



Jotul Holdings SA

relating to the admission to trading on the regulated market of
Nasdaq Stockholm of

NOK 340,000,000 Senior Secured Floating Rate Bonds due 2022

ISIN: NO0010815749

Sole Bookrunner



Prospectus dated 12 April 2019

IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by Jotul Holdings SA (the "**Issuer**", or the "**Company**" or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the "**Group**" or "**Jøtul**"), a public limited liability company (*société anonyme*) incorporated in Luxembourg, having its headquarters located at the address, 6, Rue Eugène Ruppert, L-2453, Luxembourg, Grand Duchy of Luxembourg, with reg. no. B203258, in relation to the application for the admission to trading of the senior secured floating rate bonds denominated in NOK (the "**Bonds**") on the regulated market of Nasdaq Stockholm Aktiebolag, reg. no. 556420-8394 ("**Nasdaq Stockholm**"), a regulated market in the sense of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments. Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments. Pareto Securities AB has acted as bookrunner in connection with the issue of the Bonds (the "**Sole Bookrunner**"). This Prospectus has been prepared in accordance with the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council (the "**Prospectus Regulation**") and drawn up according to article 5 (3) of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC. The Prospectus has been approved by the Luxembourg Financial Supervisory Authority (Fr. *Commission de Surveillance du Secteur Financier*) (the "**CSSF**"). Approval by the CSSF does not imply that the CSSF guarantees that the factual information provided in this Prospectus is correct and complete. The CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer in line with the provisions of Article 7 (7) of the Luxembourg Law on Prospectuses for securities. This Prospectus has been prepared in English only and is governed by Luxembourg law and the courts of Luxembourg have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus is on the Group's website (jotul.com/int) and the website of the Luxembourg Stock Exchange (www.bourse.lu).

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 85 (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 "**EUR**" refer to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, references to "**NOK**" refer to Norwegian krona, references to "**USD**" refer to American Dollars, and references to "**DKK**" refer to Danish krona.

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 admission to trading of the Bonds on the regulated market of Nasdaq Stockholm. 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 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.

TABLE OF CONTENTS

SUMMARY	4
RISK FACTORS	24
THE BONDS IN BRIEF	37
STATEMENT OF RESPONSIBILITY	44
DESCRIPTION OF MATERIAL AGREEMENTS	45
DESCRIPTION OF THE GROUP	47
MANAGEMENT	53
SELECTED FINANCIAL INFORMATION	60
HISTORICAL FINANCIAL INFORMATION	71
OTHER INFORMATION	79
TAXATION	83
TERMS AND CONDITIONS OF THE BONDS	85
ADDRESSES	125

SUMMARY

This summary is made up of disclosure requirements known as "Sections". These Sections are numbered in sections A–E (A.1–E.7).

This summary contains all the Sections required to be included in a summary for this type of securities and issuer. As some Sections are not required to be addressed in this Prospectus, there may be gaps in the numbering sequence of the Sections.

Even though a Section may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Section. In this case, a short description of the Section is included in the summary with the mention of "not applicable".

Section A — Introduction and warnings		
A.1	Warning	<p>This summary should be read as an introduction to this prospectus (the "Prospectus"). Any decision to invest in the bonds with ISIN: NO0010815749 (the "Bonds") should be based on consideration of this Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under applicable law, have to bear the costs of translating this Prospectus before legal proceedings are initiated. The Issuer assumes civil liability in respect of this summary and its translation only if it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus, or if it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Bonds issued by the Issuer.</p>
A.2	Consent by the person responsible for drawing up the prospectus to the use of the prospectus	Not applicable. The issue did not constitute an offer.

Section B — Issuer		
B.1	Legal and commercial name	Jotul Holdings SA (the " Issuer " or the " Company " or together with its direct and indirect subsidiaries unless otherwise indicated by the context the " Group " or " Jøtul ").
B.2	Domicile, legal form, legislation, country of incorporation	The Issuer is a public limited liability company, reg. no. B203258, incorporated in Luxembourg and operating under Luxembourg law having its headquarters located at the address 6, Rue Eugène Ruppert, L-2453, Luxembourg, Grand Duchy of Luxembourg.
B.4b	Known trends affecting the Issuer and the Group	Current trends affecting the Group's business include the growing awareness among consumers that stoves and fireplaces are a modern and sustainable source of heating; many new products being launched have modern combustion technology which ensures higher efficiency and lower particle emissions. Internationally, the dialogue around sustainable environmental development has intensified, which is also affecting Jøtul's

	Companies and their industries	industry as can be seen by the stricter environmental regulation for stoves and fireplaces being introduced in the near future. In Europe, this will be achieved through Ecodesign LOT 20 (to be implemented by 2022) and in the US through the Environmental Protection Agency ("EPA") 2020.				
B.5	The Group	<p>The Issuer is the parent company of a group consisting of a total of nine companies, including the Issuer. The following companies are either directly or indirectly owned by the Issuer:</p> <ul style="list-style-type: none"> - Jøtul AS; - Scan A/S; - Jotul France S.A.S; - Jotul North America Inc; - Jotul (UK) limited; - Jotul Italia Srl; - Jotul Hispania S.L.U.; and - Jotul Polska SP. Z O.O. 				
B.9	Profit forecasts and estimates	Not applicable. This Prospectus does not include any profit forecasts or estimates.				
B.10	Qualifications in the audit reports	Not applicable. The audit reports on historical financial information incorporated by reference into this Prospectus do not include any qualifications.				
B.12	<p>Selected consolidated historical financial information</p> <p>No material adverse change in the prospects of the Issuer since the date of its last published audited financial statements.</p> <p>No significant changes in the financial or trading position subsequent to the period covered by the historical financial information</p>	<p>The following is an overview of the Issuer's audited financial statements for the financial years ended 31 December 2017 and 31 December 2016, i.e. prior to the acquisition of Jøtul AS. These figures are derived from the Issuer's financial statements for the financial year ended 31 December 2017. The Issuer's financial statements for the financial years ended 31 December 2017 and 31 December 2016 was originally prepared in accordance with generally accepted accounting principles in Luxembourg but have, for the purpose of this Prospectus, been prepared in accordance with the applicable International Financial Reporting Standards ("IFRS") as adopted by the EU.</p> <p>Furthermore, an overview of the Group's unaudited consolidated interim management accounts for the 12 months ended 31 December 2018 are presented below. For the purpose of comparability these management accounts also include the Original Jøtul Group's consolidated accounts for the 12 months ended 31 December 2017.</p> <p>The information set out below has been derived from the Issuer's audited financial statements for the financial year ended 31 December 2017, the Original Jøtul Group's audited consolidated financial statements for the financial year ended 31 December 2017 and from the Group's unaudited consolidated management accounts for the 12 months ended 31 December 2018.</p> <p style="text-align: center;">THE ISSUER</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">For the period from 22 December 2015 – 31 December 2016 (audited)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">For the year ended 31 December 2017 (audited)</td> <td></td> </tr> </tbody> </table>		For the period from 22 December 2015 – 31 December 2016 (audited)	For the year ended 31 December 2017 (audited)	
	For the period from 22 December 2015 – 31 December 2016 (audited)					
For the year ended 31 December 2017 (audited)						

STATEMENT OF COMPREHENSIVE INCOME		(NOK)	
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
		As at 31 December	
		2017 (audited)	2016 (audited)
STATEMENT OF FINANCIAL POSITION		(NOK)	
ASSETS			
Total Assets		13,767	96,368
EQUITY AND LIABILITIES			
Total Equity		-447,455	-195,308
Total current liabilities		461,222	291,676
Total equity and liabilities		13,767	96,368
STATEMENT OF CASH FLOW		For the year ended 31 December 2017 (audited)	For the period from 22 December 2015 – 31 December 2016 (audited)
		(NOK)	
Net cash used in operating activities		-87,535	-20,912
Net cash used in investing activities		0	-9
Net cash flows from financing activities		0	119,288
Cash and cash equivalents at the end of the year/period		8,492	93,118

		THE GROUP	
		For the 12 months ended 31 December	
		2018 (unaudited)	2017 (unaudited)
		<i>(Thousand NOK)</i>	
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
	Net Sales	912,278	906,160
	Profit for the year	-53,557	-355,467
		As at 31 December	
		2018 (unaudited)	2017 (unaudited)
		<i>(Thousand NOK)</i>	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
ASSETS			
	Total assets	568,134	576,835
EQUITY AND LIABILITIES			
	Total equity	-13,555	-174,137
	Total liabilities	581,689	750,972
	Total equity and liabilities	568,134	576,835
		For the 12 months ended 31 December	
		2018 (unaudited)	2017 (unaudited)
		<i>(Thousand NOK)</i>	
CONSOLIDATED STATEMENT OF CASH FLOW			
	Net cash flow from operating activities	1,116	58,414
	Net cash flows from investing activities	-33,393	-23,863
	Net cash flows from financing activities	143,794	-34,150
	Cash and cash equivalents at end of period	117,811	6,294
	<p>There have been no material adverse changes in the prospects of the Issuer since 31 December 2017, the date of their last published audited financial statements.</p> <p>There has been no significant change in the financial or trading position of the Issuer since the 31 December 2018, which is the date of the Group's last published consolidated interim accounts.</p>		
B.13	Recent events materially	In February 2018, the Issuer acquired all the shares in Jøtul AS, and consequently became the parent company of the Group.	

	relevant to evaluation of the Issuer's solvency	<p>In May 2018, the Issuer contributed NOK 300,000,000 to Jøtul AS in exchange of one share with a par value of NOK 1.</p> <p>In December 2018, the Issuer contributed an additional NOK 50,000,000 to Jøtul AS through a conversion of debt.</p> <p>During 2018, the Issuer has granted multiple loans at arm's length terms to Jøtul AS, which at the date of this Prospectus amounts to approximately NOK 2,563,174.</p> <p>Besides the aforementioned acquisitions/divestments no member of the Group has made any material investments since the date of the last published audited financial statements for any member of the Group.</p> <p>Besides the aforementioned, there has been no recent event particular to the Group which is to a material extent relevant to the evaluation of the Issuer's solvency since the date of the last published consolidated audited financial statements for any member of the Group.</p>
B.14	Dependency of the Issuer on other entities within the Group	The Issuer conducts a significant part of its operations through its subsidiaries and is thus dependent on its subsidiaries to generate profit and revenue.
B.15	Description of principal activities	<p>The object of the Issuer is the acquisition of participations, in Luxembourg or abroad, in any form whatsoever, and the management of those participations.</p> <p>The Group is a global premium manufacturer of stoves and fireplaces. Jøtul's focus and core segment is within cast-iron products. Jøtul operates a multi-brand strategy and offers products under four separate brands, all with different brand identities.</p>
B.16	Description of whether the Issuer is directly or indirectly owned or controlled and by whom and nature of such control	<p>The shares in the Issuer are owned by Stove Investment Holdings S.à r.l., a limited liability company (<i>société à responsabilité limitée</i>) operating under the laws of Luxembourg. Stove Investment Holdings S.à r.l. is owned, and the Issuer is consequently controlled, by OpenGate Capital, a global private equity company, which through its funds OGCP I Employee Co-Invest, L.P., OpenGate Capital Partners I, L.P. and OpenGate Capital Partners I-A, L.P. holds 100 per cent. of the votes in Stove Investment Holdings S.à r.l. The Issuer is, directly or indirectly, the sole shareholder of all the Guarantors, as defined below.</p> <p>OpenGate Capital is a global private equity firm active in the lower-middle market and focused on acquiring corporate carve-outs, turnarounds and special situations throughout North America and Western Europe.</p>
B.17	Ratings	Not applicable. No credit rating has been assigned to the Issuer or its debt securities.
B.18	A description of the nature and scope of the guarantee	Certain of the Issuer's subsidiaries listed in Section B.19 below, have provided a unconditional and irrevocable guarantee for the obligations incurred under the terms and conditions of the Bonds (the " Terms and Conditions ").
B.19 B.1	Legal and commercial names	<p>At the date of this Prospectus the following entities are guarantors (the entities are jointly referred to as the "Guarantors"):</p> <ul style="list-style-type: none"> - Jøtul AS; - Scan A/S; - Jotul France S.A.S; and - Jotul North America Inc.

B.19 B.2	Domicile, legal form, legislation, country of incorporation	<p>- Jøtul AS (business identity code 989 517 247), a limited liability company incorporated in Norway and operating under Norwegian law;</p> <p>- Scan A/S (business identity code 84550728), a limited liability company incorporated in Denmark and operating under Danish law;</p> <p>- Jotul France S.A.S (business identity code 311 472 351 R.C.S Lyon), a limited liability company incorporated in France and operating under French law; and</p> <p>- Jotul North America Inc. (US EIN No. 01-0371493), a limited liability company incorporated in Delaware, United States and operating under Delaware law.</p>
B.19 B.4b	Known trends affecting the Guarantors and their industries	<p>Current trends affecting the Group's business include the growing awareness among consumers that stoves and fireplaces are a modern and sustainable source of heating; many new products being launched have modern combustion technology which ensures higher efficiency and lower particle emissions. Internationally, the dialogue around sustainable environmental development has intensified, which is also affecting Jøtul's industry as can be seen by the stricter environmental regulation for stoves and fireplaces being introduced in the near future. In Europe, this will be achieved through Ecodesign LOT 20 (to be implemented by 2022) and in the US through the Environmental Protection Agency ("EPA") 2020.</p>
B.19 B.5	The Group	<p>The Issuer is the parent company of a group consisting of a total of nine companies, including the Issuer. The Issuer is the direct owner of Jøtul AS. Jøtul AS is the direct owner of the rest of the companies within the group, being:</p> <ul style="list-style-type: none"> - Scan A/S; - Jotul France S.A.S; - Jotul North America Inc; - Jotul (UK) limited; - Jotul Italia Srl; - Jotul Hispania S.L.U.; and - Jotul Polska SP. Z O.O.
B.19 B.9	Profit forecasts and estimates	<p>Not applicable. This Prospectus does not include any profit forecasts or estimates.</p>
B.19 B.10	Qualifications in the audit reports	<p>Not applicable. The audit reports on historical financial information incorporated by reference into this Prospectus do not include any qualifications.</p>
B.19 B.12	No material adverse change and no significant change statements Selected financial information in respect of the Guarantors	<p>The following is an overview of each Guarantor's audited financial statements for the financial years ended 31 December 2017 and 31 December 2016. These figures are derived from each Guarantor's financial statements for the financial year ended 31 December 2017. Each Guarantor's financial statements for the financial years ended 31 December 2017 and 31 December 2016 was prepared in accordance with the applicable generally accepted accounting principles in its jurisdiction.</p> <p>Furthermore, an overview of each Guarantor's unaudited interim management accounts for the nine months ended 30 September 2018 are presented below.</p> <p>The figures set out below have been rounded.</p>

JØTUL AS		
(consolidated)		
	For the year ended 31 December	
	2017 (audited)	2016 (audited)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	<i>(Thousand NOK)</i>	
Total operating income	922,764	890,435
Total comprehensive income for the year	-339,419	-54,527
	As at 31 December	
	2017 (audited)	2016 (audited)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	<i>(Thousand NOK)</i>	
ASSETS		
Total assets	576,835	917,358
EQUITY AND LIABILITIES		
Total equity	-211,778	127,642
Total liabilities	788,613	789,716
Total equity and liabilities	576,835	917,358
	For the year ended 31 December	
	2017 (audited)	2016 (audited)
CONSOLIDATED STATEMENT OF CASH FLOW	<i>(Thousand NOK)</i>	
Net cash flow from operating activities	67,841	23,599
Net cash flows from investing activities	-33,290	-30,915
Net cash flows from financing activities	-34,150	7,019
Cash and bank deposits at end of period	6,294	5,893

SCAN A/S		
Income statement		
(thousands DKK)	2017	2016
	(audited)	(audited)
Revenue	109,570	109,682
Profit/loss for the year	-16,415	-13,182
Balance sheet		
(thousands DKK)	2017	2016
	(audited)	(audited)
ASSETS		
Total assets	61,790	70,497
EQUITY AND LIABILITIES		
Total equity	14,939	-3,646
Total liabilities other than provisions	46,851	72,471
Total equity and liabilities	61,790	70,497
Cash flow statement		
(thousands DKK)	2017	2016
	(audited)	(audited)
Cash flows from operating activities	-1,230	-763
Cash flows to investing activities	-5,495	-7,907
Cash flows from financing activities	34,536	-451
Cash and cash equivalents at 31 December	-19,767	-47,578

JOTUL FRANCE S.A.S.		
Income statement		
(thousands EUR)	2017 (audited)	2016 (audited)
Income	22,350	20,127
Profit/(loss) for the year	781	700
Balance sheet		
(thousands EUR)	2017 (audited)	2016 (audited)
ASSETS		
Total assets	8,582	7,526
EQUITY AND LIABILITIES		
Total equity (including provisions for risk and charges)	4,121	3,946
Total debts	4,461	3,580
Total equity and liabilities	8,582	7,526
Cash flow statement		
(thousands EUR)	2017 (audited)	2016 (audited)
Net cash provided by the business	1,864	1,149
Net cash provided by investing activities	-39	-118
Net cash provided by financing activities	-600	-800
Cash end of period	2,906	1,681

