---J-0tul-Holdings-S.A-.-(-formeJ"ly--M-a-rquis--Holdings--S.a r.l.)

Special Purpose Financial Statements For the year ended 31 December 2017

6, rue Eugene Ruppert, L-2453 Luxembourg R.C.S. Luxembourg: B 203.258

Issued Capital: NOK 119,288

Contents

Report of the Reviseur d'Entreprises Agree	- 1 -
Special Purpose Statement of Profit or Loss and Other Comprehensive Income	- 4 -
Special Purpose Statement of Financial Position	- 5 -
Special Purpose Statement of Cash Flows	- 6 -
Special Purpose Statement of Changes in Equity	- 7 -
Notes to the Special Purpose Financial Statements	- 8 -

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To the Shareholders of

Jotul Holdings S.A. (formerly Marquis Holdings S.à r.l.)

6, rue Eugène Ruppert,

L-2453 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the Special Purpose Financial Statements for inclusion in the prospectus (by reference) of Jotul Holdings S.A. (formerly Marquis Holdings S.a r.1.) (the "Company") which comprise the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Special Purpose Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Special Purpose Financial Statements give for the purpose of the prospectus a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and of its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier* (CSSF). Our responsibilities under those Law and standards are further described in the "Responsibilities of the *Réviseur d'Entreprises Agréé* for the Audit of the Special Purpose Financial Statements" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the Special Purpose Financial Statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the Special Purpose Financial Statements, which describes the purpose of the Special Purpose Financial Statements, including the basis of accounting. The Special Purpose Financial Statements are prepared for the purpose to be incorporated by reference the Company's prospectus relating to the listing of its senior secured floating rate bonds. As a result, the Special Purpose Financial Statements may not be suitable for another purpose. As a consequence, we do not accept or assume any liability or duty of care if our report is used for any other purpose than described above. Our opinion is not modified in respect of this matter. This report of the *Réviseur d'Entreprises Agréé* is required by the Commission Regulation (EC) No 809/2004 and is given for the purpose of complying with that regulation and for no other purpose.

Société à responsabilité limitée au capital de 35.000 €
RCS Luxembourg B 67 895
Autorisation d'établissement : 10022179

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Responsibilities of the Board of Directors and Those Charged with Governance for the Special Purpose Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these Special Purpose Financial Statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the Special Purpose Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Réviseur d'Entreprises Agréé for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *Réviseur d'Entreprises Agréé* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Financial Statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *Réviseur d'Entreprises Agréé* to the related disclosures in the Special Purpose Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *Réviseur d'Entreprises Agréé*. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Deloitte Audit, *Cabinet de Révision Agréé*

Eddy R. Termaten, *Réviseur d'Entreprises Agréé*
Partner

14 January 2019

Special Purpose Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2017

(in NOK)	Note	Year ended 31 December 2017	Period from 22 December 2015 to 31 December 2016
Administrative expenses	4	(226,242)	(309,567)
Loss before income tax		**(226,242)**	**(309,567)**
Income tax expense	5	-	(4,970)
Loss for the year/period		**(226,242)**	**(314,537)**
Other comprehensive income			
Currency translation differences		(25,905)	(59)
Total comprehensive loss for the year/period		**(252,147)**	**(314,596)**

The accompanying notes are an integral part of these special purpose financial statements.

Special Purpose Statement of Financial Position as at 31 December 2017

(in NOK)	Note	31 December 2017	31 December 2016
Assets			
Investment in subsidiaries	7	10	9
Total Non-Current Assets		**10**	**9**
Prepayments		5,265	3,241
Cash and cash equivalents	6	8,492	93,118
Total Current Assets		**13,757**	**96,359**
Total Assets		**13,767**	**96,368**
Equity and liabilities			
Equity			
Share capital	8	119,288	119,288
Foreign currency translation reserve		(25,964)	(59)
Retained earnings		(540,779)	(314,537)
Total Equity		**(447,455)**	**(195,308)**
Liabilities			
Trade and other payables	9	461,222	291,676
Total Current liabilities		**461,222**	**291,676**
Total equity and liabilities		**13,767**	**96,368**

The accompanying notes are an integral part of these special purpose financial statements.

