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To the bondholders in:

**ISIN NO 001 0832512 – ZITON A/S FRN Second Secured EUR 25,000,000 Callable PIK Bond Issue 2018/2022**

Oslo, 23 March 2020

**Summons for Written Resolution – amendments to Bond Terms and request for waivers**

Nordic Trustee AS (the “**Bond Trustee**”) acts as bond trustee and Nordic Trustee A/S as security agent for the ZITON A/S FRN Second Secured EUR 25,000,000 Callable PIK Bond Issue 2018/2022 (the “**Bonds**”) issued by ZITON A/S (the “**Issuer**” or “**ZITON**”) pursuant to the bond terms dated 3 October 2018 (the “**Bond Terms**”).

The Bond Trustee is also bond trustee and Nordic Trustee A/S security agent for the ZITON A/S FRN Senior Secured EUR 125,000,000 Callable Bonds 2018/2021 with ISIN NO 001 0832488 (the “**First Lien Bond**”) issued by ZITON pursuant to the bond terms dated 3 October 2018.

Capitalised terms used but not defined herein shall have the meaning given to them in the Bond Terms.

This summons for a written resolution (the “**Summons**”) is hereby issued at the request of the Issuer.

A corresponding summons is distributed to the Bondholders in the Second Lien Bond, and the Proposal is subject to approval by the Bondholders in both issues.

*The information in this Summons for Written Resolution is provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information. Bondholders are encouraged to read this Summons in its entirety.*

## 1. BACKGROUND

### 1.1 New Capital Issue planned in 2020

1.1.1 The Group has experienced dwindling financial performance during 2019 and Q1 2020. Profitability is projected to significantly improve during 2020, however the Issuer is projecting a tight liquidity situation for 2020. To prove a solid basis for a future going concern, the Issuer and its majority owner BWB Partners plans for a capital issue of EUR 10 million in subordinated capital within 2020 (the "**2020 Capital Issue**").

1.1.2 Meanwhile the Issuer wish to improve its liquidity and strengthen its balance sheet and propose the following relevant to the Bonds:

### 1.2 New Working Capital Facility

- 1.2.1 The carve-out in the Bond Terms for a Super Senior Working Capital Facility of maximum DKK 50 million shall be temporarily increased to DKK 100 million to provide for an additional Super Senior Working Capital Facility (the "**Second Super Senior Working Capital Facility**").
- 1.2.2 The new facility will be in DKK, and be provided by an equivalent of EUR 1 million each from three investors (including a major shareholder of the Issuer, a holder of Second Lien Bonds and the current subordinated lender) (the "**Capital Providers**"). The Capital Providers intend to provide an additional equivalent of EUR 1 million each to establish a total facility of maximum DKK 50 million, subject to administrative approval in their investment committees and similar legal procedures.
- 1.2.3 The Second Super Senior Working Capital Facility shall rank junior to the current Super Senior Working Facility but senior to the Bonds, the Second Lien Bonds and the Co-Investor Loan.
- 1.2.4 The new facility will be provided in cash directly by the Capital Providers, or by the current Super Senior Creditor supported by an irrevocable, unconditional on demand guarantee from each Capital Provider. The interest payable to the Capital Providers shall not exceed the interest rate on the First Lien Bonds. No interest or guarantee fees may fall due for payment until 31 December 2020. Marginal expenses may be incurred in relation to bank services provided by the Super Senior Creditor.
- 1.2.5 The increased carve-out shall lapse on the earlier of the completion of the 2020 Capital Issue and 31 December 2020.

### **1.3 First Lien Bonds postponement of installments and option for interest payments in kind**

- 1.3.1 The amortizations of the First Lien Bonds of EUR 2.5 million due on 4th April 2020 and of EUR 2.5 million due on 4 October 2020 shall be postponed to 4<sup>th</sup> April 2021 and 4<sup>th</sup> October 2021 respectively, and all funds currently on the Retention Account shall be released for the benefit of the Issuer.
- 1.3.2 The Issuer shall have the right settle the interest payments on the First Lien Bonds due on 4 April and 4 July 2020 by issuing PIK Bonds. In such case, the settled amount shall include an additional 1% Margin. PIK Bonds issued under the First Lien Bonds may be settled in cash after 1 January 2021 (for the avoidance of doubt; this does not apply to PIK Bonds issued under the Bonds).

