possibility to redeem all outstanding Bonds before the final redemption date. Further, the Issuer may, following an initial public offering of the shares in the Issuer, repay up to 35% of the outstanding nominal amount of the Bonds, in which case all outstanding Bonds shall be partially repaid by way of reducing the outstanding nominal amount of each Bond *pro rata*. 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 Terms and Conditions. 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**

#### **Low level risk**

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 Terms and Conditions and the Group's financial condition may be adversely affected.

### **Subsidiaries, structural subordination and insolvency of subsidiaries**

#### **Low level risk**

A significant part of the Group's assets is owned by, and all revenues are generated in, the subsidiaries of the Issuer. 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).

If the Issuer is not able to receive funds by way of dividends or value transfer from one or more subsidiary, this could affect the Issuer's ability to service its payment obligations under the Bonds which would have a material adverse effect on the Issuer's business, financial position, earnings and result.

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.

### **Majority owner**

#### **Low level risk**

Following any potential change of control in the Issuer, the Issuer may be controlled by majority shareholder whose interest may conflict with those of the bondholders, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. A majority shareholder has legal power to control a large amount of the matters to be decided by vote at a shareholder's meeting. For example, a majority shareholder has the ability to elect the board of directors. Furthermore, a majority shareholder may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to the bondholders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to arise, it could have a material negative impact on the Group's operations, earnings and financial position. According to the Terms and Conditions, if a change of control event occurs, the bondholders have however a right of prepayment of the Bonds (put option). There is thus a risk that the Issuer does not have enough liquidity to repurchase the Bonds if the bondholders use its right of prepayment, see further under Section "*Put option*" below.

### **Put option**

#### **Low level risk**

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put option) if any person or group of persons, other than OpenGate Capital Management LLC (or an affiliate thereof) acting in concert gains control over the Issuer and where "control" means (a) controlling, directly or indirectly, more than 50% of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer, and where "acting in concert" means, a group of persons, who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition, directly or indirectly, of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate control of the Issuer. 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 Terms and Conditions, and thus adversely affect all bondholders and not only those that choose to exercise the option.

**No action against the Issuer and bondholders' representation****Low level risk**

In accordance with the Terms and Conditions, the Agent represents 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 Terms and Conditions), which could negatively impact an acceleration of the Bonds or other action against the Issuer.

To enable the Agent to represent bondholders in court, the bondholders and/or their nominees may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings. Under the Terms and Conditions, the Agent has the right to make decisions and take measures that bind all bondholders. Consequently, there is a risk that the actions of the Agent in such matters will impact a bondholder's rights under the Terms and Conditions in a manner that is undesirable for some of the bondholders.

**The rights of bondholders depend on the Agent's actions and financial standing****Low level risk**

By subscribing for, or accepting the assignment of, any Bond, each holder of a Bond accepts 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 are subject to the provisions of the Terms and Conditions, and there is no specific legislation or market practice in Sweden (under which laws the Terms and Conditions are 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.

The Agent may be replaced by a successor Agent in accordance with the Terms and Conditions. Generally, the successor Agent has the same rights and obligations as the retired Agent. It may be difficult to find a successor Agent with commercially acceptable terms or at all. Further, there is a risk that that the successor Agent would breach its obligations under the above documents or that insolvency proceedings would be initiated against it.

There is a risk that materialisation of any 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' meetings****Low level risk**

The Terms and Conditions includes certain provisions regarding bondholders' meetings. Such meetings may be held in order to resolve on matters relating to the bondholders' interests. The Terms and Conditions 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.

## The Bonds in Brief

The following summary contains basic information about the Bonds. Potential investors should therefore carefully consider this Prospectus as a whole, including documents incorporated by reference, before a decision is made to invest in the Bonds. For a more complete understanding of the Bonds, including certain definitions of terms used in this summary, see the Terms and Conditions.

|  |   |
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| <b>Issuer</b>                            | Jøtul AS.   |
| <b>Bonds Offered</b>                     | The aggregate amount of the bond loan will be an amount of up to a maximum of NOK 750,000,000. The Issuer may choose not to issue the full amount of Bonds on the First Issue Date and may choose to issue the remaining amount of Bonds at one or more subsequent dates. At the date of this Prospectus, an aggregate amount of Bonds of NOK 475,000,000 had been issued on the First Issue Date.  |
| <b>Number of Bonds</b>                   | At the date of this Prospectus 475,000,000 Bonds had been issued on the First Issue Date and this Prospectus relates to the admission to trading of the 475,000,000 Bonds issued on the First Issue Date.   |
| <b>ISIN</b>                              | NO0011104069.   |
| <b>First Issue Date</b>                  | 6 October 2021.   |
| <b>Rights attached to the securities</b> | <p>Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent.</p> <p>The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.</p> <p>The Issuer has the right to redeem outstanding Bonds in full at any time at the applicable Call Option Amount in accordance with the Terms and Conditions.</p> <p>The Issuer may at one occasion, in connection with an Equity Listing Event, repay up to 35 % of the total Nominal Amount in accordance with the Terms and Conditions.</p> |
| <b>Issue Price</b>                       | All bonds issued on the First Issue Date have been issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount. The issue   |

price of the Subsequent Bonds may be at a discount or at a premium compared to the Nominal Amount.

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| <b>Interest Rates</b>         | Interest on the Bonds will be paid at a floating rate of three month NIBOR plus a margin of 6.95 per cent. <i>per annum</i> . The Issuer is responsible for calculating the interest.  |
| <b>Use of benchmark</b>       | Interest payable on the Bonds is calculated by reference to NIBOR. As at the date of this Prospectus, the administrator, Global Rate Set Systems, of NIBOR is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011.   |
| <b>Interest Payment Dates</b> | 6 January, 6 April, 6 July and 6 October of each year commencing on 6 January 2022. Interest accrues from the period from (and including) the First Issue Date.  |
| <b>Indication of yield</b>    | The yield on the Bonds is depending on the following three elements: <ol style="list-style-type: none"> <li>(i) the applicable Interest Rate during the tenor of the Bonds, the method of calculation is described above;</li> <li>(ii) the applicable premium payable upon a voluntary early redemption (Call Option), the method of calculation as described below under "Call Option"; and</li> <li>(iii) the price of the Bonds in the secondary market.</li> </ol>  |
| <b>Nominal Amount</b>         | The Bonds have a nominal amount of NOK 1.00.   |
| <b>Status of the Bonds</b>    | <p>The Bonds are denominated in NOK and each Bond is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.</p> <p>The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer, and:</p> <ul style="list-style-type: none"> <li>• shall at all times rank at least <i>pari passu</i> with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer (other than as follows from the provisions of the Intercreditor Agreement), except, without any preference among them, those obligations which are preferred in accordance with the Intercreditor Agreement or which are mandatorily preferred by law;</li> <li>• are guaranteed by the Guarantors (as defined below);</li> <li>• are effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its subsidiaries that is secured by property and assets that do not secure the Bonds, to the extent of the value of the property and assets securing such indebtedness; and</li> <li>• are structurally subordinated to any existing or future indebtedness of the subsidiaries of the Issuer that are not Guarantors, including obligations to trade creditors.</li> </ul> |
| <b>Guarantees</b>             | <p>The Issuer's obligations under the Bonds are jointly and severally guaranteed (the "<b>Guarantee</b>") by each of:</p> <ul style="list-style-type: none"> <li>• Jotul France S.A.S, reg. no. 311 472 351 RCS Lyon;</li> </ul>   |



- AICO France S.A.S, reg. no. 829 817 170 RCS Lyon;
- Jotul North America Inc., reg. no. 01-0371493;
- Jotul Poland sp. z o.o., reg. no. 383166583; and
- AICO S.p.A., reg. no. BS - 516133. each a "**Guarantor**" and jointly the "**Guarantors**".

See "*Description of Material Agreements – Guarantee and Adherence Agreement*" for further details.

**Ranking of the Guarantees** The Guarantee of each Guarantor is a general obligation of such Guarantor and:

- ranks *pari passu* in right of payment with any existing and future indebtedness of such Guarantor that is not subordinated in right of payment to such Guarantee, including the indebtedness under the Super Senior RCF;
- ranks senior in right of payment to any existing and future indebtedness of such Guarantor that is expressly subordinated in right of payment to such unconditional and irrevocable Guarantee; and
- is effectively subordinated to any existing or future indebtedness or obligation of such Guarantor that is secured by property and assets that do not secure the Bonds, to the extent of the value of the property and assets securing such indebtedness.

The unconditional and irrevocable Guarantees are subject to certain limitations under local law.

**Security** The Bonds, together with obligations under the Super Senior RCF, are secured by security interests granted on an equal and rateable first-priority basis over the share capital of certain Group Companies and other assets of the Group. See the definition of "**Security Documents**" in Clause 1.1 (*Definitions and Construction*) of the Terms and Conditions.

The Security is subject to certain limitations under local law, including, but not limited to, French, Norwegian and Polish law.

**Call Option** The Issuer has the right to redeem outstanding Bonds in full at any time at the applicable Call Option Amount in accordance with Clause 9.3 (*Voluntary Total Redemption (call option)*) of the Terms and Conditions.

**Call Amount** **Option** Call Option Amount means:

- any time from and including the First Issue Date to, but excluding, the First Call Date at an amount per Bond equal to 103.475 per cent. of the Nominal Amount plus the remaining interest payments to, and including, the First Call Date, together with accrued but unpaid Interest;
- any time from and including the First Call Date, but excluding, the first CSD Business Day falling 24 months after the First Issue Date at an amount per Bond equal to 103.475 per cent. of the Nominal Amount, together with accrued but unpaid Interest;

- (c) any time from and including the first CSD Business Day falling 24 months after the First Issue Date to, but excluding, the first CSD Business Day falling 30 months after the First Issue Date at an amount per Bond equal to 102.085 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (d) any time from and including the first CSD Business Day falling 30 months after the First Issue Date to, but excluding, the first CSD Business Day falling 33 months after the First Issue Date at an amount per Bond equal to 100.695 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
- (e) any time from and including the first CSD Business Day falling 33 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

**Mandatory repurchase due to a Change of Control Event (put option)** Upon the occurrence of a Change of Control Event, each bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid interest in accordance with Clause 9.6 (*Mandatory repurchase due to a Change of Control Event (put option)*) of the Terms and Conditions.

**Equity Claw Back** The Issuer may at one occasion, in connection with an Equity Listing Event redeem in part up to 35 per cent. of the total Nominal Amount in which case there shall be a *pro rata* payment to the Bondholders in accordance with the applicable regulations of the CSD. The repayment must occur on an Interest Payment Date within 180 days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such Equity Listing Event (net of fees, charges and commissions actually incurred in connection with such Equity Listing Event and net of taxes paid or payable as a result of such Equity Listing Event). The Bonds shall be redeemed at 102.50 per cent. of the Nominal Amount, together with accrued but unpaid interest.

**First Call Date** Means 18 months after the First Issue Date.

**Change of Control Event** Means the occurrence of an event or series of events whereby one or more persons, not being the Sponsor (or an Affiliate thereof), acting in concert, acquire control, directly or indirectly, over more than 50 per cent. of the voting shares of the Issuer, or the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

**Equity Listing Event** Means an initial public offering of shares in the Issuer, after which such shares shall be quoted, listed, traded or otherwise admitted to trading on a Regulated Market or unregulated market.

**Final Maturity Date** Means 6 October 2024.

- Certain Covenants** The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and other Group Companies, including, *inter alia*:
- restrictions on making any changes to the nature of their business
  - a negative pledge, restricting the granting of security on Financial Indebtedness (as defined in the Terms and Conditions);
  - restrictions on the incurrence of Financial Indebtedness (as defined in the Terms and Conditions); and
  - limitations on the making of distributions and disposal of assets.

Each of these covenants is subject to significant exceptions and qualifications, including but not limited to (a) the possibility to provide, prolong or renew any Permitted Security (b) the possibility for an Obligor to incur additional Financial Indebtedness 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, or (ii) ranks *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 (each as defined in the Terms and Conditions. See the Terms and Conditions for further information and exceptions.

The Terms and Conditions contains a maintenance covenant stating that The Issuer shall ensure that the ratio of Net Interest Bearing Debt to EBITDA is equal to or less than (a) 5.50:1 from the First Issue Date until (and including) the date falling 12 months from the First Issue Date, (b) 5.00:1 from (but excluding) the date falling 12 months from the First Issue Date until (and including) the date falling 24 months from the First Issue Date and (c) 4.50:1 from (but excluding) the date falling 24 months from the First Issue Date until (and including) the Final Maturity Date.

The Terms and Conditions contain incurrence covenants which govern the ability of the Issuer and the other Group Companies to incur additional debt. The Incurrence Test is met if (a) the ratio of Net Interest Bearing Debt to EBITDA is not greater than: 4.00:1 from the First Issue Date until (and including) the date falling twelve months from the First Issue Date, (ii) 3.75:1 from (but excluding) the date falling twelve months from the First Issue Date until (and including) the date falling 24 months from the First Issue Date, and (iii) 3.50:1 from (but excluding) the date falling 24 months from the First Issue Date until (and including) the Final Maturity Date, and (b) no Event of Default is continuing or would occur upon the incurrence or the payment (as applicable).

- Use of Proceeds** The Issuer has used, and will use, the net proceeds from the issuance of the Bonds to (i) refinance the Existing Debt (including accrued and unpaid

interest and applicable redemption premium) by way of, *inter alia*, repayment of shareholder loans from the Parent, (ii) repay the Bridge Loan, (iii) finance general corporate purposes, including capital expenditures and (iv) finance Transaction Costs.

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|---|--|
| <b>Transfer Restrictions</b>                                  | The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Neither the Issuer nor the Agent shall be responsible to ensure compliance with such laws, and each Bondholder must ensure compliance with such restrictions at its own cost and expense.  |
| <b>Listing</b>  | Application has been made to list the 475,000,000 Bonds, issued on the First Issue Date, on Oslo Børs. The earliest date for admitting the 475,000,000 Bonds to trading on Oslo Børs is on or about 2 November 2022.   |
| <b>Prescription</b>   | The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Bondholders' right to receive payment has been prescribed and has become void. |
| <b>Agent</b>  | Nordic Trustee AS, Norwegian Reg. No. 963 342 624 and with its registered office at Kronprinsesse Märthas pl 1, 0160 Oslo, Norway, or another party replacing it, as Agent, in accordance with these Terms and Conditions.   |
| <b>Security Agent</b>   | Nordic Trustee AS, Norwegian Reg. No. 963 342 624 and with its registered office at Kronprinsesse Märthas pl 1, 0160 Oslo, Norway, or another party replacing it, as Security Agent, in accordance with these Terms and Conditions.  |
| <b>Paying Agent</b>   | Nordea Bank Abp, Filial i Norge, with its registered office at Essendrops gate 7, 0368 Oslo, Norway.   |
| <b>Governing Law of the Bonds</b>                             | Swedish law  |
| <b>Governing Law of the Intercreditor Agreement</b>           | Swedish law  |
| <b>Governing Law of the Guarantee and Adherence Agreement</b> | Swedish law  |
| <b>Risk Factors</b>   | Investing in the Bonds involves substantial risks and prospective investors should refer to the section " <i>Risk Factors</i> " for a description of certain   |

factors that they should carefully consider before deciding to invest in the Bonds.

## Statement of Responsibility

The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Issuer on 15 September 2021, and was subsequently issued by the Issuer on 6 October 2021. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Oslo Børs, in accordance with the Norwegian Securities Trading Act of June 29, 2007 no. 75 as amended and related regulations including the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council.

After the expiration date of this Prospectus, being 2 November 2023, the obligation to supplement the prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the prospectus is no longer valid.

The board of directors of the Issuer is, to the extent provided by law, responsible for the information set out in this Prospectus and declares that to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

2 November 2022

Jøtul AS

*The board of directors*

## Description of Material Agreements

The following is a summary of the material terms of material agreements to which the Issuer is a party and considered as outside of the ordinary course of business. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements.

### Super Senior Revolving Credit Facility Agreement

The Issuer has entered into the Super Senior RCF as original borrower, with, *inter alios*, Nordea Bank Abp as hedge counterparty, and Nordea Bank Abp, Filial i Norge as lender dated 20 October 2021. The total commitment under the Super Senior RCF amounts to NOK 75,000,000. The Super Senior RCF has been provided to the Issuer to (i) be applied to refinance all amounts outstanding under certain existing debt, and (ii) to finance working capital requirements and general corporate purposes of the Group. The final termination date for the Super Senior RCF is 1 June 2024.

### Guarantee and Adherence Agreement

The Guarantors and the Issuer have entered into a guarantee agreement with the Security Agent dated 25 October 2021 (the "**Guarantee Agreement**"), pursuant to which the Guarantors have agreed to jointly and severally guarantee the Group's obligations as follows:

- the full and punctual payment and performance within applicable grace periods of all Secured Obligations, including the payment of principal and premium, if any, and interest under the Senior Finance Documents when due, whether at maturity, by acceleration, by redemption or otherwise, and interest on any such obligation which is overdue, and of all other monetary obligations of the Issuer and any Group Company to the Secured Parties under the Senior Finance Documents (as defined therein);
- the full and punctual performance within applicable grace periods of all other obligations and liabilities of the Guarantors under the Senior Finance Documents; and
- the full and punctual performance of all obligations and liabilities of the Guarantors under any Security Document to which it is a party.

