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Oslo, 27 May 2024

To the bondholders in:

ISIN: NO0013106666 – Jøtul AS up to NOK 600,000,000 Senior Secured Callable Floating Rate Bonds 2024/2026

NOTICE OF WRITTEN PROCEDURE

This notice has been sent via the CSD to persons registered in the Securities Account with the CSD as holders of Bonds. If you are a custodian or otherwise are holding Bonds on behalf of someone else, please forward this notice to the holder you represent at your earliest convenience.

Key information:

Deadline for voting:	15:00 (CEST) 20 June 2024
Quorum requirement:	At least twenty (20) per cent. of the Adjusted Nominal Amount
Majority requirement:	At least fifty (50) per cent. of the Adjusted Nominal Amount

Nordic Trustee AS acts as agent (the "**Agent**") for the holders of the bonds (the "**Bondholders**") in the above mentioned bonds with ISIN NO0013106666 (the "**Bonds**") issued by Jøtul AS (the "**Issuer**") and together with its direct and indirect subsidiaries, the "**Group**"). In its capacity as Agent, and as requested by the Issuer, the Agent hereby initiates a procedure in writing, whereby Bondholders can vote for or against the Issuer's requests.

All capitalised terms used herein and not otherwise defined in this notice (the "**Notice**") shall have the meanings assigned to them in the terms and conditions of the Bonds (the "**Terms and Conditions**").

Bondholders participate by completing and sending the voting form, attached hereto as Schedule 1 (the "**Voting Form**").

The Agent must receive the Voting Form no later than 15:00 (CEST) on 20 June 2024 either by mail, courier or email to the Agent using the contact details set out in Clause 4.5 (*Address for sending replies*) below. Votes received thereafter may be disregarded.

Disclaimer: *The Requests (as defined below) are presented to the Bondholders without any evaluation, advice or recommendations from the Agent whatsoever. The Agent has not reviewed or assessed this Notice or the Requests (and its effects, should it be adopted) from a legal or*

commercial perspective of the Bondholders and the Agent expressly disclaims any liability whatsoever related to the content of this Notice and the Requests (and its effects, should it be adopted). The Agent may assume that documentation and other evidence delivered to it pursuant to the Requests is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation. The Bondholders are recommended to seek legal advice in order to independently evaluate whether the Requests (and its effects) is acceptable or not.

1. Background

- (a) On 7 December 2023, the Group provided certain financial updates relating to the full-year figures for 2023, including an expected adjusted EBITDA in the range of NOK 250-270 million. As communicated by the Issuer via a press release on 14 December 2023, subsequent analysis of current trading revealed lower sales and margins in the fourth quarter than initially expected. Hence, the Group adjusted its financial guidance downward with an expected adjusted EBITDA of NOK 220-230 million for 2023.
- (b) As outlined in the Group's interim report for the financial quarter ending 31 December 2023, the negative sales trend in the second half of 2023 was attributable to weaker order intake and further amplified by an exceptionally strong fourth quarter in 2022. The downturn was mainly driven by lower cost of energy (both electricity and natural gas), higher interest rates and lower home improvement spending, negatively impacting demand for the Group's products. In certain markets, the slowdown in the construction industry, particularly related to new houses and recreational homes, further contributed to this trend. Throughout the previous two quarters, Jøtul also observed significant volumes of inventory in the industry and at dealers' stores, likely driven by the significant increase in orders during the demand peak in late 2022. Such inventory build-up has impacted manufacturers negatively as many dealers must reduce inventory before reordering.
- (c) While adjusted EBITDA for the full year 2023 came in weaker than expected, the Issuer initially expected to see some sales recovery in upcoming quarters. In the first quarter of 2024, adjusted EBITDA was initially expected to come in at around NOK 63 million, a 39 per cent. decrease compared to adjusted EBITDA in the first quarter of 2023 at NOK 103 million, but an increase of 76 per cent. compared to adjusted EBITDA in the fourth quarter of 2023 at around NOK 36 million. However, as announced in a press release on 30 April 2024, the negative sales trend persisted into the first quarter of 2024. Adjusted EBITDA ultimately ended up at negative NOK 17 million, levels not observed since the Covid-19 outbreak in the first quarter of 2020. The significant profitability drop in the first quarter of 2024 was mainly driven by prolonged inventory destocking among the Group's dealers and distributors coupled with a significant decrease in volumes following a slowdown across most key markets.
- (d) On the back of the aforementioned profitability challenges expected to persist until year-end 2024, the Group expects to breach its Maintenance Covenant for the 2024 testing dates. As such covenant breach would cause an Event of Default under the Terms of Conditions of the Group's outstanding Bonds, the Issuer will ask the Bondholders for a waiver of the Event of Default which will occur upon the reporting of the Maintenance Covenant for the Reference Date falling 31 March 2024, as well as a covenant holiday for the Maintenance Covenant during the remainder of 2024. With start from (and

including) 31 March 2025, the Maintenance Covenant will continue to be tested in accordance with the Terms and Conditions.

