

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

To the bondholders in:

ISIN: NO 0012434382 - East Renewable Zophia Super Holdco AB 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 issued by East Renewable Zophia Super Holdco AB (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 ERH AS as the guarantor (the "**Guarantor**") and market conditions have been provided by the Guarantor/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 11 October 2019 as amended on 15 March 2024 (the "**Bond Terms**").

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

2. BACKGROUND

In 2022, the Guarantor carried out a comprehensive restructuring (the "**2022 Restructuring**"). As part of the 2022 Restructuring, most of the Guarantor's wind power projects were transferred to Emergy Holding AB ("**Emergy Holding**") and the Guarantor's 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 Guarantor's wind power projects for the benefit of the Guarantor's creditors and shareholders.

Realization of the Guarantor'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.

In 2023 the equity of the Issuer was less than half of its registered share capital. Due to requirements under Swedish law, the Issuer carried out amendments of the Bond Terms in 2024 to make the Bonds perpetual such that the Issuer could obtain equity treatment of the Bonds on its balance sheet. The Guarantee from the Guarantor remained in place in the fixed amount of EUR 30 million, but the Guarantor waived all recourse claims against the Issuer.

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

The Guarantor's board has therefore put forward a proposal for a global restructuring of the Restructuring Debt to the Guarantor'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 Guarantor'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 Guarantor 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 Guarantor 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 Guarantor and its subsidiaries shall have the right to dispose of any of their assets.

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

- h) The creditors of the Restructuring Debt shall have a right of first refusal to provide new loans for borrowed money to the Guarantor 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 Guarantor.

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

The contemplated sale of the Guarantor's assets to cover the Restructuring Debt will result in the Guarantor, 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 Guarantor's assets are expected to be approved by all of the Guarantor's creditors and the general meeting (as relevant) during December 2024.

The Guarantor emphasizes that if relevant approvals by the Guarantor'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 Guarantor'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 Guarantor proposes to the Bondholders to adopt the amendments to the Guarantee as set out in Appendix 2, subject to the due fulfilment of the terms and conditions set out herein, including section 4 (*Conditions*) (the “**Proposal**”). The Proposal does not include any amendments to the Bond Terms.

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) a guarantee amendment agreement having been duly executed by the Guarantor, the Issuer and the Bond Trustee;
- d) copies of all necessary corporate resolutions of the Guarantor and the Issuer to approve the amendments and execute the guarantee 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 Guarantor, the Issuer or the Bond Trustee, please contact:

The Guarantor and 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 0012434382 - East Renewable Zophia Super Holdco AB 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 0012434382	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 GUARANTEE

- a) The Guarantee shall be amended so that the word "due" shall mean any amount outstanding under the Finance Documents on or after 1 January 2028 (regardless of whether such amount is due at such time pursuant to the Restated Bond Terms and the other Finance Documents).
- b) The Guarantee will only be repaid, in whole or in part, and otherwise serviced on a pari passu basis with other outstanding amounts under the financial debt of the Guarantor as per 1 July 2024 (such financial debt, including the guarantee obligation ("the **Restructuring Debt**"), and be subordinated to all other debt of the Guarantor (i.e. other than the Restructuring Debt) so as only to be serviced after all other debt of the Guarantor in any insolvency has been paid in full so that the Bonds shall receive 8.4% (the EUR 30 million Guarantee's 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 a security, or in the case of the Guarantee, by the Issuer, 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 (or in the case of the Guarantee, by the Issuer), as such outstanding amount is converted into NOK using the EUR/NOK fx-rate of 11.75.

- c) 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 Guarantee prior to the Maturity Date (being 1 January 2028) unless such enforcement action or such claim is caused by breach of item b) and it is not remedied within 10 Business Days upon written notification to the Guarantor.
- d) The Guarantor 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.
- e) The Guarantor, its subsidiaries and partially owned entities shall have the right to dispose of any assets.
- f) The Bondholders shall have a right of first refusal to provide new loans for borrowed money to the Guarantor 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 8.4% 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 b) above.