JOTUL NORTH AMERICA INC.		
Statement of income		
(USD)	2017	2016
	(audited)	(audited)
Gross profit	9,641,878	9,432,044
Net income	938,891	845,055
Balance sheet		
(USD)	2017	2016
	(audited)	(audited)
ASSETS		
Total assets	10,042,568	9,504,707
EQUITY AND LIABILITIES		
Total liabilities	4,833,241	5,234,271
Total stockholders' equity	5,209,327	4,270,436
Total liabilities and shareholders' equity	10,042,568	9,504,707
Statement of cash flows		
(USD)	2017	2016
	(audited)	(audited)
Net cash provided by operating activities	2,985,851	1,004,587
Net cash used by investing activities	-422,850	-589,723
Net cash provided/used by financing activities	-2,556,699	-482,388
Cash and equivalents, end of year	158,921	152,619

JØTUL AS		
For the nine months ended 30 September		
STATEMENT OF INCOME	2018 (unaudited)	2017 (unaudited)
<i>(Thousand NOK)</i>		
Net Sales	314,412	321,437
Profit for the year	-6,809	-48,122
Balance sheet		
ASSETS		
Total assets	535,816	865,400
EQUITY AND LIABILITIES		
Total equity	93,473	96,364
Total liabilities	442,343	769,036
Total equity and liabilities	535,816	865,400
Cash flow statement		
Net cash flow from operating activities	-33,334	-41,383
Net cash flows from investing activities	-9,355	-37,576
Net cash flows from financing activities	37,696	73,982
Cash and cash equivalents at end of period	5,258	5,695
SCAN A/S		
For the nine months ended 30 September		
STATEMENT OF INCOME	2018 (unaudited)	2017 (unaudited)
<i>(Thousand DKK)</i>		
Net Sales	71,114	70,159

		Profit for the year	-5,975	-9,159
Balance sheet				
ASSETS				
		Total assets	62,228	71,431
EQUITY AND LIABILITIES				
		Total equity	7,398	7,196
		Total liabilities	54,830	64,235
		Total equity and liabilities	62,228	71,431
Cash flow statement				
		Net cash flow from operating activities	230	-15,669
		Net cash flows from investing activities	-3,192	-4,421
		Net cash flows from financing activities	3,966	20,169
		Cash and cash equivalents at end of period	1,843	793
JOTUL FRANCE S.A.S.				
		For the nine months ended 30 September		
		2018	2017	
		(unaudited)	(unaudited)	
		(Thousand EUR)		
		STATEMENT OF INCOME		
		Net Sales	13,377	13,975
		Profit for the year	93	381
Balance sheet				
ASSETS				
		Total assets	6,725	7,716

EQUITY AND LIABILITIES			
Total equity		3,397	3,603
Total liabilities		3,328	4,113
Total equity and liabilities		6,725	7,716
Cash flow statement			
Net cash flow from operating activities		-300	-82
Net cash flows from investing activities		-44	-36
Net cash flows from financing activities		-700	-600
Cash and cash equivalents at end of period		1,862	963
JOTUL NORTH AMERICA INC.			
		For the nine months ended 30 September	
		2018	2017
		(unaudited)	(unaudited)
STATEMENT OF INCOME		(Thousand USD)	
Net Sales		17,196	15,363
Profit for the year		1,139	704
Balance sheet			
ASSETS			
Total assets		12,117	12,256
EQUITY AND LIABILITIES			
Total equity		6,417	5,037
Total liabilities		5,700	7,219
Total equity and liabilities		12,117	12,256

		Cash flow statement		
		Net cash flow from operating activities	1,972	103
		Net cash flows from investing activities	-1,227	-202
		Net cash flows from financing activities	-410	152
		Cash and cash equivalents at end of period	430	206
		<p>There have been no material adverse changes in the prospects of the Guarantors since 31 December 2017, the date of their last published audited financial statements.</p> <p>In respect of Jøtul AS, Scan A/S, Jotul France S.A.S and Jotul North America Inc., there has been no significant change in the financial or trading position since 30 September 2018, which is the date of the aforementioned Guarantor's last published interim accounts.</p>		
B.19 B.13	Recent events materially relevant to evaluation of the Guarantors' solvency	<p>In February 2018, the Issuer acquired all the shares in Jøtul AS, and consequently became the parent company of the Group.</p> <p>In May 2018, the Issuer contributed NOK 300,000,000 to Jøtul AS in exchange of one share with a par value of NOK 1.</p> <p>In December 2018, the Issuer contributed an additional NOK 50,000,000 to Jøtul AS through a conversion of debt.</p> <p>During 2018, the Issuer has granted multiple loans at arm's length terms to Jøtul AS, which at the date of this Prospectus amounts to approximately NOK 2,563,174.</p> <p>Besides the aforementioned acquisitions/divestments no member of the Group has made any material investments since the date of the last published audited financial statements for any member of the Group.</p> <p>Besides the aforementioned, there has been no recent event particular to the Group which is to a material extent relevant to the evaluation of the Guarantors' solvency since the date of the last published consolidated audited financial statements for any member of the Group.</p>		
B.19 B.14	Dependency of the Guarantors on other entities within the group	<p>Jøtul AS conducts a significant part of their respective operations through its subsidiaries and is thus dependent on its subsidiaries to generate profit and revenue.</p>		
B.19 B.15	Description of principal activities	<p>Each of Jøtul AS, Scan A/S Jotul France S.A.S. and Jotul North America Inc. engages in producing, selling and distributing products for heating, including stoves and fireplaces and products related thereto.</p> <p>The Group is a global premium manufacturer of stoves and fireplaces. Jøtul's focus and core segment is within cast-iron products. Jøtul operates a multi-brand strategy and offers products under four separate brands, all with different brand identities.</p>		
B.19 B.16	Description of whether the Guarantors are directly or	<p>The Issuer is, directly or indirectly, the sole shareholder of each Guarantor. The shares in the Issuer are owned by Stove Investment Holdings S.à r.l., a limited liability company (<i>société à responsabilité limitée</i>) operating under the laws of Luxembourg. Stove Investment Holdings S.à r.l. is owned, and the Issuer is consequently controlled, by</p>		

	indirectly owned or controlled and by whom and nature of such control	<p>OpenGate Capital, a global private equity company, which through its funds OGCP I Employee Co-Invest, L.P., OpenGate Capital Partners I, L.P. and OpenGate Capital Partners I-A, L.P. holds 100 per cent. of the votes in Stove Investment Holdings S.à r.l.</p> <p>OpenGate Capital is a global private equity firm active in the lower-middle market and focused on acquiring corporate carve-outs, turnarounds and special situations throughout North America and Western Europe.</p>
B.19 B.17	Ratings	Not applicable. No credit rating has been assigned to any of the Guarantors or its debt securities.

Section C — Securities		
C.1	Type and class of securities	NOK 340,000,000 senior secured callable bonds (ISIN: NO0010815749).
C.2	Currency of the securities issue	NOK.
C.5	Restrictions on the free transferability of the securities	<p>Each Bond is freely transferable in accordance with local laws and regulations from time to time.</p> <p>The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a bondholder may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. It is each potential investor's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.</p>
C.8	Rights attached to the securities including ranking	<p>The Bonds carry the right to repayment of the nominal amount and interest on the relevant due date.</p> <p>The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least <i>pari passu</i> with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.</p>
C.9	Interest and yield; name of representative of debt securities holders	<p>The nominal interest rate and the underlying instrument on which it is based: The Bonds bear interest at the rate of 3 month NIBOR (with zero floor) plus a margin of 7.00 per cent. <i>per annum</i>.</p> <p>The date from which interest becomes payable and the due dates for interest: Interest will be paid quarterly in arrears commencing on 30 April 2018 and thereafter on 31 January, 30 April, 31 July and 31 October of each year.</p> <p>Each Initial Bond carries interest from (and including) the First Issue Date to (but excluding) the relevant redemption date. Interest in respect of the Bonds 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).</p> <p>Maturity date and arrangements for the amortization of the loan, including the repayment procedures: The maturity date of the Bonds is 31 January 2022 unless the Issuer redeems the Bonds in accordance with the Terms and Conditions. During the terms of the Bonds, no amortisation will be made. The Bonds are repaid at par, bullet, on the final maturity date.</p>

		<p>An indication of yield: The yield of the Bonds is 3 month NIBOR (with zero floor) plus a margin of 7.00 per cent. per annum. The Issuer is responsible for calculating the interest.</p> <p>Name of representative of debt security holders: The representative of the bondholders are Nordic Trustee AS.</p>
C.10	Explanation on how the interest amount is affected by value of the underlying instrument	Not applicable. The Bonds have no derivative component in the interest payment.
C.11	Admission to trading on a regulated market	The Issuer has made an application for the admission of the Bonds to public trading on Nasdaq Stockholm, and the admission to trading on the regulated market is expected to take place on or about 17 April 2019.

Section D – Risks

D.2	Risks specific to the Issuer and the Guarantors	<p>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.</p> <p>Risks related to technological developments</p> <p>The industry in which the Group operates is characterised by new, stricter environmental regulations and consumer awareness that have resulted in, and will likely continue to result in, improvements in function and performance of the Group's products. If the Group is not successful in developing its products, as well as keeping its existing products up to industry standards, this would materially adversely affect the Group's business and financial conditions.</p> <p>Competition</p> <p>The Group operates on a variety of markets that are highly competitive. If the Group's competitors grow stronger in the future, for example, by means of further consolidation in the market this would adversely affect the Group's business and financial conditions.</p> <p>Exposure to currency fluctuations</p> <p>The Group's revenue and cash-flow is primarily denominated in, inter alia, DKK, EUR, GBP, NOK, PLN, SEK and USD while the Group reports its financial results in NOK. Consequently, fluctuations in currencies may adversely affect the Group's financial results.</p> <p>Suppliers and raw material</p>
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		<p>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 an adverse effect on the Group's net sales, earnings and financial position.</p> <p>There is also a risk that the price for the raw materials used in the Group's products will increase without the Group being able to add such increased costs on its end-customers, which would have an adverse effect on the Group's earnings and financial position.</p> <p>Alternative heating costs</p> <p>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.</p> <p>Risks relating to production</p> <p>The Group currently have its manufacturing in Norway, Denmark, 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 contemplated 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.</p> <p>Risks related to expansion of the product portfolio</p> <p>The Group may, in the future, experience saturated markets with regard to their current product portfolio. 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.</p> <p>Counterparty risk and dependency on sellers</p> <p>The Group only conducts business-to-business and is exposed to counterparty risk in all of its contracts. Should any of the Group's dealers' financial position deteriorate, or if the Group's dealers fail to act and perform in accordance with expectations, this would have a material adverse effect on the Group's earnings and financial position.</p> <p>Protection of know-how and loss of key employees</p> <p>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. If the Group is unable to retain or recruit such personnel there is a risk that it has an adverse impact on the Group's operations and results.</p> <p>Dependency on trademarks</p> <p>The Group is dependent upon its brands and marketing and the Group is exposed to the risk of lost market appeal.</p> <p>Damage to warehouse facilities and factories</p> <p>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.</p>
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D.3	Risks specific to the securities	<p>There are risks relating the Issuer as an issuer and to the Group as well as to the Bonds. The key risk factors relating to the Bonds are listed below. The risk factors listed are key risk factors and additional risks and uncertainties not presently known to the Issuer, or that the Issuer currently believes are immaterial, could also impair the Group's business, results of operations and financial condition or an investment in the Issuer.</p> <p>Credit risks Investors in the Bonds carry a credit risk towards the Group. The bondholder'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.</p> <p>Refinancing risk There is a risk that the Issuer will not be able to refinance its existing indebtedness, including the Bonds, at competitive terms or at all.</p> <p>Interest rate risks The market value of the Bonds may be adversely affected by changes in market interest rates.</p> <p>The market price of the Bonds may be volatile The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in e.g. the Group's operating results and those of its competitors. In addition, the global financial markets have experienced significant price and volume fluctuations in the past. Should this be repeated there is a risk that it will adversely affect the market price of the Bonds.</p> <p>Ability to service debt 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.</p> <p>Risks relating to the transaction security There is a risk that the proceeds of any enforcement sale of the security assets is not sufficient to satisfy all amounts then owed to the bondholders. 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.</p> <p>Risks relating to enforcement of the transaction security 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.</p> <p>Risks related to intercreditor arrangements The Issuer has incurred additional debt under a super senior revolving credit facility, which in accordance with the terms of an intercreditor agreement, rank senior to the Bonds. The security agent will in accordance with the intercreditor agreement in some cases take instructions from a super senior representative under the super senior revolving credit facility or any other creditor who rank senior to the bondholders. There</p>
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		<p>is a risk that the security agent and/or a super senior creditor will act in a manner or give instructions not preferable to the bondholders.</p> <p>The Issuer is dependent on its subsidiaries A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. Accordingly, the Issuer is dependent upon receipt of sufficient income and cash flow related to the operation of and the ownership in the subsidiaries to enable it to make payments under the Bonds.</p> <p>Put option The Bonds are subject to prepayment at the option of each bondholder under certain circumstances. There is 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 and ultimately the bondholders.</p> <p>Risks related to early redemption and partial repayment of the Bonds The Issuer has the possibility to redeem all outstanding Bonds before the final redemption date. There is a risk that the market value of the Bonds is higher than the early redemption amount or the repayment amount. There is further a risk that the Issuer will not have sufficient funds at the time of the mandatory prepayment to carry out the required redemption of Bonds.</p> <p>Dependency on the Agent's actions and financial standing The rights of the bondholders depend on the Agent's (being on the date of this Prospectus Nordic Trustee AS) actions and financial standing.</p> <p>Restrictions on the transferability of the Bonds The Bonds has not been registered under any country's securities laws. It is each potential bondholder's obligation to ensure that the offers and sales of the Bonds comply with applicable laws. Restrictions relating to the transferability of the Bonds could have a negative effect for some bondholders.</p> <p>Benchmark Regulation The process for determining NIBOR and other interest-rate benchmarks is subject to a number of legislative acts and other regulations. The most extensive initiative in this respect is the Regulation (EU) 2016/1011 (the "Benchmark Regulation"). There is a risk that the Benchmark Regulation will lead to increased volatility regarding some benchmarks and discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided.</p> <p>Liquidity Risk In January 2018, MiFID II/MiFIR entered into force. Pursuant to the new rules, the reporting and transparency requirements have increased on the fixed income market. As a consequence, there is a risk that this will cause the financial institutions which are acting as intermediaries in the trade of financial instruments to be less willing to purchase financial instruments on their own books.</p>
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Section E – Offer		
E.2b	Reasons for the offer and use of proceeds	The Issuer has used the proceeds from the issue of the Bonds, less the costs and expenses incurred by the Issuer, for (i) acquiring all the shares in Jøtul AS, (ii) refinancing existing debt and (iii) financing general corporate purposes.
E.3	Terms and conditions of the offer	Not applicable. The issue did not constitute an offer.
E.4	Material interests	<p>Interests of the Sole Bookrunner, the Agent and the Security Agent; business interest normal in the financial markets, such as future engagement in services for the Group and engagement in transactions for third parties with conflicting interests.</p> <p>Some members of the board of directors and the management have private interests in the Issuer and the Guarantors by their holding of shares in the Issuer's direct parent company Stove Investment Holdings S.á r.l. through OGCP I Employee CO-Invest, L.P. 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 and/or other duties which may conflict with the interests of the Issuer and the Guarantors.</p>
E.7	Estimated expenses charged to the investor by the Issuer or the offeror.	Not applicable. There are no expenses charged to the investors by the Issuer or the offeror.

RISK FACTORS

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. 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 of the Bonds. In this section, a number of risk factors are illustrated, both general risks pertaining to the Group's business operations and risks relating to the Bonds as financial instruments. Other risks which are currently not known or not currently considered to be material, may also affect the Group's future operations, performance and financial position, and consequently the Group's ability to meet its obligations under the Terms and Conditions. Potential bondholders should consider carefully the specific risks contained in this section and make an independent evaluation before making an investment in the Bonds.

Market specific risks

General economy

The economic situation on the global market affects the Group's business, result and financial position. 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 would 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. Further, 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 would have an adverse effect on the Group's business, earnings or financial position.

Risks related to technological developments

The industry in which the Group operates has been, and is expected to continue to be, characterised by new, stricter environmental regulations, such as the Ecodesign directive in the EU 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 would materially adversely affect the Group's business and financial conditions.

Competition

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

Exposure to currency fluctuations

The Group's revenue and cash-flow is primarily denominated in, inter alia, DKK, 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. Consequently, 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, 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 Group's local monetary assets and generate local currency losses, which in turn would have an adverse effect on the Group's business, earnings or financial position.

Suppliers and raw material

The Group's ability to service its customers depends on the availability and timely supply of products from external suppliers. Inability to maintain a national and international logistic network for customer deliveries or other problems with regard to supplies, such as delays, would have adverse consequences for customer relations, etc., resulting in an adverse effect on the Group's net sales, earnings and financial position.