- (e) As a consequence of the ongoing financing discussions amongst the stakeholders and Bondholders, the Issuer's publication of the Group's audited consolidated financial statements for the financial year ending on 31 December 2023, which were to be published and made available no later than 30 April 2024, will, as already announced by the Issuer, be delayed until the finalisation of this Written Procedure. As a result thereof, the Issuer will ask the Bondholders for a waiver of the Event of Default which will occur upon the expiry of the fifteen (15) Business Days' remedy period.
- (f) As a further consequence of the aforementioned discussions, the Issuer's publication of the Group's interim unaudited consolidated report for the financial quarter ending on 31 March 2024 and the appending Compliance Certificate, will also be delayed. Accordingly, the Issuer will ask the Bondholders for a waiver of the Event of Default which will occur upon the expiry of the fifteen (15) Business Days' remedy period.
- (g) As a concession for the above requests, the shareholder of the Issuer will provide the Issuer with an equity injection in cash of no less than NOK 42,500,000. In addition, to safeguard the Issuer's liquidity position, the Issuer will accept to include a minimum liquidity covenant, whereby the Issuer shall ensure that the cash and cash equivalents of the Group (including undrawn commitments under the Working Capital Facility) on each Reference Date from (and including) 30 September 2024, shall be no less than NOK 30,000,000.
- (h) Further detailed information on the requests and concessions referred to above are set out in a presentation dated May 2024 prepared by the Issuer, which will be published on the website of the Issuer.

2. Amendments and Waivers

2.1 Requests

Considering the background and rationales set out under Clause 1 (*Background*) above, the Issuer hereby kindly requests the Bondholders to consent to the following amendments and waivers of the Terms and Conditions:

- (a) the Event of Default which will occur due to the breach of the Maintenance Covenant on the Reference Date falling 31 March 2024 is waived;
- (b) the Event of Default which will occur due to the delay in publishing of the Group's annual audited consolidated financial statements for the financial year 2023 is waived;
- (c) the Event of Default which will occur due to the delay in publishing of the Group's interim unaudited consolidated report for the financial quarter ending on 31 March 2024, and delivering the Compliance Certificate in connection thereto, is waived; and
- (d) the Maintenance Covenant will be subject to a covenant holiday, whereby the ratio of Net Interest Bearing Debt to EBITDA will not be tested on the Reference

Dates falling 31 March 2024, 30 June 2024, 30 September 2024 and 31 December 2024,

together hereinafter, and any steps relating thereto, referred to as the "**Requests**".

If the Requests is approved in the written procedure, the Bondholders give the Agent the power to enter into all agreements and take all actions that the Agent deems necessary in order to implement the Requests (including, but not limited to, any technical and/or administrative changes needed to the Terms and Conditions).

2.2 Conditions

The Issuer acknowledges that the agreement by the Bondholders to the amendments and waivers and the implementation of the Requests are subject to the conditions that:

- (a) the Issuer receives an equity injection in cash in the form of a Shareholder Loan or a shareholder injection in an amount of no less than NOK 42,500,000 (the "**Equity Injection**");
- (b) a minimum liquidity covenant is included in the Terms and Conditions, whereby the cash and cash equivalents of the Group in accordance with the applicable accounting principles of the Group from time to time plus any available commitments under the Working Capital Facility shall amount to at least NOK 30,000,000 from (and including) the Reference Date falling 30 September 2024 and for as long as any Bonds remain outstanding; and
- (c) the Issuer undertakes to not make any further payments in cash to the Sponsor pursuant to paragraph (b)(i) of Clause 13.2 (*Distributions*) during the calendar year 2024.

3. Consent Fee

3.1 Consent Fee

Subject to satisfaction of the conditions set forth in Clause 3.2 (*Fee Conditions*), the Issuer will pay a consent fee (the "**Consent Fee**") to all Bondholders if the Requests are approved under the Written Procedure. The Consent Fee, which will be an amount equal to 2.50 per cent. of the Nominal Amount of each Bond, shall be calculated based on the aggregate principal amount held by the relevant Bondholder on the record date at the end-of-business two (2) Business Days before the Payment Date (as defined below) (the "**Consent Fee Record Date**"). Please note that this means that a Bondholder that has voted in the Written Procedure but is not registered in the debt register as a direct registered owner or authorised nominee with respect to one or several Bonds on the Consent Fee Record Date will not be entitled to the Consent Fee.