Special Purpose Statement of Cash Flows for the year ended 31 December 2017

(In NOK)	Year ended 31 December 2017	Period from 22 December 2015 to 31 December 2016
Cash flows from operating activities		
Loss before income tax	**(226,242)**	**(309,567)**
Movements in working capital:		
Increase in trade and other payables	145,360	291,969
Increase in prepayments	(1,663)	(3,314)
Cash used in operations	**(82,545)**	**(20,912)**
Income taxes paid	(4,990)	-
Net cash used in operating activities	**(87,535)**	**(20,912)**
Cash flows from investing activities		
Acquisition of subsidiaries	-	(9)
Net cash used in investing activities	-	**(9)**
Cash flows from financing activities		
Proceeds from issue of share capital	-	119,288
Net cash flows from financing activities	-	**119,288**
Net (decrease) / increase in cash and cash equivalents	**(87,535)**	**98,367**
Cash and cash equivalents at the beginning of the year/period	93,118	-
Effect of exchange rate fluctuations on cash held	2,909	(5,249)
Cash and cash equivalents at the end of the year/period	**8,492**	**93,118**

The accompanying notes are an integral part of these special purpose financial statements.

Special Purpose Statement of Changes in Equity for the year ended 31 December 2017

(In NOK)	Share capital	Foreign currency translation reserve	Retained earnings	Total equity
Balance at 22 December 2015 (date of incorporation)	-	-	-	-
Share capital contribution	119,288	-	-	-
Total transactions with the owners of the Company	**119,288**	-	-	**119,288**
Total comprehensive income				
Profit for the period	-	-	(314,537)	**(314,537)**
Other comprehensive income for the period	-	(59)	-	**(59)**
Total comprehensive income	-	**(59)**	**(314,537)**	**(314,596)**
Balance at 31 December 2016	**119,288**	**(59)**	**(314,537)**	**(195,308)**
Total comprehensive income				
Profit for the year	-	-	(226,242)	**(226,242)**
Other comprehensive income for the year	-	(25,905)	-	**(25,905)**
Total comprehensive income	-	**(25,905)**	**(226,242)**	**(252,147)**
Balance at 31 December 2017	**119,288**	**(25,964)**	**(540,779)**	**(447,455)**

The accompanying notes are an integral part of these special purpose financial statements.

1. GENERAL INFORMATION

Jotul Holdings S.A. (formerly Marquis Holdings S.à r.l.) (hereinafter the "Company") was incorporated in Luxembourg on 22 December 2015 for an unlimited period. On 18 December 2018, the legal form of the Company was changed from Société à responsabilité limitée to Société anonyme.

The Company is registered with the Trade and Companies Register of Luxembourg with the number B 203258 and has its registered office established at 6, Rue Eugène Ruppert, L-2453 Luxembourg.

The Company's financial year starts on 1 January and ends on 31 December of each year. Exceptionally, the first financial year started on 22 December 2015 (date of incorporation) and ended on 31 December 2016.

The main activity of the Company is the acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the management of such participations. The Company may in particular acquire by subscription, purchase and exchange or in any other manner any stock, shares and other participation securities, bonds, debentures, certificates of deposit and other debt instruments and more generally, any securities and financial instruments issued by any public or private entity. It may participate in the creation, development, management and control of any company or enterprise. It may further invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin and it may assist, support and provide services of any nature to group companies.

