

Denne melding til obligasjonseierne er kun utarbeidet på engelsk. For informasjon på norsk - vennligst kontakt Nordic Trustee AS

To the bondholders in:

ISIN: NO 0011160368 - East Renewable AB 13.5% senior secured bonds 2019/2025 (the “Bond Issue” or the “Bonds”)

Oslo, 19 November 2024

NOTICE OF A WRITTEN BONDHOLDERS’ RESOLUTION

1. INTRODUCTION

Nordic Trustee AS (the “**Bond Trustee**”) is the appointed bond trustee for the holders of Bonds (the “**Bondholders**”) in the above mentioned Bond Issue originally issued by East Renewable AB and later assumed by ERH AS (the “**Issuer**”).

A request for a written Bondholders’ resolution is hereby made pursuant to Clause 15.2 (a)(i) (*Procedure for Arranging a Bondholders’ meeting*) and Clause 15.5 (*Written Resolutions*) of the Bond Terms (as defined below) to consider approval of the Proposal (as defined below).

The information in this notice regarding the Issuer and market conditions have been provided by the Issuer. The Bond Trustee expressly disclaims any liability whatsoever related to such information. Bondholders are encouraged to read this notice in its entirety.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the bond terms for the Bond Issue made between the Bond Trustee and the Issuer on 20 May 2019 as amended (the “**Bond Terms**”).

References to clauses and paragraphs are references to clauses and paragraphs in the Bond Terms.

2. BACKGROUND

In 2022, the Issuer carried out a comprehensive restructuring (the “**2022 Restructuring**”). As part of the 2022 Restructuring, most of the Issuer's wind power projects were transferred to Emergy Holding AB (“**Emergy Holding**”) and the Group's financial obligations were extended to 1 January 2025.

The main purpose of the 2022 Restructuring was to preserve and develop the values of the Issuer's wind power projects for the benefit of the Issuer's creditors and shareholders.

Realization of the Issuer's values has taken longer than expected. The main reason is that the wind power project in Sywash and the Ukrainian wind power projects owned by Emergy Holding have been significantly negatively impacted by Russia's invasion of Ukraine.

Also, the Chinese wind farms remain unable to provide distributable profits due to lack of payment of subsidies from Chinese authorities.

The Issuer currently has financial obligations (in the form of bonds, loans and guarantee obligations) amounting to an equivalent of approximately NOK 4.179 million as per 1 July 2024 (the "**Restructuring Debt**").¹ The Restructuring Debt falls due on 1 January 2025.

The Issuer has no significant liquidity, and the board considers the value of the Issuer's assets to be significantly lower than the Issuer's financial obligations. The Issuer will not be able to service or refinance the Restructuring Debt on commercial terms when due. Without a restructuring of the Restructuring Debt, the Issuer has no basis for continued operations and must file for bankruptcy.

The Issuer's board has therefore put forward a proposal for a global restructuring of the Restructuring Debt to the Issuer's creditors (the "**Global Restructuring**"). In summary, the proposal for a Global Restructuring entails that:

- a) The new maturity date for all Restructuring Debt shall be 1 January 2028.
- b) All interest accrued on all Restructuring Debt from and including 1 July 2024 until the Effective Date (as defined below) are waived in full.
- c) No interest shall accrue on any Restructuring Debt from the Effective Date and until 1 January 2028.
- d) Subject to item e) below, all Restructuring Debt shall be subordinated to the Issuer's other liabilities and service of the Restructuring Debt shall only be made pro rata to all Restructuring Debt based on its outstanding amount as per 1 July 2024 (subject to recalculation in the event that Restructuring Debt is serviced by sale of / distribution from assets with perfected security).
- e) In the event of distributions from or a sale of a perfected security, 97.5% of the net distributions or net sale proceeds (after deduction of any costs incurred by the Issuer in connection with such distribution or sale, such as sales costs) shall be applied towards repayment of the Restructuring Debt that is secured by such security. The remaining part of any distributions from and sale proceeds in respect of secured assets shall be retained by the Issuer, to cover its operational costs and expenses.
- f) No security for any Restructuring Debt may or shall be enforced or declared to be in default by a creditor until 1 January 2028, save in the event of a breach related to d) and e), or a breach of any obligation to maintain such security or any insurance in respect thereof.
- g) Subject to the terms and conditions of any security agreement in respect of any of their asset, the Issuer and its subsidiaries shall have the right to dispose of any of their assets.
- h) The creditors of the Restructuring Debt shall have a right of first refusal to provide new loans for borrowed money to the Issuer on a pro rata basis, except in respect of loans for borrowed money up to an aggregate amount of NOK 5 million.
- i) Reporting requirements will be simplified as requested by the Issuer.