The Guarantees (as defined the Guarantee and Adherence Agreement) are subject to the Intercreditor Agreement and certain limitations imposed by local law requirements in certain jurisdictions.

### Intercreditor Agreement

The Issuer, and certain subsidiaries, as original ICA group companies, Nordic Trustee AS as original security agent and original bonds agent, Nordea Bank Abp as original hedge counterparty, Nordea Bank Abp, Filial i Norge as original facility agent and Jotul Holdings S.à r.l. as original shareholder creditor have entered into an intercreditor agreement dated 25 October 2021 (the "**Intercreditor Agreement**"). The terms of the Intercreditor Agreement provide for the following rank of debt:

- (a) *first*, the Super Senior Debt (*pari passu* between all indebtedness under the Super Senior RCF and the Hedging Obligations) (each defined in the Intercreditor Agreement);
- (b) *secondly*, the Senior Debt (*pari passu* between all indebtedness under the Bonds and any New Debt) (each as defined in the Intercreditor Agreement);

- (c) *thirdly*, any liabilities raised in the form of Intercompany Debt (as defined in the Intercreditor Agreement); and
- (d) *fourthly*, any liabilities raised in the form of Shareholder Debt (as defined in the Intercreditor Agreement).

For the purpose of this section "*Intercreditor Agreement*", the below listed terms shall have the following meaning:

|                            |  |
|----------------------------|--|
| <b>Hedging Obligations</b> | means all present and future moneys, debts and liabilities due, owing or incurred from time to time by any ICA Group Company to any Hedge Counterparty under or in connection with any Hedging Agreement.  |
| <b>Intercompany Debt</b>   | means any intercompany loan between ICA Group Companies that shall be subordinated in accordance with this Agreement.  |
| <b>New Debt</b>            | Financial Indebtedness incurred pursuant to paragraph (h) in the definition of Permitted Debt in the Terms and Conditions and which ranks <i>pari passu</i> with the Bonds provided that the creditors under such debt has acceded to the Intercreditor Agreement. |
| <b>Senior Debt</b>         | means all indebtedness outstanding under the Bonds Finance Documents and any document relating to any New Debt.  |
| <b>Shareholder Debt</b>    | means all present and future moneys, debts and liabilities due, owing or incurred from time to time by the Issuer to any Shareholder Creditor, including any Shareholder Loans, any dividends and any advisory, monitoring or management fee.                      |
| <b>Super Senior Debt</b>   | means all indebtedness to the Super Senior Creditors outstanding under the Super Senior RCF Documents and the Hedging Agreements.  |



## Description of The Group

### The Issuer and the Guarantors

#### *The Issuer*

The Issuer's legal and commercial name is Jøtul AS and was incorporated on 13 February 2006 and is a Norwegian limited liability company operating under the laws of Norway and registered with the Norwegian register of business enterprises with reg. no. 989 519 247. The Issuer's LEI Code is 549300Q04IHV3V82QT54.

The registered office of the Issuer is Langøyveien, 1678 Kråkerøy, with telephone number +47 69 35 90 00. The website of the Issuer is <https://intl.jotul.com/>. The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

In accordance with the articles of association of the Issuer, adopted on 8 June 2020, the objects of the Issuer are to engage in industry, trade and investment business and operations in relation thereto.

The Issuer is a producer of stoves, inserts and fireplaces, building on more than 160 years of Norwegian brand heritage dating back to the Group's founding in 1853. Product development is conducted in five locations, with the Issuer's brand being covered from Norway and the US, Scan from Denmark and Ravelli from Italy and Atra from France. The Group has core operations within cast-iron products, however with a strategic focus to increase product diversification by leveraging the internationally recognised Issuer brand. Products are offered through five separate brands, all with different identities to cater to various end-markets. The Group has a well-established portfolio consisting of five brands across 45 markets.

The Issuer is the parent company of the Group. It is a holding company. The Issuer, the Group and each Guarantor conducts the same business. Hence, any reference to the Group's principal activities is a reference to each Guarantor's principal activities. The Group competes on the local markets of its Guarantors through its respective Guarantors. As such, the Group competes in Norway through Jøtul AS, in France through Jotul France S.A.S. and AICO France S.A.S., USA through Jotul North America Inc., Poland through Jotul Poland sp. z o.o. and Italy through AICO S.p.A.

The head office of the operating business of the Group is located in Fredrikstad, Norway, where the Issuer's management team and a number of shared services are located. The Group also maintains offices, warehouses and/or production facilities in: Dardilly and Motz in France, Milano in Italy, Zaragoza in Spain, Redditch in United Kingdom, Gorham in the United States, Gdansk in Poland, and Vissenbjerg in Denmark. The Issuer has local sales and marketing teams on the ground in all countries where it has subsidiaries incorporated in as well as in selected adjacent markets such as Germany, Netherlands and Sweden. Other markets such as Japan and Czech Republic are served through local importers.

The majority of the Group's products are sold to consumers worldwide through a network of approximately 3,300 specialty dealers. At the date of this Prospectus, approximately 85% of the Group's revenues are derived from such specialty dealers, most of which are smaller independent businesses and Norway is the only market where the Group sells products through the mass merchant channel. Norway, France and North America are deemed to be the most important

geographical markets for the Issuer and at the date of this Prospectus the aforementioned markets represents approximately 70% of the Group's revenues.

The Group's core focus segment is within cast-iron products but in order to leverage its brand in core markets, the Issuer has expanded its product and brand portfolio over the years. All cast-iron products, being the core product of the Group, are manufactured in the Issuer's own production facilities, while other products are increasingly being sourced through selected sub-contractors. Due to the Group's long standing presence in the cast-iron market, the Group has developed significant know-how of both products and manufacturing processes, particularly for sheet metal, casting and enamel processes.

The Group has over the recent years developed a portfolio aimed at meeting consumer demand and preferences in Norway and France, while ensuring its position within cast-iron stoves in North America. This has been done through significant time and resources being allocated to product development. The majority of products sold under the Group's four brands (as described below) are developed in-house by the Group's product development team. The development of new products is partly driven by changing consumer preferences in terms of design, but also by increasingly stringent environmental regulations. The Issuer has decided to base its product development capabilities locally in Norway, Poland and North America, thus ensuring that its product development efforts are driven by local preferences in terms of design, fuel and materials.

Procurement within the Issuer is governed centrally by a procurement director. The Issuer operates with carefully selected suppliers and has developed a long-term relationship with several key suppliers and the main suppliers are those delivering traded accessories, such as stainless steel chimney systems for the Nordic market and pellet stoves for the French market.

### ***The Guarantors***

#### Jotul France S.A.S

Jotul France S.A.S was incorporated on 3 March 1998 and is a French limited liability company operating under the laws of France with business identity code 311 472 351 R.C.S Lyon. The LEI Code for Jotul France S.A.S. is 984500A54D4EAM909005.

Jotul France S.A.S. has its registered office at 3 Chemin du Jubin 69570 Dardilly, France, with telephone number +33 472 522 240. The website of Jotul France S.A.S. is <https://www.jotul.fr/>. The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus and has not been scrutinised or approved by the NFSA.

In accordance with the articles of association of Jotul France S.A.S., adopted on 27 April 2012, the objects of Jotul France S.A.S. are to engage in production, import and export of goods (fireplaces and stoves) and the sale of such goods in France and abroad and business in relation to this. Jotul France S.A.S. can own, possess, buy and sell securities and real estate and may act on its own or on behalf of third parties in transactions within its company objective.

#### AICO France S.A.S

AICO France S.A.S was incorporated on 22 May 2017 and is a French limited liability company operating under the laws of France with business identity code 829 817 170 RCS Lyon. The LEI Code for AICO France S.A.S is 984500I0CB4K91F85754.

AICO France S.A.S has its registered office at 3 Chemin du Jubin 69570 Dardilly, France, with telephone number +33 (0)4 69 85 78 45. The website of AICO France S.A.S is <https://fra.ravelligroup.it/>. The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus and has not been scrutinised or approved by the NFSA.

In accordance with the articles of association of AICO France S.A.S, adopted on 29 June 2020, the objects of AICO France S.A.S are to engage in production, import and export of goods (fireplaces and stoves) and the sale of such goods in France and abroad and business in relation to this. AICO France S.A.S can own possess, buy and sell securities and real estate and may act on its own or on behalf of third parties in transactions within its company objective.

#### Jotul North America Inc.

Jotul North America Inc. was incorporated on 7 September 1979 and is an American limited liability company operating under the laws of Delaware, United States with US EIN Reg. No. 01-0371493. The LEI Code for Jotul North America Inc. is 984500877RAFED804947.

Jotul North America Inc. has its registered office at 55 Hutcherson Drive, Gorham, Maine 04038, USA, with telephone number +1 207 79 75 912. The website of Jotul North America Inc. is [www.jotul.com](http://www.jotul.com). The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus and has not been scrutinised or approved by the NFSA.

In accordance with the articles of association of Jotul North America Inc., adopted on 27 April 2012, the objects of Jotul North America Inc. are to engage in any lawful act or activity for which corporations may be organised under the General Corporation Law of Delaware and, without limiting the generality of the foregoing, to sell and distribute products for heating with wood, coke or coal, including stoves and fireplaces and products related thereto, whether manufactured by the corporation or by others.

#### Jotul Poland sp. z o.o.

Jotul Poland sp. z o.o. was incorporated on 19 April 2019 and is a Polish limited liability company operating under the laws of Poland entered in the register of entrepreneurs of the National Court Register held by the District Court for Wrocławia-Fabrycznej in Wrocław, IX Commercial Division of the National Court Register, under KRS number 0000782487, REGON number 383166583, NIP number 8961586152. The LEI Code for Jotul Poland sp. z o.o. is 9845000C5BB0B1D7F836.

Jotul Poland sp. z o.o. has its registered office at Jerzego Popiełuszki 17, 55-080 Kąty Wrocławskie, Poland, with telephone number +48 71 749 48 60. The website of Jotul Poland sp. z o.o. is <https://www.jotul.pl/>. The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus and has not been scrutinised or approved by the NFSA.

In accordance with the articles of association of Jotul Poland sp. z o.o., adopted on 31 January 2019, the objects of Jotul Poland sp. z o.o. are to engage in production, import and export of goods (fireplaces and stoves) and the sale of such goods in France and abroad and business in relation to this. Jotul Poland sp. z o.o. can own possess, buy and sell securities and real estate and may act on its own or on behalf of third parties in transactions within its company objective.

#### AICO S.p.A.

AICO S.p.A. was incorporated on 20 April 2010 and is an Italian limited liability company operating under the laws of Italy with registration number with the Registry of Brescia 07007260966 (REA No. BS - 516133). The LEI Code for AICO S.p.A. is 815600DC8ACAAC4E2674.

AICO S.p.A. has its registered office at Via Consorzio Agrario 3/D, 25032, Chiari (BS), Italy, with telephone number +39 030 740 2939. The website of AICO S.p.A. is <https://eng.ravelligroup.it/>. The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus and has not been scrutinised or approved by the NFSA.

In accordance with the articles of association of AICO S.p.A., adopted on 10 October 2016, the objects of AICO S.p.A., are to engage in production, import and export of goods (fireplaces and stoves) and the sale of such goods in France and abroad and business in relation to this. AICO S.p.A. can own possess, buy and sell securities and real estate and may act on its own or on behalf of third parties in transactions within its company objective.

### **Brands and concepts**

The Group operates a multi-brand strategy and offers products under four separate brands, all with different brand identities. Jøtul is the Group's leading brand accounting for approximately 68% of the Group's revenue at the date of this Prospectus, while Scan, Atra and Ild have been positioned as complements in certain markets the Group deems to be key markets. Jøtul and Scan are positioned in the mid to premium price segment while Atra is positioned in the premium price segment only and Ild is positioned in the entry price segment. Ravelli, the latest addition to the Group, is a premium pellet stoves brand characterized by Italian design and technology.

### **Business model and market overview**

The market in which the Group (including the Issuer and the Guarantors) operates is a niche segment of a wider sector generally referred to as the home comfort heating market. Within the home comfort heating market, the Group is one of the market leaders within the sub-segment comprising gas and wood burning stoves, inserts and fireplaces. Fuel type (i.e. wood, gas or pellets) preferences vary by market, where wood is the traditional fuel choice and is also the fuel type that dominates the Nordic and European markets. There are strong gas traditions in the UK, Ireland, the Netherlands and North America due to extensive gas supply networks. Pellets is the least common fuel type but has a dominant position in Italy and a growing position in France.

The products are sold either through smaller specialty dealers or mass merchants.

The global market is fragmented and consists of several hundred manufacturers. In many countries, the market is divided among a national champion, many small domestic brands, and a handful of transnational or international players.

General macroeconomic conditions and interest rate levels are important factors influencing the demand for stoves and fireplaces, both directly and indirectly through their impact on the house building and renovation markets. Activity within the house building and renovation markets impact demand for stoves and fireplaces, as these are often purchased in connection with rebuilds and renovation. Another factor that has a strong impact on the demand for stoves and fireplaces are the energy prices, as increases in the price of a specific home heating source tend to drive households to evaluate alternative heating sources in order to reduce overall household costs. The demand for the Group's products is also sensitive to the seasonal variations in temperature and weather conditions may also impact the demand through its influence on energy prices.

## Financing

The Group's activities are financed by the Bonds and the Super Senior RCF described under the section "*Material Agreements*" above.

## Share capital and ownership structure of the Issuer

The shares of the Issuer are denominated in NOK. As of the date of this Prospectus, the Issuer had an issued share capital of NOK 139,413,732.001 divided into 1 share. The Issuer has issued a total of 1 share.

All the shares in the Issuer are owned by Jotul Holdings S.à r.l., a limited liability company (*société à responsabilité limitée*) operating under the laws of Luxembourg with reg. no. B203258. Jotul Holdings S.à r.l. is indirectly owned by the following private equity funds: OpenGate Capital Partners I, LP; OpenGate Capital Partners I-A, LP; and OGCP I Employee Co-Invest, LP (collectively, "**OpenGate Fund I**"), each of which is a Cayman Islands exempted limited partnership. The Issuer is consequently controlled, by OpenGate Fund I, which is advised by OpenGate Capital Management, LLC ("**OpenGate**"), a global private equity company. OpenGate Fund I, indirectly through a holding company, holds 100 percent of the votes in Jotul Holdings S.à r.l.

The following table sets forth the ownership structure in the Issuer as per the date of this Prospectus.

| <i>Shareholder</i>      | <i>No. of shares</i> | <i>Share capital</i> | <i>Voting Rights</i> |
|-------------------------|----------------------|----------------------|----------------------|
| Jotul Holdings S.à r.l. | 1                    | 100.00 %             | 100.00 %             |
| <b>Total</b>            | <b>1</b>             | <b>100.00%</b>       | <b>100.00%</b>       |

There are no arrangements known to the Issuer which may at a subsequent date result in a change in control of the Issuer.

## OpenGate Capital

OpenGate was founded in 2005 and is a global private equity firm active in the lower-middle market and focused on advising its affiliated private equity funds in acquiring corporate carve-outs, turnarounds and special situations throughout North America and Western Europe. At the date of this Prospectus, OpenGate Fund I (the indirect owner of the Issuer) owns and operates five portfolio companies across a variety of sectors including building products, chemicals, industrials, and TMT & business services. OpenGate's investment strategy is to acquire non-core, yet functioning

business divisions that may not have reached their potential, or no longer fit the parent company's long-term goals.

### **Share capital and ownership structure of the Guarantors**

#### *Jotul France S.A.S*

The shares of Jotul France S.A.S are denominated in EUR. Each share carries 1 vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Jotul France S.A.S had an issued share capital of EUR 728,400. Jotul France S.A.S has issued a total of 48,560 shares. Jotul France S.A.S is wholly-owned by the Issuer.

#### *AICO France S.A.S*

The shares of AICO France S.A.S are denominated in EUR. Each share carries 1 vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, AICO France S.A.S had an issued share capital of EUR 50,000. AICO France S.A.S has issued a total of 50,000 shares. AICO France S.A.S is wholly-owned by Jotul France S.A.S.

#### *Jotul North America Inc.*

The shares of Jotul North America Inc. are denominated in USD. Each share carries 1 vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Jotul North America Inc. had an issued share capital of USD 1,000. Jotul North America Inc. has issued a total of 1,000 shares. Jotul North America Inc. is wholly-owned by the Issuer.

#### *Jotul Poland sp. z o.o.*

The shares of Jotul Poland sp. z o.o. are denominated in PLN. Each share carries 1 vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Jotul Poland sp. z o.o. had an issued share capital of PLN 2,265,000. Jotul Poland sp. z o.o. has issued a total of 45,300 shares. Jotul Poland sp. z o.o. is wholly-owned by the Issuer.