The Group is exposed to risks relating to fluctuations in the prices of materials used in the Group's production. There is a risk that the price for the raw materials used in the Group's products will increase without the Group being able to add such increased costs on its end-customers, which would have an adverse effect on the Group's earnings and financial position.

Alternative heating costs

Households tend to evaluate alternative heating sources based on the current energy prices in order to reduce 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 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.

Seasonality of the Group's business

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 decrease consumers' interest and demand for stoves and fireplaces which would 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.

These seasonal variations are beyond the Group's control and can significantly affect the Group's operations, resulting in adverse effects on the Group's business, earnings and financial position.

Group and business specific risks

Changes in legislation

A number of legislations and regulations, competition regulations, and environmental regulations, taxes and rules 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 would have an adverse effect on the Group's business and results of business operations.

Risks relating to production

The Group currently has its manufacturing in Norway, Denmark, USA and France resulting in an expensive infrastructure and production due to higher rents, higher salaries, an inflexibility to adjust the workload due to stricter labor regulations, and the requirements to adhere to strict governmental regulations and controls with regard to environmentally friendly production. Having the production in the aforementioned countries could also become a competitive disadvantage for the Group as the Group's products becomes relatively expensive. Further, the Group's business is very cyclical in 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, 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, this will have an adverse effect on the Group's business, earnings and financial position.

Furthermore, the Group contemplates to move certain parts of its production in Norway, France and Denmark to Poland. The contemplated moves are subject to the Group obtaining financing. The Group's current business plan and budget assume that the relocations will be carried out and that they are successful. In addition, successful relocations are vital for the Group's medium and long-term competitiveness. There is a risk that the Group will not be able to obtain financing or obtain financing on favourable terms, and will therefore not be able to carry out the relocations. Furthermore, should the relocations be carried out, There is a risk that such relocations are unsuccessful or entail greater short-term costs than anticipated. Also, even if the

relocation is completed, there is a risk that the Group will not enjoy any long-term cost reduction benefits of such move. In addition, there is a risk that cost reduction action, such as outsourcing to low-cost countries and lay-offs, negatively affect the perception of the Group's brands. Should any of these risks materialise this will have an adverse effect on the Group's business, financial position or results of operations.

Risks related to expansion of the product portfolio

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

Counterparty risk and dependency on sellers

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

Protection of know-how and loss of key employees

The Group's future development depends largely on the skills, experience and commitment of its key employees and advisers. Persons employed by the Group also have a comprehensive knowledge of the industry in general and of the Group in particular. It is important for the Group's future business activities and development that the Group is able to retain, and where necessary also recruit, skilled personnel. If the Group should become unable to retain or recruit such personnel this would adversely impact the Group's operations and results.

Dependency on trademarks

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

Damage to warehouse facilities and factories

The Group manages several factories for its productions. 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 could suffer losses and delays in delivery, which in turn would adversely affect the Group's business, financial condition and results of operations.

Environment

The Group's business includes risks associated with running of industrial factories. The Group is exposed to risks of liability under e.g. environmental laws and regulations due to the production, storage, transportation, disposal and sale of materials that can cause contamination or personal injury if released into the environment. 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 cleanup 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 would have a material negative effect on the Group's business, result and financial position.

Borrowing by the Group and interest risk

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

Legal disputes and litigations

At the date of this Prospectus, the Group is not involved in any material legal disputes or litigations. There is however a risk that the Group could become involved in legal disputes or subject to other litigation in the future. 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.

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 would materially and adversely affect its business, earnings and financial position. Furthermore, the Group may not be able to take remedial actions or other appropriate measures and 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 would have an adverse effect on the Group's business, earnings, and financial position as well as future prospects.

Tax

It is possible that the Group's or its advisors' interpretation and the Group's application or interpretation of tax laws, provisions or 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 events should occur, the Group's tax liabilities can increase, which would negatively effect the Group's earnings and financial position.

Risks relating to the Bonds

Credit risks

Investors in the Bonds carry a credit risk towards the Group. The bondholder's ability to receive payment under the Bonds is therefore dependent on the Issuer's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors of which some have been mentioned above.

There is a risk that an increased credit risk will cause the market to charge the Bonds a higher risk premium, which will affect the Bonds' value negatively. Another aspect of the credit risk is that there is a risk that a deteriorating financial position of the Group will reduce the Group's possibility to receive debt financing at the time of the maturity of the Bonds.

Refinancing risk

There is a risk that the Issuer will be required to refinance certain or all of its outstanding debt, including the Bonds. The Issuer's ability to successfully refinance its debt depends, among other things, on the conditions of the debt capital markets and its financial condition at such time. 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.

Ability to comply with the Terms and Conditions

The Group is required to comply with the Terms and Conditions, inter alia, to pay interest under the Bonds. Events beyond the Group's control, including changes in the economic and business conditions in which the Group operates, may affect the Group's ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions could result in a default under the Terms and Conditions, which could lead to an acceleration of the Bonds, resulting in that the Issuer has to repay the bondholders at the applicable call premium. It is possible that the Issuer will not have sufficient funds at the time of the repayment to make the required redemption of Bonds.

Interest rate risks

The value of the Bonds depends on several factors, one of the most significant over time being the level of market interest. The Bonds bear floating rate interest of 3 month NIBOR plus a margin 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

The Issuer intends to list the Bonds on the corporate bond list of Nasdaq Stockholm within 12 calendar months from the First Issue Date. Even if the Bonds are admitted to trading on the aforementioned 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 bondholders being unable to 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 would 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 Nasdaq Stockholm. 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.

The market price of the Bonds may be volatile

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors. In addition, the global financial markets have experienced significant price and volume fluctuations in the past. Should this be repeated in the future there is a risk that it will adversely affect the market price of the Bonds without regard to the Group's operating results, financial condition or prospects.

Ability to service debt

The Issuer's ability to service its debt under the Bonds depends upon, among other things, the Group's future financial and operating performance, which is 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

There is a risk that the proceeds of any enforcement sale of the assets over which security has been granted for the benefit of the bondholders will not be sufficient to satisfy all amounts then owed to the bondholders.

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

If a subsidiary, whose 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 arrangements

The Issuer has incurred 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 may incur additional financial indebtedness which also will rank pari passu with the Bonds. The relation between certain of the Issuer's creditors (jointly the "**Secured Creditors**") and a security agent is governed by an intercreditor agreement (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. 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 exceeds 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 contain provisions regarding the application of proceeds from an enforcement of security where any agent receive 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 for the Issuer to satisfy the waterfall provisions above.

Borrowings by the Group

The Super Senior RCF, and any other debt incurred by the Group in compliance with the limits set out in the Terms and Conditions, may result in interest costs which may be higher than the returns gained by the investments made by the Group. 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 may be subject to fluctuations in the applicable interest rates. Higher interest rates would affect the Group's operations, earnings and financial position.

The Issuer is dependent on its subsidiaries

A significant part of the Group's assets is owned by, and all revenues are generated in, 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 which may from time to time be limited by corporate restrictions and law. Should the Issuer not receive sufficient income from its subsidiaries, the bondholders' ability to receive payment under the Terms and Conditions would be adversely affected.

Subsidiaries, structural subordination and insolvency of subsidiaries

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 would 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.

Currency risks

The Bonds are denominated and payable in NOK. If bondholders in the Bonds measure their investment return by reference to a currency other than NOK, an investment in the Bonds will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the NOK relative to the currency by reference to which bondholders measure the return on their investments. This could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to bondholders when the return on the Bonds is translated into the currency by reference to which the bondholders measure the return on their investments. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the bonds. As a result, there is a risk that bondholders receive less interest or principal than expected, or no interest or principal at all.

Majority owner

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 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

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.

Risks related to early redemption and partial repayment of the Bonds

Under the Terms and Conditions of the Bonds, 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 for the Bonds. 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 is not 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, there is a risk that a partial repayment of the Bonds will affect the liquidity of the Bonds and have a negative impact on the market value of the Bonds which would result in bondholders experiencing difficulties in selling 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.

No action against the Issuer and bondholders' representation

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 have in some cases 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

By acquiring Bonds, each bondholder will accept the appointment of the Agent (being on the date of this Prospectus Nordic Trustee AS) to act on its behalf and to perform administrative functions relating to the Bonds. The Agent 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 will 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

The Terms and Conditions include 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 impact a bondholder's rights in a manner that is undesirable for some of the bondholders.

Restrictions on the transferability of the Bonds

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a bondholder may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. It is each potential bondholder's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws. Due to these restrictions, there is a risk that a bondholder cannot sell its Bonds as desired. Restrictions relating to the transferability of the Bonds could have a negative effect for some of the bondholders.

Risks relating to the clearing and settlement in VPS ASA's book-entry system

The Bonds are affiliated with Verdipapirsentralen ASA's ("**VPS ASA**") account-based system, and no physical notes are issued. Clearing and settlement relating to the Bonds is carried out within VPS ASA's book-entry system as well as payment of interest and repayment of the principal. Bondholders are therefore dependent on the functionality of VPS ASA's account-based system and any problems thereof could have an adverse effect on the payment of interest and repayment of principal under the Bonds.

Amended or new legislation

This document and the Terms and Conditions are based on Swedish law in force at the date of issuance of the Bonds. There is a risk that amended or new legislation and administrative practices will adversely affect the bondholder's ability to receive payment under the Terms and Conditions.

Conflict of interests

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

Benchmark Regulation

The process for determining NIBOR and other interest-rate benchmarks is subject to a number of legislative acts and other regulations. Some of these acts and regulations have already been implemented whilst some are set to be implemented in the near future. The most extensive initiative in this respect is Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**"). The Benchmark Regulation came into force on the 1 January 2018. The Benchmark Regulation addresses the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union. The effect of the Benchmark Regulation cannot yet be fully determined due, among other things, to the limited time period that the regulation has applied. However, there is a risk that the Benchmark Regulation will affect how certain benchmarks are determined and how they develop in the future. This could, for example, lead to increased volatility regarding some benchmarks. Another risk is that increased administrative requirements, and resulting regulatory risk, may discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided. If this would happen in respect of benchmark that is used for the Bonds, it would have negative effects for the bondholders.

Liquidity Risk

In January 2018, the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Markets in Financial Instruments Regulation 600/2014 (MiFIR) entered into force. Pursuant to the new rules, the reporting and transparency requirements have increased on the fixed income market. As a consequence, this may cause the financial institutions which are acting as intermediaries in the trade of financial instruments to be less willing to purchase financial instruments on their own books. Should this risk materialise, it could have a negative impact on the liquidity of the Bonds which could have a negative impact on the market value of the Bonds.

THE BONDS IN BRIEF

The following overview contains basic information about the Bonds. It is not intended to be complete and it is subject to important limitations and exceptions. 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 overview, see the Terms and Conditions.

Bonds issued under this Prospectus have NIBOR as interest rate. NIBOR constitutes a benchmark according to the Benchmark Regulation. None of the administrators of NIBOR are, as of the date of this Prospectus, part of the register held by the European Securities and Markets Authority ("ESMA") in accordance with article 36 of the Benchmark Regulation.

Issuer	Jotul Holdings SA
Bond Issue	The aggregate amount of the bond loan is an amount of NOK 340,000,000, of which NOK 250,000,000 was issued on 21 February 2018 and NOK 90,000,000 was issued on 31 January 2019.
Number of Bonds	340,000,000.
ISIN	NO0010815749.
First Issue Date	21 February 2018.
Issue Price	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 any subsequent bonds may be at a discount or at a premium compared to the Nominal Amount.
Interest Rates	Interest on the Bonds will be paid at a floating rate of 3 month NIBOR plus 7.00 per cent. <i>per annum</i> . The Issuer is responsible for the calculation of the interest.
Interest Payment Dates	31 January, 30 April, 31 July and 31 October of each year commencing on 30 April 2018. Interest will accrue from (and including) the First Issue Date.
Nominal Amount	The Bonds will have a nominal amount of NOK 1.00 and the minimum permissible investment in the Bonds is NOK 1,250,000.
Status of the Bonds	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. The Bonds are issued in bearer and book-entry form.

The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer, and:

- will at all times rank *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer without any preference among them (other than as follows from the provisions of the Intercreditor Agreement), except those obligations which are mandatorily preferred by law; and
- are unconditional and irrevocable guaranteed by the Guarantors (as defined below).

Guarantees..... The Issuer's obligations under the Bonds are jointly and severally, unconditionally and irrevocably guaranteed (the "**Guarantee**") by each of:

- Jøtul AS;
- Scan A/S ;
- Jotul France S.A.S.; and
- Jotul North America Inc.

(the entities above are jointly referred to as the "**Guarantors**")

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

Ranking of the Guarantees The unconditional and irrevocable 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 unconditional and irrevocable Guarantee (other than as follows from the provisions of the Intercreditor Agreement);
- 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: all the shares in the Issuer (with a total share capital comprising of NOK 600,000 at the date of this prospectus) and the Target Company (with a total share capital comprising of NOK 135,913,729 at the date of this prospectus), and any intra-group loans provided by the Issuer to the Target Company or any of its Subsidiaries (which, on the date of this Prospectus, amounts in aggregate to NOK 669,000,000). See the definition of "**Security Documents**" in Clause 1.1 (*Definitions*) of the Terms and Conditions.
- 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*) of the Terms and Conditions.
- Call Option Amount** Call Option Amount means:
- the Applicable Premium, if the Call option is exercised any time before the First Call Date;
 - 103.500 per cent. of the Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised any time from and including the First Call Date to, but excluding, the first Business Day falling 30 months after the First Issue Date;
 - 102.275 per cent. of the Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised any time from and including the date falling 30 months after the

- First Call Date to, but excluding, the first Business Day falling 36 months after the First Issue Date;
- (d) 101.050 per cent. of the Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised any time from and including the date falling 36 months after the First Call Date to, but excluding, the first Business Day falling 42 months after the First Issue Date; and
- (e) 100 per cent. of the Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised any time from and including the date falling 42 months after the First Call Date to, but excluding, the Final Maturity Date.

- Applicable Premium** Means the sum of:
- (a) the present value on the relevant record date of 103.500 per cent. of the Nominal Amount as if such payment originally should have taken place on the First Call Date; and
- (b) the present value on the relevant record date of the interest payments, less any accrued but unpaid interest, up to and excluding the First Call Date, whereby (a) and (b) is calculated by using a discount rate of 50 basis points over the comparable Norwegian government bond rate (i.e. comparable to the remaining duration of the Bonds until the First Call Date) (plus accrued interest on redeemed amount up to (but excluding) the relevant redemption date).
- First Call Date** Means the date falling 24 months after the First Issue Date.
- Final Maturity Date.....** Means 31 January 2022.
- Equity Claw Back** The Issuer may in connection with an Equity Listing Event redeem in part up to 35 per cent. of the total aggregate nominal amount of the Bonds outstanding from time to time at a price equal the repaid percentage of the nominal amount (rounded down to the nearest NOK 10,000) plus a premium on the repaid amount in accordance with the Call Option Amount in accordance with Clause 9.4 (*Voluntary partial*

redemption upon an Equity Claw Back) of the Terms and Conditions.

- 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 a multilateral trading facility (as defined in Directive 2014/65/EU on markets in financial instruments).
- Change of Control.....** 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 in accordance with Clause 9.6 (*Mandatory repurchase due to a Change of Control Event*) of the Terms and Conditions.
- Change of Control Event ...** Means the occurrence of an event or series of events whereby one or more persons, not being OpenGate Capital Management LLC 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.
- Certain Covenants** The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and other members of the Group, 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.

The Terms and Conditions contain incurrence covenants whereby the ratio of the Group's Net Interest Bearing Debt (as defined in the Terms and

Conditions) to EBITDA (as defined in the Terms and Conditions) is tested.

Each of these covenants is subject to significant exceptions and qualifications, see the Terms and Conditions.

Conflicting Enforcement Instructions	Instructions (or proposed instructions) as to enforcement of the Security delivered to the Security Agent by a representative, that are inconsistent as to, <i>inter alia</i> , the manner of enforcement.
Use of Proceeds.....	The Issuer used the proceeds from the issue of the Initial Bonds for (i) financing the acquisition of the Target Company, (ii) refinancing the Existing Debt, (iii) finance general corporate purposes, and (iv) financing the Transaction Costs. The proceeds from the issuance of any Subsequent Bonds shall be used to finance general corporate purposes of the Group, including capital expenditures and acquisitions.
Transfer Restrictions.....	The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a bondholder may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. It is each potential investor's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.
Admission to trading on the regulated market.....	Application has been made to list the Bonds on Nasdaq Stockholm.
Agent	Nordic Trustee AS.
Security Agent	Nordic Trustee AS.
Sole Bookrunner.....	Pareto Securities AB.
Paying Agent	Nordea Bank Abp, filial i Norge, with registered address, Essendropgate 7, NO-0368 Oslo, Norway.
Governing Law of the Bonds.....	Swedish law.
Governing Law of the Intercreditor Agreement...	Swedish law.

**Governing Law of the
Guarantee Agreement** Swedish law.

Risk Factors Investing in the Bonds involves substantial risks and prospective investors should refer to the section "*Risk Factors*" 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 Initial Bonds was authorised by resolutions taken by the board of directors of the Issuer on 6 February 2018, and was subsequently issued by the Issuer on 21 February 2018. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council.