The Agent does not administer the Consent Fee and is not involved in or in any way responsible for the Consent Fee.

Any payment of the Consent Fee will be effected to Bondholders through the CSD.

The expected settlement date for payment of the Consent Fee is ten (10) Business Days after the Requests have been approved with the required majority pursuant to Clause 4.4 below (the "**Payment Date**"). Payments are expected to be made without withholding or deduction for any applicable taxes and each Bondholder must make its own determination as to whether or not it is required to pay tax on any amounts it receives in connection with the Consent Fee and/or the Requests.

3.2 Fee Conditions

Payment of the Consent Fee as stated in Clause 3.1 (*Consent Fee*) is conditional upon the quorum and majority requirements being satisfied such that the Requests are approved in the Written Procedure.

4. Written Procedure

The following instructions need to be adhered to under the Written Procedure.

4.1 Final date to participate in the Written Procedure

The Agent must have received the votes by mail, courier or email to the address indicated below no later than 15:00 (CEST), 20 June 2024. Votes received thereafter may be disregarded.

4.2 Decision procedure

The Agent will determine if received replies are eligible to participate under the Written Procedure as valid votes.

When a requisite majority of consents of the total Adjusted Nominal Amount have been received by the Agent, the Requests shall be deemed to be accepted, even if the time period for replies in the Written Procedure has not yet expired.

Information about the decision taken under the Written Procedure will be published on the website of the Issuer and www.stamdata.com.

A matter decided under the Written Procedure will be binding for all Bondholders, irrespective of them responding in the Written Procedure. The Issuer and Agent shall, in order to implement and effectuate the amendments, enter into amended and restated Terms and Conditions.

4.3 Quorum

To approve the Requests, Bondholders representing at least twenty (20) per cent. of the Adjusted Nominal Amount must reply to the requests under the Written Procedure in order to form a quorum.

If a quorum does not exist, the Agent shall initiate a second Written Procedure, provided that the relevant proposal has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure.

4.4 Majority

At least fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders reply under the Written Procedure must consent to the Requests.

4.5 Address for sending replies

Return the Voting Form, Schedule 1 by regular mail, scanned copy by e-mail, or by courier to:

By regular mail:

Nordic Trustee AS
PO Box 1470 Vika
N-0116 Oslo

By courier:

Nordic Trustee AS
Kronprinsesse Märthas plass 1
NO - 0160 Oslo

By email:

E-mail: mail@nordictrustee.com

5. FURTHER INFORMATION

For further questions to the Issuer, regarding the requests, please contact the Issuer at:

Nils Agnar Brunborg (Managing Director)
E-mail: Nils.Brunborg@jotul.no
Phone number: +47 906 05 578

For further questions to the Agent, regarding the administration of the Written Procedure, please contact the Agent at laerum@nordictrustee.com or +47 22 87 94 06.

Oslo, 27 May 2024

Nordic Trustee AS

as Agent

Enclosed:

Schedule 1	Voting Form
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VOTING FORM

Schedule 1

For the procedure in writing in Jøtul AS up to NOK 600,000,000 Senior Secured Callable Floating Rate Bonds, ISIN NO0013106666 (the "**Bonds**").

The undersigned Bondholder or authorised person/entity votes either **For** or **Against** the Requests by marking the applicable box below.

For the Requests

Against the Requests

ISIN NO0013106666	Nominal Amount of Bonds owned (NOK)
Custodian Name	Account number at Custodian
Company	Day time telephone number
	E-mail

Enclosed to this form is the complete printout from our custodian/CSD, verifying our holding in the Bonds as of ___ May 2024, together with a duly executed power of attorney or other proof of authorisation or proof of holding.¹

We acknowledge that Nordic Trustee AS in relation to the Written Procedure for verification purpose may obtain information regarding our holding of Bonds on the above stated account in the securities register CSD.

Place, date

Authorized signature

Return:

Nordic Trustee AS

PO Box 1470 Vika

N-0116 Oslo

Telephone: +47 22 87 94 00

E-mail: mail@nordictrustee.com

¹ If the Bonds are held in custody other than in the CSD, power of attorney or other proof of authorization or proof of holding from the custodian confirming that (i) you are the owner of the Bonds, (ii) in which account number the Bonds are held, and (iii) the amount of Bonds owned.