#### *AICO S.p.A.*

The shares of AICO S.p.A. are denominated in EUR. Each share carries 1 vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, AICO S.p.A. had an issued share capital of EUR 10,000,000. AICO S.p.A. has issued a total of 7,000,000 shares. AICO S.p.A. is wholly-owned by the Issuer.

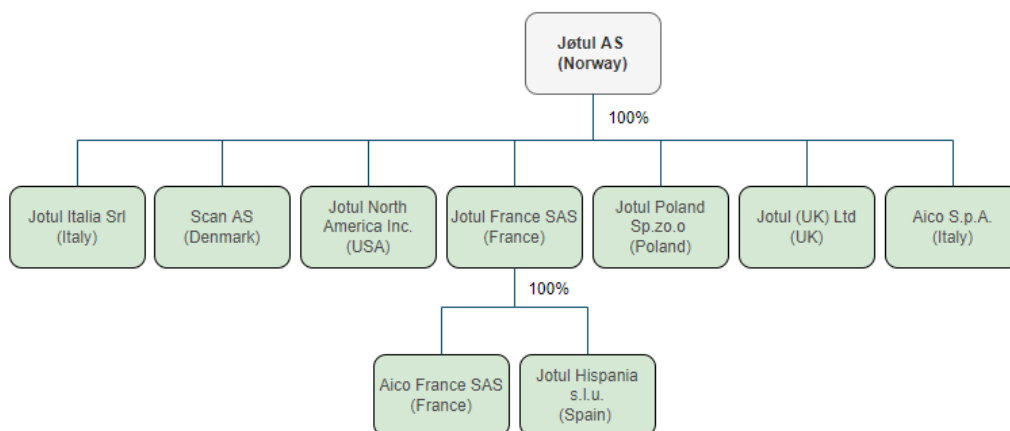
### **Shareholders' agreements**

The Issuer is not aware of any provision in the arrangement between its shareholders which may at a subsequent date result in a change in control of the Issuer or the Guarantors.

### **Overview of Group structure**

On the date of this Prospectus, the Issuer has, directly and indirectly, nine wholly-owned subsidiaries.

A significant part of the operations are conducted by the subsidiaries of the Issuer. The Issuer is thus dependent on its subsidiaries to generate revenues and profit in order to be able to fulfil its payment obligations under *inter alia* the Bonds and the Revolving Credit Facility.



### Recent events

There has been no recent event particular to the Group (including the Issuer and the Guarantors) which is to a material extent relevant to the evaluation of the Issuer's and/or the Guarantors' solvency.

### Significant change and trend information and financial performance

There has been no material adverse change in the prospects of the Group (including the Issuer and the Guarantors) since the date of its last published unaudited interim financial statements and no significant change in the financial performance of the Group (including the Issuer and the Guarantors) since the end of the last financial period for which financial information has been published to the date of this Prospectus.

The Group is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on its prospects for the current financial year.

### Legal, governmental and arbitration proceedings

Neither the Issuer nor the Group (including the Guarantors) is, or has been over the past twelve months been, a party to any legal, governmental or arbitration proceedings that have had, or would have, a significant effect on the Group's financial position or profitability. Nor is the Issuer or the Guarantors aware of any such proceedings which are pending or threatening and which could lead to the Issuer or any member of the Group becoming a party to such proceedings.

### Information regarding taxation

Tax legislation in the bondholders' home member state and the member state of the Issuer may affect any income from the Bonds.

### Credit rating

No credit rating has been assigned to the Issuer or the Guarantors, or its debt securities.

## Board of Directors

### Board of directors of the Issuer

On the date of this Prospectus the board of directors of the Issuer consisted of seven members of which four have been elected by the general meeting and two by virtue of employment legislation. The board of directors and the senior management can be contacted through the Issuer at its headquarters at Langøyveien, 1678 Kråkerøy, Norway, with telephone number +47 69 35 90 00. Further information on the members of the board of directors and the senior management is set forth below.

***Nils Agnar Brunborg, chairman of the board since 28 February 2018.***

**Education:** Master of Science in Business Administration, Norwegian School of Economics.

**Current commitments:** N/A.

***Oyvind Arne Sandnes, member of the board since 13 March 2018.***

**Education:** MSc in Economics and Administration, BI Norwegian Business School.  
Master of Science in Accounting, Norwegian School of Economics.

**Current commitments:** Completum AS, Cityplan AS, Sinec AS, Wex Group Invest AS, Nygaardsgata Holding AS.

***René Valentin Christensen, member of the board since 28 February 2018.***

**Education:** Bachelor of Science in Management, BI Norwegian Business School.

**Current commitments:** Norsk Varme AS, The Swedish Hearth Association (Sw. *Svenska Brasvärmeföreningen*), Scan A/S, Jøtul (UK) Ltd.

***Anette Johansen, member of the board since 1 May 2021.***

**Education:** Certificate of apprenticeship in production technology, AOF.

**Current commitments:** The General Association, Division 2 (Nw. *Fellesforbundet avdeling 2*), The Trade Union of Fredrikstad (Nw. *Fredrikstad Fagforening*).

***Bjorn Harald Bjornli, member of the board since 1 March 2019.***

**Education:** Glemmen Upper Secondary School (Nw. *Glemmen VGS*), College of Vestlandet (Nw. *Høgskulen Vestlandet*).

**Current commitments:** The Union of Leadership and Technology of Fredrikstad (Nw. *Forbundet for Ledelse og Teknikk i Fredrikstad*).

***Lars Tore Heggem, member of the board since 28 February 2018.***

**Education:** Mechanical Engineer, The Technical Institute of Gothenburg (Sw. *Göteborgs Tekniska Institut*).

**Current commitments:** Molde Glasservice AS, LTH Eiendom og Handel AS.

***Sven Østgulen, member of the board since 24 August 2022.***



**Education:** Master of Science in Business Administration, Norwegian School of Economics.

**Current commitments:** Professional Advisory AS, Consorti AS, Gode Investeringer AS, Hunton Fiber AS, Hunton Næringspark AS, Hunton Fiber AB, Hunton Konstruktion AB, Hunton Oy, Dansk Træfiberisolering A/S, Spring Event AS, Caddie AS.

### **Board of directors of the Guarantors**

#### **Jotul France S.A.S.**

On the date of this Prospectus the board of directors of Jotul France S.A.S. consisted of a sole board member that has been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its headquarters at Langøyveien, 1678 Kråkerøy, Norway, with telephone number +47 69 35 90 00. Further information on the members of the board of directors and the senior management is set forth below.

***Nils Agnar Brunborg, chairman of the board since 1 February 2017.***

**Education:** Master of Science in Business Administration, Norwegian School of Economics.

**Current commitments:** N/A.

#### **AICO France S.A.S**

On the date of this Prospectus the board of directors of AICO France S.A.S. consisted of a sole board member that has been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its headquarters at Langøyveien, 1678 Kråkerøy, Norway, with telephone number +47 69 35 90 00. Further information on the members of the board of directors and the senior management is set forth below.

***Guy Cédric Louis Christian Galea, chairman of the board since 25 June 2019.***

**Education:** EM Lyon Business School.

**Current commitments:** N/A.

#### **Jotul North America Inc.**

On the date of this Prospectus the board of directors of Jotul North America Inc. consisted of five board members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its headquarters at Langøyveien, 1678 Kråkerøy, Norway, with telephone number +47 69 35 90 00. Further information on the members of the board of directors and the senior management is set forth below.

***Nils Agnar Brunborg, chairman of the board since 27 March 2017.***

**Education:** Master of Science in Business Administration, Norwegian School of Economics.

**Current commitments:** N/A.

**Robert M. Watson, member of the board since 11 March 1998.**

**Education:** Bachelor of Science in Economics and Psychology, St. Lawrence University and Master of Business Administration, University of Vermont.

**Current commitments:** GBMP (Greater Boston Manufacturing Partnership).

**Adrian Postolache, member of the board since 2021.**

**Education:** M.Sc. in Accounting and Auditing from the Academy of Economic Studies of Moldova. Master's degree from the Association of Chartered Certified Accountants.

**Current commitments:** N/A.

**Scott Clinch, member of the board since 27 March 2017.**

**Education:** Bachelor of Science in Industrial Technology, University of Southern Maine and International Masters of Business Administration, Southern New Hampshire University.

**Current commitments:** N/A.

**Paul Haraldsen, member of the board since 27 March 2017.**

**Education:** Bachelor of Science in Management Accounting, Husson University and Master of Business Administration, Sacred Heart University.

**Current commitments:** N/A.

**Jotul Poland sp. z o.o.**

On the date of this Prospectus the board of directors of Jotul Poland sp. z.o.o. consisted of two board members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its headquarters at Langøyveien, 1678 Kråkerøy, Norway, with telephone number +47 69 35 90 00. Further information on the members of the board of directors and the senior management is set forth below

**Nils Agnar Brunborg, chairman of the board since 28 February 2018.**

**Education:** Master of Science in Business Administration, Norwegian School of Economics.

**Current commitments:** N/A.

**Lars Tore Heggem, member of the board since 28 February 2018.**

**Education:** Mechanical Engineer, The Technical Institute of Gothenburg (Sw. *Göteborgs Tekniska Institut*).

**Current commitments:** Molde Glasservice AS, LTH Eiendom og Handel AS.

**AICO S.p.A.**

On the date of this Prospectus the board of directors of AICO S.p.A. consisted of three board members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its headquarters at Langøyveien, 1678 Kråkerøy, Norway, with telephone number +47 69 35 90 00. Further information on the members of the board of directors and the senior management is set forth below

***Guy Cedric Louis Galea, chairman of the board since 12 November 2018.***

**Education:** EM Lyon Business School.

**Current commitments:** N/A.

***Marco Tabarelli, member of the board since 31 March 2022.***

**Education:** Executive MBA, Politecnico di Milano School of Management, Master's degree in Industrial Technology and Production Management Engineering, Polytechnic University of Milan.

**Current commitments:** CEO of Jotul Italia SRL.

***Annalisa Lauro, member of the board since 17 May 2021.***

**Education:** University of Genova, Italy, Degree in Economics.

**Current commitments:** Stella S.R.L. Netweek S.p.A..

## Management of the Issuer and the Guarantors

### Management of the Issuer

***Nils Agnar Brunborg, CEO since October 2017.***

**Education:** Master of Science in Business Administration, Norwegian School of Economics.

**Current commitments:** N/A.

***Adrian Postolache, CFO since 1 May 2021.***

**Education:** M.Sc. in Accounting and Auditing from the Academy of Economic Studies of Moldova. Master's degree from the Association of Chartered Certified Accountants.

**Current commitments:** N/A.

### Management of the Guarantors

#### Jotul France S.A.S.

***Guy Cedric Louis Galea, Managing Director since 18 August 2003.***

**Education:** EM Lyon Business School.

**Current commitments:** N/A.

***Karine Danquigny, Operations and Finance Manager since 1 March 2007.***

**Education:** EM Lyon Business School.

**Current commitments:** N/A.

#### AICO France S.A.S

***Guy Cédric Louis Christian Galea, Managing Director since 25 June 2019.***

**Education:** EM Lyon Business School.

**Current commitments:** N/A.

***Karine Danquigny, Operations and Finance Manager since 25 June 2019.***

**Education:** EM Lyon Business School.

**Current commitments:** N/A.

#### Jotul North America Inc.

***Robert M. Watson, CEO since October 1998.***

**Education:** Bachelor of Science in Economics and Psychology, St. Lawrence University and Master of Business Administration, University of Vermont.

**Current commitments:** N/A.

***Paul Haraldsen, Vice President of Finance since October 2001.***

**Education:** Bachelor of Science in Management Accounting, Husson University and Master of Business Administration, Sacred Heart University.

**Current commitments:** N/A.

***Scott Clinch, Operations Director since 2007.***

**Education:** Bachelor of Science in Industrial Technology, University of Southern Maine and International Masters of Business Administration, Southern New Hampshire University.

**Current commitments:** N/A.

***Jotul Poland sp. z o.o.******André Filipe Corte Real do Nascimento e Oliveira, General Manager since 1 November 2011.***

**Education:** Integrated Masters in Industrial Engineering and Management, the Faculty of Engineering at the University of Porto.

**Current commitments:** Managing partner of AB Comp - Computadores e Periféricos, Lda., André Filipe Corte Real do Nascimento e Oliveira.

***Adam Garnarczyk, Finance Manager since July 2022.***

**Education:** Master's degree in Management, the Faculty of Law and Administration at Wrocław University, Master's degree in Accountancy, the Faculty of Management and Computer Science at Wrocław University of Economics.

**Current commitments:** N/A.

***AICO S.p.A.******Marco Tabarelli, Managing Director since 31 March 2022.***

**Education:** Executive MBA, Politecnico di Milano School of Management, Master's degree in Industrial Technology and Production Management Engineering, Polytechnic University of Milan.

**Current commitments:** N/A.

***Davide Moizo, CFO since March 31 2022.***

**Education:** Master's degree in Business Strategy and Markets, Università Cattolica del Sacro Cuore (Milan), Bachelor's degree in Management, Università Cattolica del Sacro Cuore (Milan).

**Current commitments:** N/A.

***Claudio Mezzalana, Research and Development Director since April 2019.***

**Education:** Electronics Technician high school diploma from ITIS E. Fermi di Treviso.

**Current commitments:** N/A.

**Conflicts of interest within administrative, management and control bodies**

To the extent that can be reasonably verified by the Issuer and the Guarantors, no conflict of interest exists regarding the private affairs, family relations, or any other kind, between members of the administrative and senior management bodies that might conflict with the Issuer's or the Guarantors' interests or prevent the aforementioned to faithfully execute their duties to the Issuer or the Guarantors.

Some members of the board of directors and the management may from time to time have private interests in the Issuer and the Guarantors by holding of shares in the Issuer or any direct or indirect parent company of the Issuer. The members of the board of directors and the management may serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Issuer or a Guarantor may participate, the members of the board of directors or the management may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a board meeting of the Issuer or a Guarantor, a board member which has such a conflict will abstain from voting for or against the approval of such participation, or the terms of such participation. Other than the aforementioned, none of the board members or the management has any private interests which may conflict with the interests of the Issuer and the Guarantors.

**Interest of natural and legal persons involved in the issue**

The Sole Bookrunner and/or its affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Sole Bookrunner and/or its affiliates having previously engaged in, or engaging in future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

## Historical Financial Information

### Historical financial information of the Issuer and the Group

#### The Issuer

Information from the Issuer's audited consolidated financial statements for the financial year ended 31 December 2021, the Group's unaudited interim financial statements for the period 1 January 2022 to 30 June 2022 and the Issuer's audited stand-alone financial statements for the financial year ended 31 December 2020 as set out below, is incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus. Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus and is either deemed by the Issuer to be irrelevant for investors in the Bonds, the Prospectus Regulation or is covered elsewhere in the Prospectus. All such information is available on the Issuer's website <https://intl.jotul.com/bonds>.

The Issuer's consolidated financial statements for the financial year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"). The Issuer's stand-alone financial statements for the year ended 31 December 2020 have been prepared in accordance with accounting principles generally accepted in Norway ("**NGAAP**").

Other than the Issuer's consolidated financial statements for the year ended 31 December 2021, PricewaterhouseCoopers AS has not audited, reviewed or produced any other report on any other information in this Prospectus.

Other than the Issuer's stand-alone financial statements for the year ended 31 December 2020, Deloitte AS has not audited, reviewed or produced any other report on any other information in this Prospectus.

The Issuer's consolidated financial statements for the financial year ended 31 December 2021 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 17;
- consolidated balance sheet, page 18 – 19;
- consolidated cash flow statement, page 22;
- consolidated statement of changes in equity, page 21;
- notes, pages 23 – 83; and
- the audit report, page 101.

The Group's unaudited interim financial statements for the period 1 January 2022 to 30 June 2022 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- condensed consolidated income statement, page 13;
- condensed consolidated balance sheet, pages 14 – 15;
- condensed consolidated cash flow statement, page 17;
- condensed consolidated statement of changes in equity, page 16; and
- notes, pages 18 – 28.

The Issuer's stand-alone financial statements for the financial year ended 31 December 2020 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 5;
- balance sheet, pages 6 – 7;
- cash flow statement, page 18;
- statement of changes in equity, page 16;
- notes, pages 8 – 20; and
- the audit report, pages 20 – 22.

### **Auditing of the annual historical financial information**

The Issuer's consolidated financial statements for the year ended 31 December 2021 have been audited by PricewaterhouseCoopers AS, with business address Dronning Eufemias gate 71, 0194 Oslo, Norway. PricewaterhouseCoopers AS was elected as the Issuer's independent auditor at the annual general meeting in 2021 and was re-elected for an additional year on the latest annual general meeting. PricewaterhouseCoopers AS is member of the Norwegian Institute of Public Accountants (Nw. *Den Norske Revisorforening*).