It is contemplated that the Issuer until the new maturity date will work to carry out a sale of the Issuer's assets, so that the creditors to the Restructuring Debt, including the Bondholders, obtain the highest possible recovery.

¹ Based on a EUR to NOK FX-rate of 11.75.

The contemplated sale of the Issuer's assets to cover the Restructuring Debt will result in the Issuer, upon completion of the sale process, no longer holding any operational assets or business.

The amendments to the terms of the Restructuring Debt, including the sale of all of the Issuer's assets are expected to be approved by all of the Issuer's creditors and the general meeting (as relevant) during December 2024.

The Issuer emphasizes that if relevant approvals by the Issuer's creditors and the general meeting are not obtained, the board will have to file for bankruptcy. It is the board's assessment that the value of the Issuer's assets and the recovery of the Restructuring Debt will be significantly lower in a bankruptcy scenario than in a managed liquidation process.

3. PROPOSAL

The Issuer proposes to the Bondholders to adopt the amendments set out in Appendix 2, subject to the due fulfilment of the terms and conditions set out herein, including section 4 (*Conditions*) (the "**Proposal**").

4. CONDITIONS

The amendments to the Bond Terms and the other Finance Documents contemplated by the Proposal shall become effective from the date on which the following conditions precedent have, in the Bond Trustee's sole discretion, been satisfied, delivered or waived (the "**Effective Date**"):

- a) the Bondholders have approved the Proposal by way of Written Resolutions;
- b) the other creditors to the Restructuring Debt (with the necessary majority) have agreed to amend the terms of their respective Restructuring Debt in all material respect in accordance with the Global Restructuring (as applicable to their respective Restructuring Debt);
- c) an amendment agreement to the Bond Terms having been duly executed by the Issuer and the Bond Trustee;
- d) copies of all necessary corporate resolutions of the Issuer to approve the amendments and execute the amendment agreement (including a power of attorney to certain individuals);

always provided that the Bond Terms will remain unchanged if the conditions precedent for the Effective Date set out above have not been satisfied or waived within 20 December 2024.

5. THE BOND TRUSTEE'S DISCLAIMER/NON-RELIANCE

The request for acceptance of the Proposal is presented to the Bondholders without further evaluation or recommendations from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders from the Bond Trustee. The Bondholders must independently evaluate whether the Proposal is acceptable and vote accordingly.

6. FURTHER INFORMATION

For further questions to the Issuer or the Bond Trustee, please contact:

The Issuer:

Thorstein Jenssen

Chairman

Thorstein.Jenssen@nh2.no

The Bond Trustee:

Olav Slagsvold
Director, Corporate Bonds & Loan Transactions
slagsvold@nordictrustee.com

7. WRITTEN BONDHOLDERS' RESOLUTION:

Bondholders are hereby provided with a voting request for a Written Resolution pursuant to Clause 15.5 (*Written Resolutions*) of the Bond Terms. For the avoidance of doubt, no Bondholders' Meeting will be held with respect to the Proposal.

It is proposed that the Bondholders resolve the following:

"The Proposal (as defined in section 3 of this notice for a Written Resolution) is approved, subject to the conditions set out in section 4 of this notice for a Written Resolution.

The Bond Trustee is authorized to take any action, negotiate, finalize, enter into and deliver any amendment agreement and any other agreements, notices, arrangements or other documentation as it deems necessary or desirable to effect the Proposal in its sole discretion."

The Proposal will be passed if either: (a) Bondholders representing at least a 2/3 majority of the total number of Voting Bonds vote in favour of the Proposal prior to the expiry of the Voting Period; or (b) (i) a quorum representing at least 50% of the total number of Voting Bonds submits a timely response to the notice of a Written Resolution and (ii) the votes cast in favour of the Proposal represent at least a 2/3 majority of the Voting Bonds that timely responded to the notice of the Written Resolution.

Voting Period: The Voting Period shall expire 16:00 (Oslo time) 10 Business Days after the date of this notice of a Written Resolution, being 3 December 2024. The Bond Trustee must have received all votes necessary in order for the Proposal to be passed with the requisite majority under the Bond Terms prior to the expiration of the Voting Period.

How to vote: A duly completed and signed Voting Form (attached hereto as Appendix 1), together with proof of ownership/holdings must be received by the Bond Trustee no later than at the end of the Voting Period and must be submitted by scanned e-mail to mail@nordictrustee.com.

The date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being achieved.

If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (e) to (g) of clause 15.1 (*Authority of Bondholders' Meeting*).

