

Financial Statement

Jøtul Holding S.a.r.l
30. June 2018

Statement of Financial Position

(NOK 1000)	30.06.2018	30.06.2017
OPERATING REVENUE AND COST		
Operating revenue		
Gross sales	691 548	695 658
Discounts	306 275	313 456
Net sales	385 272	382 201
Operating cost		
Direct materials	136 602	135 125
Direct personnel cost	41 265	47 117
Distribution costs	15 867	16 229
Sales commission	16 989	14 821
Contribution margin	174 550	168 909
Indirect production costs	65 659	73 956
Gross margin	108 890	94 953
Sales, general and administration costs	93 726	95 021
EBITDA	15 164	-68
Non-recurring items	35 979	4 595
EBITDA, incl. non-recurring items	-20 815	-4 663
Depreciation	22 272	23 276
Operating profit	-43 087	-27 939
FINANCE REVENUE AND COST		
Financial income		
Other interest	332	322
Other finance revenue	5 797	0
Total financial income	6 129	322
Financial cost		
Interest cost shareholder loan	656	1 303
Other interest cost	11 312	9 814
Other financial cost	828	6 029
Total financial cost	12 795	17 146
NET FINANCIAL ITEMS	6 667	16 824
PROFIT BEFORE TAX	-49 754	-44 763
Income tax expenses	-2 482	85
PROFIT FOR THE YEAR	-47 271	-44 847

Statement of Financial Position

(NOK 1000)	30.06.2018	30.06.2017
ASSETS		
NON-CURRENT ASSETS		
Intangible fixed assets		
Trademark	112 396	191 315
Other intangible assets	13 615	23 950
Deferred tax assets	1 222	3 084
Goodwill	0	222 701
Total intangible fixed assets	127 233	441 050
Tangible fixed assets		
Property	1 736	1 995
Plant and equipment	140 948	156 976
Total tangible fixed assets	142 684	158 971
Financial fixed assets		
Other financial fixed assets	15 597	16 003
Total financial fixed assets	15 597	16 003
TOTAL NON-CURRENT ASSETS	285 514	616 024
CURRENT ASSETS		
Inventory	183 506	208 726
Receivables		
Accounts receivables	99 775	102 089
Other receivables	11 031	10 672
Total receivables	110 806	112 761
Other current financial assets	0	0
Bank and cash equivalents	65 910	6 883
TOTAL CURRENT ASSETS	360 222	6 883
TOTAL ASSETS	645 736	944 394

Statement of Financial Position

(NOK 1000)	30.06.2018	30.06.2017
EQUITY AND LIABILITIES		
EQUITY		
Paid in capital		
Issued capital	121	135 914
Share premium	0	565 112
Total paid in capital	121	701 026
Other equity		
Other equity/ retained earnings	13 555	- 610 950
Total other equity	13 555	-610 950
TOTAL EQUITY	13 676	90 076
LIABILITIES		
NON-CURRENT LIABILITIES		
Provisions		
Deferred tax	759	4 513
Other provisions	38 940	43 955
Total provisions	39 699	48 468
Other non-current liabilities		
Interest bearing loans and borrowings	259 906	484 764
Shareholder loan	177 748	90 668
Total other non-current liabilities	437 654	575 432
TOTAL NON-CURRENT LIABILITIES	477 353	623 900
CURRENT LIABILITIES		
Short term financial liabilities	26 538	97 879
Accounts payable	63 878	67 336
Liability for current tax	- 2 330	-1 640
Other liabilities to public institutions	14 273	19 240
Other short term liabilities	52 098	46 852
Other current financial liabilities	249	752
TOTAL CURRENT LIABILITIES	154 707	230 418
TOTAL LIABILITIES	632 060	854 318
TOTAL EQUITY AND LIABILITIES	645 736	944 394

Cash Flow Statement

(NOK 1000)	30.06.2018	30.06.2017
Cash flow from operating activities		
Profit before tax	-49 754	-44 763
Income tax paid	-1 248	-2 360
Capitalized interest	3 734	5 565
Depreciation and impairment of property, plant	22 272	23 276
Change in inventory	-16 093	-16 502
Change in accounts receivables	-7 771	-17 512
Change in accounts payable	-10 208	-4 399
Other changes in operating assets and liabilities	-23 180	5 928
Net foreign exchange differences	-2 511	3 577
Net cash flow from operating activities	-84 759	-47 190
Cash flows from investing activities		
Purchase of property, plant and equipment	-14 540	-15 664
Net cash flows from investing activities	-14 540	-15 664
Cash flows from financing activities		
Proceeds from borrowings	313 731	63 844
Repayment of debt	-332 563	0
Other cash flow from financing	177 747	0
Net cash flows from financing activities	158 915	63 844
Net cash flow	59 616	990
Cash and cash equivalents at beginning of period	6 294	5 893
Cash and cash equivalents at end of period	65 910	6 883
Unused credit facilities	60 000	2 121

Jøtul Group Holding S.a.r.l – Q2 2018

Comments related to the financial statement

The financial statement for Q2 2018 show the consolidated management accounts of Jøtul Holding S.a.r.l. including of Jøtul AS and all its subsidiaries, while the comparable figures for Q2 2017 show the consolidated management accounts of Jøtul AS.

The Group's net sales increased from NOK 382 mill. in 2017 to NOK 385 mill. in 2018 mainly as a result of higher sales in US. The order inflow as of Q2 2018 was above last year and the Group had a higher order backlog end of Q2 2018 compared with end of Q2 2017.

The Group' gross margin increased compared with Q2 2017 mainly due to productivity improvements at Kråkerøy (Norway) factory, the margin improvement is partly offset by higher raw material cost related to metal and energy.

The fixed cost reduced substantially versus last year due to less indirect headcount and the effect of the closure of the operations in Halden (Norway).

The EBITDA increased from NOK 0 mill. in 2017 to NOK 15 mill. in 2018.

Non-recurring costs of NOK 36 mill. are related to project craft and include transaction costs related for the acquisition of the Jøtul group in February 2018.

Total cash flow from operating activities decreased from NOK -47 mill. in 2017 to NOK -85 mill. in 2018 as a result of higher non-recurring items at Jøtul Holding S.a.r.l and change in working capital elements.

The Group's capital investments as of Q2 2018 amounted to NOK 15 mill., 1 NOK mill. lower than in 2017.