The Issuer's stand-alone financial statements for the financial year ended 2020 were audited by Deloitte AS, with business address Dronning Eufemias gate 14, 0191 Oslo, Norway. At the latest annual general meeting, Deloitte AS resigned as the Issuer's independent auditor. Deloitte AS is a member of the Norwegian Institute of Public Accountants (Nw. *Den Norske Revisorforening*).

The auditing of the Issuer's consolidated financial statements for the financial year ended 31 December 2021 and the stand-alone financial statements for the financial year ended 31 December 2020 was conducted in accordance with international standards on auditing and the respective audit reports were issued without qualification.

### **Age of the most recent financial information**

The most recent financial information for the Issuer has been taken from the unaudited interim financial statements for the period 1 January 2022 to 30 June 2022, which was published on 26 August 2022 on the Issuer's website <https://intl.jotul.com/bonds>.



## Historical financial information of the Guarantors

### Jotul France S.A.S

Information from Jotul France S.A.S's financial statements for the financial years ended 31 December 2021 and 31 December 2020, as set out below, is incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus. Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus and is either deemed by the Issuer to be irrelevant for investors in the Bonds, the Prospectus Regulation or is covered elsewhere in the Prospectus. All such information is available on the Issuer's website <https://intl.jotul.com/bonds>.

Jotul France S.A.S's financial statements for the financial years ended 31 December 2021 and 31 December 2020 have been prepared in accordance with FGAAP.

Other than the auditing of Jotul France S.A.S's financial statements for the financial year ended 31 December 2021 and for the financial year ended 31 December 2020, Jotul France S.A.S's independent auditor has not audited or reviewed any part of this Prospectus.

Jotul France S.A.S's financial statements for the financial years ended 31 December 2021 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 5;
- balance sheet, page 3; and
- notes, pages 10 – 27.

Jotul France S.A.S's financial statements for the financial year ended 31 December 2020 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 5;
- balance sheet, page 3; and
- notes, pages 9 – 26.

The audit reports, the statements of changes in equity and the cash flow statements for Jotul France S.A.S's financial statements for the financial year ended 31 December 2021 and for the financial year ended 31 December 2020 are incorporated into this Prospectus by reference.

Jotul France S.A.S's unaudited interim financial statements for the period 1 January 2022 to 30 June 2022 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 5;
- balance sheet, pages 3 – 4;

- cash flow statement, page 6; and
- notes, pages 7 – 8.

### **Auditing of the annual historical financial information**

Jotul France S.A.S's financial statements as at present and for the financial year ended 2021 have been audited by Oriol S.A.S, with business address Le Thelemos 12 et 15 quai du commerce C.P. 50203 69336 Lyon Cedex 09, France. Oriol S.A.S has been the Jotul France S.A.S's independent auditor since 1998 and was re-elected for an additional year on the latest annual general meeting. Oriol S.A.S is a member of the Institute of Chartered Accountants (*Fr*: Ordre des Experts-Comptables), the professional institute for the accountancy sector in France.

The auditing of Jotul France S.A.S's financial statements for the financial years ended 31 December 2021 and 31 December 2020 was conducted in accordance with FGAAP and the audit reports were submitted without qualification.

### **Age of the most recent financial information**

The most recent financial information for Jotul France S.A.S has been taken from the unaudited interim financial statements for the period 1 January 2022 to 30 June 2022.

### **AICO France S.A.S**

Information from AICO France S.A.S's financial statements for the financial years ended 31 December 2021 and 31 December 2020, as set out below, is incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus. Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus and is either deemed by the Issuer to be irrelevant for investors in the Bonds, the Prospectus Regulation or is covered elsewhere in the Prospectus. All such information is available on the Issuer's website <https://intl.jotul.com/bonds>.

AICO France S.A.S's financial statements for the financial years ended 31 December 2021 and 31 December 2020 have been prepared in accordance with FGAAP.

Other than the auditing of AICO France S.A.S's financial statements for the financial year ended 31 December 2021 and for the financial year ended 31 December 2020, AICO France S.A.S's independent auditor has not audited or reviewed any part of this Prospectus.

AICO France S.A.S's financial statements for the financial years ended 31 December 2021 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 5;
- balance sheet, page 3; and
- notes, pages 9 – 14.

AICO France S.A.S's financial statements for the financial year ended 31 December 2020 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 5;
- balance sheet, page 3; and
- notes, pages 9 – 14.

The audit reports, the statements of changes in equity and cash flow statements for AICO France S.A.S's financial statements for the financial year ended 31 December 2021 and for the financial year ended 31 December 2020 are incorporated into this Prospectus by reference.

AICO France S.A.S's unaudited interim financial statements for the period 1 January 2022 to 30 June 2022 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 5;
- balance sheet, pages 3 – 4;
- cash flow statement, page 6; and
- notes, pages 7 – 8

### **Auditing of the annual historical financial information**

AICO France S.A.S's financial statements as at present and for the financial year ended 2021 have been audited by Oriol S.A.S, with business address Le Thelemos 12 et 15 quai du commerce C.P. 50203 69336 Lyon Cedex 09, France. Oriol S.A.S has been the AICO France S.A.S's independent auditor since 2017 and was re-elected for an additional year on the latest annual general meeting. Oriol S.A.S is a member of the Institute of Chartered Accountants (*Fr*: Ordre des Experts-Comptables), the professional institute for the accountancy sector in France.

The auditing of AICO France S.A.S's financial statements for the financial years ended 31 December 2021 and 31 December 2020 was conducted in accordance with FGAAP and the audit reports were submitted without qualification.

### **Age of the most recent financial information**

The most recent financial information for AICO France S.A.S has been taken from the unaudited interim financial statements for the period 1 January 2022 to 30 June 2022.

### **Jotul North America Inc.**

Information from Jotul North America Inc's financial statements for the financial years ended 31 December 2021 and 31 December 2020, as set out below, is incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus. Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus and is either deemed by the Issuer to be

irrelevant for investors in the Bonds, the Prospectus Regulation or is covered elsewhere in the Prospectus. All such information is available on the Issuer's website <https://intl.jotul.com/bonds>.

Jotul North America Inc's financial statements for the financial years ended 31 December 2021 and 31 December 2020 have been prepared in accordance with US GAAP.

Other than the auditing of Jotul North America Inc's financial statements for the financial year ended 31 December 2021 and for the financial year ended 31 December 2020, Jotul North America Inc's independent auditor has not audited or reviewed any part of this Prospectus.

Jotul North America Inc's financial statements for the financial years ended 31 December 2021 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 4;
- balance sheet, page 3;
- cash flow statement, page 5;
- statement of changes in equity, pages 3 and 4;
- notes, pages 6 – 12; and
- the audit report, page 2.

Jotul North America Inc's financial statements for the financial year ended 31 December 2020 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 4;
- balance sheet, page 3;
- cash flow statement, page 5;
- statement of changes in equity, pages 3 and 4;
- notes, pages 6 – 12; and
- the audit report, page 2.

Jotul North America Inc.'s unaudited interim financial statements for the period 1 January 2022 to 30 June 2022 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 3;
- balance sheet, page 2;
- cash flow statement, page 4; and

- notes, page 5.

### **Auditing of the annual historical financial information**

Jotul North America Inc.'s financial statements as at present and for the year 2021 have been audited by McLeod Ascanio, with business address 15 Sky View Dr, Cumberland Foreside, ME 04110, USA. McLeod Ascanio has been Jotul North America Inc.'s independent auditor since 2001, and was re-elected for an additional year on the latest annual general meeting. McLeod Ascanio is a member of the Certified Public Accountants, the professional institute for the accountancy sector in the State of Maine.

The auditing of Jotul North America Inc.'s financial statements for the financial years ended 31 December 2021 and 31 December 2020 was conducted in accordance with US GAAP and the audit reports were submitted without qualification.

### **Age of the most recent financial information**

The most recent financial information for Jotul North America Inc. has been taken from the unaudited interim financial statements for the period 1 January 2022 to 30 June 2022.

### **Jotul Poland sp. z.o.o**

Information from Jotul Poland sp. z.o.o's financial statements for the financial years ended 31 December 2021 and 31 December 2020, as set out below, is incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus. Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus and is either deemed by the Issuer to be irrelevant for investors in the Bonds, the Prospectus Regulation or is covered elsewhere in the Prospectus. All such information is available on the Issuer's website <https://intl.jotul.com/bonds>.

Jotul Poland sp. z.o.o's financial statements for the financial years ended 31 December 2021 and 31 December 2020 have been prepared in accordance with PGAAP.

Other than the auditing of Jotul Poland sp. z.o.o's financial statements for the financial year ended 31 December 2021 and for the financial year ended 31 December 2020, Jotul Poland sp. z.o.o's independent auditor has not audited or reviewed any part of this Prospectus.

Jotul Poland sp. z.o.o's financial statements for the financial years ended 31 December 2021 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 45;
- balance sheet, page 43 – 44;
- cash flow statement, page 47;
- statement of changes in equity, page 46;
- notes, pages 48 – 72; and

- the audit report, page 73 – 76.

Jotul Poland sp. z.o.o's financial statements for the financial year ended 31 December 2020 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 15;
- balance sheet, pages 13 – 14;
- statement of changes in equity, page 16;
- notes, pages 17 – 19; and
- the audit report, pages 20 – 22.

The cash flow statement for Jotul Poland sp. z.o.o's financial statements for the financial year ended 31 December 2020 is incorporated into this Prospectus by reference.

Jotul Poland sp. z.o.o's unaudited interim financial statements for the period 1 January 2022 to 30 June 2022 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 4;
- balance sheet, pages 2 – 3;
- cash flow statement, page 5; and
- notes, pages 6 – 14.

### **Auditing of the annual historical financial information**

Jotul Poland sp. z.o.o's financial statements as at present and for the financial year ended 2021 has been audited by PricewaterhouseCoopers Polska Sp. z.o.o., with business address Polna 11, 00-633 Warszawa, Poland. PricewaterhouseCoopers Polska Sp. z.o.o. has been Jotul Poland sp. z.o.o's independent auditor since 2021, and was re-elected for an additional year on the latest annual general meeting. PricewaterhouseCoopers Polska Sp. z.o.o. is a member of the Polish Chamber of Chartered Accountants (*PI*: Polska Izba Biegłych Rewidentów), the professional institute for the accountancy sector in Poland.

Jotul Poland sp. z.o.o's financial statements for the financial year ended 2020 were audited by Deloitte sp. z.o.o., with business address al. Jana Pawła II 22, 00-133 Warsaw, Poland. At the latest annual general meeting, Deloitte sp. z.o.o. resigned as Jotul Poland sp. z.o.o's independent auditor. Deloitte sp. z.o.o. is a member of the Polish Chamber of Chartered Accountants (*PI*: Polska Izba Biegłych Rewidentów), the professional institute for the accountancy sector in Poland.

The auditing of Jotul Poland sp. z.o.o's financial statements for the financial years ended 31 December 2021 and 31 December 2020 was conducted in accordance with PGAAP. The audit report for the financial year ended 31 December 2021 was submitted without qualification.

### **Audit Qualification – the auditor's 2020 report in relation to Jotul Poland sp. z.o.o's financial statements include a qualification**

The independent auditor's report issued by Deloitte sp. z.o.o. in respect of Jotul Poland sp. z.o.o's financial statements for the financial year ended 31 December 2020 includes an audit qualification about the lack of receipt regarding certain documents in respect of Jotul Poland sp. z.o.o's use of transfer pricing during the financial year ended 31 December 2020. The reason for the audit qualification related to a late submission of the applicable documentation on the use of the transfer pricing activities which Jotul Poland sp. z.o.o. failed to report on 30 September 2021 when such reporting was due regarding the financial statements for the financial year ended 31 December 2020. The audit report issued by PricewaterhouseCoopers Polska Sp. z.o.o. in respect of the financial statements for the financial year ended 31 December 2021 were submitted without qualification.

### **Age of the most recent financial information**

The most recent financial information for Jotul Poland sp. z.o.o has been taken from the unaudited interim financial statements for the period 1 January 2022 to 30 June 2022.

### **AICO S.p.A.**

Information from AICO S.p.A.'s financial statements for the financial years ended 31 December 2021 and 31 December 2020, as set out below, is incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus. Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus and is either deemed by the Issuer to be irrelevant for investors in the Bonds, the Prospectus Regulation or is covered elsewhere in the Prospectus. All such information is available on the Issuer's website <https://intl.jotul.com/bonds>.

AICO S.p.A.'s financial statements for the financial years ended 31 December 2021 and 31 December 2020 have been prepared in accordance with IGAAP.

Other than the auditing of AICO S.p.A.'s financial statements for the financial year ended 31 December 2021 and for the financial year ended 31 December 2020, AICO S.p.A.'s independent auditor has not audited or reviewed any part of this Prospectus.

AICO S.p.A.'s financial statements for the financial years ended 31 December 2021 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 4 – 6;
- balance sheet, page 1 – 4;
- cash flow statement, page 7 – 8;
- statement of changes in equity, pages 25; and
- notes, pages 8 – 39.

AICO S.p.A.'s financial statements for the financial year ended 31 December 2020 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 6 – 8;
- balance sheet, page 1 – 5;
- cash flow statement, pages 9 – 10;
- statement of changes in equity, page 23; and
- notes, pages 10 – 41.

The audit reports for AICO S.p.A.'s financial statements for the financial year ended 31 December 2021 and for the financial year ended 31 December 2020 are incorporated into this Prospectus by reference.

AICO S.p.A.'s unaudited interim financial statements for the period 1 January 2022 to 30 June 2022 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, pages 4 – 5;
- balance sheet, pages 1 – 3;
- cash flow statement, page 5; and
- notes, pages 6 – 7.

### **Auditing of the annual historical financial information**

AICO S.p.A.'s financial statements as at present and for the years 2020 to 2021 have been audited by PwC S.p.A, Via Monte Rosa 91 Milan, 20149 Italy. PwC S.p.A has been AICO S.p.A.'s independent auditor since 2016, and was re-elected for an additional year on the latest annual general meeting. Alexander Mayr is the auditor who is responsible for AICO S.p.A.. Alexander Mayr is an authorised auditor and is a member of the National Council of Chartered and Certified Accountants (*It*: Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili), the professional institute for the accountancy sector in Italy.

The auditing of AICO S.p.A.'s financial statements for the financial years ended 31 December 2021 and 31 December 2020 was conducted in accordance with international standards on auditing and the audit reports were submitted without qualification.

### **Age of the most recent financial information**

The most recent financial information for AICO S.p.A. has been taken from the unaudited interim financial statements for the period 1 January 2022 to 30 June 2022.



## Other Information

### Approval of the Prospectus

This Prospectus has been approved by the Norwegian Financial Supervisory Authority, as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council and the Norwegian Securities Trading Act. The Norwegian Financial Supervisory Authority only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 of the European Parliament and of the Council. Such approval should not be considered as an endorsement of the quality of the Bonds that are the subject of this prospectus nor of the Issuer that is the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

### Assurance regarding the Prospectus

The Issuer is responsible for the content of the Prospectus and has taken all reasonable precautions to ensure that, as far as the Company is aware, the information in the Prospectus accords with the facts and contains no omission likely to affect its import. To the extent prescribed by law, the board of directors of the Company is also responsible for the content of the Prospectus. The board of directors has taken all reasonable care to ensure that the information in the Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

### Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an amount of NOK 475,000,000 and the Issuer may, subject to certain conditions set out in the Terms and Conditions, issue additional Bonds in a maximum aggregate amount of NOK 750,000,000. Each Bond has a nominal amount of NOK 1.00. The ISIN for the Bonds is NO0011104069.

The Bonds have been issued in accordance with Swedish law. The Bonds are registered in dematerialised form and are connected to the account-based system of Verdipapirsentralen ASA. No physical notes have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through Verdipapirsentralen ASA's book-entry system.

### Representation of the Bondholders

The Bondholders are represented by the Agent as bond trustee. The Terms and Conditions stipulates the provisions for the Agent's representation of the Bondholders and can be accessed on the Issuer's website at <https://intl.jotul.com/bonds>.

### The Guarantors

Information with respect to each Guarantor is set out below. Each Guarantor may be contacted through the address of the Issuer.

- Jotul France S.A.S is a limited liability company incorporated in France since 3 March 1998. It is registered with the Registre de Commerce et des Sociétés, reg. no. 311 472 351 RCS Lyon. Its registered address is 3 Chemin du Jubin 69570 Dardilly France.

- AICO France S.A.S is a limited liability company incorporated in France since 22 May 2017. It is registered with the Registre de Commerce et des Sociétés, reg. no. 829 817 170 RCS Lyon. Its registered address is 3 Chemin du Jubin 69570 Dardilly France.
- Jotul North America Inc. is a limited liability company incorporated in Delaware, United States since 7 September 1979. It is registered with the Secretary of State, Division of Corporations, the State of Delaware, reg. no. US EIN No. 01-0371493. Its registered address is 55 Hutcherson Drive, Gorham, Maine 04038, USA.
- Jotul Poland sp. z o.o. is a limited liability company incorporated in Poland since 19 April 2019. It is registered with the register of entrepreneurs of the National Court Register held by the District Court for Wrocławia-Fabrycznej in Wrocław, IX Commercial Division of the National Court Register, under KRS number 0000782487, REGON number 383166583, NIP number 8961586152. Its registered address is Jerzego Popiełuszki 17, 55-080 Kąty Wrocławskie, Poland.
- AICO S.p.A. is a limited liability company incorporated in Italy since 20 April 2010. It is registered with the I dati ufficiali delle Camere di Commercio, reg. no. 07007260966 (REA No. BS - 516133. Its registered address is Via Consorzio Agrario 3/D, 25032, Chiari (BS), Italy.