The Company may borrow in any form, except by way of public offer. It may issue, by way of private placement only, notes, bonds and any kind of debt and equity securities. The Company may lend funds including, without limitation, the proceeds of any borrowings, to its subsidiaries, affiliated companies and any other companies. The Company may also give guarantees and pledge, transfer, encumber or otherwise create and grant security over all or some of its assets to guarantee its own obligations and those of any other company, and, generally, for its own benefit and that of any other company or person. For the avoidance of doubt, the Company may not carry out any regulated activities of the financial sector without having obtained the required authorisation.

The Company may use any techniques and instruments to efficiently manage its investments and to protect itself against credit risks, currency exchange exposure, interest rate risks and other risks.

The Company may carry out any commercial, financial or industrial operations and any transactions with respect to real estate or movable property which, directly or indirectly, favour or relate to its corporate object.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The special purpose financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The special purpose financial statements of the Company were prepared to include them into the prospectus in relation to the application for the listing of the senior secured floating rate bonds (Note 11).

2.1. Basis of preparation

The special purpose financial statements are presented in Norwegian krone (NOK) and are prepared on a historical cost basis except for loans and receivables and borrowings, which are carried at amortised cost.

The following are the significant accounting policies adopted by the Company:

2.2. Use of estimates

The special purpose financial statements prepared in conformity with IFRS require management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

In February 2018 the Company acquired all the shares in J0tul AS and became the parent company of J0tul AS and its subsidiaries ("the Group"). The market in which the Group operates is a niche segment of a wider sector generally referred to as the home comfort heating market. Historically, the Group suffered from the impact of high market volatility and underinvestment that made it susceptible to fluctuating customer demand. "Jotul" is one of the oldest brands in its industry. The Company as investor is focusing on untapped potential of the Group and investing in Group's future with a value creation strategy. Therefore special purpose financial statements of the Company have been prepared on the basis of the going concern assumption.

The estimates and associated assumptions are based on historical experience and various other factors, such as planning as well as expectations and forecasts of future events that are deemed to be reasonable. As a consequence of the uncertainty actual results may differ from the estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.3. Foreign currency translation

(i) Functional and presentational currency:

Items included in the special purpose financial statements are denominated in Euro, which is the functional currency. The presentational currency for the special purpose financial statements is the Norwegian Krone due to the fact that the Company's strategy was to acquire Jotul AS and its subsidiaries. Head office of Jotul AS is located in Fredrikstad, Norway. Jotul AS reports its financial results in Norwegian Krones.

(ii) Foreign currency transactions and balances:

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences are recognised in the statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

During the year/period ended 31 December 2016 and 2017 EUR to NOK exchange rates were the following:

	2017		2016	
Currency	**Closing**	**Average**	**Closing**	**Average**
EUR/NOK	0.1016	0.1072	0.1101	0.1076

2.4. Investment in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are measured at cost.

2.5. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

2.6. Share capital

Share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

2.7. Trade and other payables
Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.8. Income tax expense
The tax expense for the year comprises current and deferred tax.

Current income tax
Current income tax assets and liabilities are measured at the reporting date at the amount expected to be recovered from or paid to taxation authorities using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

2.9. Administration expenses
Expenses are recognised in the statement of profit or loss and other comprehensive income in the year in which they are incurred and are mainly comprised of professional fees, service charge expenses, legal fees, management fees, advisory fees and other operating expenses. Foreign currency gains and losses are reported on a net basis and are included within other losses.

2.10. Adoption of new and revised IFRS

Adoption of new IFRS standards, amendments and interpretations applicable in 2017
In the current year the Company has adopted all new and revised IFRS that are relevant to its operations and have been endorsed by the EU.

Amendments to IAS 7: Disclosure Initiative (issued on 29 January 2016)
Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses (issued on 19 January 2016)
Annual Improvements to IFRS Standards 2014-2016 Cycle (issued on 8 December 2016)

These amendments have no impact on Company's financial statements.

New IFRS standards and interpretations applicable from 2018 onwards

Given current activities of the Company management believes that the standards will not have significant impact on Company's special purpose financial statements.

- *IFRS 9 "Financial Instruments: Classification and measurement"* effective from 1 January 2018.