The Issuer is responsible for the information given in this Prospectus. The Issuer is the source of all company specific data contained in this Prospectus and the Sole Bookrunner has conducted no efforts to confirm or verify the information supplied by the Issuer. The Issuer confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Issuer's knowledge, in accordance with the facts and contains no omissions likely to affect its import. Any information in this Prospectus and in the documents incorporated by reference which derive from third parties has, as far as the Issuer is aware and can be judged on the basis of other information made public by that third party, been correctly represented and no information has been omitted which may serve to render the information misleading or incorrect. The board of directors confirms that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is, to the best of the board of directors' knowledge, in accordance with the facts and contains no omission likely to affect its import.

12 April 2019

Jotul Holdings SA

The board of directors

DESCRIPTION OF MATERIAL AGREEMENTS

The following is an overview of the material terms of material agreements to which the Issuer or any Guarantor is a party to 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.

Revolving Credit Facility

Certain companies within the Group, including Jøtul AS, Scan A/S, Jotul France S.A.S. and Jotul North America Inc., have entered into a working capital facility agreement as borrowers, with Nordea Bank Abp, 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 to certain companies within the Group to be applied for general corporate purposes of the Group (and any refinancing, amendments or replacements thereof). The Revolving Credit Facility expires on 28 February 2021.

Factoring Arrangement

The Issuer as parent company and Jotul France S.A.S. as original seller have entered into a master agreement, with Factofrance as factor, dated 31 May 2018 (the "**Factoring Arrangement**"), pursuant to which Factofrance has agreed to fund on a non-recourse basis certain trade receivables of the Group. The Factoring Arrangement has been provided to certain companies within the Group to be applied for general corporate purposes.

Guarantee Agreement

The Guarantors and the Issuer 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 and the Issuer have agreed to jointly and severally, unconditionally and irrevocably guarantee the Group's obligations as follows:

- the full and punctual payment and performance within applicable grace periods of all present and future obligations and liabilities of the Issuer and the Guarantors, including all payment of principal of, and premium, if any, 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 and any Obligor to the Secured Parties (as defined therein) 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 and the Issuer under the Senior Finance Documents; and
- the full and punctual performance of all obligations and liabilities of the Guarantors and the Issuer under any Security Document to which it is a party.

The unconditional and irrevocable Guarantees are subject to the Intercreditor Agreement and certain limitations imposed by local law requirements in certain jurisdictions.

Intercreditor Agreement

The Issuer as issuer, the Security Agent as original security agent and original bond agent, Nordea Bank Abp, filial i Norge as original super senior RCF creditor and original hedge counterparty and certain companies within the Group, including Jøtul AS, Scan A/S, Jotul France S.A.S. and Jotul North America Inc., as original ICA group companies have entered into an intercreditor agreement dated 28 February 2018 (the "**Intercreditor Agreement**"). The terms of the Intercreditor Agreement provides for (i) a subordination of liabilities raised in the form of Shareholder Debt or Intercompany Debt (each as defined therein), and (ii) super senior ranking of the Revolving Credit Facility and the Hedging Obligations (as defined therein) in relation to the senior ranking Bonds.

The senior ranking of the Bonds provides for sharing the same security package as the other Debt (as defined therein) but with a waterfall priority in relation to the right to any enforcement proceeds, in accordance with Clause 14 (*Application of Recoveries*) of the Intercreditor Agreement. Pursuant to the waterfall provision, the Senior Creditors (as defined therein) (including the bondholders under the Bonds) will only receive proceeds upon enforcement actions after the obligations towards the Security Agent, the Paying Agent, the Bonds Agent, any agent representing creditors of any New Debt and the Super Senior Creditors (each as defined therein) have been repaid in full.

Sale and Leaseback Arrangement

Jøtul AS has entered into a sale and leaseback arrangement with Festningsveien 2 AS pursuant to which Jøtul AS has sold and leased back certain real properties located at Festningsveien 2, 1678 Kråkerøy, Norway. The lease agreement expires in 2032 and the yearly rental amounts to approximately NOK 25,000,000 (excluding any potential effect that IFRS 16 might have). Jøtul AS has a yearly income recognition of approximately NOK 4,700,000 (excluding any potential effect that IFRS 16 might have) to the end of the year 2026 relating to the sale of the property in 2006.

DESCRIPTION OF THE GROUP

History and development

Jotul Holdings SA was incorporated on 22 December 2015 and is a public limited liability company (*société anonyme*) operating under, and in compliance with, the laws of Luxembourg, including Luxembourg's corporate governance regime, with reg. no. B203258.

The registered office of the Company and the Company's headquarters is located at 6, Rue Eugène Ruppert, L-2453, Luxembourg, Grand Duchy of Luxembourg, with telephone number +352 26 449 525.

In accordance with Article 3 of the articles of association of the Company, adopted on 22 December 2015 and as amended and fully restated on 18 December 2018, the object of the Company is the acquisition of participations, in Luxembourg or abroad, in any form whatsoever, and the management of those 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. The Company may participate in the creation, development, management and control of any company or enterprise. Further, the Company may invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin.

In February 2018 the Company acquired all the shares in Jøtul AS and became the parent company of the Group.

On 18 December 2018, the form of the Company has been changed from a private limited liability company (*société à responsabilité limitée*) to a public limited company (*société anonyme*). Any reference in the Terms and Conditions to Jotul Holdings S.à r.l. shall therefore be read as a reference to Jotul Holdings SA.

Business and operations

The Group operates through all of its subsidiaries. Each member of the Group 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 Denmark through Scan A/S, in France through Jotul France S.A.S. and USA through Jotul North America Inc.

The Group is a manufacturer of stoves, inserts and fireplaces. The head office of the operating business is located in Fredrikstad, Norway, where Jøtul'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. Jøtul 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 3,000 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 Jøtul 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, Jøtul has expanded its product and brand portfolio over the years. All cast-iron products, being the core product of the Group, are manufactured in Jøtul'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. Jøtul has decided to base its product development capabilities locally in Norway, Denmark and North America, thus ensuring that its product development efforts are driven by local preferences in terms of design, fuel and materials.

Procurement within Jøtul is governed centrally by a procurement director. Jøtul 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.

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 70% 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.

Business model and market overview

The market in which the Group operates is a niche segment of a wider sector generally referred to as the home comfort heating market. Within the home comfort heating market, Jøtul is one of the market leaders within the sub-segment comprising gas and wood burning stoves 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. Sales volumes are evenly split between the two channels; products sold through mass merchants generally come at a lower price due to stronger competition and lower technological content.

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. In the majority of markets where the Group is present it is either one of the market leaders or has captured leading market positions in premium niche segments.

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.

Share capital and ownership structure

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 Company has an issued share capital of NOK 600,000 divided into 600,000 shares, which is fully paid.

All the shares in the Issuer are owned by Stove Investment Holdings S.à r.l., a limited liability company (*société à responsabilité limitée*) operating under the laws of Luxembourg with reg. no. B203220. Stove Investment Holdings S.à r.l. is owned, and the Issuer is consequently controlled, by OpenGate Capital ("**OpenGate**"), a global private equity company, which through its funds OGCP I Employee Co-Invest, L.P., OpenGate Capital Partners I, L.P. and OpenGate Capital Partners I-A, L.P. holds 100 per cent. of the votes in Stove Investment 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>
Stove Investment Holdings S.à r.l.	600,000	100.00%	100.00%
Total	600,000	100.00%	100.00%

The following table sets forth the ownership structure in Stove Investment Holdings S.à r.l. as per the date of this Prospectus.

Shareholder	No. of shares	Share capital	Voting Rights
OpenGate Capital Partners I-A, LP	60,647	50.182347%	50.182347%
OpenGate Capital Partners I, LP.	59,815	49.494245%	49.494245%
OGCP I Employee Co-Invest, L.P.	391	0.323408%	0.323408%
Total	120,853	100.00%	100.00%

OpenGate Capital

Being the sole owner of Stove Investment Holdings S.à r.l., OpenGate exercise control over the Issuer. OpenGate was founded in 2005 and is a global private equity firm active in the lower-middle market and focused on acquiring corporate carve-outs, turnarounds and special situations throughout North America and Western Europe. At the date of this Prospectus, OpenGate's Fund I (the owner of the Issuer) owns and operates nine 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.

Shareholders' agreements

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

Overview of Group structure

Currently, the Issuer has, directly and indirectly, nine wholly-owned subsidiaries.

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

Jotul Holdings S.A. (B203258) owns directly 100 per cent. of the shares in Jøtul AS. Jøtul AS owns directly 100 per cent. of the shares in Scan A/S (DK84550728), Jotul France S.A.S. (311472351 RCS Lyon), Jotul Spain S.L.U. ((ES) B99091910), Jotul Polska SP. Z.O.O. (0000092666), Jotul North America Inc. (US EIN No. 01-0371493), Jotul Italy Srl (0584040963) and Jotul (UK) Limited (03879828).

Recent events and investments

In February 2018, the Issuer acquired all the shares in Jøtul AS, and consequently became the parent company of the Group.

On 19 January 2018, the Issuer sold all its shares in the dormant subsidiary Sade Holding SAS for an amount of EUR 1.

In May 2018, the Issuer contributed NOK 300,000,000 to Jøtul AS in exchange of one share with a par value of NOK 1.

In December 2018, the Issuer contributed an additional NOK 50,000,000 to Jøtul AS through a conversion of debt.

During 2018, the Issuer has granted multiple loans at arm's length terms to Jøtul AS, which at the date of this Prospectus amounts to approximately NOK 2,563,174

Besides the aforementioned acquisitions/divestments no member of the Group has made any material investments since the date of the last published audited financial statements for any member of the Group.

Besides the aforementioned, there has been no recent event particular to the Group which is to a material extent relevant to the evaluation of the Issuer's or the Guarantors' solvency since the date of the last published consolidated audited financial statements for any member of the Group.

Significant change and trend information

There has been no material adverse change in the prospects of the Group, including each Guarantor, since 31 December 2017, the date of publication of its last audited annual accounts and no significant change in the financial or trading position of the Group since 31 December 2018 and, in respect of each Guarantor, since 30 September 2018, the end of the last financial period for which interim financial information has been published in respect of the Group and each Guarantor.

Current trends affecting the Group's business include the growing awareness among consumers that stoves and fireplaces are a modern and sustainable source of heating; many new products being launched have modern combustion technology which ensures higher efficiency and lower particle emissions. Internationally, the dialogue around sustainable environmental development has intensified, which is also affecting Jøtul's industry as can be seen by the stricter environmental regulation for stoves and fireplaces being introduced in the near future. In Europe, this will be achieved through Ecodesign LOT 20 (to be implemented by 2022) and in the US through the Environmental Protection Agency ("EPA") 2020.

Legal and arbitration proceedings

Jotul North America is currently the defendant in two on-going asbestos cases in the United States. Both cases have been dormant during 2018. A claim amount has not been identified but the plaintiff was initially willing to settle for \$100,000. The dispute is not expected to have a material effect on the Group's financial position or profitability.

Besides the aforementioned, neither the Issuer, any of the Guarantors, nor any other member of the Group is, or has 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 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.

Credit rating

No credit rating has been assigned to the Issuer, any of the Guarantors or any other member of the Group, or its debt securities.

BOARD OF DIRECTORS AND MANAGEMENT

General

In its decision making and administration, the Group applies the applicable companies acts.

Board of directors

The board of directors of the Issuer currently consists of four 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 6, Rue Eugène Ruppert, L-2453, Luxembourg, Grand Duchy of Luxembourg or by telephone at: + 352 26 449 525. Further information on the members of the board of directors of the Issuer is set forth below.

Name	Previous engagements and education:
Julien Lagrèze Class A Manager	<ul style="list-style-type: none"> • Master of Science in Finance, CETFI – University d'Aix-Marseille III. • No other current commitments.
Andrew Nikou Class A Manager	<ul style="list-style-type: none"> • Bachelor of Science in Finance, University of Southern California, Marshall School of Business. • Other current commitments include being a member of the X Prize Foundation Innovation Board, holding a seat on the Board of Overseers at the Hammer Museum Los Angeles and the Los Angeles Museum of Contemporary Art.
Fanny Auenallah Class B Manager	<ul style="list-style-type: none"> • Master in Management and Administration, IAE Metz, School of Management • Ms. Auenallah is a Senior Relationship Manager at Intertrust (Luxembourg) S.à r.l. Ms. Auenallah holds other board assignments through Intertrust but is, due to confidentiality restrictions in the frame of her contract with Intertrust, unable to disclose the details of such assignments.
David Catala Class B Manager	<ul style="list-style-type: none"> • Master in Commercial Sciences, Major in Business Management, Hogeschool-Universiteit. • Mr. Catala is a Business Unit Manager at Intertrust (Luxembourg) S.à r.l. Mr. Catala holds other board assignments through Intertrust but is, due to confidentiality restrictions in the frame of his contract with Intertrust, unable to disclose the details of such assignments.

Committees

As of the date of this Prospectus, the Group, including each Guarantor, has not established any audit or remuneration committee.

Management

The board of directors appoints the Group's chief executive officer ("**CEO**") and decides the terms of the CEO's employment. As at the date of this Prospectus, the CEO of Jøtul is Nils Agnar Brunborg. The CEO is responsible for implementing the goals, plans, policy and objectives set by the board of directors. The board of directors evaluates the CEO's work and the achievement of its goals. The CEO is furthermore responsible for developing general strategic and business plans for presentation to the Board of Directors.

In Jøtul's operative management, the CEO is assisted by the management team. As at the date of this Prospectus, the management consists of eight members. Further information on the management is set forth below.

Name	Previous engagements and education:
Nils Agnar Brunborg CEO (joined in 2017)	<ul style="list-style-type: none"> • Master of Science in Business Administration, Norges Handelshøyskole. • Other current commitments include being the chairman of the board at Mi Consulting AS.
Amund Skaaden Chief Financial Officer (joined in 2019)	<ul style="list-style-type: none"> • Master of Science in Entrepreneurship and Technology, Norwegian University of Science and Technology. • No other current commitments.
Brian Steen Ørum Product Development & Product Portfolio Manager (joined in 2017)	<ul style="list-style-type: none"> • Industrial Engineer, Syddansk Ehversskole and B.A. Manufacturing, Syddansk Universitet. • Other current commitments include being a board member Wingreen Energy Saving Window and Door System (China).
Henrik D. Hansen Managing Director, Scan AS (joined in 2016)	<ul style="list-style-type: none"> • B.A. Manufacturing, Syddansk Universitet. • No other current commitments.
René Christensen Senior Vice President Sales, North-Europe (joined in 2000)	<ul style="list-style-type: none"> • Bachelor of Science in Management, Handelshøyskolen BI. • Other current commitments include being the chairman of the board at Kamaje AS.
Guy-Cédric Galea Managing Director, Jotul France S.A.S. and South Europe (joined in 2003)	<ul style="list-style-type: none"> • Diplômé Programme Grande Ecole, EM Lyon Business School.

	<ul style="list-style-type: none"> • President Jotul Italia, President Jotul Hispania and Administrator AICO Spa.
Bret Watson President Jotul North America (joined in 1998)	<ul style="list-style-type: none"> • Bachelor of Science in Economics and Psychology, St. Lawrence University and Master of Business Administration, University of Vermont. • Other current commitments include being a member of the board of directors at Greater Boston Manufacturing Partnership and State of Maine Workforce Investment Board.
Lars Tore Heggem COO (joined in 2017)	<ul style="list-style-type: none"> • Mechanical Engineer, Göteborg Tekniska Institut. • Other current commitments include being the chairman of the board of directors at Molde Glasservice AS and chairman of the board of directors at LTH Eiendom og Handel AS.

Conflicts of interest within administrative, management and control bodies

Some members of the board of directors and the management have private interests in the Issuer and the Guarantors by their holding of shares in the Issuer's direct parent company Stove Investment Holdings S.á r.l. through OGCP I Employee CO-Invest, L.P. 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 and/or other duties 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, or engaging in future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

GUARANTORS

The entities providing unconditional and irrevocable guarantees for the obligations under the Terms and Conditions are detailed below. Each Guarantor and each member of the board of directors and management of each Guarantor may be contacted through the address and contact details of such Guarantor as set out below.

Jøtul AS

Jøtul AS (established 13 February 2006, business identity code 989 519 247) is a limited liability company incorporated in Norway and operating under, and in compliance with, Norwegian laws, including Norway's corporate governance regime, with its domicile in Fredrikstad, Norway. Jøtul AS may be contacted at its registered address PO. Box 1411, NO-1602 Fredrikstad, Norway or by telephone at: +47 69 35 90 00. According to Article 3 of its articles of association, Jøtul AS engages in industry, trade and investment business and operations in relation thereto.

At the date of this Prospectus the paid share capital of Jøtul AS is approximately NOK 135,914,000 represented by 1 share. As at 31 December 2017, Jøtul AS's total assets amounted to approximately NOK 503,267,000, total equity amounted to approximately NOK -237,359,000.

Information on the members of the board of directors of Jøtul AS is set forth below.