### Material contracts

Other than as described under the section entitled "*Description of Material Agreements*" herein, the Group has not entered into any material contracts not in the ordinary course of its business and which may affect the Group's ability to fulfil its obligations under the Bonds.

### Documents incorporated by reference

This Prospectus is, in addition to this document, comprised of information from the following documents which are incorporated by reference and available in electronic format on the Issuer's website at <https://intl.jotul.com/financial-reports>:

- pages 17 – 23 and 101 – 103 from the Issuer's consolidated financial statements and audit report for the financial year ended 31 December 2021;
- pages 13 – 17 from the Issuer's unaudited interim financial statements for the period 1 January 2022 to 30 June 2022;
- pages 4 – 8 and 20 – 22 from the Issuer's stand-alone financial statements and audit report for the financial year ended 31 December 2020;
- pages 2 – 3, 5 and 10 – 27 from Jotul France S.A.S's financial statements and audit report for the financial year ended 31 December 2021;
- pages 2 – 3, 5 and 9 – 26 from Jotul France S.A.S's financial statements and audit report for the financial year ended 31 December 2020;
- pages 2 – 6 from Jotul France S.A.S's unaudited interim financial statements for the period 1 January 2022 to 30 June 2022;

- pages 2 – 3, 5 and 9 – 14 from AICO France S.A.S's financial statements and audit report for the financial year ended 31 December 2021;
- pages 2 – 3, 5 and 9 – 14 from AICO France S.A.S's financial statements and audit report for the financial year ended 31 December 2020;
- pages 2 – 6 from AICO France S.A.S's unaudited interim financial statements for the period 1 January 2022 to 30 June 2022;
- pages 2 – 12 from Jotul North America Inc.'s financial statements and audit report for the financial year ended 31 December 2021;
- pages 2 – 12 from Jotul North America Inc.'s financial statements and audit report for the financial year ended 31 December 2020;
- pages 1 – 5 from Jotul North America Inc.'s unaudited interim financial statements for the period 1 January 2022 to 30 June 2022;
- pages 44 – 76 from Jotul Poland sp. z.o.o.'s financial statements and audit report for the financial year ended 31 December 2021;
- pages 13 – 22 from Jotul Poland sp. z.o.o.'s financial statements and audit report for the financial year ended 31 December 2020;
- pages 2 – 5 from Jotul Poland sp. z.o.o.'s unaudited interim financial statements for the period 1 January 2022 to 30 June 2022;
- pages 1 – 39 from AICO S.p.A.'s financial statements and audit report for the financial year ended 31 December 2021;
- pages 1 – 41 from AICO S.p.A.'s financial statements and audit report for the financial year ended 31 December 2020; and
- pages 1 – 7 from AICO S.p.A.'s unaudited interim financial statements for the period 1 January 2022 to 30 June 2022.

### **Documents available for inspection**

The following documents are available at the Issuer's headquarters at Langøyveien, 1678 Kråkerøy, Norway, on weekdays during the Issuer's regular office hours throughout the period of validity of this Prospectus.

- the Issuer's articles of association and certificate of registration;
- Jotul France S.A.S' articles of association and certificate of registration;
- AICO France S.A.S' articles of association and certificate of registration;
- Jotul North America Inc.'s articles of association and certificate of registration;
- Jotul Poland sp. z o.o.'s articles of association and certificate of registration;

- AICO S.p.A.'s articles of association and certificate of registration;
- the Issuer's consolidated financial statements and audit report for the financial year ended 31 December 2021;
- the Issuer's unaudited interim financial statements for the period 1 January 2022 to 30 June 2022;
- the Issuer's stand-alone financial statements and audit report for the financial year ended 31 December 2020;
- Jotul France S.A.S' financial statements and the audit report for the financial years ended 31 December 2021 and 31 December 2020;
- Jotul France S.A.S' unaudited interim financial statements for the period 1 January 2022 to 30 June 2022;
- AICO France S.A.S' financial statements and the audit report for the financial years ended 31 December 2021 and 31 December 2020;
- AICO France S.A.S' unaudited interim financial statements for the period 1 January 2022 to 30 June 2022;
- Jotul North America Inc.'s financial statements and the audit report for the financial years ended 31 December 2021 and 31 December 2021;
- Jotul North America Inc.'s unaudited interim financial statements for the period 1 January 2022 to 30 June 2022;
- Jotul Poland sp. z o.o.'s financial statements and the audit report for the financial years ended 31 December 2021 and 31 December 2020;
- Jotul Poland sp. z o.o.'s unaudited interim financial statements for the period 1 January 2022 to 30 June 2022;
- AICO S.p.A.'s financial statements and the audit report for the financial years ended 31 December 2021 and 31 December 2020;
- AICO S.p.A.'s unaudited interim financial statements for the period 1 January 2022 to 30 June 2022;
- this Prospectus; and
- the Terms and Conditions.

### **Listing costs**

The aggregate cost for the Bonds' admission to trading is estimated to be approximately SEK 428,000.

## Terms And Conditions Of The Bonds

### 1. Definitions and Construction

#### 1.1 Definitions

In these terms and conditions (the "**Terms and Conditions**"):

"**Account Operator**" means a bank or other party duly authorised to operate as an account operator pursuant to the relevant securities registration legislation and through which a Bondholder has opened a Securities Account in respect of its Bonds.

"**Additional Guarantor**" means each Material Group Company that has acceded to the Guarantee and Adherence Agreement as Guarantor pursuant to Clause 13.12 (*Additional Guarantors*) (jointly, the "**Additional Guarantors**").

"**Adjusted Nominal Amount**" means the Total Nominal Amount less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate, irrespective of whether such Person is directly registered as owner of such Bonds.

"**Advance Purchase Agreements**" means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment in the normal course of business with credit periods which are normal for the relevant type of project contracts, or (b) any other trade credit incurred in the ordinary course of business.

"**Affiliate**" means any Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. 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.

"**Agent**" means Nordic Trustee AS, Norwegian Reg. No. 963 342 624, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

"**Agreed Security Principles**" means the principles set out in Schedule 1 (*Agreed Security Principles*).

"**AICO Shareholder Loan**" means the EUR 5,000,000 shareholder loan granted to the Issuer by the Sponsor (via the Parent) in June 2021 for the purpose of funding the Group's acquisition of AICO S.p.A..

"**Bond**" means a debt instrument (*Sw. skuldförbindelse*) for the Nominal Amount and which are governed by and issued under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds.

"**Bondholder**" means the person who is registered on a Securities Account as direct registered owner (*Sw. ägare*) or nominee (*Sw. förvaltare*) with respect to a Bond.

**"Bondholders' Meeting"** means a meeting among the Bondholders held in accordance with Clause 17 (*Bondholders' Meeting*).

**"Bond Issue"** means the Initial Bond Issue and any Subsequent Bond Issue.

**"Bridge Loan"** means the EUR 2,500,000 subordinated loan granted to the Issuer by the Parent in September 2021.

**"Business Day"** means a day in Norway or Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (Sw. *midsommarafton*), Christmas Eve (Sw. *julafton*) and New Year's Eve (Sw. *nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

**"Business Day Convention"** means that if the last day of any Interest Period originally falls on a day that is not a CSD Business Day, the Interest Period will be extended to include the first following day that is a CSD Business Day unless that day falls in the next calendar month, in which case that day will be the first preceding day that is a CSD Business Day.

**"Call Option Amount"** mean the amount set out in Clause 9.3 (*Voluntary total redemption (call option)*), as applicable.

**"Call Option Repayment Date"** means the settlement date determined by the Issuer pursuant to Clause 9.3 (*Voluntary total redemption (call option)*).

**"Change of Control Event"** means the occurrence of an event or series of events whereby one or more persons, not being the Sponsor (or an Affiliate thereof), acting in concert, acquire control, directly or indirectly, over more than 50 per cent. of the voting shares of the Issuer, or the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

**"Completion Date"** means the date of disbursements of the proceeds from the Proceeds Account.

**"Compliance Certificate"** means a certificate, in the agreed form between the Agent and the Issuer, signed by the Issuer certifying:

- (a) that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it;
- (b) if provided in connection with a relevant Financial Report being made available, that the Maintenance Covenant is met and including calculations and figures in respect of the ratio of Net Interest Bearing Debt to EBITDA;
- (c) if provided in connection with the testing of the Incurrence Test, that the Incurrence Test is met and including calculations and figures in respect of the Incurrence Test;

- (d) if provided in connection with the testing of the Distribution Test, that the Distribution Test is met and including calculations and figures in respect of the Distribution Test;
- (e) a clean down of any Working Capital Facility; and
- (f) if provided in connection with the Group's annual audited consolidated financial statements, containing information on all Material Group Companies.

"**CSD**" means the Issuer's central securities depository and registrar in respect of the Bonds, from time to time, initially Verdipapirsentralen ASA, Norwegian Reg. No. 985 140 421, Fred Olsens gate 1, NO-0152 Oslo, Norway.

"**CSD Business Day**" means a day on which the relevant CSD settlement system is open and the relevant Bond currency settlement system is open.

"**Distribution Test**" means the distribution test set out in Clause 12.4 (*Distribution Test*).

"**EBITDA**" means, in respect of the Reference Period, the consolidated profit of the Group from ordinary activities according to the latest Financial Report(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;
- (b) before deducting any Net Finance Charges;
- (c) in relation to any Reference Period ending on or before 31 December 2021, before taking into account any Extraordinary Relocation Costs, provided that such costs may not exceed NOK 25,000,000;
- (d) before taking into account any (i) extraordinary items which are not in line with the ordinary course of business and (ii) any non-recurring items, provided that the combined amount of paragraphs (i) and (ii) may not exceed 10.0 per cent. of EBITDA (prior to any adjustments for Extraordinary Relocation Costs or other extraordinary or non-recurring items);
- (e) before taking into account any Transaction Costs;
- (f) not including any accrued interest owing to any Group Company;
- (g) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (h) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (i) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;

- (j) plus or minus the Group's share of the profits or losses of entities which are not part of the Group; and
- (k) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group,

provided that any leasing liability or expense shall, for the purpose of determining EBITDA, be treated in accordance with the accounting principles as in force prior to 1 January 2019.

**"Equity Claw Back"** means a voluntary partial prepayment in accordance with Clause 9.4 (*Voluntary partial redemption upon an Equity Claw Back (call option)*).

**"Equity Listing Event"** means an initial public offering of shares in the Issuer, after which such shares shall be quoted, listed, traded or otherwise admitted to trading on a Regulated Market or unregulated market.

**"Euro"** and **"EUR"** means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

**"Event of Default"** means an event or circumstance specified in any of Clause 14.1 (*Non-Payment*) to and including Clause 14.9 (*Continuation of the Business*).

**"Existing Bonds"** means the senior secured floating rate bonds with ISIN NO0010815749 issued by the Parent.

**"Existing Debt"** means (a) the Existing Bonds, and (b) the NOK 75,000,000 working capital facility made available by Nordea Bank Abp, filial i Norge to certain Group Companies.

**"Extraordinary Relocation Costs"** means the non-recurring or extraordinary costs (including in relation to advisory and consultant fees) incurred prior to the First Issue Date in conjunction with the discontinuation of the Group's production in Denmark and Norway and AICO's production in Italy, and subsequent relocation thereof to the production facility in Wroclaw, Poland.

**"Fee Agreement"** means the fee agreement entered into on or before the First Issue Date, between the Issuer and the Agent, or any replacement fee agreement entered into after the First Issue Date between the Issuer and an agent.

**"Final Maturity Date"** means 6 October 2024, as adjusted according to the Business Day Convention.

**"Finance Charges"** means, for the Reference Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalised by any Group Company according to the latest Financial Report(s) (calculated on a consolidated basis) other than Transaction Costs, capitalised interest in respect of any Shareholder Loan, interest on any loan owing to any Group Company and taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instrument which are accounted for on a hedge accounting basis.



**"Finance Documents"** means:

- (l) these Terms and Conditions;
- (m) the Security Documents;
- (n) the Guarantee and Adherence Agreement;
- (o) the Intercreditor Agreement;
- (p) the Fee Agreement; and
- (q) any other document designated by the Issuer and the Agent as a Finance Document.

**"Finance Leases"** means any finance leases, to the extent the arrangement is or would have been treated as a finance lease in accordance with the accounting principles as in force prior to 1 January 2019 (a lease which in the accounts of the Group is treated as an asset and a corresponding liability, and for the avoidance of doubt, any leases treated as operating leases under the accounting principles as in force prior to 1 January 2019 shall not, regardless of any subsequent changes or amendments of the accounting principles, be considered as a finance lease).

**"Financial Indebtedness"** means any indebtedness in respect of:

- (r) monies borrowed or raised, including Market Loans;
- (s) the amount of any liability in respect of any Finance Leases;
- (t) receivables sold or discounted (other than receivables sold on a non-recourse basis and, during a period of six months from the First Issue Date only, receivables sold or discounted on a recourse basis);
- (u) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (v) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (w) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (x) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (r)-(w).

"**Financial Report**" means the Group's annual audited consolidated financial statements and quarterly interim unaudited reports, which shall be prepared and made available according to Clause 11.1(a)(i) and Clause 11.1(a)(ii).

"**First Call Date**" means the date falling 18 months after the First Issue Date.

"**First Issue Date**" means 6 October 2021.

"**Floating Rate Margin**" means 6.95 per cent. *per annum*.

"**Force Majeure Event**" has the meaning set forth in Clause 26(a).

"**Group**" means the Issuer and its Subsidiaries from time to time, and "**Group Company**" means each of the Issuer and its Subsidiaries.

"**Guarantee**" means the guarantees provided by the Guarantors under the Guarantee and Adherence Agreement.

"**Guarantee and Adherence Agreement**" means the guarantee and adherence agreement entered into on or before the First Issue Date, between the Security Agent, the Issuer and the Guarantors.

"**Guarantors**" means any Initial Guarantor and any Additional Guarantor (each a "**Guarantor**").

"**Hedging Agreements**" has the meaning ascribed to it in the Intercreditor Agreement.

"**Incurrence Test**" means the incurrence test set out in Clause 12.2 (*Incurrence Test*).

"**Initial Nominal Amount**" has the meaning set forth in Clause 2(c).

"**Initial Bond Issue**" means the issuance of the Initial Bonds.

"**Initial Bonds**" means the Bonds issued on the First Issue Date.

"**Initial Guarantors**" means any Subsidiary which is a Material Group Company on the First Issue Date and an original party to the Guarantee and Adherence Agreement, to the extent permitted under applicable law (each an "**Initial Guarantor**").

"**Insolvent**" means that a person:

- (y) is unable or admits inability to pay its debts as they fall due;
- (z) suspends making payments on any of its debts generally; or
- (aa) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its center of main interest as such term is understood pursuant to the regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May on insolvency proceedings (recast) (as amended from time to time).

**"Intercreditor Agreement"** means the intercreditor agreement between, among others, the facility agent under the Super Senior RCF Documents (as defined in the Intercreditor Agreement), the Issuer, the Agent (representing the Bondholders) and the Security Agent.

**"Interest"** means the interest on the Bonds calculated in accordance with Clauses 8(a) to 8(c).

**"Interest Payment Date"** means 6 January, 6 April, 6 July and 6 October each year. To the extent such day is not a CSD Business Day, the CSD Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 6 January 2022 and the last Interest Payment Date shall be the relevant Redemption Date.

**"Interest Period"** means (i) in respect of the first Interest Period, the period from (and including) the First Issue Date to (but excluding) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant).

**"Interest Rate"** means NIBOR plus the Floating Rate Margin.

**"Issuer"** means Jøtul AS, a limited liability company incorporated in Norway with Norwegian reg. no. 989 519 247.

**"Maintenance Covenant"** means the maintenance covenant set out in Clause 12.1 (*Maintenance Covenant*).

**"Market Loan"** means any loan or other indebtedness where an entity issues commercial paper, certificates, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on a Regulated Market or any other regulated or unregulated recognised market place.

**"Material Adverse Effect"** means a material adverse effect on:

- (bb) the business, financial condition or operations of the Group taken as a whole;
- (cc) the Group's ability to perform and comply with the Finance Documents; or
- (dd) the validity or enforceability of the Finance Documents.

**"Material Group Company"** means, at any time:

- (a) the Issuer; or
- (b) any Group Company which is nominated as such by the Issuer in accordance with Clause 13.11 (*Nomination of Material Group Companies*).