Yours sincerely
Nordic Trustee AS


Olav Slagsvold

Enclosed: Voting Form
Amendments to Finance Documents

Appendix 1

VOTING FORM

ISIN: NO 0011160368 - East Renewable AB 13.5% senior secured bonds 2019/2025

The undersigned holder or authorised person/entity, votes in the following manner:

The Proposal as defined in the notice for Written Resolution dated 19 November 2024:

In favour of the Proposal

In disfavour of the Proposal

ISIN NO 0011160368	Amount of bonds owned ^{*)}
Custodian name ^{*)}	Account number at Custodian ^{*)}
Company ^{*)}	Day time telephone number ^{*)}
	Email ^{*)}

^{*)} All to be filled in by the respective Bondholder

Enclosed to this voting form is the complete printout from our custodian/VPS,² verifying our bondholding in the bond issue as of the signature date of this voting form, which also is our bondholding as of __ November 2024.

We acknowledge that Nordic Trustee AS in relation to the Written Resolution for verification purposes may obtain information regarding our holding of bonds on the above stated account in the securities register VPS.

.....
Place, date

.....
Signature

Return to:

Nordic Trustee AS
P.O. Box 1470 Vika
N-0116 Oslo

Telefax: +47 22 87 94 10
Tel: +47 22 87 94 00
mailto: mail@nordictrustee.com

² If the bonds are held in custody other than in the VPS, an evidence provided from the custodian – confirming that (i) you are the owner of the bonds, (ii) in which account number the bonds are hold, and (iii) the amount of bonds owned.

Appendix 2

AMENDMENTS TO THE BOND TERMS

- a) The Maturity Date for the Bonds shall be 1 January 2028.
- b) All interest accrued on the Bonds from and including 1 July 2024 until the Effective Date are waived in full.
- c) No interest shall accrue on the Bonds from the Effective Date until 1 January 2028.
- d) Subject to item f) below, the Bonds shall rank pari passu with all other financial debt of the Issuer as per 1 July 2024 (such financial debt, including the Bonds, the "**Restructuring Debt**"), and be subordinated to all other debt of the Issuer (i.e. other than the Restructuring Debt) so as only to be serviced after all other debt of the Issuer in any insolvency has been repaid in full.
- e) Subject to item f) below, the Bonds and the other Restructuring Debt will only be repaid, in whole or in part, and otherwise serviced on a pari passu basis with other outstanding amounts under the Restructuring Debt as per 1 July 2024, so that the Bonds shall receive 25.3% (its proportionate share of the Restructuring Debt) of any such repayment or service.

If any secured amount under the Restructuring Debt prior to the time of any such repayment or servicing is repaid or serviced in part by sale of / distributions from assets with security, the outstanding amounts' proportionate part of any such repayment or servicing shall be reduced and the proportionate share of all outstanding amounts shall be recalculated based on the outstanding amount following such repayment or servicing by the security, as such outstanding amount is converted into NOK using the EUR/NOK fx-rate of 11.75.

- f) In the event of distributions from or a sale of the Transaction Security, 97.5% of the net distributions or net sale proceeds (after deduction of any costs incurred by the Issuer in connection with such distribution or sale, such as sales costs) shall be applied towards repayment of the Bonds. The remaining part of any distributions from and sale proceeds in respect of Transaction Security shall be retained by the Issuer, to cover its operational costs and expenses.
- g) The Bondholders shall not, and shall procure that their respective trustee and security agent shall not, take any enforcement action, accelerate or declare any event of default in respect of the Bonds prior to the Maturity Date (being 1 January 2028) unless such enforcement action or such claim is caused by:
 - (i) breach of item d), e) or f) above, or
 - (ii) breach of any obligation to maintain the Transaction Security,

in each case that is not remedied within 10 Business Days upon written notification to the Issuer.

- h) The Issuer shall have the right to at any time repurchase any outstanding amounts under the Restructuring Debt at a price of up to 0.01% of its nominal value.

- i) The Issuer, its subsidiaries and partially owned entities shall have the right to dispose of any assets, save that any disposal of the Transaction Security shall require the consent of the Bond Trustee as per the Bond Terms
- j) The Bondholders shall have a right of first refusal to provide new loans for borrowed money to the Issuer on a pro rata basis with the other creditors to the Restructuring Debt as per 1 July 2024 so that the Bondholders shall have the right to provide 25.3% of such new loans, except in respect of loans for borrowed money up to an aggregate amount of NOK 5 million. The percentage as set out herein may be adjusted following a recalculation of the proportionate share of the relevant outstanding amounts as set out in clause e)above.
- k) The Issuer shall no longer be obligated to provide consolidated financial statements. The Issuer shall no longer submit any Interim Accounts.