Name	Previous engagements and education:
Nils Agnar Brunborg Chairman of the board since 28 February 2018	<ul style="list-style-type: none"> • Master of Science in Business Administration, Norges Hanelshøyskole. • Other current commitments include being the chairman of the board at Mi Consulting AS.
Øyvind Sandnes Member of the board since 28 February 2018	<ul style="list-style-type: none"> • Master of Science in Business, BI Norwegian Business School and Master in accounting, NHH Norwegian School of Economics. • Other current commitments include being the chairman of the board at Scala Consulting AS, chairman of the board at Completum AS and member of the board at Cityplan AS.
Lars Tore Heggem Member of the board since 28 February 2018	<ul style="list-style-type: none"> • Mechanical Engineer, Göteborg Tekniska Institut. • Other current commitments include being the chairman of the board of directors at Molde Glasservice AS and chairman of the board of directors at LTH Eiendom og Handel AS.
René Christensen Member of the board since 28 February 2018	<ul style="list-style-type: none"> • Bachelor of Science in Management, Handelshøyskolen BI. • Other current commitments include being the chairman of the board at Kamaje AS.

Arild Johannessen Member of the board 4 September 2006	<ul style="list-style-type: none"> • No higher education. • No other current commitments.
Geir Harry Bunes Member of the board since 4 September 2006	<ul style="list-style-type: none"> • No higher education. • No other current commitments.
Erik Noren Member of the board since 20 July 2018	<ul style="list-style-type: none"> • Courses in management, Høgskolen i Sør-Trøndelag. • Other current commitments include being a member of the board at Norges Støperitekniske Forening.

Scan A/S

Scan A/S (established 7 December 1984, business identity code 84550728) is a limited liability company incorporated in Denmark and operating under, and in compliance with, Danish laws, including Denmark's corporate governance regime, with its domicile in Vissenbjerg, Denmark. Scan A/S may be contacted at its registered address Glasvænget 3 – 9, DK-5492 Vissenberg, Denmark or by telephone at: +45 64 47 31 31. According to Article 3 of its articles of association, Scan A/S engages in the production and sale of goods.

At the date of this Prospectus the paid share capital of Scan A/S is DKK 11,000,000 represented by 110,000 shares. As at 31 December 2017, Scan A/S's total assets amounted to approximately DKK 61,790,000 and total equity amounted to approximately DKK 14,939,000.

Information on the members of the board of directors of Scan A/S is set forth below.

Name	Previous engagements and education:
Nils Agnar Brunborg Chairman of the board since 15 February 2017	<ul style="list-style-type: none"> • Master of Science in Business Administration, Norges Hanelshøyskole. • Other current commitments include being the chairman of the board at Mi Consulting AS.
Øyvind Sandnes Member of the board since 21 March 2014	<ul style="list-style-type: none"> • Master of Science in Business, BI Norwegian Business School and Master in accounting, NHH Norwegian School of Economics. • Other current commitments include being the chairman of the board at Scala Consulting AS, chairman of the board at Completum AS and member of the board at Cityplan AS.
Bent Palle Dahl Member of the board since 2000	<ul style="list-style-type: none"> • Teknomom – Odense Tekniske Skole • No other current commitments.

René Christensen Member of the board since 15 February 2017	<ul style="list-style-type: none"> • Bachelor of Science in Management, Handelshøyskolen BI. • Other current commitments include being the chairman of the board at Kamaje AS.
Hans Erik Rosenkrantz Dahl Member of the board since 1996	<ul style="list-style-type: none"> • Handelsskolen - Odense • No other current commitments.

Jotul France S.A.S.

Jotul France S.A.S. (established 3 March 1998, business identity code 311 472 351 R.C.S Lyon) is a limited liability company incorporated in France and operating under, and in compliance with, French laws, including France's corporate governance regime, with its domicile in Lyon, France. Jotul France S.A.S. may be contacted at its registered address 3, chemin du Jubin, FR-69574 Dardilly Cedex, France or by telephone at: +33 472 522 240. According to Article 2 of its articles of association, Jotul France S.A.S. engages 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.

At the date of this Prospectus the paid share capital of Jotul France S.A.S. is EUR 728,400 represented by 48,560 shares. As at 31 December 2017, Jotul France S.A.S.' total assets amounted to EUR 8,582,199 and total equity amounted to EUR 4,001,869.

Information on the member of the board of directors of Jotul France S.A.S. is set forth below.

Name	Previous engagements and education:
Nils Agnar Brunborg Chairman of the board since 1 February 2017	<ul style="list-style-type: none"> • Master of Science in Business Administration, Norges Hanelshøyskole. • Other current commitments include being the chairman of the board at Mi Consulting AS.

Jotul North America Inc.

Jotul North America Inc. (established on 7 September 1979, US EIN No. 01-0371493) is a limited liability company incorporated in, and operating under, and in compliance with, the laws of, Delaware, United States, including the applicable corporate governance regime, with its domicile in Wilmington, County of New Castle, Delaware, United States. Jotul North America Inc. may be contacted at its registered address 55 Hutcherson Drive, Gorham, Maine 04038, USA or by telephone at: +12 077 975 912. According to the third paragraph its articles of association, 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 therero, whether manufactured by the corporation or by others

At the date of this Prospectus the paid share capital of Jotul North America Inc. is USD 1.00 represented by 1,000 shares. As at 31 December 2017, Jotul North America Inc.'s total assets amounted to USD 8,422,000 and total equity amounted to USD 5,278,000.

Information on the members of the board of directors of Jotul North America Inc. is set forth below.

Name	Previous engagements and education:
<p>Nils Agnar Brunborg Chairman of the board since 27 March 2017</p>	<ul style="list-style-type: none"> • Master of Science in Business Administration, Norges Hanelshøyskole. • Other current commitments include being the chairman of the board at Mi Consulting AS.
<p>Øyvind Sandnes Member of the board since 27 March 2017</p>	<ul style="list-style-type: none"> • Master of Science in Business, BI Norwegian Business School and Master in accounting, NHH Norwegian School of Economics. • Other current commitments include being the chairman of the board at Scala Consulting AS, chairman of the board at Completum AS and member of the board at Cityplan AS.
<p>Bret Watson Member of the board since 11 March 1998</p>	<ul style="list-style-type: none"> • Bachelor of Science in Economics and Psychology, St. Lawrence University and Master of Business Administration, University of Vermont • Other current commitments include being a member of the board of directors at Greater Boston Manufacturing Partnership and State of Maine Workforce Investment Board.
<p>Paul Haroldsen Member of the board since 27 March 2017</p>	<ul style="list-style-type: none"> • Bachelor of Science in Management Accounting, Husson University and Master of Business Administration, Sacred Heart University. • No other current commitments.
<p>Scott Clinch Member of the board since 27 March 2017</p>	<ul style="list-style-type: none"> • Bachelor of Science in Industrial Technology, University of Southern Maine and International Masters of Business Administration, Southern New Hampshire University. • No other current commitments.

SELECTED FINANCIAL INFORMATION

The following is an overview of the Issuer's audited financial statements for the financial years ended 31 December 2017 and 31 December 2016, i.e. prior to the acquisition of Jøtul AS. These figures are derived from the Issuer's financial statements for the financial year ended 31 December 2017. The Issuer's financial statements for the financial years ended 31 December 2017 and 31 December 2016 was originally prepared in accordance with generally accepted accounting principles in Luxembourg but have, for the purpose of this Prospectus, been prepared in accordance with the applicable International Financial Reporting Standards ("**IFRS**") as adopted by the EU.

Following the acquisition of Jøtul AS in February 2018, the Issuer is responsible for preparing consolidated financial statements for the Group. Prior to the acquisition, Jøtul AS (together with its direct and indirect subsidiaries the "**Original Jøtul Group**") was responsible for preparing consolidated financial statements for the Original Jøtul Group. Therefore, in addition to the Issuer's audited financial statements, an overview of the Original Jøtul Group's audited consolidated financial statements for the financial years ended 31 December 2017 and 31 December 2016 are presented below and have, for the purpose of this Prospectus been translated from Norwegian to English. The Original Jøtul Group's consolidated financial statements for the financial years ended 31 December 2017 and 31 December 2016 have been prepared in accordance with IFRS as adopted by the EU.

In addition, below is an overview of Scan A/S', Jotul France S.A.S.' and Jotul North America Inc.'s audited financial statements for the financial years ended 31 December 2017 and 31 December 2016. These figures are derived from the companies' financial statements for the financial year ended 31 December 2017 and have been prepared in accordance with general accepted accounting principles in Denmark, France and USA, respectively. Furthermore, both Scan A/S' and Jotul France S.A.S.' financial statements have, for the purpose of this Prospectus, been translated to English.

Furthermore, an overview of the Group's unaudited consolidated interim management accounts for the 12 months ended 31 December 2018 are presented below. For the purpose of comparability these management accounts also include the Original Jøtul Group's consolidated accounts for the 12 months ended 31 December 2017. In addition, an overview of Jøtul AS', Scan A/S', Jotul France S.A.S.' and Jotul North America Inc.'s unaudited interim management accounts for the nine months ended 30 September 2018 are also presented below.

The information set out below has been derived from the Issuer's audited financial statements for the financial year ended 31 December 2017, the Original Jøtul Group's audited consolidated financial statements for the financial year ended 31 December 2017, Scan A/S' audited financial statements for the financial year ended 31 December 2017, Jotul France S.A.S.' audited financial statements for the financial year ended 31 December 2017, Jotul North America Inc.'s audited financial statements for the financial year ended 31 December 2017, and from the Group's unaudited consolidated management accounts for the 12 months ended 31 December 2018 and Jøtul AS', Scan A/S', Jotul France S.A.S.' and Jotul North America Inc.'s unaudited interim management accounts for the nine months ended 30 September 2018. The information set out below should be read in conjunction with, and is qualified in its entirety by reference to, such financial statements or interim management accounts and their respective related notes.

THE ISSUER

STATEMENT OF COMPREHENSIVE INCOME	For the year ended 31 December 2017 (audited)	For the period from 22 December 2015 – 31 December 2016 (audited)
	(NOK)	
Administrative expenses	-226,242	-309,567
Loss before income tax	-226,242	-309,567
Other comprehensive income		
Currency translation differences	-25,679	-59
Total comprehensive loss for the year/period	-252,147	-314,596

STATEMENT OF FINANCIAL POSITION	As at 31 December	
	2017 (audited)	2016 (audited)
	(NOK)	
ASSETS		
Total Assets	13,767	96,368
EQUITY AND LIABILITIES		
Total Equity	-447,455	-195,308
Total Current liabilities	461,222	291,676
Total equity and liabilities	13,767	96,368

STATEMENT OF CASH FLOW	For the year ended 31 December 2017 (audited)	For the period from 22 December 2015 – 31 December 2016 (audited)
	(NOK)	
Net cash used in operating activities	-87,535	-20,912
Net cash used in investing activities	0	-9
Net cash flows from financing activities	0	119,288
Cash and cash equivalents at the end of the year/period	8,492	93,118

JØTUL AS

(consolidated)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	For the year ended 31 December	
	2017 (audited)	2016 (audited)
	(Thousand NOK)	
Total operating income	922,764	890,435
Total comprehensive income for the year	-339,419	-54,527

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	As at 31 December	
	2017 (audited)	2016 (audited)
	(Thousand NOK)	
ASSETS		
Total assets	576,835	917,358
EQUITY AND LIABILITIES		
Total equity	-211,778	127,642
Total liabilities	788,613	789,716
Total equity and liabilities	576,835	917,358

	For the year ended 31 December	
	2017	2016
	(audited)	(audited)
CONSOLIDATED STATEMENT OF CASH FLOW	<i>(Thousand NOK)</i>	
Net cash flow from operating activities	67,841	23,599
Net cash flows from investing activities	-33,290	-30,915
Net cash flows from financing activities	-34,150	7,019
Cash and bank deposits at end of period	6,294	5,893

THE GROUP

	For the 12 months ended 31 December	
	2018	2017
	(unaudited)	(unaudited)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	<i>(Thousand NOK)</i>	
Net Sales	912,278	906,160
Profit for the year	-53,557	-355,467

	As at 31 December	
	2018	2017
	(unaudited)	(unaudited)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	<i>(Thousand NOK)</i>	
ASSETS		
Total assets	568,134	576,835
EQUITY AND LIABILITIES		
Total equity	-13,555	-174,137
Total liabilities	581,689	750,972
Total equity and liabilities	568,134	576,835

CONSOLIDATED STATEMENT OF CASH FLOW	For the 12 months ended 31 December	
	2018	2017
	(unaudited)	(unaudited)
	<i>(Thousand NOK)</i>	
Net cash flow from operating activities	1,116	58,414
Net cash flows from investing activities	-33,393	-23,863
Net cash flows from financing activities	143,794	-34,150
Cash and cash equivalents at end of period	117,811	6,294

SCAN A/S

Income statement

(thousands DKK)	2017	2016
	(audited)	(audited)
Revenue	109,570	109,682
Profit/loss for the year	-16,415	-13,182

Balance sheet

(thousands DKK)	2017	2016
	(audited)	(audited)
ASSETS		
Total assets	61,790	70,497
EQUITY AND LIABILITIES		
Total equity	14,939	-3,646
Total liabilities other than provisions	46,851	72,471
Total equity and liabilities	61,790	70,497

Cash flow statement

(thousands DKK)	2017 (audited)	2016 (audited)
Cash flows from operating activities	-1,230	-763
Cash flows to investing activities	-5,495	-7,907
Cash flows from financing activities	34,536	-451
Cash and cash equivalents at 31 December	-19,767	-47,578

JOTUL FRANCE S.A.S.
Income statement

(thousands EUR)	2017 (audited)	2016 (audited)
Income	22,350	20,127
Profit/(loss) for the year	781	700

Balance sheet

(thousands EUR)	2017 (audited)	2016 (audited)
ASSETS		
Total assets	8,582	7,526
EQUITY AND LIABILITIES		
Total equity (including provisions for risk and charges)	4,121	3,946
Total debts	4,461	3,580
Total equity and liabilities	8,582	7,526

Cash flow statement

(thousands EUR)	2017 (audited)	2016 (audited)
Net cash provided by the business	1,864	1,149
Net cash provided by investing activities	-39	-118
Net cash provided by financing activities	-600	-800
Cash end of period	2,906	1,681

JOTUL NORTH AMERICA INC.

Statement of income

(USD)	2017 (audited)	2016 (audited)
Gross profit	9,641,878	9,432,044
Net income	938,891	845,055

Balance sheet

(USD)	2017 (audited)	2016 (audited)
ASSETS		
Total assets	10,042,568	9,504,707
EQUITY AND LIABILITIES		
Total liabilities	4,833,241	5,234,271
Total stockholders' equity	5,209,327	4,270,436

Total liabilities and shareholders' equity	10,042,568	9,504,707

Statement of cash flows

(USD)	2017	2016
	(audited)	(audited)
Net cash provided by operating activities	2,985,851	1,004,587
Net cash used by investing activities	-422,850	-589,723
Net cash provided/used by financing activities	-2,556,699	-482,388
Cash and equivalents, end of year	158,921	152,619

JØTUL AS

STATEMENT OF INCOME	For the nine months ended 30 September	
	2018	2017
	(unaudited)	(unaudited)
	<i>(Thousand NOK)</i>	
Net Sales	314,412	321,437
Profit for the year	-6,809	-48,122

Balance sheet

ASSETS		
Total assets	535,816	865,400
EQUITY AND LIABILITIES		
Total equity	93,473	96,364

Total liabilities	442,343	769,036
Total equity and liabilities	535,816	865,400

Cash flow statement

Net cash flow from operating activities	-33,334	-41,383
Net cash flows from investing activities	-9,355	-37,576
Net cash flows from financing activities	37,696	73,982
Cash and cash equivalents at end of period	5,258	5,695

SCAN A/S

STATEMENT OF INCOME	For the nine months ended 30 September	
	2018 (unaudited)	2017 (unaudited)
	<i>(Thousand DKK)</i>	
Net Sales	71,114	70,159
Profit for the year	-5,975	-9,159

Balance sheet

ASSETS		
Total assets	62,228	71,431

EQUITY AND LIABILITIES		
Total equity	7,398	7,196
Total liabilities	54,830	64,235
Total equity and liabilities	62,228	71,431

Cash flow statement

Net cash flow from operating activities	230	-15,669
Net cash flows from investing activities	-3,192	-4,421
Net cash flows from financing activities	3,966	20,169
Cash and cash equivalents at end of period	1,843	793

JOTUL FRANCE S.A.S.

	For the nine months ended 30 September	
	2018 (unaudited)	2017 (unaudited)
	<i>(Thousand EUR)</i>	
STATEMENT OF INCOME		
Net Sales	13,377	13,975
Profit for the year	93	381

Balance sheet

ASSETS		
Total assets	6,725	7,716
EQUITY AND LIABILITIES		
Total equity	3,397	3,603
Total liabilities	3,328	4,113
Total equity and liabilities	6,725	7,716

Cash flow statement

Net cash flow from operating activities	-300	-82
Net cash flows from investing activities	-44	-36
Net cash flows from financing activities	-700	-600
Cash and cash equivalents at end of period	1,862	963

JOTUL NORTH AMERICA INC.

