



FINANCIAL STATEMENT



JØTUL HOLDINGS S.A | 31. DECEMBER 2019

INCOME STATEMENTS

(NOK 1000)

	FY 2017	FY 2018	FY 2019	Q4 2018	Q4 2019
OPERATING REVENUE AND COST					
Operating revenue					
Gross sales	1 652 154	1 651 787	1 744 787	541 892	589 559
Discounts	-745 995	-739 509	-783 668	-238 645	-262 275
Net sales	906 160	912 278	961 119	303 247	327 284
Operating cost					
Direct materials	314 786	324 503	347 372	107 279	115 775
Direct personnel cost	108 567	94 054	99 847	29 344	29 528
Distribution costs	37 807	38 252	40 086	13 470	13 051
Sales commission	28 086	29 829	29 733	10 452	11 664
Contribution margin	416 913	425 641	444 081	142 700	157 266
Indirect production costs	171 009	151 261	144 466	48 012	58 744
Gross margin	245 904	274 380	299 615	94 688	98 521
Sales, general and administration costs	184 609	180 622	161 919	45 710	52 412
EBITDA	61 295	93 758	137 697	48 978	46 110
Non-recurring items	35 828	51 460	75 578	12 231	45 813
EBITDA, incl. non-recurring items	25 466	42 298	62 119	36 748	297
Depreciation	46 169	49 974	84 642	16 388	22 781
Writedown	300 000	1 365	0	1 365	0
Operating profit	-320 703	-9 041	-22 523	18 994	-22 484
FINANCE REVENUE AND COST					
Financial income					
Other interest	586	594	1 180	134	395
Other finance revenue	76	500	33	-4 624	20
Total financial income	662	1 094	1 213	-4 490	415
Financial cost					
Interest cost shareholder loan	2 610	1 284	0	-4 385	0
Other interest cost	19 811	28 860	28 736	16 400	7 623
Other financial cost	9 430	1 861	31 119	574	8 112
Total financial cost	31 851	32 005	59 855	12 589	15 735
NET FINANCIAL ITEMS	-31 189	-30 910	-58 642	-17 079	-15 320
PROFIT BEFORE TAX	-351 892	-39 951	-81 165	1 916	-37 803
Income tax expenses	-3 576	-2 901	-7 651	-3 537	-4 676
PROFIT FOR THE YEAR	-355 467	-42 853	-88 816	-1 622	-42 479

BALANCE SHEET

(NOK 1000)

ASSETS	31.12.2018	31.12.2019
NON-CURRENT ASSETS		
Intangible fixed assets		
Trademark	60 000	60 000
Right to use assets	0	301 581
Other intangible assets	60 127	42 021
Deferred tax assets	1 300	1 335
Goodwill	0	0
Total intangible fixed assets	121 427	404 937
Tangible fixed assets		
Property	1 734	2 142
Plant and equipment	137 855	187 518
Total tangible fixed assets	139 589	189 660
Financial fixed assets		
Other financial fixed assets	15 348	14 941
Total financial fixed assets	15 348	14 941
TOTAL NON-CURRENT ASSETS	276 364	609 538
CURRENT ASSETS		
Inventory	179 012	227 317
Accounts receivables	75 698	79 100
Other receivables	15 213	16 881
Total receivables	90 911	95 981
Other current financial assets	0	771
Bank and cash equivalents	117 811	55 578
TOTAL CURRENT ASSETS	387 734	379 646
TOTAL ASSETS	664 097	989 184

BALANCE SHEET

(NOK 1000)

	31.12.2018	31.12.2019
EQUITY AND LIABILITIES		
EQUITY		
Paid in capital		
Issued capital	600	600
Share premium	0	0
Total paid in capital	600	600
Other equity		
Other equity/ retained earnings	-40 223	-127 695
Total other equity	-40 223	-127 695
TOTAL EQUITY	-39 623	-127 095
LIABILITIES		
NON-CURRENT LIABILITIES		
Provisions		
Deferred tax	2 377	6 619
Other provisions	99 464	4 711
Total provisions	101 841	11 329
Other non-current liabilities		
Interest bearing loans and borrowings	7 930	6 848
Lease obligation	0	395 558
Shareholder loan	178 376	178 555
Long term bond debt	247 198	345 099
Long term derivatives	1 263	258
Total other non-current liabilities	434 766	926 318
TOTAL NON-CURRENT LIABILITIES	536 607	937 647
CURRENT LIABILITIES		
Short term financial liabilities	0	20 128
Accounts payable	83 282	83 899
Liability for current tax	300	-1 801
Other liabilities to public institutions	15 396	11 331
Other short term liabilities	64 623	63 469
Short term derivatives	3 513	1 606
TOTAL CURRENT LIABILITIES	167 113	178 632
TOTAL LIABILITIES	703 720	1 116 279
TOTAL EQUITY AND LIABILITIES	664 097	989 184