The new standard deals with the following:

Classification and Measurement
Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a "fair value through other comprehensive income" category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.

Impairment
As part of IFRS 9, the IASB has introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.

Hedge accounting
Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

Derecognition
The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

- *IFRS 15 "Revenue from Contracts with Customers"*

The new standard will replace IAS 11 "Construction Contracts", IAS 18 "Revenue" IFRIC 13 "Customer Loyalty Programs"; IFRIC 15 "Agreements for the Construction of Real Estate" and IFRIC 18 "Transfer of asset from Customers". IFRS 15 requests revenue to be recognised following a 5 step approach, whereas Step 1 relates the identification of the contract with the customer, Step 2 requires the identification of the performance obligations in the contract that defines revenue. This performance obligation requires goods and services to be distinct (they are distinct if the customer can benefit from the good or service on its own).

This means a contract for a service that is required to operate an asset should be accounted for as revenue from one contract (instead of revenue from sale of an asset and sales of service) and allocated to the appropriate period. Step 3 requires the identification of the transaction price, this price needs to be adjusted for the time value of money if the contract includes a significant financing component. Step 4 demands the allocation of the transaction price to the performance obligations based on the stand-alone components of the contract. If these prices are non-observable the entity will estimate it. In step 5 the revenue is recognised when the company has satisfied its performance obligation towards its customer.
The standard is effective from 1 January 2018.

- *IFRS 16 "Leases"*

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The standard is effective from 1 January 2019.

- *IFRIC 23 "Uncertainty over Income Tax Treatments"* (issued 7 June 2017) that is mandatory for annual periods beginning on or after January 1, 2019.

- *IFRIC 22 "Foreign Currency Transactions and Advance Consideration"* (issued on 8 December 2016), effective on or after 1 January 2018 with earlier application permitted;

- Amendments to *IFRS 9: Prepayment Features with Negative Compensation* (issued on 12 October 2017), effective on or after 1 January 2019;

- Amendments to *IAS 40: Transfers of Investment Property* (issued on 8 December 2016), effective on or after 1 January 2018;

- Amendments to *IFRS 2: Classification and Measurement of Share-based Payment Transactions* (issued on 20 June 2016), effective on or after 1 January 2018;

- Clarifications to *IFRS 15 "Revenue from Contracts with Customers"* (issued on 12 April 2016), effective on or after 1 January 2018.

Other standards and amendments which are effective from 2018 onwards but have not yet been endorsed by the EU and are not expected to have significant impact on the Special Purpose Financial Statements:

- *IFRS 17 "Insurance Contracts"* (issued on 18 May 2017), effective on or after 1 January 2021;

- Annual Improvements to IFRS Standards 2015-2017 Cycle (issued on 12 December 2017), effective on or after 1 January 2019;
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (issued on 12 October 2017), effective on or after 1 January 2019;
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (issued on 7 February 2018), effective on or after 1 January 2019;
- Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018), effective on or after 1 January 2020;
- Amendment to *IFRS 3 "Business Combinations"* (issued on 22 October 2018), effective on or after 1 January 2020;
- Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018), effective on or after 1 January 2020.

3. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk, fair value interest rate risks and price risk), credit risk and liquidity risk.

The risks are estimated to be limited, due to no external financing and the major part of the assets and liabilities are related to group companies.

(a) Market Risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company was not subject to market risks during the years ended 31 December 2017 and
31 December 2016, respectively.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is not exposed to interest rate risk because it does not have any interest bearing assets or liabilities.

Currency risk
The Company is not exposed to foreign exchange risk as all its transaction are denominated in Euro, which is the functional currency.

(b) Credit Risk
Credit risk is the risk that any counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk was:

(in NOK)	31 December 2017	31 December 2016
Cash and cash equivalents	8,492	93,118
Total	**8,492**	**93,118**

Cash and cash equivalents
Credit risk with respect to balances at bank is limited because the counter parties are reputable banks with good credit ratings. As at 31 December 2016 and 2017, all balances in bank accounts were held in the Société Générale bank.