STATEMENT OF INCOME	For the nine months ended 30 September	
	2018 (unaudited)	2017 (unaudited)
	<i>(Thousand USD)</i>	
Net Sales	17,196	15,363
Profit for the year	1,139	704

Balance sheet

ASSETS		
Total assets	12,117	12,256
EQUITY AND LIABILITIES		
Total equity	6,417	5,037
Total liabilities	5,700	7,219
Total equity and liabilities	12,117	12,256

Cash flow statement

Net cash flow from operating activities	1,972	103
Net cash flows from investing activities	-1,227	-202
Net cash flows from financing activities	-410	152
Cash and cash equivalents at end of period	430	206

HISTORICAL FINANCIAL INFORMATION

Historical financial information

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of Commission Regulation (EC) No 809/2004.

The Issuer's financial statements for the financial year ended 31 December 2017 and the related auditor's report are incorporated into this Prospectus by reference (please see section "*Other Information*"). For particular financial figures, please refer to the pages set out below:

- income statement, page 4;
- balance sheet, page 5;
- cash flow statement, page 6;
- statement of changes in equity, page 7;
- explanatory notes to the financial statements, pages 8-17; and
- the audit report, pages 1-3.

The Issuer's financial statements for the financial year ended 31 December 2016 and the related auditor's report are incorporated into this Prospectus by reference (please see section "*Other Information*"). For particular financial figures, please refer to the pages (page number as in the electronic pdf version) set out below:

- income statement, page 6;
- balance sheet, page 7;
- cash flow statement, page 8;
- statement of changes in equity, page 9;
- explanatory notes to the financial statements, pages 10-19; and
- the audit report, pages 3-5.

The Original Jøtul Group's consolidated financial statements for the financial year ended 31 December 2017 is incorporated into this Prospectus by reference (please see section "*Other Information*"). For particular financial figures, please refer to the pages (page number as in the electronic pdf version of the consolidated financial statements) the set out below:

- consolidated income statement, page 2;
- consolidated balance sheet, page 3 – 4;
- consolidated cash flow statement, page 6;
- consolidated statement of changes in equity, page 5;
- explanatory notes to the consolidated financial statements, pages 7-31; and
- the audit report, page 32 – 34.

The Original Jøtul Group's consolidated financial statements for the financial year ended 31 December 2016 is incorporated into this Prospectus by reference (please see section "*Other Information*"). For particular financial figures, please refer to the pages (page number as in the electronic pdf version of the consolidated financial statements) set out below:

- consolidated income statement, page 2;
- consolidated balance sheet, page 3 – 4;

- consolidated cash flow statement, page 6;
- consolidated statement of changes in equity, page 5;
- explanatory notes to the consolidated financial statements, pages 7-31; and
- the audit report, page 32 – 34.

Scan A/S' financial statements for the financial year ended 31 December 2017 and the related auditor's report are incorporated into this Prospectus by reference (please see section "*Other Information*"). For particular financial figures, please refer to the pages set out below:

- income statement, page 8;
- balance sheet, pages 9-10;
- cash flow statement, page 12;
- statement of changes in equity, page 11;
- explanatory notes to the financial statements, pages 13-26; and
- the audit report, pages 3-4.

Scan A/S' financial statements for the financial year ended 31 December 2016 and the related auditor's report are incorporated into this Prospectus by reference (please see section "*Other Information*"). For particular financial figures, please refer to the pages set out below:

- income statement, page 9;
- balance sheet, pages 10-11;
- cash flow statement, page 13;
- statement of changes in equity, page 12;
- explanatory notes to the financial statements, pages 14-28; and
- the audit report, pages 3-4.

Jotul France S.A.S.' financial statements for the financial year ended 31 December 2017 and the related separate auditor's report are incorporated into this Prospectus by reference (please see section "*Other Information*"). For particular financial figures, please refer to the pages set out below:

- income statement, pages 5, 30-36;
- balance sheet, pages 3-4, 26-29;
- statement of changes in equity, pages 4, 14, 28; and
- explanatory notes to the financial statements, pages 9-20.

For the purpose of this prospectus, Jotul France S.A.S. has prepared a separate cash flow statement and auditor's report relating to the cash flow statement for the financial year ended 31 December 2017, which are incorporated into this Prospectus by reference (please see section "*Other Information*"). For the particular cash flow statement figures, please refer to the pages (page number as in the electronic pdf version of the cash flow statement) set out below:

- cash flow statement, page 4; and
- the audit report, page 2.

Jotul France S.A.S.' financial statements for the financial year ended 31 December 2016 and the related separate auditor's report are incorporated into this Prospectus by reference (please see section "*Other Information*"). For particular financial figures, please refer to the pages set out below:

- income statement, pages 5, 31-37;
- balance sheet, pages 3-4, 26-30;
- statement of changes in equity, pages 4, 14, 29; and
- explanatory notes to the financial statements, pages 9-20.

For the purpose of this prospectus, Jotul France S.A.S. has prepared a separate cash flow statement and auditor's report relating to the cash flow statement for the financial year ended 31 December 2016, which are incorporated into this Prospectus by reference (please see section "*Other Information*"). For the particular cash flow statement figures, please refer to the pages (page number as in the electronic pdf version of the cash flow statement) set out below:

- cash flow statement, page 3; and
- the audit report, page 2.

Jotul North America Inc.'s financial statements for the financial year ended 31 December 2017 and the related auditor's report are incorporated into this Prospectus by reference (please see section "*Other Information*"). 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;
- statement of changes in equity, page 2;
- explanatory notes to the financial statements, pages 5-11; and
- the audit report, page 1.

Jotul North America Inc.'s financial reports for the financial year ended 31 December 2016 and the related auditor's report are incorporated into this Prospectus by reference (please see section "*Other Information*"). 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;
- statement of changes in equity, page 2;
- explanatory notes to the financial statements, pages 5-11; and
- the audit report, pages 1.

The Group's unaudited consolidated interim management accounts for the period 1 January 2018 to 31 December 2018 is incorporated into this Prospectus by reference (please see section "*Other Information*"). For particular financial figures, please refer to the pages (page number as in the electronic pdf version of the cash flow statement) set out below:

- consolidated income statement, page 2;
- consolidated statement of financial position, pages 3 – 4;
- consolidated cash flow statement, page 5; and
- explanatory notes, pages 7-8.

The unaudited interim management accounts in respect of Jøtul AS for the period 1 January 2018 to 30 September 2018 is incorporated into this Prospectus by reference (please see section "*Other Information*"). For particular financial figures, please refer to the pages (page number as in the electronic pdf version of the financial statements) set out below:

- income statement, page 2;
- statement of financial position, pages 3 – 4;
- cash flow statement, page 5; and
- explanatory notes, pages 6-7.

The unaudited interim management accounts in respect of Scan A/S for the period 1 January 2018 to 30 September 2018 is incorporated into this Prospectus by reference (please see section "*Other Information*"). For particular financial figures, please refer to the pages (page number as in the electronic pdf version of the financial statements) set out below:

- income statement, page 2;
- statement of financial position, pages 3 – 4;
- cash flow statement, page 5; and
- explanatory notes, pages 6-10.

The unaudited interim management accounts in respect of Jotul France S.A.S. for the period 1 January 2018 to 30 September 2018 is incorporated into this Prospectus by reference (please see section "*Other Information*"). For particular financial figures, please refer to the pages (page number as in the electronic pdf version of the financial statements) set out below:

- income statement, page 2;
- statement of financial position, pages 3-4;
- cash flow statement, page 5; and
- explanatory notes, pages 6-7.

The unaudited interim management accounts in respect of Jotul North America Inc. for the period 1 January 2018 to 30 September 2018 is incorporated into this Prospectus by reference (please see section "*Other Information*"). For particular financial figures, please refer to the pages (page number as in the electronic pdf version of the financial statements) set out below:

- income statement, page 2;
- statement of financial position, pages 3 – 4;
- cash flow statement, page 5; and
- explanatory notes, pages 6-7.

The Issuer's financial statements for the financial year ended 31 December 2017 and 31 December 2016 have for the purpose of this prospectus been prepared in accordance with IFRS as adopted by the EU.

The Group's consolidated interim management accounts for the period 1 January 2018 to 30 September 2018 has not been audited.

The Original Jøtul Group's consolidated financial statements for the financial year ended 31 December 2017 and 31 December 2016 have been prepared in accordance IFRS as adopted by the EU and have for the purpose of this Prospectus been translated from Norwegian to English.

All references to the Original Jøtul Group's consolidated financial statements for the financial year ended 31 December 2017 and 31 December 2016 is a reference to the English translated version.

Scan A/S' financial statements for the financial year ended 31 December 2017 and 31 December 2016 have been prepared in accordance with general accepted accounting principles in Denmark and have for the purpose of this Prospectus been translated from Danish to English. All references to Scan A/S' financial statements for the financial year ended 31 December 2017 and 31 December 2016 is a reference to the English translated version.

Jotul France S.A.S.' financial statements for the financial year ended 31 December 2017 and 31 December 2016 have been prepared in accordance with general accepted accounting principles in France and have for the purpose of this Prospectus been translated from French to English. All references to Jotul France S.A.S.' financial statements for the financial year ended 31 December 2017 and 31 December 2016 is a reference to the English translated version.

Jotul North America Inc.'s financial statements for the financial year ended 31 December 2017 and 31 December 2016 have been prepared in accordance with general accepted accounting principles in US.

The Guarantors' interim management accounts for the period 1 January 2018 to 30 September 2018 has not been audited.

Other than the auditing of the Original Jøtul Group's consolidated financial statements for the financial years ended 31 December 2017 and 31 December 2016, the Issuer's financial statements for the financial years ended 31 December 2017 and 31 December 2016, Scan A/S' financial statements for the financial years ended 31 December 2017 and 31 December 2016 and Jotul France S.A.S.' financial statements for the financial years ended 31 December 2017 and 31 December 2016, the Group's auditors have not audited or reviewed any part of this Prospectus.

Auditing of the annual historical financial information

The Issuer's financial statements for the financial years 2016 and 2017 have been audited, as applicable, by Deloitte Audit Société à responsabilité limitée, 560 Rue de Neudorf L-2220, Luxembourg ("**Deloitte**"). Deloitte is an independent registered accounting firm. The auditor who signs on behalf of Deloitte, being a *Réviseur d'Enterprises agréé*, is a member of *Institut des Réviseurs d'Enterprises*, the professional body for the accountancy sector in Luxembourg. Eddy Termaten was the responsible audit partner for the Issuer's financial statements for the financial years 2016 and 2017. Intertrust Supervisory Audit Services S.à r.l. will be the supervisory auditor (*commissaire aux comptes*) for the Issuer until the annual general meeting for the financial year ended 31 December 2023.

The Original Jøtul Group's consolidated financial statements for the financial years ended 31 December 2016 and 31 December 2017 have been audited, as applicable, by Ernst & Young AS, Dronning Eufemias gate 6, Oslo, Norway. Knut Aker was the responsible auditor for the Original Jøtul Group's consolidated financial statements for the financial years 2016 and 2017. Knut Aker is an authorised auditor and a member of the Norwegian Institute of Public Accountants, the professional body for the accounting sector in Norway. In connection with the Issuer's acquisition of the Original Jøtul Group, Deloitte was appointed as responsible auditor for the

Group for the financial year ending 31 December 2018. Eddy Termaten will be the responsible audit partner.

Scan A/S' financial statements for the financial years ended 31 December 2016 and 31 December 2017 have been audited, as applicable, by Ernst & Young P/S, Værkmestergade 25, Aarhus, Denmark. Henrik Andersen was the responsible auditor for Scan A/S' financial statements for the financial years 2016 and 2017. Henrik Andersen was, by being an employee of Ernst & Young P/S, automatically, an ordinary member of the professional body FSR (Foreningen af Statsautoriserede Revisorer), the professional institute for the accountancy sector in Denmark.

Jotul France S.A.S.' financial statements for the financial years ended 31 December 2016 and 31 December 2017 have been audited, as applicable, by CAP Office, 12, quai du commerce, 69009 Lyon, France. CAP Office is a registered member of the CRCC de Lyon (the regional court of CNCC national association) and Ordre des Experts-Comptables (the "OEC"). Christophe Reymond was the responsible auditor for Jotul France S.A.S.' financial statements for the financial years 2016 and 2017. Christophe Reymond is an authorised auditor and a member of the professional bodies OEC and CRCC, the professional institutes for the accounting sector in France.

Jotul North America Inc.'s financial statements for the financial years ended 31 December 2016 and 31 December 2017 have been audited, as applicable, by McLeod Ascanio, 844 Stevens Avenue, Portland, Maine. Scott McLeod, was the responsible auditor for Jotul North America Inc.'s financial statements for the financial years 2016 and 2017. Scott McLeod is licensed to practice in Maine and Maine's license is recognized in all 50 states of the USA. Scott is a member of the professional bodies the American Institute of Certified Public Accountants and the Maine Society of CPAs, the professional institutes for the accountancy sector in the USA.

The auditing of the Original Jøtul Group's consolidated financial statements, the Issuer's financial statements, Scan A/S' financial statements and Jotul France S.A.S.' financial statements, incorporated in this Prospectus by reference, was conducted in accordance with international standards on auditing and the audit reports were submitted without comment.

Age of the most recent financial information

The most recent audited financial information has been taken from the Original Jøtul Group's consolidated financial statements for the financial year ended 31 December 2017, the Issuer's financial statements for the financial year ended 31 December 2017, which was published on 2 January 2019 on the Group's website (www.jotul.com/int), and from Scan A/S' financial statements for the financial year ended 31 December 2017, Jotul North America Inc. financial statements for the financial year ended 31 December 2017 and Jotul France S.A.S.' financial statements for the financial year ended 31 December 2017, which were published on 8 April 2019 on the Group's website (www.jotul.com/int).

Alternative performance measures

The Group uses certain financial measures in the financial statements and the interim reports, which, in accordance with the "Alternative Performance Measures" guidelines of ESMA, are not financial measures of historical or future financial performance, financial position or cash flows, defined or specified in the applied accounting principles and are, therefore, considered to be alternative performance measures. The Group uses alternative performance measures as

additional information to financial measures presented in the management accounts. The alternative performance measures do not replace performance measures in accordance with the applied accounting principles, nor should they be viewed in isolation or as a substitute to the financial measures according to the applied accounting principles.

Jøtul uses the following alternative performance measures in the audited consolidated financial statements in respect of the Original Jøtul Group:

Alternative performance measure:	Definition:	Reason used:
Operating profit/loss (EBITDA)	Net sales and other operating income minus operating expenses adjusted for non-recurring items.	Measures profit/loss in operations.

The Issuer and the Guarantors use the following alternative performance measures in the unaudited interim management accounts:

Alternative performance measure:	Definition:	Reason used:
Operating profit/loss (EBITDA)	Net sales and other operating income minus operating expenses adjusted for non-recurring items.	Measures profit/loss in operations before depreciations and write-downs.
Non-recurring items (NRI)	Extraordinary expenses that relate to activities that are one-time in nature and considered outside the scope of natural expenses for the company.	Measures operating profit/loss less expenses that are one-time in nature and considered outside the scope of natural expenses. The reason for using this is to give insight on the performance of underlying business.

Alternative performance measures, as such are presented, are primarily derived from performance measures as reported in accordance with the applied accounting principles by adding or deducting the items affecting comparability and they will be nominated as adjusted. Items affecting comparability are, among others, material items related to mergers and acquisitions or major development projects, material gains or losses related to the acquisition or disposals of business units, material gains or losses related to the acquisition or disposal of intangible assets, material expenses related to decisions by authorities and material gains or losses related to reassessment of potential repayment. Jøtul believes that alternative performance measures better denote the financial performance of its business and improve the comparability between different financial periods. Further, Jøtul believes that alternative performance measures provide the Issuer's management, investors, market analysts and other parties with considerable additional information relating to Jøtul's financial condition, results of operations and cash flows.

Alternative performance measures may differ in its use from company to company and the calculation formulas used by different companies may not be uniform. Therefore, the alternative performance measures used by Jøtul may not be comparable with other similarly titled measures presented by other companies. Furthermore, the alternative performance measures may not be indicative of Jøtul's historical results of operations and are not meant to be predictive of future prospects.

OTHER INFORMATION

Assurance regarding the Prospectus

Jotul Holdings SA 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 340,000,000 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 60,000,000 (which, for the avoidance of doubt, are not covered by this Prospectus). Each Bond has a nominal amount of NOK 1.00. The ISIN for the Bonds is NO0010815749.

The Bonds have been issued in accordance with Swedish law. The Bonds are connected to the account-based system of VPS ASA. No physical notes have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through the Paying Agent.

Representation of the Bondholders

The Terms and Conditions stipulates the provisions for the Agent's representation of the Bondholders.

Notices to Bondholders and press releases

The Terms and Conditions stipulates the provisions for the Issuer and the Agent's notices to the Bondholders and press releases. The Issuer publishes notices and press releases through its new distributor beQuoted and all information published through beQuoted are published on the Issuer's website: jotul.com/int.