CASH FLOW STATEMENT

(NOK 1000)	YTD 31.12.2018	YTD 31.12.2019
Cash Flow Statement		
	31.12.2018	31.12.2019
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	-47 672	-81 165
Income tax paid	-4 803	-5 545
Capitalized interest	6 877	10 330
Depreciation and impairment of property, plant and equipment	45 923	84 642
Deferred revenue recognition without cash effect	4 705	0
Change in inventory	-11 599	-48 305
Change in accounts receivables	6 972	-3 402
Change in accounts payable	9 010	617
Other changes in operating assets and liabilities	-9 866	-32 415
Net foreign exchange differences	1 570	1 344
Net cash flow from operating activities	1 116	-73 899
CASH FLOW FRO INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-33 393	-95 536
Change in financial assets	0	407
Net cash flows from investing activities	-33 393	-95 130
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	299 036	87 750
Repayment of debt	-332 563	-
Other cash flow from financing	177 321	19 046
Net cash flows from financing activities	143 794	106 796
Net cash flow	111 517	-62 233
Cash and cash equivalents at beginning of period	6 294	117 811
CASH AND CASH EQUIVALENTS AT END OF PERIOD	117 811	55 578
Credit line	75 000	75 000
Ancillary facilities	-26 000	-34 000
Used credit line	0	0
Available credit line	49 000	41 000

STATEMENT OF EQUITY 31.12.19

Jotul Holdings S.A is 100% owned and controlled by Stove Investment Holdings S.à r.l. incorporated in Luxembourg and managed by Open Gate Capital, LCC. Open Gate Capital is a private equity firm based in Los Angeles and Paris. Jotul Holdings SA acquired Jøtul AS February 28, 2018 by purchasing the stock from Ratos AB, a listed company on the Swedish Stock Exchange.

The Financial Statement per 31.12.17 shows the Jøtul Group Financial Statement, while the closing balances for 2018 and 2019 shows the Jotul Holdings S.A balances.

Below the EQ reconciliation for Jotul Holdings SA

	Share capital	Other Equity	Total
Closing balance 31.12.2018	600	-40 223	-39 623
Net result for the YTD		-88 816	-88 816
Changes in translation diff		1 344	1 344
Closing balance 31.12.2019	600	-127 695	-127 095

MANAGEMENT COMMENTS

Jotul Holdings S.A. – YTD Q4 -2019

Comments related to the financial statements ¹

Group net sales ended at MNOK 961 in 2019, compared to MNOK 912 in 2018.

Jotul Group's three largest markets are Norway, France and North America where the Group has a significant market position and enjoys strong brand recognition. These markets are currently experiencing a gradual transition towards modern products that will meet Ecodesign requirements for 2022 and new EPA requirements from May 2020. We expect this to have a positive impact on the key players in the industry, included Jotul Group. In France and other Latin European markets, demand for wood-fired products continues to decline, while the pellet market continues to grow.

The increase of net sales of 5% in 2019 is mainly from the inclusion of Aico France from July 2019. The Group had minor increase of sale in all main markets Norway, France and North America in 2019, but this was negatively offset by decreasing sales in other markets such as UK, Sweden and Germany.

Both Q4 and the start of 2020 has been effected by the lack of a cold winter in most of Europe and decreasing prices on energy such as oil, gas and electricity. This has affected most markets, resulting in lower sales and order intake. For Q4 the Jotul Group sales was down 3% from 2018 when excluding the contribution from Aico France. This has also resulted in a reduced order intake in Jotul Group of 3% for 2019 compared with 2018.