(c) Liquidity risk
The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Financial liabilities as at 31 December 2017 and 31 December 2016 were represented by trade and other payables amounting to NOK 461,222 and NOK 291,676, respectively, and had maturity of less than 3 months.

(d) Capital management
Management's objectives when managing the capital of the Company are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholders of the Company and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital for the Company.

In order to maintain or adjust the capital structure, the Company may adjust the amount of distributions paid to the shareholders of the Company, return capital to shareholders of the Company, issue new shares or sell assets to reduce debt.

4. ADMINISTRATIVE EXPENSES

(in NOK)	Year ended 31 December 2017	Period from 22 December 2015 to 31 December 2016
Accounting and administration fees	(173,446)	(229,387)
Legal fees	(9,327)	(10,452)
Tax advisory	(25,099)	(57,611)
Bank fees	(3,568)	(3,895)
Other	(14,802)	(8,222)
Total	**(226,242)**	**(309,567)**

As per 31 December 2017 and 2016 the Company had no employees.

5. INCOME TAX EXPENSE

(in NOK)	Year ended 31 December 2017	Period from 22 December 2015 to 31 December 2016
Income tax expense in respect of the current period	-	(4,970)
Total	-	**(4,970)**

The relationship between income tax expense and accounting result is as follows:

(in NOK)	Year ended 31 December 2017	Period from 22 December 2015 to 31 December 2016
Loss before tax	(226,242)	(309,567)
Applicable tax rate	27.08%	29.22%
Calculated income tax benefit/(expense)	61,266	90,455
Minimum income tax payable	-	(4,970)
Current period losses for which no deferred tax asset recognised	(61,266)	(90,455)
Income tax expense	-	**(4,970)**

Management considered that the deferred tax asset would be non-recoverable.

6. CASH AND CASH EQUIVALENTS

(In NOK)	31 December 2017	31 December 2016
Current account EUR	8,492	93,118
Total	**8,492**	**93,118**

7. INVESTMENT IN SUBSIDIARIES

On 1 February 2016, the Company incorporated Sade Holding SAS, a société par actions simplifiée with a share capital of NOK 9 (EUR 1).
The balance as at 31 December 2017 remains unchanged and amounts to NOK 10 (EUR 1).

(in NOK)	31 December 2017	31 December 2016
Sade Holding SAS	10	9
Total	**10**	**9**

Summary of unconsolidated subsidiaries	Principal place of business	Proportion of ownership and voting rights
Sade Holding SAS	France	100.00%

On 19 January 2018, the Company sold all its shares in Sade Holding SAS for an amount of EUR 1 (Note 11).

8. EQUITY

8.1. Share capital

On 22 December 2015, the share capital amounted to NOK 119,288 (EUR 12,500) and was divided into 12,500 shares fully paid up with a nominal value of EUR 1 each.

As at 31 December 2017, the share capital remained unchanged.

All the shares were authorised, allotted, called up and fully paid.

8.2. Legal reserve

Luxembourg companies are required to allocate a legal reserve of a minimum of 5% of the annual net income, until this reserve equals to 10% of the subscribed share capital. The reserve cannot be distributed.

9. TRADE AND OTHER PAYABLES

(in NOK)	31 December 2017	31 December 2016
Trade payables	212,998	57,611
Tax payable	5,265	9,722
Payables to related parties	242,959	224,343
Total	**461,222**	**291,676**

Included in payables to related parties is liability to OpenGate Capital Management LLC for the payment of an invoice on behalf of the Company.