### **1.4 Amendments to the Bonds and First Lien Bonds**

- 1.4.1 The Issuer proposes the following further amendments to the Bond Terms for the Bonds (and correspondingly to the Bond Terms for the First Lien Bonds):
- 1.4.2 The Maturity Date is extended by one (1) year.
- 1.4.3 The maintenance test on Subordinated Capital Ratio is waived until the earlier of the completion of the 2020 Capital Issue and 31 December 2020.
- 1.4.4 When measuring the available liquidity on 31st December 2020, the definition of Liquidity shall exclude net proceeds from the 2020 Capital Issue.
- 1.4.5 Until the earlier of 31 December 2020 and the completion of the 2020 Capital Issue, the Group must maintain a minimum EBITDA (calculated on a 12months rollover basis) of EUR 9 million and 12 million (or higher amounts agreed to by the Issuer) as per Q3 and Q4 2020, respectively.

### **1.5 Compensation**

The Issuer offer the following compensation to the Bondholders:

- 1.5.1 The coupon of the Bonds shall increase by adding a PIK Interest of 1.00% p.a.
- 1.5.2 Changes to the Call Options and new default event as further described below in item 2.
- 1.5.3 Security by pledge in all shares issued by the Issuer or a new top-co established.

## 2. **PROPOSAL**

### 2.1 **Introduction**

In accordance with clause 15.5(b) of the Bond Terms, the Issuer has approached and instructed the Bond Trustee to issue this Summons in order for the Bondholders to consider, approve and/or ratify the Issuer's proposal as set out below (the "Proposal"):

### 2.2 **Additional carve-out for Second Super Senior Working Capital Facility and new definitions related thereto**

The current definition of "Super Senior Working Capital Facility" in the Bond Terms reads as follows:

*"Super Senior Working Capital Facility" means the working capital provided to the Issuer under the Super Senior Working Capital Facility Agreement and a guarantee facility (in Danish: "garantiramme"), and any refinancing or replacements thereof, subject to the following limitations:*

*(i) The nominal value of the working capital facility shall amount to maximum DKK 50,000,000; and*

*(ii) The guarantee facility may only include performance guarantees in respect of the ordinary course of business of the Issuer and/or the Guarantors.*

This definition shall be substituted for the following new definitions until the earliest of the completion of a capital issue of minimum 10 million Euro (the "2020 Capital Issue") and 31 December 2020:

*"First Super Senior Creditor(s)" means the creditors under the First Super Senior Working Capital Facility Agreement.*

*"First Super Senior Finance Documents" means the First Super Senior Working Capital Facility Agreement, any guarantee facility agreement entered into between the First Super Senior*

*Creditors and the Borrower or any Guarantor relating to performance guarantees in its ordinary course of business; the Security Documents and the Intercreditor Agreement to be entered into.*

*"First Super Senior Obligations" means the Borrowers and Guarantors' obligations and liabilities under the First Super Senior Finance Documents at any time including (without limitation) any such obligor's obligation to repay utilisations under the working capital facility and reimburse performance guarantees posted, together with all unpaid interest, default interest, commissions, charges and expenses and similar to be paid by any such obligor to the First Super Senior Creditor(s) under the First Super Senior Finance Documents.*

*"First Super Senior Working Capital Facility" means the working capital provided to the Borrower under the First Super Senior Working Capital Facility Agreement, in the form of a revolving facility (in Danish: kassekredit) and a guarantee facility (in Danish: garantiramme), and any refinancing or replacements thereof, subject to the following limitations:*

- (i) The nominal value of the working capital facility shall amount to maximum DKK 50 million,*
- (ii) The guarantee facility may only include performance guarantees in respect of the ordinary course of business of the Borrower and/or the Guarantors.*

*"First Super Senior Working Capital Facility Agreement" means the facility agreement (in Danish: "Rammeaftale") between the Borrower and the First Super Senior Creditors regarding the First Super Senior Working Capital Facility originally dated 25 November 2015 as amended, restated or replaced on 2 October 2018.*

*"Second Super Senior Creditor(s)" means the creditors under the Second Super Senior Working Capital Facility Agreement and any agent appointed by such creditors (if any).*

*"Second Super Senior Finance Documents" means the Second Super Senior Working Capital Facility Agreement, the Security Documents and the Intercreditor Agreement to be entered into.*