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 Group's website (www.jotul.com/int):

- the Issuer's financial statements including the auditor's reports for the financial years ended 31 December 2017 and 31 December 2016;
- the Original Jøtul Group's consolidated financial statements including the auditor's reports for the financial years ended 31 December 2017 and 31 December 2016; and
- Scan A/S' financial statements including the auditor's reports for the financial years ended 31 December 2017 and 31 December 2016;
- Jotul France S.A.S.' financial statements for the financial years ended 31 December 2017 and 31 December 2016;
- Jotul France S.A.S.' auditor's reports in respect of the financial statements for the financial years ended 31 December 2017 and 31 December 2016;
- Jotul France S.A.S.' cash flow statements including the auditor's reports for the financial years ended 31 December 2017 and 31 December 2016;
- Jotul North America Inc.'s financial statements including the auditor's reports for the financial years ended 31 December 2017 and 31 December 2016;
- the Group's consolidated interim management accounts for the period 1 January 2018 to 31 December 2018; and
- Jøtul AS' unaudited interim management accounts for the period 1 January 2018 to 30 September 2018.
- Scan A/S' unaudited interim management accounts for the period 1 January 2018 to 30 September 2018.
- Jotul France S.A.S.' unaudited interim management accounts for the period 1 January 2018 to 30 September 2018.
- Jotul North America Inc.'s interim management accounts for the period 1 January 2018 to 30 September 2018.

Documents available for inspection

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

- the Issuer's and the Guarantors' articles of association;
- the Issuer's and the Guarantors' certificates of registration;
- the Original Jøtul Group's consolidated financial statements including the auditor's report for the financial years ended 31 December 2017 and 31 December 2016;

- the Issuer's financial statements including the auditor's reports for the financial years ended 31 December 2017 and 31 December 2016;
- the financial statements and audit reports for the financial years ended 31 December 2017 and 31 December 2016 for each company within the Group (to the extent such Group companies were incorporated during 2017 and 2016 and have issued financial statements for such financial years);
- the cash flow statements including the auditor's reports for the financial years ended 31 December 2017 and 31 December 2016 for Jotul France S.A.S.;
- Jøtul AS' unaudited interim management accounts for the period 1 January 2018 to 30 September 2018.
- Scan A/S' unaudited interim management accounts for the period 1 January 2018 to 30 September 2018.
- Jotul France S.A.S.' unaudited interim management accounts for the period 1 January 2018 to 30 September 2018.
- Jotul North America Inc.'s interim management accounts for the period 1 January 2018 to 30 September 2018.
- this Prospectus;
- the Intercreditor Agreement; and
- the Guarantee Agreement.

The following documents are also available in electronic form on the Company's website (www.jotul.com/int):

- the Issuer's financial statements and audit report for the financial years ended 31 December 2017 and 31 December 2016;
- the Original Jøtul Group's consolidated financial statements and audit report for the financial years ended 31 December 2017 and 31 December 2016;
- Scan A/S' financial statements and audit report for the financial years ended 31 December 2017 and 31 December 2016;
- Jotul France S.A.S.' financial statements and audit report for the financial years ended 31 December 2017 and 31 December 2016;
- Jotul France S.A.S.' cash flow statements including the auditor's reports for the financial years ended 31 December 2017 and 31 December 2016;
- Jotul North America Inc.'s financial statements and audit report for the financial years ended 31 December 2017 and 31 December 2016;

- the Group's consolidated interim management accounts for the period 1 January 2018 to 31 December 2018; and
- Jøtul AS' unaudited interim management accounts for the period 1 January 2018 to 30 September 2018.
- Scan A/S' unaudited interim management accounts for the period 1 January 2018 to 30 September 2018.
- Jotul France S.A.S.' unaudited interim management accounts for the period 1 January 2018 to 30 September 2018.
- Jotul North America Inc.'s interim management accounts for the period 1 January 2018 to 30 September 2018.
- this Prospectus.

Costs relating to the admission to trading on the regulated market

The aggregate cost for the Bonds' admission to trading is estimated not to exceed EUR 55,000.

TAXATION

The following is a general discussion of certain tax consequences under the tax laws of Sweden and Luxembourg of the acquisition, ownership and disposal of the Bonds. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase the Bonds. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This overview is based on the laws of Sweden and Luxembourg currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

PROSPECTIVE PURCHASERS OF BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF THE BONDS, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES UNDER THE TAX LAWS APPLICABLE IN SWEDEN, LUXEMBOURG AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.

Sweden

Holders not tax resident in Sweden

Payments of any principal or any amount that is considered to be interest for Swedish tax purposes to the holder of any Bonds should not be subject to Swedish income tax, provided that such a holder (a) is not resident in Sweden for Swedish tax purposes or (b) does not have a permanent establishment in Sweden to which the Bonds are effectively connected.

However, broadly speaking, provided that the value of or the return on the Bonds relates to securities taxed as shares, private individuals who have been residents of Sweden for tax purposes due to a habitual abode or continuous stay in Sweden at any time during the calendar year of disposal or redemption or the ten calendar years preceding the year of disposal or redemption are liable for capital gains taxation in Sweden upon disposal or redemption of such Bonds. In a number of cases though, the applicability of this rule is limited by the applicable tax treaty.

Swedish withholding tax, or Swedish tax deduction, is not imposed on payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes, except in relation to certain payments of interest (and other distributions on Bonds) to a private individual (or the estate of a deceased individual) who is resident in Sweden for Swedish tax purposes (see "Holders tax resident in Sweden" below).

Holders tax resident in Sweden

In general, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in Sweden for Swedish tax purposes, all capital income (for example, income that is considered to be interest for Swedish tax purposes and capital gains on Bonds) will be taxable. Specific tax consequences may be applicable to certain categories of corporations, for example life insurance companies. Moreover, specific tax consequences may be applicable if, and to the extent that, a holder of Bonds realises a capital loss on the Bonds and to any currency exchange gains or losses. If amounts that are deemed as interest for Swedish tax purposes are paid by a legal entity domiciled in Sweden, including a Swedish branch, or clearing institution within the EEA, to a private individual (or an estate of a deceased individual) with residence in Sweden for Swedish tax purposes, Swedish preliminary taxes are normally withheld by the legal entity on such payments. Swedish preliminary taxes should normally also be withheld on other returns on

Bonds (but not capital gains), if the returns are paid out together with such a payment of interest referred to above.

Luxembourg

Please be aware that the residence concept used below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only.

Non-Residents

Under the Luxembourg tax law currently in effect, there is no withholding tax on payments of interest (including accrued but unpaid interest) made to a Luxembourg non-resident holder of Bonds qualifying as debt from a Luxembourg tax perspective. There is also no Luxembourg withholding tax upon repayment of the principal or upon redemption or exchange of the Bonds qualifying as debt.

Residents

Under the Luxembourg law dated December 23, 2005, a 20 per cent. withholding tax is levied on interest payments on the Bonds made by a Luxembourg paying agent to or for the immediate benefit of a Luxembourg resident individual. This withholding tax also applies on accrued interest received upon disposal, redemption or repurchase of the Bonds. Such withholding tax will be final if the beneficial owner is an individual acting in the course of the management of his/her private wealth and therefore not to be reported in the individual's personal income tax return. If not related to the management of the individual's personal wealth, such withholding tax does not represent a final tax and has to be reported in the income tax return.

Further, a Luxembourg resident individual who acts in the course of the management of his/her private wealth and who is the beneficial owner of an interest payment made by a paying agent established outside Luxembourg in a Member State of the EU or of the European Economic Area, may also opt for a final 20 per cent. levy. In such case, the 20 per cent. levy is calculated on the same amounts as for the payments made by Luxembourg resident paying agents. The option for the 20 per cent. levy must cover all interest payments made by all paying agents in the relevant countries to the Luxembourg resident beneficial owner during the entire civil year.

In each case described here above, responsibility for the withholding tax will be assumed by the Luxembourg paying agent.

Terms and Conditions

relating to the outstanding principal amount of NOK 340,000,000 Bonds to be admitted to trading on the regulated market Nasdaq Stockholm

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.

"**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.

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

"**Bondholders' Meeting**" means a meeting among the Bondholders held in accordance with Clause 18 (*Bondholders' Meeting*).

"**Bond**" means a debt instrument (*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.

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

"**Business Day Convention**" means the first following day that is a CSD Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a CSD Business Day.

"**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.

"Closing Date" means the date the acquisition of the Target Company is completed.

"Compliance Certificate" means a certificate, in the agreed form between the Agent and the Issuer, signed by the Issuer certifying 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. If the Compliance Certificate is provided in connection with an Incurrence Test, the certificate shall confirm satisfaction of the Incurrence Test and include calculations and figures in respect of the Incurrence Test.

"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.

"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 member of the Group;
- (b) before deducting any Net Finance Charges;
- (c) 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 (i) and (ii) may not exceed ten per cent. of EBITDA;
- (d) before taking into account any Transaction Costs and any transaction costs relating to any acquisition of any additional target company;
- (e) not including any accrued interest owing to any member of the Group;
- (f) 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);
- (g) 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;
- (h) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;

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

"Enterprise Value of the Target Company" means the sum of the Initial Bonds and the Equity Injection.

"Equity Injection" means the injection of equity to be made by the Sponsor to account for at least 40 per cent. of the Enterprise Value of the Target Company.

"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 a multilateral trading facility (as defined in Directive 2004/39/EC on markets in financial instruments).

"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 15.1 (*Non-Payment*) to Clause 15.8 (*Continuation of the Business*).

"Existing Debt" means the senior loan in an aggregated amount of approximately NOK 689,000,000 granted by Nordea Bank AB (publ), filial i Norge to the Group.

"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 31 January 2022.

"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 member of the Group 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 member of the Group 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 these Terms and Conditions, the Security Documents, the Guarantee and Adherence Agreement, the Intercreditor Agreement, the Fee Agreement and any other document designated by the Issuer and the Agent as a Finance Document.

"Finance Lease" 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 applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability).

"Financial Indebtedness" means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any Finance Leases;
- (c) receivables sold or discounted (other than receivables sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) 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);
- (f) 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
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)-(f).

"Financial Report" means the Group's annual audited consolidated financial statements and the quarterly interim unaudited reports of the Group, which shall be prepared and made available according to Clause 12.1(a)(i) and Clause 12.1(a)(ii).

"First Call Date" means the date falling 24 months after the First Issue Date.

"First Issue Date" means 21 February 2018.

"Floating Rate Margin" means 7.00 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, including the Target Group (each a **"Group Company"**).

"Guarantee" means the guarantee provided 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 the Target Company and any Subsidiary which is a Material Group Company on the Closing Date, to the extent permitted under applicable law (each a **"Guarantor"**).

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

"Incurrence Test" means the test in accordance with Clause 13.1 (*Incurrence Test*).

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

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

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

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) 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).

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the date hereof between among others the facility agent under the Super Senior RCF Documents (as defined in the Intercreditor Agreement), the Issuer, the Agent 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 31 January, 30 April, 31 July and 31 October of each year or, 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 30 April 2018 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 Jotul Holdings S.à r.l., a limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg, having its registered office at 6, Rue Eugène Ruppert, L-2453, Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under number B203258.

"**Make Whole Amount**" means the sum of:

- (a) the present value on the relevant record date of 103.500 per cent. of the Nominal Amount as if such payment originally should have taken place on the First Call Date; and
- (b) the present value on the relevant record date of the remaining interest payments (excluding accrued but unpaid interest up to the relevant redemption date) up to and excluding the First Call Date (assuming 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),

both calculated by using a discount rate of 50 basis points over the comparable Norwegian Government Bond Rate (i.e. comparable to the remaining duration of the Bonds until the First Call Date) (plus accrued but unpaid interest on redeemed amount up to (but excluding) the relevant redemption date).

"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 (a) the business, financial condition or operations of the Group taken as a whole, (b) the Group's ability to perform and comply with the Finance Documents, or (c) the validity or enforceability of the Finance Documents.

"Material Group Company" means the Issuer and any other Group Company with earnings before interest, tax, depreciation and amortisation calculated on the same basis as EBITDA representing five per cent. or more of EBITDA, or which has total assets representing five per cent. or more of the total assets of the Group, calculated on a consolidated basis according to the latest Financial Report.

"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 member of the Group and any interest income relating to cash or cash equivalent investment.

"Net Interest Bearing Debt" means the consolidated interest bearing debt less cash and cash equivalents of the Group in accordance with the applicable accounting principles of the Group from time to time.

"Net Proceeds" means the proceeds from the issuance of the Initial Bonds 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:

- (a) the interest rate fixed for a period comparable to the relevant Interest Period on Oslo Børs' webpage at approximately 12:15 p.m. (Oslo time) on the Interest Quotation Day or, on days on which Oslo Børs has shorter opening hours (New Year's Eve and the Wednesday before Maundy Thursday), the data published at approximately 10:15 a.m. (Oslo time) on the Interest Quotation Day shall be used; or
- (b) if no screen rate is available for the relevant Interest Period;

the linear interpolation between the two closes relevant interest periods, and with the same number of decimals, quoted under paragraph (a) above; or

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

- (c) if no quotation is available under paragraph (b), the interest rate which according to the reasonable assessment of the Agent and the Issuer best reflects the interest rate for deposits in NOK offered for the relevant Interest Period; and

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, less the aggregate amount by which that Bond has been redeemed in part pursuant to Clause 9.4 (*Voluntary partial redemption*).

"Norwegian Government Bond Rate" means the interest rate of debt securities instruments issued by the government of Norway on the day falling two (2) Business Days before the notification to the Bondholders of the Make Whole Amount pursuant to Clause 9.3(c).

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

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

"Permitted Debt" means any Financial Indebtedness:

- (a) incurred under the Bonds (except for any Subsequent Bonds);
- (b) incurred pursuant to any Finance Leases entered into in the ordinary course of the Group's business and relating to equipment, in a maximum aggregate amount not exceeding NOK 10,000,000;
- (c) 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;
- (d) 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 the Terms and Conditions and/or the Working Capital Facility (as defined in item (i) below), but not any transaction for investment or speculative purposes;
- (e) arising under any interest rate hedging transactions in respect of payments to be made under the Terms and Conditions and/or the Working Capital Facility (as defined in item (i) below), but not any transaction for investment or speculative purposes;
- (f) incurred under Advance Purchase Agreements;
- (g) incurred under any Shareholder Loan;
- (h) incurred by the Issuer if such Financial Indebtedness (i) is incurred as a result of a the issuance of Subsequent Bonds 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 Facility (as defined in item (i) below), 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;

- (i) incurred by a Group Company under any working capital facility provided for the general corporate purposes of the Group in a maximum amount of NOK 120,000,000 (the "**Working Capital Facility**");
- (j) taken up from a Group Company;
- (k) 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;
- (l) any pension debt;
- (m) until repaid in full, the Existing Debt; and
- (n) any other Financial Indebtedness incurred by Group Companies not in aggregate exceeding NOK 1,000,000.

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

- (a) provided under the Finance Documents;
- (b) over the Proceeds Account;
- (c) 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);
- (d) provided in relation to any lease agreement entered into by a Group Company;
- (e) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (f) provided for the Working Capital Facility; and
- (g) provided pursuant to items (d), (e), (h), (k), (l) and (m) 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 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 Day" means, in relation to any period for which an interest rate is to be determined, two (2) CSD Business Days before the first day of that period.

"Record Date" means:

- (a) 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;
- (b) for the purpose of casting a vote in a Bondholders' Meeting, the date falling on the immediate preceding CSD Business Day to the date of that Bondholders' Meeting being held, or another date as accepted by the Agent; and
- (c) for the purpose of casting a vote in a Written Procedure:
 - (i) the date falling three CSD Business Days after the notice of a Bondholders' Meeting has been sent pursuant to Clause 18(a); or
 - (ii) if the requisite majority in the opinion of the Agent has been reached prior to the date set out in paragraph (i) above, on the date falling on the immediate CSD Business Day prior to the date on which the Agent declares that the Written Procedure has been passed with the requisite majority;
- (d) another relevant date, or in each case such other CSD Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

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

"Regulated Market" means any regulated market (as defined in Directive 2004/39/EC on markets in financial instruments).

"Restricted Payment" has the meaning set forth in Clause 14.2 (*Distributions*).

"Secured Obligations" means all present and future obligations and liabilities of the Issuer to the Secured Parties under the Finance Documents.

"Secured Parties" means the Security Agent, the Bondholders and the Agent (including in its capacity as Agent under the Fee 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:

- (a) the share pledge agreements in respect of all the shares in:
 - (i) the Issuer; and
 - (ii) the Target Company.
- (b) the pledge agreement over any intra-group loan provided by the Issuer to the Target Company or any of its Subsidiaries.

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

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

- (a) is subordinated to the obligations of the Issuer under the Working Capital Facility and the Terms and Conditions pursuant to the Intercreditor Agreement;
- (b) has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date; and
- (c) 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 Bonds" means any Bonds issued after the First Issue Date on one or more occasions.