The Group's gross margin increased in 2019 compared with 2018, mainly due to higher sales and favorable product mix. This margin improvement is partly offset by higher direct personnel costs due to inefficient production during the transition of production to the new factory in Poland.

The Group has continued to reduce OPEX also during 2019.

EBITDA ended at MNOK 137,7 in 2019, compared to MNOK 93,7 in 2018.

In 2019, the Group has made adjustments in accordance with IFRS16 and the accounting of leasing obligations. When adjusting for this effect, 2019 EBITDA came in at MNOK 106,2 still compared with MNOK 93,8 in 2018.

¹ The financial statements for Q4 2018 and Q4 2019 show the consolidated management accounts of Jotul Holding S.A. including Jøtul AS and all its subsidiaries, while the comparable figures for Q4 2017 show the consolidated management accounts of Jøtul AS.

MANAGEMENT COMMENTS

1000 NOK	YTD Q4 2018	YTD Q4 2019
Reported EBITDA	93 758	137 697
IFRS adjustments	-	- 31 497
Comparable EBITDA adjusted for changes	93 758	106 200

The EBITDA performance in Q4 2019 is affected by the reversal of inventory build-up done earlier in 2019. The main factories were closed down in December due to the relocation of manufacturing activities to Poland.

YTD total cash flow from operating activities decreased to MNOK -74 in 2019 from MNOK +1 in 2018, and this is due to high inventory build-up 2019.

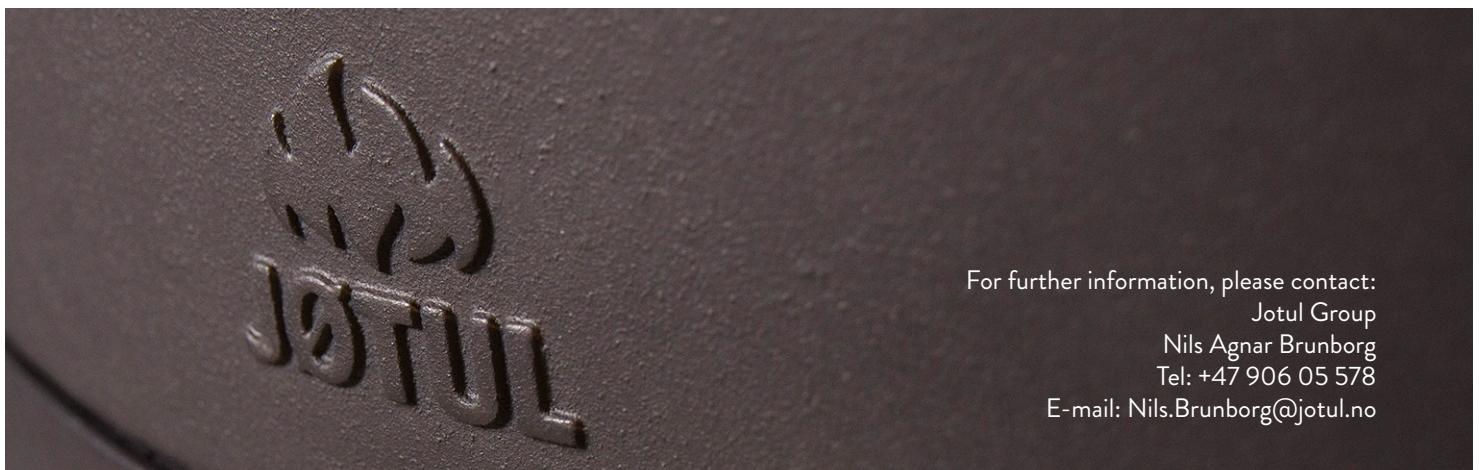
The Group's capital investments in 2019 amounted to MNOK 95,5, compared to MNOK 33,4 in 2018. The increase is related to investments in the new factory in Poland.

2019 non-recurring costs of MNOK 75,6 are related primarily to the relocation project.

Jotul France acquired Aico France end of June 2019, and this entity had its first full-quarter effect on group financials in Q3. The company contributed with MNOK 47,8 to net revenue and MNOK 1,3 to EBITDA in 2019.

The relocation project of manufacturing activities to Poland has been running according to plan, and the new plant started production January 7th 2020.

The 2019 financial statement is unaudited.



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