10. RELATED PARTY TRANSACTIONS

Related party transactions for 2017

(In NOK)	Transaction values for the year from 1 January to 31 December 2017	Balance outstanding as at 31 December 2017
Trade and other payables		
OpenGate Capital Management, LLC	-	(242,959)

Related party transactions for 2016

(In NOK)	Transaction values for the period from 22 December 2015 to 31 December 2016	Balance outstanding as at 31 December 2016
Trade and other payables		
OpenGate Capital Management, LLC	229,387	(224,343)

The Company is ultimately held by OpenGate Capital UGP I, Ltd a company settled in Cayman islands. The direct sole shareholder of the Company is Stove Investment Holdings S.à r.l., a company settled in Luxembourg.

There was no key management personnel compensation charged during the year ended 31 December 2017 and during the period from 22 December 2015 to 31 December 2016, respectively.

11. SUBSEQUENT EVENTS

On 19 January 2018, Jotul Holdings S.A. (the "Company") sold all its shares in Sade Holding SAS to OpenGate Capital Group Europe S.à r.l. for an amount of EUR 1.

On 19 February 2018, the Company issued senior secured floating rate bonds up to NOK 400,000,000 (the "bonds"). The bonds bear an interest rate of 7%+3m NIBOR and mature on 31 January 2022. The initial aggregate principal amount is NOK 250,000,000 with a possibility to issue subsequent bonds in an aggregate amount of NOK 150,000,000.

On 20 February 2018 as continuing security for the full repayment, discharge and performance of all present and future obligations and liabilities related to the bonds the Company has pledged all monies deposited and standing to the credit of its bank account with Nordea Bank AB (publ), filial i Norge, together with interest accrued thereon to Nordic Trustee AS.

On 23 February 2018, the Company changed its functional currency from Euro to Norwegian Krone. Following the change of currency of the share capital of the Company from EUR into NOK and the change of the nominal value of each share to NOK 1, the 12,500 existing shares of the Company have been converted into 120,853 shares.

On 26 February 2018, the Company issued convertible preferred equity certificates ("CPECs"), each having a nominal value of NOK 1. The CPECs bear interest of 0.7025% and mature on the 49th anniversary after issuance date. The CPECs were fully subscribed by the ultimate shareholders of the Company for a total subscription price of NOK 177,321,050. These CPECs are considered as compound financial instrument under IFRS 9 and will be accounted for as financial liability component and equity component.

On 28 February 2018, the Company acquired all the shares of Jotul AS, a Norwegian private limited company registered with the Norwegian Register of Business Enterprises under organization number 989 519 247, for an amount of NOK 1. Jotul Holdings S.A. and its subsidiaries hereafter referred to as the "Group". Together with the shares, the Company acquired a payable by Jotul AS to the Nordea Bank of NOK 332,563,174 for the same price (the "Debt Transfer").

On 27 April 2018, the Company, as lender, entered into an intercompany loan agreement with Jotul AS, as borrower, for a maximum amount of NOK 612,323,466, in connection with the debt transfer agreement dated on 28 February 2018 and mentioned in the previous paragraph. The loan bears an interest rate of 3m NIBOR + a spread in accordance with the arm's length principle and matures on 1 February 2022.

Certain companies within the Group, including Jotul AS, Scan A/S, Jotul France and Jotul North America Inc. have entered into a working capital facility agreement as borrowers, with Nordea Bank AB (publ), filial I Norge as lender, dated 28 February 2018 ("the revolving credit facility"). The commitment under the revolving credit facility amounts to NOK 75,000,000. The revolving credit facility has been provided for general corporate purposes (and any refinancing, amendments or replacements thereof). The revolving credit facility expires on 28 February 2021.

On 28 February 2018, the Company as issuer, the Nordic Trustee AS as original security agent and original bonds agent, Nordea Bank AB (publ), filial I Norge as original super senior revolving credit facility creditor and original hedge counterparty and certain companies within the Group have entered into an intercreditor agreement dated
28 February 2018 (the "intercreditor agreement"). The terms of the intercreditor agreement provide for the ranking of such liabilities of the Group as the revolving credit facility, the bonds and any other liabilities raised in the form of shareholder debt or intercompany debt.