"Subsidiary" means, in relation to any person, any Norwegian or foreign legal entity (whether incorporated or not), in respect of which such person, directly or indirectly, (i) owns shares or ownership rights representing more than 50 per cent. of the total number of votes held by the owners, (ii) otherwise controls more than 50 per cent. of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body, or (iv) exercises control as determined in accordance with the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

"**Target Company**" means Jøtul AS, Norwegian Reg. No. 989 519 247.

"**Target Group**" means the Target Company and its Subsidiaries from time to time.

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

"**Transaction Costs**" means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with (i) the issuance of the Bonds, (ii) any acquisition, (iii) the 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.

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

"**Written Procedure**" means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 19 (*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; and
 - (vi) a time of day is a reference to Oslo time.
- (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 (*Norges Bank*) on its website (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 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.

1.3 Luxembourg Terms

In these Terms and Conditions, where it refers to the Issuer, reference to:

- (a) receiver, a liquidator, an administrator, an administrative receiver, a compulsory manager or similar officer includes, without limitation, a *juge délégué, commissaire, juge-commissaire, mandataire ad hoc, administrateur provisoire, liquidateur or curateur*;
- (b) a lien or security interest includes any *hypothèque, nantissement, gage, privilège, sûreté réelle, droit de rétention*, and any type of security in rem (*sûreté réelle*) or agreement or arrangement having a similar effect and any transfer of title by way of security;
- (c) a manager or a director includes a *gérant* or an *administrateur*;
- (d) a guarantee includes any guarantee which is independent from the debt to which it relates and excludes any suretyship (*cautionnement*) within the meaning of Articles 2011 and seq. of the Luxembourg Civil Code; and
- (e) insolvency or insolvency proceedings refers to any insolvency proceedings such as bankruptcy (*faillite*), insolvency, winding-up, liquidation, moratorium, controlled management (*gestion contrôlée*), suspension of payment (*sursis de paiement*), voluntary arrangement with creditors (*concordat préventif de la faillite*), fraudulent conveyance, general settlement with creditors, reorganization or similar order or proceedings affecting the rights of creditors generally and any proceedings in jurisdictions other than Luxembourg having similar effects.

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.
- (a) 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.
- (b) 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 250,000,000. 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 Bonds is NOK 1,250,000. Any trading of the Bonds shall be made in compliance with all applicable laws and regulations.

- (c) Provided that the Incurrence Test is met (tested on a *pro forma* basis), the Issuer may, at one or several occasions, issue Subsequent Bonds. 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 or at a premium compared to the Initial Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed NOK 400,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 17(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.
- (d) The Bonds constitute direct, 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 those obligations which are preferred in accordance with the Intercreditor Agreement and which are mandatorily preferred by law, and without any preference among them.
- (e) 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.
- (f) 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.
- (g) 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

The Issuer shall use the proceeds from the issue of the Initial Bonds for (i) financing the acquisition of the Target Company, (ii) refinancing the Existing Debt, (iii) finance general corporate purposes, and (iv) financing the Transaction Costs. The proceeds from the issuance of any Subsequent Bonds shall be used to finance general corporate purposes of the Group, including capital expenditures and acquisitions.

4. Conditions Precedent

- (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); and
 - (v) an agreed form legal opinion to be issued by a reputable law firm on the capacity and authority of the Issuer to execute the Finance Documents.
- (b) The Net Proceeds (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 Clause 4(a) as pre-settlement conditions precedent, copies of constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising signatories to execute the Finance Documents) for each party to a Finance Document (other than the Agent), together constituting evidence that the Finance Documents have been duly executed;
 - (ii) copies of all Finance Documents, duly executed, other than those delivered under Clause 4(a) as pre-settlement conditions precedent;
 - (iii) evidence that security existing in favour of the Existing Debt will be released and discharged upon repayment of the Existing Debt;
 - (iv) a confirmation from the Issuer to the Agent that no other debt than Permitted Debt is borrowed by itself or the Target Group;
 - (v) evidence that the Equity Injection has been made;
 - (vi) a closing certificate duly executed by the Issuer confirming that the acquisition of all shares in the Target Company will be completed immediately following disbursement;
 - (vii) copies of all Security Documents, other than the Proceeds Account Pledge Agreement, duly executed, and evidence that the documents and other evidences to be delivered pursuant to the Security Documents will be delivered as soon as practicably possible following disbursement of the Net Proceeds from the Proceeds Account;
 - (viii) an agreed form Compliance Certificate; and
 - (ix) legal opinions issued by reputable law firms on (i) the capacity and authority of any party to the Finance Documents not being incorporated in Norway, and

- (ii) the validity and enforceability of the Finance Documents not being governed by the laws of Norway.
- (c) When the conditions precedent for disbursement set out in Clause 4(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. The Agent is not responsible for reviewing the documents and evidence referred to in this Clause 4 (*Conditions Precedent*) from a legal or commercial perspective on behalf of the Bondholders.
- (d) 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.
- (e) If the conditions precedent for disbursement set out in Clause 4(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(e). The redemption date shall fall no later than 20 Business Days after the ending of the 90 Business Days period referred to above.
- (f) The Agent may assume that the documentation and evidence delivered to it is accurate, legally valid, enforceable, correct and true, and that the Agent does not have to verify or assess the contents of any such documentation.

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.
- (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.

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 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) 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.
- (d) 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 in accordance with Clause 8(d) during such postponement.
- (e) 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.
- (f) 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.
- (g) 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 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).
- (d) If the Issuer fails to pay any amount payable by it on its due date, 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. Accrued default interest shall not be capitalised. 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.

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. If the Final Maturity Date is not a CSD Business Day, then the redemption shall occur on the first following CSD Business Day.

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.

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 prior to the First Call Date, at an amount per Bond equal to the Make Whole Amount;
 - (ii) any time from and including the First Call Date to, but excluding, the first CSD Business Day falling 30 months after the First Issue Date at an amount per Bond equal to 103.500 per cent. of the Nominal Amount, together with accrued but unpaid Interest;

- (iii) any time from and including the date falling 30 months after First Call Date to, but excluding, the first CSD Business Day falling 36 months after the First Issue Date at an amount per Bond equal to 102.275 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
 - (iv) any time from and including the date falling 36 months after First Call Date to, but excluding, the first CSD Business Day falling 42 months after the First Issue Date at an amount per Bond equal to 101.050 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 42 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. 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 Make Whole Amount 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 Make Whole Amount to the Bondholders as soon as possible and at the latest within three (3) Business Days from the date of the notice.

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

- (a) The Issuer may in connection with an Equity Listing Event redeem in part up to 35 per cent. of the total aggregate Nominal Amount of the Bonds outstanding from time to time at a price equal the repaid percentage of the Nominal Amount (rounded down to the nearest NOK 10,000) plus a premium on the repaid amount in accordance with Clause 9.3(a) and shall, for the period until the First Call Date, be the price set out in 9.3(a)(ii), together with accrued but unpaid interest on the repaid amount.
- (b) Partial redemption shall reduce the aggregated Nominal Amount of Bonds held by each Bondholder on a *pro rata* basis in accordance with the applicable regulations of the CSD.
- (c) 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 offering (net of fees, charges and commissions actually incurred in connection with such offering and net of taxes paid or payable as a result of such offering).

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 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 twenty (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 12.1(c) (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 12.1(c) 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 12.1(c). 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 Guarantee

- (a) 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 Guarantee, as applicable, to the Secured Parties as represented by the Security Agent.
- (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 on behalf of the Secured Parties in accordance with the Security Documents and the Intercreditor Agreement. The Issuer shall enter into the Security Documents and perfect the Transaction Security in accordance with the Security Documents.

- (d) All security provided for pursuant to the Transaction Security shall be subject to, and limited as required by, financial assistance regulations and other corporate law limitations.
- (e) Unless and until the Agent has received instructions from the Bondholders in accordance with Clause 17 (*Decisions by Bondholders*), the 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 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 Bondholders' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents.
- (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 the 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 the 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. Priority of the Working Capital Facility

The relationship between the Bondholders and the creditors in respect of the Working Capital Facility and the Hedging Agreements will be governed by the Intercreditor Agreement, which, among other things, will implement the following principles:

(a) *Priority of the Working Capital Facility in case of insolvency*

In the case of insolvency of the Issuer, the Financial Indebtedness incurred by the Issuer under the Bonds will be subordinated to the Financial Indebtedness owed by the Issuer under the Working Capital Facility.

(b) *Priority of the Working Capital Facility with respect to Security*

In case of enforcement of the Security, any enforcement proceeds will first be applied towards repayment of the Financial Indebtedness incurred by the Issuer under the Working Capital Facility and secondly towards redemption of the Bonds.

(c) *Consultation period before enforcement of Security*

If Conflicting Enforcement Instructions (as defined in the Intercreditor Agreement) are provided by the Agent or the agent under the Working Capital Facility, the Agent and the agent under the Working Capital Facility must enter into consultations for a period of maximum 30 calendar days as set out in the Intercreditor Agreement (unless such

consultation is waived by the Agent and the facility agent under the Working Capital Facility).

12. Information to Bondholders

12.1 Information from the Issuer

- (a) The Issuer will 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 on which the Bonds are admitted to trading.
- (b) When the Bonds have been listed, the reports referred to in Clause 12.1(a)(i) and Clause 12.1(a)(ii) shall be made available 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 (*lag (2007:582) om värdepappersmarknaden*) (if applicable) and the Norwegian Securities Trading Act of 2007 no.75 (if applicable).
- (c) The Issuer shall promptly notify the Bondholders and the Agent upon becoming aware of the occurrence of a Change of Control Event. Such notice 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.
- (d) The Issuer shall submit a duly executed Compliance Certificate to the Agent:
 - (i) in connection with the incurrence of debt in accordance with item (h) of the definition Permitted Debt; and
 - (ii) in connection with the making of a Restricted Payment.
- (e) 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.

- (f) The Issuer is only obliged to inform the Agent according to this Clause 12.1 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 12.1.

12.2 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.

12.3 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 normal business hours.

13. Financial Undertakings

13.1 Incurrence Test

The Incurrence Test is met if:

- (a) the ratio of Net Interest Bearing debt to EBITDA is not greater than:
- (i) 3.50:1 from the First Issue Date until (and including) the date falling 30 months after the First Issue Date;
 - (ii) 3.25:1 from (but excluding) the date falling 30 months from the First Issue Date until (and including) the date falling 36 months of the First Issue Date;
 - (iii) 3.00:1 from (but excluding) the date falling 36 months from the First Issue Date until (and including) the date falling 42 months of the First Issue Date;
 - (iv) 2.75:1 from (but excluding) the date falling 42 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).

13.2 Testing of the Incurrence Test

The calculation of the ratio of Net Interest Bearing Debt to EBITDA shall be made as per a testing date determined by the Issuer, falling no more than one month 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). EBITDA shall be calculated in accordance with Clause 13.3 (*Adjustments*).

13.3 Adjustments

The figures for EBITDA for the Reference Period ending on the relevant test date shall be used for the Incurrence Test, 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; and
- (b) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Reference Period.

14. General Undertakings

14.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 14 for as long as any Bonds remain outstanding.

14.2 Distributions

- (a) The Issuer shall not, 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 to the Issuer or a wholly-owned Subsidiary of the Issuer), (v) repay any Shareholder Loans or pay capitalised or accrued interest thereunder, or (vi) 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 the above, following an Equity Listing Event and a full partial redemption in accordance with Clause 9.4 (*Voluntary partial redemption*), a Restricted Payment may be made by the Issuer, if at the time of the payment:
 - (i) the Incurrence Test is satisfied (calculated on a *pro forma* basis including the relevant Restricted Payment); and

- (ii) the aggregate amount of all Restricted Payments of the Group in any fiscal year (including the relevant Restricted Payment) does not exceed 50 per cent. of the Group's consolidated net profit for the previous fiscal year.
- (c) Notwithstanding (a) and (b) above, the Issuer may make payments to the Sponsor covering, *inter alia*, annual monitoring fees and administrative expenses, in a maximum aggregate amount of maximum EUR 1,000,000 *per annum* initially, provided that no Event of Default is continuing or would occur from such Restricted Payment.

14.3 Nature of Business

The Issuer shall procure that no substantial change is made to the general nature of the business carried on by the Group if such substantial change would have a Material Adverse Effect.

14.4 Financial Indebtedness

The Issuer shall not, 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.

14.5 Disposal of Assets

The Issuer shall not, 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.

14.6 Dealings with Related Parties

The Issuer 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.

14.7 Negative Pledge

The Issuer shall not, 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.

14.8 Admission to trading

The Issuer shall use its best efforts to ensure that:

- (a) the Initial Bonds are listed on a Regulated Market, within twelve months of the First Issue Date;

- (b) any Subsequent Bonds are listed on the relevant Regulated Market within 60 days after the issuance of such Subsequent Bonds and with an intention to complete such listing within 30 days after the issuance of such Subsequent Bonds (unless Subsequent Bonds are issued before the date falling twelve months after the First Issue Date in which case such Subsequent Bonds shall be listed within twelve months after the First Issue Date); and
- (c) 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).

14.9 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 the 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.

14.10 Loans Out

The Issuer shall not, and shall procure that no other Group Company will, extend any loans in any form to any other party than (i) to other Group Companies or (ii) in the ordinary course of business.

15. Events of Default and Acceleration of the Bonds

Each of the events or circumstances set out in this Clause 15 (other than Clause 15.9 (*Acceleration of the Bonds*)) is an Event of Default.

15.1 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.

15.2 Other Obligations

A party (other than the Agent or any provider of the Working Capital Facility) does not comply with its obligations under the Finance Documents, in any other way than as set out under Clause 15.1 (*Non-Payment*), 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).

15.3 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 15.3 (*Cross-Acceleration*) if the aggregate amount

of Financial Indebtedness that has fallen due is less than NOK 5,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

15.4 Insolvency

If:

- (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 holders of Bonds) with a view to rescheduling its Financial Indebtedness; or
- (b) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company.

15.5 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, and (ii), in relation to Subsidiaries, solvent liquidations) in relation to:

- (a) the suspension of payments, winding-up, dissolution, administration or reorganisation (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.

15.6 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.

15.7 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 and is not discharged within 60 days.

15.8 Continuation of the Business

The Issuer or any other material Group Company ceases to carry on its business if such discontinuation is likely to have a Material Adverse Effect.

15.9 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 15.9(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 15.9(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 17 (*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 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) In the event of an acceleration of the Bonds in accordance with this Clause 15.9, the Issuer shall redeem all Bonds at an amount per Bond as specified in Clause 9.3(a) as applicable considering when the acceleration occurs and shall, for the period up to, but excluding, the First Call Date be an amount per Bond as specified in Clause 9.3(a)(ii).

16. 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 15 (*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 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 21.2(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 17(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) If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 16(b)(i), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 16(b)(i).
- (d) If the Issuer or the Agent shall make any payment under this Clause 16, 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*) due but not made, the Record Date specified in Clause 9.4(c) shall apply.

17. 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 registered as a Bondholder, or a person who has been provided with a power of attorney 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 19(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 19(c):
- (i) waive a breach of or amend an undertaking set out in Clause 14 (*General Undertakings*);
 - (ii) release the security provided under the Security Documents;
 - (iii) reduce the principal amount, interest rate or interest amount which shall be paid by the Issuer;
 - (iv) amend any payment day for principal or interest amount or waive any breach of a payment undertaking, or
 - (v) amend the provisions regarding the majority requirements under the Terms and Conditions.

- (f) Any matter not covered by Clause 17(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 19(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 20(a)(i) or (20(a)(ii))), an acceleration of the Bonds or the enforcement of any Transaction Security.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at 20 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.
- (h) 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 18(a)) or initiate a second Written Procedure (in accordance with Clause 19(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 17(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) 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.
- (j) 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.
- (k) 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.
- (l) 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.
- (m) 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.

- (n) 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.
- (o) 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.

18. 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 18(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 21.4(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 18(a).
- (c) The notice pursuant to Clause 18(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.

19. 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 19(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 19(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 19(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 17(e) and 17(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17(e) or 17(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

20. Amendments and Waivers

- (a) The Issuer and the Agent (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; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 17 (*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.
- (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 20(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 12.3 (*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.

21. Appointment and Replacement of the Agent

21.1 Appointment of Agent

- (a) By subscribing for Bonds, each initial Bondholder appoints:
 - (i) 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 for the Agent and the Security Agent to act on its behalf, as set forth in Clause 21.1(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 or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

21.2 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 conditions 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 16 (*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) 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 21.2(i).

21.3 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 acting in accordance with instructions of the Bondholders given in accordance with Clause 17 (*Decisions by Bondholders*) or a demand by Bondholders given pursuant to Clause 15.9.
- (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.

21.4 Replacement of the Agent

- (a) Subject to Clause 21.4(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 21.4(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 21.4, 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.

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 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 (*företagsrekonstruktion*) or bankruptcy (*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 21.1(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 21.2(i), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2(j) 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 (*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.
- (b) 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) if by letter, three Business Days after being deposited postage prepaid in an envelope;
 - (ii) if by e-mail, when received; and
 - (iii) if by fax, when received.
- (c) 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.
- (d) 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*)), 12.1(c), 15.9(c), 17(o), 18(a), 19(a) and 20(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) Articles 470-1 to 470-19 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, shall not apply to the Bonds.
 - (c) The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).
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