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

- (c) the term is at least twelve months; and
- (d) the principal amount (alone or when aggregated with all other intra-group loans owed to the Issuer by that Subsidiary) exceeds NOK 5,000,000 (or the equivalent thereof in any other currency).

**"Net Finance Charges"** means, for the Reference Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Reference Period to any Group Company and any interest income relating to cash or cash equivalent investment.

**"Net Interest Bearing Debt"** means the consolidated interest bearing Financial Indebtedness less cash and cash equivalents of the Group in accordance with the applicable accounting principles of the Group from time to time (for the avoidance of doubt, excluding guarantees, bank guarantees, Shareholder Loans, any claims subordinated pursuant to a subordination agreement on terms and conditions satisfactory to the Agent and interest bearing Financial Indebtedness borrowed from any Group Company).

**"Net Proceeds"** means the proceeds from a Bond Issue after deduction has been made for the Transaction Costs payable by the Issuer to the Sole Bookrunner (if the Sole Bookrunner has requested that its fees and costs shall be deducted) and the Paying Agent for the services provided in relation to the placement and issuance of the Bonds.

**"NIBOR"** means:

- (e) the interest rate fixed for a period comparable to the relevant Interest Period published by Global Rate Set Systems (GRSS) at approximately 12:00 p.m. (Oslo time) on the Quotation Day; or
- (f) if no screen rate is available for the relevant Interest Period;
  - (i) the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under paragraph (a) above; or
  - (ii) a rate for deposits in NOK for the relevant Interest Period as supplied to the Agent at its request quoted by a sufficient number of commercial banks reasonably selected by the Agent; or
- (g) if the interest rate under paragraph (a) or (b) is no longer available, the interest rate will be set by the Agent in consultation with the Issuer to:
  - (i) any relevant replacement reference rate generally accepted in the market; or
  - (ii) such interest rate that best reflects the interest rate for deposits in the currency of the Bonds offered for the relevant Interest Period,

if any such rate is below zero, NIBOR will be deemed to be zero.

"**Nominal Amount**" means in respect of each Bond the Initial Nominal Amount, or any other amount following a split of Bonds pursuant to Clause 20.2(l) in accordance with the applicable regulations of the CSD (from time to time).

"**Norwegian Kroner**" and "**NOK**" means the lawful currency of Norway.

"**Obligor**" means the Issuer and each Guarantor.

"**Overdue Amount**" has the meaning set forth in Clause 8(d).

"**Parent**" means Jotul Holdings SA, a limited liability company incorporated in Luxembourg with Luxembourg reg. no. B203258.

"**Paying Agent**" means Nordea Bank Abp, filial i Norge, or another party replacing it, as Paying Agent, in accordance with these Terms and Conditions.

"**Permitted Debt**" means any Financial Indebtedness:

- (h) incurred under the Bonds (except for any Subsequent Bonds);
- (i) 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 20,000,000 (or the equivalent thereof in any other currency);
- (j) under any guarantee issued by a Group Company or pursuant to a counter-indemnity provided to a bank or other third party provider of a guarantee;
- (k) 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 Terms and Conditions and/or any Working Capital Facility, but not any transaction for investment or speculative purposes;
- (l) arising under any interest rate hedging transactions in respect of payments to be made under these Terms and Conditions and/or any Working Capital Facility, but not any transaction for investment or speculative purposes;
- (m) incurred under Advance Purchase Agreements;
- (n) incurred under any Shareholder Loan;
- (o) 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, or (ii) ranks *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;

- (p) incurred by the Issuer under any working capital facility provided for the general corporate purposes of the Group in a maximum aggregate amount of NOK 100,000,000 (not taking into account any non-cash elements under such Working Capital Facilities) (or the equivalent thereof in any other currency) (a "**Working Capital Facility**");
- (q) 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 (i) above;
- (r) taken up from a Group Company;
- (s) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds 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;
- (t) any pension debt;
- (u) until repaid in full, the Existing Debt;
- (v) the Unsecured French Covid Loans;
- (w) until repaid in full, the AICO Shareholder Loan and the Bridge Loan; and
- (x) any other Financial Indebtedness incurred by Group Companies which not in aggregate exceeds NOK 1,000,000 (or the equivalent thereof in any other currency).

**"Permitted Security"** means any Security:

- (y) provided under the Finance Documents;
- (z) over the Proceeds Account;
- (aa) arising by operation of law or in the ordinary course of business (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);
- (bb) provided in relation to any lease agreement entered into by a Group Company;
- (cc) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (dd) provided for the Working Capital Facilities; and

- (ee) provided pursuant to paragraphs (k), (l), (o), (q), (s) to (u) and (x) of the definition of Permitted Debt.

**"Person"** means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.

**"Proceeds Account"** means a bank account of the Issuer held with a reputable bank, into which the Net Proceeds will be transferred and which has been pledged and blocked in favour of the Agent and the Bondholders (represented by the Agent) under the Proceeds Account Pledge Agreement.

**"Proceeds Account Pledge Agreement"** means the pledge agreement entered into between the Issuer and the Agent on or about the First Issue Date in respect of a first priority pledge over the Proceeds Account and all funds held on the Proceeds Account from time to time, granted in favour of the Agent and the Bondholders (represented by the Agent).

**"Quotation Business Day"** means a day on which Norges Bank's settlement system is open.

**"Quotation Day"** means, in relation to any period for which an interest rate is to be determined, two Quotation Business Days before the first day of that period.

**"Record Date"** means the date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows:

- (ff) in relation to payments pursuant to these Terms and Conditions, the date designated as the Record Date in accordance with the rules of the CSD from time to time;
- (gg) for the purpose of casting a vote with regard to Clause 16 (*Decisions by Bondholders*), the date falling on the immediate preceding CSD Business Day to the date of that Bondholders' decision being made, or another date as accepted by the Agent; and
- (hh) another relevant date, or in each case such other CSD Business Day falling prior to a relevant date if generally applicable on the Swedish and Norwegian bond markets.

**"Redemption Date"** means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and Repurchase of the Bonds*).

**"Reference Date"** means 30 June and 31 December.

**"Reference Period"** means each period of twelve consecutive calendar months.

**"Regulated Market"** means any regulated market as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) as amended.

"**Restricted Payment**" has the meaning set forth in Clause 13.2 (*Distributions*).

"**Secured Obligations**" shall have the meaning given to such term in the Intercreditor Agreement.

"**Secured Parties**" shall have the meaning given to such term in the Intercreditor Agreement.

"**Securities Account**" means the account for dematerialised securities maintained by the CSD pursuant to the relevant securities registration legislation in which (i) an owner of such security is directly registered or (ii) an owner's holding of securities is registered in the name of a nominee.

"**Security**" means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any Person, or any other agreement or arrangement having a similar effect.

"**Security Agent**" means the security agent, appointed by the Secured Parties pursuant to the Intercreditor Agreement, holding the Transaction Security on behalf of the Secured Parties, being the Agent on the First Issue Date.

"**Security Documents**" means the security documents pursuant to which the Transaction Security is created and any other document designated as a Security Document by the Issuer and the Security Agent.

"**Senior Finance Documents**" has the meaning ascribed to it in the Intercreditor Agreement.

"**Shareholder Loans**" means any shareholder loan made to the Issuer as the debtor, if such shareholder loan according to its terms:

- (ii) is subordinated to the obligations of the Issuer under these Terms and Conditions pursuant to a subordination agreement;
- (jj) has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date; and
- (kk) yields only payment-in-kind interest (unless a Restricted Payment is permitted under the Finance Documents).

"**Sole Bookrunner**" means Pareto Securities AB.

"**Sponsor**" means OpenGate Capital Management, LLC or an Affiliate thereof.

"**Subsequent Bond Issue**" has the meaning set forth in Clause 2(d).

"**Subsequent Bonds**" means any Bonds issued after the First Issue Date on one or more occasions.

"**Subsidiary**" means, in respect of which such Person, directly or indirectly (a) owns shares or ownership rights representing more than 50 per cent. of the total number of



votes held by the owners, (b) otherwise controls more than 50 per cent. of the total number of votes held by the owners or (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body.

**"Total Nominal Amount"** means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time.

**"Transaction Costs"** means (a) accrued and unpaid monitoring fees and administrative expenses payable to the Sponsor up to NOK 8,500,000 and (b) all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other Group Company in connection with (i) any Bond Issue, (ii) any acquisition, (iii) any Working Capital Facility and (iv) the listing of the Bonds.

**"Transaction Security"** means the Security provided for the Secured Obligations pursuant to the Security Documents, initially being:

- (ll) share pledges over each Initial Guarantor; and
- (mm) a pledge over all Material Intra-Group Loans.

**"Unsecured French Covid Loans"** means the unsecured up to EUR 3,150,000 loans, granted to the Group as a direct consequence of the Covid-19 pandemic, provided that (a) the loans are subject to mandatory instalments and (b) the Group may not re-borrow any amount repaid.

**"Working Capital Facility"** has the meaning set forth in paragraph (p) of the definition Permitted Debt.

**"Written Procedure"** means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 18 (*Written Procedure*).

## 1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
  - (i) "assets" includes present and future properties, revenues and rights of every description;
  - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (iii) a "regulation" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (iv) an Event of Default is continuing if it has not been remedied or waived;

- (v) a provision of law is a reference to that provision as amended or re-enacted;
  - (vi) a time of day is a reference to Oslo time; and
  - (vii) Bonds being "redeemed" means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Terms and Conditions.
- (b) When ascertaining whether a limit or threshold specified in Norwegian Kroner has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Norwegian Kroner for the previous CSD Business Day, as published by the Norwegian Central Bank (No. *Norges Bank*) on its website ([www.norges-bank.no](http://www.norges-bank.no)). If no such rate is available, the most recently published rate shall be used instead.
  - (c) A notice shall be deemed to be sent by way of press release if it is made available to the public within European Economic Area promptly and in a non-discriminatory manner.
  - (d) No delay or omission of the Agent, the Security Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
  - (e) The privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders, the Security Agent, Paying Agent and the Agent.

## 2. Status of the Bonds

- (a) The Bonds are denominated in Norwegian Kroner and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The initial nominal amount of each Initial Bond is NOK 1.00 (the "**Initial Nominal Amount**"). The Total Nominal Amount of the Initial Bonds is NOK 475,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount. The minimum permissible subscription amount upon the issuance of the Initial Bonds is NOK 1,250,000. Any trading of the Bonds shall be made in compliance with all applicable laws and regulations.
- (d) Provided that the Incurrence Test is met (tested on a *pro forma* basis), the Issuer may, at one or several occasions, issue Subsequent Bonds (each such issue, a "**Subsequent Bond Issue**"). Subsequent Bonds shall benefit from and be subject to

the Finance Documents, and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Final Maturity Date applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount, at a premium or at par compared to the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed NOK 750,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 16(e)(i). Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds.

- (e) The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer (other than as follows from the provisions of the Intercreditor Agreement), except, without any preference among them, those obligations which are preferred in accordance with the Intercreditor Agreement or which are mandatorily preferred by law.
- (f) The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Neither the Issuer nor the Agent shall be responsible to ensure compliance with such laws, and each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (g) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Terms and Conditions (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.
- (h) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

### **3. Use of Proceeds**

- (a) The Issuer shall use the Net Proceeds from the Initial Bond Issue to (i) refinance the Existing Debt (including accrued and unpaid interest and applicable redemption premium) by way of, *inter alia*, repayment of shareholder loans from the Parent, (ii) repay the Bridge Loan, (iii) finance general corporate purposes, including capital expenditures, and (iv) finance Transaction Costs.
- (b) The Net Proceeds from any Subsequent Bond Issue shall be used to finance (i) general corporate purposes, including capital expenditures and acquisitions, and (ii) Transaction Costs.

## 4. Conditions Precedent and Conditions Subsequent

### 4.1 Conditions precedent Initial Bond Issue

- (a) The payment of the Net Proceeds to the Proceeds Account is subject to the Agent having received, in form and substance satisfactory to the Agent (acting reasonably):
- (i) documents and evidence of the Proceeds Account Pledge Agreement being duly executed and perfected;
  - (ii) a copy of these Terms and Conditions, duly executed by all parties hereto;
  - (iii) a copy of the Fee Agreement, duly executed;
  - (iv) copies of constitutional documents and corporate resolutions of the Issuer (approving the relevant Finance Documents and authorising signatories to execute the Finance Documents);
  - (v) copies of the Issuer's latest Financial Report (if any);
  - (vi) confirmation that the applicable prospectus requirements (referring to the EU prospectus regulation ((EU) 2017/1129)) concerning the issuance of the Initial Bonds have been fulfilled;
  - (vii) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds); and
  - (viii) copies of any written documentation used in marketing the Bonds or made public by the Issuer or the Sole Bookrunner in connection with the issuance of the Bonds.
- (b) The Net Proceeds from the Initial Bond Issue standing on the Proceeds Account will not be disbursed to the Issuer unless the Agent has received or is satisfied that it will receive in due time (as determined by the Agent) prior to such disbursement to the Issuer each of the following documents, in form and substance satisfactory to the Agent (acting reasonably):
- (i) unless delivered under paragraph (a) above as pre-settlement conditions precedent, copies of constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for the Issuer, together constituting evidence that the relevant Finance Documents have been duly executed;
  - (ii) copies of the Finance Documents, duly executed (other than those delivered under paragraph (a) above as pre-settlement conditions precedent or as set out under Clause 4.2 (*Conditions Subsequent*));
  - (iii) the agreed form draft of the documents referred to under Clause 4.2 (*Conditions Subsequent*);

- (iv) evidence that security existing in favour of the Existing Debt will be released and discharged upon repayment of the Existing Debt, provided that any required release and de-registration actions should be taken as soon as practicable possible following disbursement;
  - (v) evidence that the Existing Debt will be redeemed no later than two Business Days following the disbursement from the Proceeds Account by way of (A) a funds flow and (B) an executed release instruction from the Issuer sent to the Agent;
  - (vi) evidence that a binding and credit committee-approved agreement for providing the Group with a Working Capital Facility has been entered into by the Issuer;
  - (vii) a list of all Material Group Companies as of the First Issue Date; and
  - (viii) an agreed form Compliance Certificate.
- (c) When the conditions precedent for disbursement set out in Clause 4.1(b) have been received by the Agent, the Agent shall instruct the bank (with which the Issuer holds the Proceeds Account) to transfer the funds from the Proceeds Account in accordance with Clause 3 (*Use of Proceeds*), and the Agent shall thereafter or in connection therewith release the pledge over the Proceeds Account.
- (d) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.1(b) is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Agent does not have to verify or assess the contents of any such documentation. The Agent does not have any obligation to review the documentation and evidence referred to in Clause 4.1(b) above from a legal or commercial perspective of the Bondholders.
- (e) The Agent, acting in its reasonable discretion, may regarding this Clause 4 waive the requirements for documentation, or decide in its discretion that delivery of certain documents shall be made subject to an agreed closing procedure between the Agent and the Issuer, including execution (if applicable) and/or perfection of Transaction Security as soon as possible on or after the release of funds from the Proceeds Account according to the terms of the agreed closing procedure, and any applicable filing for registration of any Finance Document or other document provided for in accordance with these Terms and Conditions.
- (f) If the conditions precedent for disbursement set out in Clause 4.1(b) have not been fulfilled to the satisfaction of the Agent (acting reasonably) or waived by the Agent within 90 Business Days from the First Issue Date, the Issuer shall redeem all Bonds at a price equal to 100 per cent. of the Nominal Amount together with any accrued Interest. The Issuer shall apply any funds in the Proceeds Account for the purpose of redemption, and any funds distributed by the Agent to the Bondholders in accordance with the Proceeds Account Pledge Agreement shall be deemed to be paid by the Issuer for the redemption under this Clause 4.1(f). Any shortfall shall be covered by the Issuer. The redemption date shall occur on a CSD Business Day and

fall no later than 20 Business Days after the ending of the 90 Business Days period referred to above.

#### **4.2 Conditions Subsequent**

The Issuer shall no later than two Business Days following the Completion Date provide the Agent with the following:

- (a) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for the Guarantors and each other party to a Finance Document, together constituting evidence that the Finance Documents have been duly executed;
- (b) copies of the relevant Security Documents, Intercreditor Agreement and Guarantee and Adherence Agreement, duly executed;
- (c) the documents and other evidences to be delivered pursuant to the Security Documents to perfect and create the security thereunder, provided that any perfection and/or registration requirements shall be completed as soon as practically possible; and
- (d) legal opinions on the capacity, due execution, validity and enforceability of the Finance Documents not governed by Norwegian law and issued by a reputable law firm in respect of any non-Norwegian entity being party to such Finance Document.

#### **5. Bonds in Book-Entry Form**

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Bonds will be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD Registration requests relating to the Bonds shall be directed to Paying Agent or an Account Operator.
- (b) In order to carry out its functions and obligations under these Terms and Conditions, the Agent will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD (subject to applicable law).
- (c) For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds (subject to applicable law).

#### **6. Right to Act on Behalf of a Bondholder**

- (a) If any Person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such Person.