*"Second Super Senior Obligations" means the Borrowers and Guarantors' obligations and liabilities under the Second Super Senior Finance Documents at any time including (without limitation) any such obligor's obligation to repay utilisations under the working capital facility, together with all unpaid interest, default interest, commissions, charges and expenses and similar to be paid by any such obligor to the Second Super Senior Creditor(s) under the Second Super Senior Finance Documents.*

*"Second Super Senior Working Capital Facility" means the working capital facility provided to the Borrower under the Second Super Senior Working Capital Facility Agreement, in the form of a [loan facility], and any refinancing or replacements thereof, provided that the nominal value of the working capital facility shall amount to maximum DKK 50 million.*

*"Second Super Senior Working Capital Facility Agreement" means the facility agreement entered or to be entered into between the Borrower and the Second Super Senior Creditors regarding the Second Super Senior Working Capital Facility as it may have subsequently been amended, restated or replaced.*

*"Secured Creditor(s)" means (i) the First Super Senior Creditors, (ii) the Second Super Senior Creditors, (iii) the First Lien Bondholders represented by the Trustee and (iv) the Second Lien Bondholders represented by the Trustee (each such group a "Secured Creditor Group").*

*"Super Senior Creditors" means the First Super Senior Creditor(s) and the Second Super Senior Creditor(s).*

*"Super Senior Obligations" means the First Super Senior Obligations and the Second Super Senior Obligations.*

*"Super Senior Working Capital Facility Agreements" means the First Super Senior Working Capital Facility Agreement and the Second Super Senior Working Capital Facility Agreement.*

*(i) The nominal value of the working capital facilities shall amount to maximum DKK 100,000,000; and*

*(ii) The guarantee facility may only include performance guarantees in respect of the ordinary course of business of the Issuer and/or the Guarantors.*

### **2.3 Change to the Maturity Date**

The definition of "Maturity Date" in the Bond Terms shall be amended to read as follows:

*"Maturity Date" means 3 April 2023, adjusted according to the Business Day Convention.*

### **2.4 Temporary waiver of Financial Covenants on Maintenance Test**

Section 13.15 Financial Covenants and Incurrence Test (a) (*Maintenance test on Subordinated Capital Ratio*) shall be waived until the earlier of the completion of the 2020 Capital Issue and 31 December 2020.

### **2.5 New definition of Liquidity for Liquidity Testing Date on 31 December 2020**

The definition of "Liquidity" on the Liquidity Testing Date on 31 December 2020 shall exclude any remaining proceeds from the 2020 Capital Issue.

### **2.6 New covenant on minimum EBITDA**

Until the earlier of 31 December 2020 and completion of the 2020 Capital Issue, a new covenant shall be introduced in Section 13.15:

*The Group must maintain a minimum EBITDA (to be calculated on a 12-months rollover basis) of EUR 9 million and 12 million (or higher amounts agreed to by the Issuer) as per Q3 and Q4 2020, respectively.*

## **2.7 Changes to coupon – additional 1.00% Margin.**

The Issuer shall increase the coupon of the Bonds by adding a PIK Interest of 1.00% p.a., and accordingly the definition of "Margin" in the Bond Terms shall read as follows:

*"Margin" means 11.85 per cent. per annum, plus an additional 1.00% p.a. accruing from the date of the Written Resolution.*

## **2.8 Changes to Voluntary early redemption – Call Option**

The Bond Terms section 10.2 (a) shall be amended to read as follows:

*The Issuer may redeem all but not only some of the Outstanding Bonds (the "Call Option") on any Business Day from and including:*

*(i) this date to, but not including, 1 January 2021 at a price equal to 104.00 per cent. of the Outstanding Nominal Amount;*

*(ii) 1 January 2021 to, but not including, 1 January 2022 at a price equal to 103.00 per cent. of the Outstanding Nominal Amount;*

*(iii) 1 January 2022 to, but not including, 1 July 2022 at a price equal to 102.00 per cent. of the Outstanding Nominal Amount; and*

*(iv) 1 July 2022 to, but not including, the Maturity Date, at a price equal to 101.50 per cent. of the Outstanding Nominal Amount.*

## **2.10 2020 Capital Issue**

The Bond Terms shall be supplemented with the following new covenant:

*The Issuer shall within 2020 complete a capital issue of EUR 10 million in Subordinated Capital (the "2020 Capital Issue").*



### **2.11 Security in shares in the Issuer or new top-co**

The Bonds (together with the Second Lien Notes, the Subordinated Loan and the Super Senior Obligations) shall be secured under a share pledge over all shares of the Issuer or a new top-co to be established, to be perfected within 30 banking days of the Written Resolution.