Jotul Holdings S.A., Jotul AS, Scan AS, Jotul France and Jotul North America Inc have entered into a guarantee agreement as guarantors, with Nordic Trustee AS as security agent, dated 28 February 2018 (the "guarantee agreement"), pursuant to which the guarantors have agreed to jointly and severally guarantee their obligations as follows:

- the full and punctual payment and performance within applicable grace periods of all present and future obligations and liabilities of the Company and other creditors provided by the intercreditor agreement, including the payment of principal and premium, if any, and interest;
- the full and punctual performance within applicable grace periods of all other obligations and liabilities of the guarantors under the intercreditor agreement; and
- the full and punctual performance of all obligations and liabilities of the guarantors under any security granted by them.

On 28 February 2018, as continuing security for the full repayment, discharge and performance of all present and future obligations and liabilities under the intercreditor agreement, the Company has pledged and granted Nordic Trustee AS a first ranking security interest over all the Company's right, title and interest in and to all amounts that are now and in the future due to the Company by Jotul AS under the intragroup loan of NOK 612,323,466, as well as any future intragroup loans made available by the Company to Jotul AS or any of its subsidiaries.

On 28 February 2018, as continuing security for the full repayment, discharge and performance of all present and future obligations and liabilities under the intercreditor agreement, the Company has pledged and granted Nordic Trustee AS all its shares issued and further issued by Jotul AS and the related rights.

On 23 March 2018, as continuing security for the full repayment, discharge and performance of all present and future obligations and liabilities from each pledgor's obligations and liabilities under the intercreditor agreement, the Company and its subsidiaries, Jotul AS and Scan A/S, have pledged and granted Nordic Trustee AS all amounts due and payable by Jotul France under any intercompany loan granted to it by the pledgors.

On 23 March 2018, as continuing security for the full repayment, discharge and performance of all present and future obligations and liabilities from each pledgor's obligations and liabilities under the intercreditor agreement, the Company and its subsidiaries, Jotul AS, Scan A/S and Jotul France SAS, have pledged and granted Nordic Trustee AS all amounts due and payable by Jotul North America Inc.

On 4 May 2018, the Company contributed NOK 300,000,000 to Jotul AS in exchange of one share with a par value of NOK 1. The Board of Directors increased the share capital of Jotul AS by NOK 1 up to NOK 135,913,730 by increasing the share's nominal value by NOK 1 up to NOK 135,913,730 for a subscription price per share of NOK 300,000,000 of which NOK 1 shall be added to the share capital and the remaining NOK 299,999,999 shall be added to the share premium. Related capital contribution is made by set-off of a portion of the loan acquired through the Debt Transfer in an amount of NOK 300,000,000.

The Company, as guarantor, and Jotul France have entered into a master agreement, with Factofrance S.A., dated 31 May 2018, pursuant to which Factofrance S.A. has agreed to fund on a non-recourse basis certain trade receivables of Jotul France.

On 9 July 2018, the Company granted a loan of NOK 20,000,000 to Jotul AS. The loan bears an interest rate of 9% + 3m NIBOR and has its maturity date on 1 February 2022.

On 10 December 2018 the Company contributed NOK 50,000,000 to the share capital of Jotul AS through conversion of the loan receivable from Jotul AS.

On 18 December 2018, the sole shareholder of the Company resolved to increase the share capital of the Company by NOK 479,147, raising it to a total of NOK 600,000, by way of the issue of 479,147 new shares of NOK 1 each.

On 18 December 2018, the sole shareholder of the Company resolved to change the legal form of the Company from a Luxembourg private limited liability company (société à responsabilité limitée) to a Luxembourg public limited company (société anonyme). The number and allocation of shared remain the same.

12. APPROVAL BY THE BOARD OF DIRECTORS

The special purpose financial statements were approved and authorised for issue by the Board of Directors on 14 January 2019.