- (b) A Bondholder may issue one or several powers of attorney or other authorisation to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6(b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

## **7. Payments in Respect of the Bonds**

- (a) The Issuer will unconditionally make available to or to the order of the Agent and/or the Paying Agent all amounts due on each payment date pursuant to the terms of these Terms and Conditions at such times and to such accounts as specified by the Agent and/or the Paying Agent in advance of each payment date or when other payments are due and payable pursuant to these Terms and Conditions.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the relevant Record Date, by, if no specific order is made by the Agent, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Terms and Conditions will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a payment date to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary have been set out for such payment in the relevant Finance Document.
- (e) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue without any default interest in accordance with Clause 8(d) during such postponement.
- (f) If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount.

- (g) The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.
- (h) Notwithstanding anything to the contrary in these Terms and Conditions, the Bonds shall be subject to, and any payments made in relation thereto shall be made in accordance with, the rules and procedures of the CSD.

## 8. Interest

- (a) Each Initial Bond carries Interest at the Interest Rate from (and including) the First Issue Date up to (but excluding) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (and including) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (but excluding) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Agent will notify the Issuer and the Paying Agent and, if the Bonds are listed, the relevant Regulated Market, of the new Interest Rate and the actual number of calendar days for the next Interest Period on each Quotation Day.
- (d) If the Issuer fails to pay any amount payable by it on its due date under the Finance Documents ("**Overdue Amount**"), default interest shall accrue on the Overdue Amount from (and including) the due date up to (but excluding) the date of actual payment at a rate which is two per cent. higher than the Interest Rate. Default interest accrued on any Overdue Amount pursuant to this paragraph (d) will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead. These Terms and Conditions apply with identical terms and conditions to (i) all Bonds issued under this ISIN and (ii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time. Holders of Overdue Amounts related to interest claims will not have any other rights under these Terms and Conditions than their claim for payment of such interest claim which claim shall be subject to Clause 16(g).

## 9. Redemption and Repurchase of the Bonds

### 9.1 Redemption at maturity

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.



## 9.2 Issuer's purchase of Bonds

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer may at the Issuer's discretion be retained or sold by the Issuer, but not cancelled (other than in connection with a redemption in full).

## 9.3 Voluntary total redemption (call option)

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full:
- (i) any time from and including the First Issue Date to, but excluding, the First Call Date at an amount per Bond equal to 103.475 per cent. of the Nominal Amount plus the remaining interest payments to, and including, the First Call Date, together with accrued but unpaid Interest;
  - (ii) any time from and including the First Call Date, but excluding, the first CSD Business Day falling 24 months after the First Issue Date at an amount per Bond equal to 103.475 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iii) any time from and including the first CSD Business Day falling 24 months after the First Issue Date to, but excluding, the first CSD Business Day falling 30 months after the First Issue Date at an amount per Bond equal to 102.085 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iv) any time from and including the first CSD Business Day falling 30 months after the First Issue Date to, but excluding, the first CSD Business Day falling 33 months after the First Issue Date at an amount per Bond equal to 100.695 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
  - (v) any time from and including the first CSD Business Day falling 33 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100 per cent. of the Nominal Amount, together with accrued but unpaid Interest.
- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than 15 Business Days' notice to the Bondholders and the Agent. Upon receipt of such notice, the Agent shall inform the Paying Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. The notice shall specify the Call Option Repayment Date. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.
- (c) Unless the redemption price is set out in the written notice where the Issuer exercises its right to redemption in accordance with Clause 9.3(a)(i), the Issuer shall publish the redemption price to the Bondholders as soon as possible and at the latest within three Business Days from the date of the notice.

- (d) For the purpose of calculating the remaining interest payments pursuant to paragraph (a)(i) above it shall be assumed that the Interest Rate for the period from the relevant Record Date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders. The relevant Record Date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such repayment.

#### **9.4 Voluntary partial redemption upon an Equity Claw Back (call option)**

The Issuer may at one occasion, in connection with an Equity Listing Event redeem in part up to 35 per cent. of the total Nominal Amount in which case there shall be a pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD. The repayment must occur on an Interest Payment Date within 180 days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such Equity Listing Event (net of fees, charges and commissions actually incurred in connection with such Equity Listing Event and net of taxes paid or payable as a result of such Equity Listing Event). The Bonds shall be redeemed at 102.50 per cent. of the Nominal Amount, together with accrued but unpaid interest.

#### **9.5 Early redemption due to illegality (call option)**

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds at an amount per Bond equal to 100.00 per cent. of the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.
- (b) The Issuer shall give notice of any redemption pursuant to Clause 9.5(a) no later than 20 Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse).
- (c) A notice of redemption in accordance with Clause 9.5(a) is irrevocable and, on the date specified in such notice, the Issuer is bound to redeem the Bonds in full at the applicable amounts.

#### **9.6 Mandatory repurchase due to a Change of Control Event (put option)**

- (a) Upon a Change of Control Event occurring, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of 60 days following a notice from the Issuer of the Change of Control Event pursuant to Clause 11.1(d) (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event.
- (b) The notice from the Issuer pursuant to Clause 11.1(d) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the

repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 11.1(d). The repurchase date must fall no later than 20 Business Days after the end of the period referred to in Clause 9.6(a).

## 9.7 General

The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9 by virtue of the conflict.

## 10. Transaction Security and Guarantees

- (a) Subject to the terms of the Intercreditor Agreement, as continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer and certain Group Companies grant on or in connection with the First Issue Date the Transaction Security and the Guarantees, as applicable, to the Secured Parties as represented by the Security Agent on the terms set out in the Security Documents and the Guarantee and Adherence Agreement (as applicable).
- (b) Subject to the Intercreditor Agreement and applicable limitation language, the Guarantor will, as principal obligor (*Sw. proprieborgen*), pursuant to a Guarantee and Adherence Agreement guarantee the punctual fulfilment by the Issuer of the payment obligations under the Senior Finance Documents.
- (c) The Security Agent shall hold the Transaction Security and all Guarantees on behalf of the Secured Parties in accordance with the Security Documents, the Guarantee and Adherence Agreement and the Intercreditor Agreement (as applicable). The Issuer shall, and procure that each Guarantor and each Group Company party to any Security Document (as applicable) will, (i) enter into the Security Documents and/or Guarantee and Adherence Agreement (as applicable) and (ii) perfect the Transaction Security in accordance with the Security Documents.
- (d) All Security provided for pursuant to the Transaction Security and the Guarantees shall be subject to, and limited as required by, financial assistance regulations and other corporate law limitations. All Transaction Security and the Guarantees shall be provided pursuant to and in accordance with the Agreed Security Principles.
- (e) Unless and until the Security Agent has received instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*), the Security Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Security Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Secured Parties' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents and provided that such agreements or actions are not detrimental to the interest of the Bondholders.

- (f) Subject to the Intercreditor Agreement, the Security Agent may, acting on instructions of the Secured Parties, or if in accordance with the Intercreditor Agreement, the Super Senior Representative (as defined in the Intercreditor Agreement), release Transaction Security and the Guarantee in accordance with the terms of the Security Documents, the Guarantee and Adherence Agreement and the Intercreditor Agreement. For the avoidance of doubt, any Transaction Security or the Guarantee will always be released in such way which does not affect the sharing between the Bondholders, the super senior RCF creditors' under any Working Capital Facility and the hedge counterparties' under the Hedging Agreement of the remaining Transaction Security and Guarantee and/or the ranking and priority of the Bondholders, the super senior RCF creditors' under any Working Capital Facility and the hedge counterparties' under the Hedging Agreement as specified in the Intercreditor Agreement.
- (g) The Agent shall be entitled to give instructions relating to the Transaction Security and the Guarantees to the Security Agent in accordance with the Intercreditor Agreement.

## **11. Information to Bondholders**

### **11.1 Information from the Issuer**

- (a) The Issuer shall make the following information available to the Bondholders in the English language by publication on its website or on another relevant information platform:
  - (i) as soon as the same become available, but in any event within four months after the end of each financial year, the annual audited consolidated financial statements of the Group, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
  - (ii) as soon as the same become available, but in any event within two months after the end of each quarter of its financial year, the quarterly interim unaudited consolidated reports of the Group, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
  - (iii) any other information required by the rules and regulations of the Regulated Market or other market place on which the Bonds are admitted to trading.
- (b) When the Bonds have been listed, the reports referred to in Clause 11.1(a)(i) and Clause 11.1(a)(ii) shall be prepared in accordance with IFRS and made available in accordance with the rules and regulations of the relevant Regulated Market (as amended from time to time), the Swedish Securities Markets Act (*Sw. lag (2007:582) om värdepappersmarknaden*) (if applicable) and the Norwegian Securities Trading Act of 2007 no.75 (if applicable).

- (c) When the financial statements and other information are made available to the Bondholders pursuant to Clause 11.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (d) The Issuer shall promptly notify the Bondholders and the Agent upon becoming aware of the occurrence of a Change of Control Event and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice. A notice regarding a Change of Control Event may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.
- (e) The Issuer shall submit a duly executed Compliance Certificate to the Agent:
  - (i) in connection with the testing of the Maintenance Covenant;
  - (ii) in connection with the testing of the Incurrence Test;
  - (iii) in connection with the testing of the Distribution Test;
  - (iv) in connection with a clean down pursuant to Clause 13.10 (*Clean Down Period*); and
  - (v) in connection with the publication of the annual audited consolidated financial statements of the Group pursuant to Clause 11.1(a)(i).
- (f) The Issuer shall promptly notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (g) The Agent may assume that any information provided by the Issuer in the Compliance Certificate delivered pursuant to paragraph (e) above is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
- (h) The Issuer is only obliged to inform the Agent according to this Clause 11.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 11.1.

## **11.2 Information from the Agent**

Subject to the restrictions of any applicable law or regulation, the Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

## **11.3 Publication of Finance Documents**

- (a) The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.
- (b) The latest versions of the Finance Documents shall be available to the Bondholders at the office of the Agent during the Agent's normal business hours.

## **12. Financial Undertakings**

### **12.1 Maintenance Covenant**

The Issuer shall ensure that the ratio of Net Interest Bearing Debt to EBITDA is equal to or less than:

- (a) 5.50:1 from the First Issue Date until (and including) the date falling 12 months from the First Issue Date;
- (b) 5.00:1 from (but excluding) the date falling 12 months from the First Issue Date until (and including) the date falling 24 months from the First Issue Date; and
- (c) 4.50:1 from (but excluding) the date falling 24 months from the First Issue Date until (and including) the Final Maturity Date.

### **12.2 Testing of the Maintenance Covenant**

The Maintenance Covenant shall be tested semi-annually on each Reference Date, as long as any Bond is outstanding, on the basis of the interim consolidated Financial Report for the Reference Period ending on such Reference Date and shall be included in the Compliance Certificate delivered in connection therewith. The first test date for the Maintenance Covenant shall be 31 December 2021.

### **12.3 Incurrence Test**

The Incurrence Test is met if:

- (a) the ratio of Net Interest Bearing Debt to EBITDA is not greater than:
  - (i) 4.00:1 from the First Issue Date until (and including) the date falling twelve months from the First Issue Date;

- (ii) 3.75:1 from (but excluding) the date falling twelve months from the First Issue Date until (and including) the date falling 24 months from the First Issue Date; and
- (iii) 3.50:1 from (but excluding) the date falling 24 months from the First Issue Date until (and including) the Final Maturity Date; and
- (b) no Event of Default is continuing or would occur upon the incurrence or the payment (as applicable).

#### 12.4 Distribution Test

The Distribution Test is met if:

- (a) the ratio of Net Interest Bearing Debt to EBITDA is not greater than 3.00:1; and
- (b) no Event of Default is continuing or would occur upon the relevant Restricted Payment.

#### 12.5 Testing of the Incurrence Test and Distribution Test

The calculation of the ratio of Net Interest Bearing Debt to EBITDA for the Incurrence Test or Distribution Test shall be made as per a testing date determined by the Issuer, falling no more than three months prior to the incurrence of the new Financial Indebtedness or the making of a Restricted Payment. The Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include the new Financial Indebtedness provided it is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Interest Bearing Debt) or exclude an amount of cash and cash equivalents in an amount equivalent to the Restricted Payment (as applicable). EBITDA shall be calculated in accordance with Clause 12.6 (*Adjustments*).

#### 12.6 Adjustments

The figures for EBITDA for the Reference Period ending on the relevant test date shall be used for the Maintenance Covenant, Incurrence Test or Distribution Test (as applicable), but adjusted so that:

- (a) entities acquired or disposed of by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Reference Period (however excluding, for any Reference Period ending prior to 30 June 2022, EBITDA of AICO S.p.A.); and
- (b) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Reference Period.

## 13. General Undertakings

### 13.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will and shall procure that each Obligor (pursuant to the Guarantee and Adherence Agreement) undertakes to) comply with the undertakings set out in this Clause 13 for as long as any Bonds remain outstanding.

### 13.2 Distributions

- (a) No Obligor shall, and shall procure that none of its Subsidiaries will:
- (i) pay any dividend on its shares (other than to the Issuer or a Subsidiary of the Issuer);
  - (ii) repurchase any of its own shares;
  - (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) grant any loans (other than (A) to the Issuer or a wholly-owned Subsidiary of the Issuer or (B) in the ordinary course of business);
  - (iv) repay any Shareholder Loans or pay capitalised or accrued interest thereunder; or
  - (v) make any other similar distribution or transfers of value to the direct or indirect shareholder of the Issuer, or any Affiliates of the Issuer (other than to the Issuer or a Subsidiary of the Issuer) ((i)-(vi) each being a "**Restricted Payment**").
- (b) Notwithstanding paragraph (a) above:
- (i) the Issuer may make payments to the Sponsor covering, inter alia, annual monitoring fees and administrative expenses, in a maximum aggregate amount of EUR 1,000,000 (or the equivalent thereof in any other currency) *per annum*, provided that no Event of Default is continuing or would occur due to such Restricted Payment;
  - (ii) the Issuer may, at any time from and including 1 October 2022, make a one-off Restricted Payment to the Sponsor (including but not limited to by way of repayment of any residual amounts under the AICO Shareholder Loan) in an aggregate amount not exceeding EUR 5,000,000, provided that at the time of such payment (A) the Distribution Test is satisfied (calculated on a *pro forma* basis including the relevant Restricted Payment), and (B) the Group has no outstanding indebtedness in respect of receivables sold or discounted on a recourse basis; and
  - (iii) following an Equity Listing Event and a full Equity Claw Back, a Restricted Payment may be made by the Issuer, if at the time of the payment:



- (A) the Incurrence Test is satisfied (calculated on a *pro forma* basis including the relevant Restricted Payment); and
- (B) the aggregate amount of all Restricted Payments of the Group in any fiscal year (including the relevant Restricted Payment) does not exceed 50.0 per cent. of the Group's consolidated net profit for the previous fiscal year.

### **13.3 Nature of Business**

Each Obligor shall procure that no substantial change is made to the general nature of the business carried on by the Group as of the First Issue Date if such substantial change would have a Material Adverse Effect.

### **13.4 Financial Indebtedness**

No Obligor shall, and shall procure that no other Group Company will, incur, prolong, renew or extend any Financial Indebtedness, provided however that the Issuer and its Subsidiaries have a right to incur, prolong, renew or extend Financial Indebtedness that constitutes Permitted Debt.

### **13.5 Disposal of Assets**

No Obligor shall, and shall procure that no other Group Company will, sell or otherwise dispose of any shares in any Group Company or of any substantial assets (including but not limited to material intellectual property rights) or operations to any person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect.

### **13.6 Dealings with Related Parties**

Each Obligor shall, and shall procure that each other Group Company will, conduct all dealings with their direct and indirect shareholders (excluding the Issuer and any other Group Company) and/or any Affiliates of such direct and indirect shareholders on arm's length terms.

### **13.7 Negative Pledge**

No Obligor shall, and shall procure that no other Group Company will, provide, prolong or renew any security over any of its/their assets (present or future) to secure Financial Indebtedness, provided however that the Issuer and the Group have a right to provide, retain, prolong or renew, any Permitted Security.

### **13.8 Compliance with Laws and Authorisations**

Each Obligor shall, and shall make sure that each other Group Company will, (a) comply with all laws and regulations applicable from time to time, and (b) obtain, maintain, and comply with, the terms and conditions of any authorisation, approval, licence or other

permit required for the business carried out by a Group Company, in each case, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

### **13.9 Admission to Trading**

- (a) The Issuer shall use its best efforts to ensure that:
  - (i) the Initial Bonds are listed on a Regulated Market within twelve months after the First Issue Date;
  - (ii) any Subsequent Bonds are listed on the relevant Regulated Market within 60 days after the issuance of such Subsequent Bonds (unless such Subsequent Bonds are issued before the Initial Bonds are listed on a Regulated Market, in which case such Subsequent Bonds shall be listed within 12 months after the First Issue Date); and
  - (iii) the Bonds, if admitted to trading on a Regulated Market, continue being listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).
- (b) The Issuer shall ensure that the Bonds are listed on the Open Market of the Frankfurt Stock Exchange within sixty days after the First Issue Date (provided that the Issuer shall use its best efforts to list the Initial Bonds within thirty (30) days after the First Issue Date) and remain listed on such exchange until the Bonds have been redeemed in full (however, taking into account the rules and regulations of Open Market of the Frankfurt Stock Exchange and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

### **13.10 Clean Down Period**

The Issuer shall procure that during each calendar year there shall be a period of three consecutive days during which the amount outstanding under any Working Capital Facility, less cash and cash equivalents of the Group, amounts to zero or less. Not less than six months shall elapse between two such periods. The clean down shall be confirmed in a Compliance Certificate to the Agent within ten Business Days from the completion of each clean down.

### **13.11 Nomination of Material Group Companies**

At the First Issue Date and thereafter once every year (simultaneously with the publication by the Issuer of the audited annual financial statements of the Group) the Issuer shall ensure that each Group Company with earnings before interest, tax, depreciation and amortisation calculated on the same basis as EBITDA representing 5.00 per cent. or more of EBITDA, or which has total assets representing 5.00 per cent. or more of the total assets of the Group, in each case determined by reference to the most recent audited annual financial statements, from and including the calendar year ending on 31 December 2021, and calculated on a consolidated basis, is listed as a Material

Group Company in the relevant Compliance Certificate delivered in connection therewith.

### **13.12 Additional Guarantors**

Each Obligor shall, in each case pursuant to and in accordance with the Agreed Security Principles, procure that each Material Group Company accedes to the Guarantee and Adherence Agreement and that Security is granted over the shares in such Material Group Company no later than 90 days after its nomination in accordance with Clause 13.11 (*Nomination of Material Group Companies*) above and in connection therewith provides to the Security Agent:

- (a) Security pursuant to these Terms and Conditions and the Intercreditor Agreement;
- (b) duly executed accession letters to the Guarantee and Adherence Agreement;
- (c) duly executed accession letters to the Intercreditor Agreement;
- (d) 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);
- (e) any legal opinion on the capacity and due execution, issued by a reputable law firm; and
- (f) 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.

### **13.13 Additional Security Material Intercompany Loans**

The Issuer shall no later than 90 days upon granting a Material Intra-Group Loan, grant a pledge over that Material Intra-Group Loan as security for the Secured Obligations and simultaneously therewith deliver to the Agent (unless previously provided):

- (a) constitutional documents and corporate resolutions (approving the relevant Security Documents and authorising a signatory/-ies to execute the relevant Security Document) for the relevant security provider, and each other party to that Security Document (other than the Agent);
- (b) a legal opinion on the capacity and due execution, in respect of any entity being party to the relevant Security Document, issued by a reputable law firm; and
- (c) any legal opinion on the validity and enforceability in respect of the relevant Security Document 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,

in each case pursuant to and in accordance with the Agreed Security Principles.

### **13.14 Conditions Subsequent**

Each Obligor shall procure that the conditions subsequent referred to in Clause 4.2 (*Conditions Subsequent*) are satisfied no later than two Business Days after the Completion Date.

## **14. Events of Default and Acceleration of the Bonds**

Each of the events or circumstances set out in this Clause 14 (other than Clause 14.10 (*Acceleration of the Bonds*)) is an Event of Default.

### **14.1 Non-Payment**

The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is caused by administrative or technical error and payment is made within five CSD Business Days of the due date.

### **14.2 Maintenance Covenant**

The Issuer has failed to comply with the Maintenance Covenant.

### **14.3 Other Obligations**

A party (other than the Agent or any provider of a Working Capital Facility) does not comply with its obligations under the Finance Documents, in any other way than as set out under Clause 14.1 (*Non-Payment*) or Clause 14.2 (*Maintenance Covenant*), provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within 15 Business Days from such request (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds due and payable without such prior written request).

### **14.4 Cross-Acceleration**

Any Financial Indebtedness of a Material Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this Clause 14.4 if the aggregate amount of Financial Indebtedness that has fallen due is less than NOK 5,000,000 (or the equivalent thereof in any other currency) and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

### **14.5 Insolvency**

- (a) Any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors generally (except for Bondholders) with a view to rescheduling its Financial Indebtedness.

- (b) A moratorium is declared in respect of the Financial Indebtedness of any Material Group Company.

#### **14.6 Insolvency Proceedings**

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 60 days of commencement or, if earlier, the date on which it is advertised, (ii) proceedings or petitions concerning a claim which is less than NOK 5,000,000 (or the equivalent thereof in any other currency), and (ii), in relation to Subsidiaries of the Issuer, solvent liquidations) in relation to:

- (a) the suspension of payments, winding-up, dissolution, administration or reorganisation (Sw. *företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company; and
- (b) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets or any analogous procedure or step is taken in any jurisdiction in respect of any Material Group Company.

#### **14.7 Mergers and Demergers**

A decision is made that any Group Company shall be demerged or merged if such merger or demerger is likely to have a Material Adverse Effect, provided that a merger subject to existing Security between Subsidiaries only or between the Issuer and a Subsidiary, where the Issuer is the surviving entity, shall not be an Event of Default and a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and provided that the Issuer may not be demerged.

#### **14.8 Creditors' Process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value of an amount equal to or exceeding NOK 5,000,000 (or the equivalent thereof in any other currency) and is not discharged within 60 days.

#### **14.9 Continuation of the Business**

The Issuer or any other Material Group Company ceases to carry on its business (other than (i) a solvent liquidation permitted pursuant to Clause 14.6 (*Insolvency Proceedings*) above, (ii) a merger or demerger permitted pursuant to Clause 14.7 (*Mergers and Demergers*) above or (iii) a disposal permitted under the Finance Documents), if such discontinuation is likely to have a Material Adverse Effect.

#### **14.10 Acceleration of the Bonds**

- (a) Upon the occurrence of an Event of Default which is continuing but subject to the terms of the Intercreditor Agreement, the Agent is entitled to, and shall following an instruction given pursuant to Clause 14.10(d), on behalf of the Bondholders (i)

by notice to the Issuer, declare all, but not only some, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.

- (b) The Agent may not accelerate the Bonds in accordance with Clause 14.10(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Agent shall notify the Bondholders of an Event of Default within five Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within 20 Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- (d) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (e) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (f) Subject to the Intercreditor Agreement, in the event of an acceleration of the Bonds in accordance with this Clause 14.10 the Issuer shall up to, but excluding, the First Call Date redeem all Bonds at an amount per Bond equal to the Call Option Amount set out in Clause 9.3(a)(ii) and thereafter, as applicable considering when the acceleration occurs, redeem all Bonds at an amount per Bond equal to the Call Option Amount for the relevant period.

## **15. Distribution of Proceeds**

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security shall (in the case of proceeds from the Guarantee to the extent such proceeds can be applied towards satisfaction of the below) be distributed in accordance with the Intercreditor Agreement.

- (b) Any amount which pursuant to the Intercreditor Agreement is payable in respect of the Bonds shall be applied in the following order of priority, in accordance with the instructions of the Agent:
- (i) first, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Fee Agreement (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, the enforcement of the Transaction Security or the Guarantees or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 20.2(g), and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16(c);
  - (ii) secondly, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
  - (iii) thirdly, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
  - (iv) fourthly, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (i) to (iv) above shall be paid to the Issuer or the Guarantors, as applicable.

- (c) Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security or the Guarantees constitute escrow funds (*Sw. redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 to be promptly turned over to the Security Agent to be applied in accordance with the Intercreditor Agreement.
- (d) If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15(b)(i), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15(b)(i).
- (e) If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least 15 Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7(a) shall apply and for any partial redemption in accordance with Clause 9.4 (*Voluntary*

*partial redemption upon an Equity Claw Back (call option)) due but not made, the Record Date specified in O shall apply.*

## 16. Decisions by Bondholders

- (a) A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the CSD Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Only a Person who is, or a Person who has been provided with a power of attorney or other authorisation from a Person registered as a Bondholder pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) or another evidence thereof acceptable to the Agent, or a person proven to the Agent's satisfaction to be the beneficial owner of the Bond:
  - (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
  - (ii) on the CSD Business Day specified in the communication pursuant to Clause 18(c), in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- (e) The following matters shall require the consent of Bondholders representing at least 66 2/3 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18(c):
  - (i) the issue of any Subsequent Bonds after the First Issue Date , if the total nominal amount of the Bonds exceeds, or if such issue would cause the



- Total Nominal Amount of the Bonds to at any time exceed, NOK 750,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Bonds are issued;
- (ii) a change to the terms of any of Clause 2(a), and Clauses 2(e) to 2(h);
  - (iii) waive a breach of or amend an undertaking set out in Clause 13 (*General Undertakings*);
  - (iv) a change to the terms for the distribution of proceeds set out in Clause 15 (*Distribution of Proceeds*);
  - (v) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 16;
  - (vi) reduce the principal amount, interest rate or interest amount which shall be paid by the Issuer;
  - (vii) amend any payment day for principal or interest amount or waive any breach of a payment undertaking;
  - (viii) a release of the Transaction Security or the Guarantees, except in accordance with the terms of the Intercreditor Agreement, Security Documents and/or the Guarantee and Adherence Agreement (as applicable);
  - (ix) a mandatory exchange of the Bonds for other securities; and
  - (x) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 14 (*Events of Default and Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.
- (f) Any matter not covered by Clause 16(e) shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 19(a)(i) or (19(a)(ii))), an acceleration of the Bonds or the enforcement of any Transaction Security or Guarantees.
  - (g) Neither a Bondholders' Meeting nor a Written Procedure can resolve that any overdue payment of any instalment shall be reduced unless there is a *pro rata* reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
  - (h) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least 50 per cent. of the Adjusted

Nominal Amount in case of a matter pursuant to Clause 16(e), and otherwise twenty per cent. of the Adjusted Nominal Amount:

- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
- (ii) if in respect of a Written Procedure, reply to the request.

If a quorum exists for some, but not all, of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.

- (i) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 17(a)) or initiate a second Written Procedure (in accordance with Clause 18(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 16(h) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (j) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- (k) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- (l) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (m) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- (n) All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- (o) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for

the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate.

- (p) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

## **17. Bondholders' Meeting**

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five CSD Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 17(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 20.4(c), the Issuer shall no later than five CSD Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 17(a).
- (c) The notice pursuant to Clause 17(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than 15 Business Days and no later than 30 Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

## **18. Written Procedure**

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically in a manner determined by the Agent) no later than five CSD Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Bondholder on the CSD Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18(a) to each Bondholder with a copy to the Agent.

- (c) A communication pursuant to Clause 18(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the CSD Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least 15 Business Days from the communication pursuant to Clause 18(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16(e) and 16(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16(e) or 16(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## 19. Amendments and Waivers

- (a) The Issuer and the Agent and/or the Security Agent (as applicable) (in each case acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
  - (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
  - (iii) such amendment is necessary for the purpose of listing the Bonds; or
  - (iv) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*).
- (b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.
- (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 19(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 11.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority, to the extent such registration is possible in accordance with the rules of the relevant CSD.

- (d) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **20. Appointment and Replacement of the Agent**

### **20.1 Appointment of Agent**

- (a) By subscribing for Bonds, each initial Bondholder:
  - (i) appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security; and
  - (ii) confirms the appointment under the Intercreditor Agreement of the Security Agent to act as its agent in all matters relating to the Transaction Security, the Security Documents, the Guarantees and the Guarantee and Adherence Agreement, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantees and acknowledges and agrees that the rights, obligations, role of and limitations of liability for the Security Agent is further regulated in the Intercreditor Agreement.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation of the Agent and the Security Agent to act on its behalf, as set forth in this Clause 20.1(a).
- (c) Each Bondholder shall immediately upon request provide the Agent and the Security Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. Neither the Agent nor the Security Agent is under any obligation to represent a Bondholder which does not comply with such request.
- (d) The Issuer shall promptly upon request provide the Agent and the Security Agent with any documents and other assistance (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent, as applicable deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Fee Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

- (f) The Agent may act as agent, trustee or representative for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## 20.2 Duties of the Agent

- (a) The Agent shall represent the Bondholders in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents on behalf of the Bondholders and, where relevant, enforcing the Transaction Security on behalf of the Bondholders. However, the Agent is not responsible for the execution or enforceability of the Finance Documents or the perfection of the Transaction Security.
- (b) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in the Finance Documents. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person and no opinion or advice by the Agent will be binding on the Bondholders.
- (d) The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Group with the terms of the Finance Documents (unless to the extent expressly set out in the Finance Documents) or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred.
- (e) The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- (f) The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- (g) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or the Transaction Security which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance

Documents shall be distributed in accordance with Clause 15 (*Distribution of Proceeds*).

- (h) Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (i) If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- (j) Unless it has actual knowledge to the contrary, each of the Agent and the Security Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (k) The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Fee Agreement or (ii) if it refrains from acting for any reason described in Clause 20.2(i).
- (l) The Agent may instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

### **20.3 Limited liability for the Agent**

- (a) The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) The Agent shall have no liability to the Bondholders for damage caused by the Agent when acting in accordance with instructions of the Bondholders given to the Agent

in accordance with Clause 16 (*Decisions by Bondholders*) or a demand by Bondholders given pursuant to Clause 14.10.

- (e) The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or by any other Person.
- (f) Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

#### **20.4 Replacement of the Agent**

- (a) Subject to Clause 20.4(f), the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 20.4(f), if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Bondholder on the CSD Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- (d) If the Bondholders have not appointed a successor Agent within 90 days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (f) The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled



to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.

- (h) In the event that there is a change of the Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Fee Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **21. Appointment and Replacement of the CSD**

- (a) The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD regulations and the other regulations applicable to the Bonds.
- (b) The CSD may retire from its assignment or be dismissed by the Issuer provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder.

## **22. Appointment and Replacement of the Paying Agent**

- (a) The Issuer appoints the Paying Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.
- (b) The Paying Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Paying Agent at the same time as the old Paying Agent retires or is dismissed. If the Paying Agent is Insolvent, the Issuer shall immediately appoint a new Paying Agent, which shall replace the old Paying Agent as paying agent in accordance with these Terms and Conditions.

## **23. No Direct Actions by Bondholders**

- (a) A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security or the Guarantees to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Clause 23(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any

reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 20.1(c)), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Fee Agreement or by any reason described in Clause 20.2(i), such failure must continue for at least 40 Business Days after notice pursuant to Clause 20.2(k) before a Bondholder may take any action referred to in Clause 23(a).

- (c) The provisions of Clause 23(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.6 (*Mandatory repurchase due to a Change of Control Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

## 24. Prescription

- (a) The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Bondholders' right to receive payment has been prescribed and has become void.
- (b) If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*Sw. preskriptionslag (1981:130)*), a new limitation period of ten years with respect to the right to receive repayment of the principal of the Bonds, and of three years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

## 25. Notices and Press Releases

### 25.1 Notices

Written notices to the Bondholders made by the Agent will be sent to the Bondholders via the CSD with a copy to the Issuer. Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

- (a) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Agent or through the CSD with a copy to the Agent and each relevant exchange (if the Bonds are listed).
- (b) Notwithstanding paragraph (a) above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer's written notifications to the Bondholders may be published by the Agent on a relevant information platform only.
- (c) Unless otherwise specifically provided, all notices or other communications under or in connection with these Terms and Conditions between the Agent and the Issuer

will be given or made in writing, by letter, e-mail or fax. Any such notice or communication will be deemed to be given or made as follows:

- (i) in case of courier or personal delivery, when it has been left at the address specified in this Clause 25.1;
  - (ii) if by letter, three Business Days after being deposited postage prepaid in an envelope when it has been left at the address specified in this Clause 25.1;
  - (iii) in case of email, on the day of dispatch (unless a delivery failure message was received by the sender), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day;
  - (iv) if by publication on a relevant information platform, when published; and
  - (v) if by fax, when received.
- (d) The Issuer and the Agent shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.
- (e) When determining deadlines set out in these Terms and Conditions, the following will apply (unless otherwise stated):
- (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
  - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
  - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

## 25.2 Press releases

- (a) Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.3 (*Voluntary total redemption (call option)*), 9.4 (*Voluntary partial redemption upon an Equity Claw Back (call option)*), 9.5 (*Early redemption due to illegality (call option)*), 9.6 (*Mandatory repurchase due to a Change of Control Event (put option)*), 11.1(d), 14.10(c), 16(p), 17(a), 18(a) and 19(c) shall also be published by way of press release by the Issuer or the Agent, as applicable.
- (b) In addition to Clause 25.2(a), if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the

opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

## 26. Force Majeure and Limitation of Liability

- (a) Neither the Agent nor the Paying Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Paying Agent itself takes such measures, or is subject to such measures.
- (b) The Paying Agent shall have no liability to the Bondholders if it has observed reasonable care. The Paying Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) Should a Force Majeure Event arise which prevents the Agent or the Paying Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the applicable securities registration legislation which provisions shall take precedence.

## 27. Governing Law and Jurisdiction

- (a) These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
  - (b) The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).
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**ADDRESSES**

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