### **2.12 New Event of Default regarding “Enterprise”**

The Bond Terms chapter 14 shall include the following new Event of Default:

*The Group is not able to extend the lease agreement for the vessel named “Enterprise”, unless the call option has been exercised whereby the Group becomes the new owner of “Enterprise”.*

## **3. UPDATE ON ZITONS BUSINESS AND FINANCIAL SITUATION**

For information, please see the Investor Presentation March 2020 on the Issuer's website Ziton.eu.

If Bondholders require any further detail on the information contained in this Summons or the Proposal, they may contact Jens Michael Haurum (CFO of the Issuer) at telephone +45 87 44 44 30 or email: [jmh@ziton.eu](mailto:jmh@ziton.eu), Markus Wirenhammar at Pareto Securities AB at telephone +46 70 872 51 86 or e-mail: [mw@paretosec.com](mailto:mw@paretosec.com), or Jørgen Andersen at [Andersen@nordictrustee.com](mailto:Andersen@nordictrustee.com).

## **4. EVALUATION AND NON-RELIANCE**

The Proposal is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee. The Bondholders must independently evaluate whether the Proposal is acceptable and vote accordingly. It is recommended that the Bondholders seek counsel from their legal, financial and tax advisers regarding the effect of the Proposal.

No due diligence investigations have been carried out by the Bond Trustee or its advisors with respect to the Issuer (and its assets and liabilities), and the Bond Trustee and its advisors expressly disclaim any and all liability whatsoever in connection with the Proposed Resolution (as defined below) (including but not limited to the information contained herein).

## 5. WRITTEN RESOLUTION

Bondholders are hereby provided with a voting request for a Bondholders' Written Resolution pursuant to clause 15.5 (Written Resolutions) of the Bond Terms. For the avoidance of doubt, no Bondholders' Meeting will be held in relation to the matters described herein.

It is proposed that the Bondholders resolve the following resolution by way of Written Resolution (the "Proposed Resolution"):

*The Bondholders approve by Written Resolution the Proposal as described in section 2 (The Proposal) of this Summons and any other steps or actions deemed necessary or desirable (in the absolute discretion of the Bond Trustee) to achieve the purpose of the Proposal.*

*The Bond Trustee is hereby authorised and instructed to implement the Proposal and do all things and take all such steps as may be deemed necessary or desirable (in the absolute discretion of the Bond Trustee) to implement the Proposal and/or achieve its purpose including but not limited to negotiating and executing amendments to the intercreditor agreement and security agreements.*

The Proposed Resolution 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 Proposed Resolution prior to the expiry of the Voting Period (as defined below); or (b) (i) a quorum representing at least 20% of the total number of Voting Bonds submits a timely response to the Summons and (ii) the votes cast in favour of the Proposed Resolution represent at least a 2/3 majority of the Voting Bonds that timely responded to the Summons.

Voting Period: The Voting Period shall expire ten (10) Business Days after the date of this Summons, being 5 pm Oslo Time on 6 April 2020. The Bond Trustee must prior to the expiration of the Voting Period have received all votes necessary in order for the Proposed Resolution to be passed with the requisite majority under the Bond Terms.

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 effective 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 (d) to (g) of clause 15.1 (*Authority of Bondholders' Meeting*).

Yours sincerely

**Nordic Trustee AS**

  
Jørgen Andersen

Enclosed:

Appendix 1 Voting Form

**ISIN NO 001 0832512 – ZITON A/S FRN Second Secured EUR 25,000,000 Callable PIK Bond Issue 2018/2022**

The undersigned holder or authorised person/entity votes either in favour of or against the Proposed Resolution in the summons dated 23 March 2020

☐ In favour of the Proposed Resolution

☐ Against the Proposed Resolution

ISIN 001 0832512	Amount of bonds owned (in EUR)
Custodian name	Account number at Custodian
Company	Day time telephone number
	E-mail:

Enclosed with this form is the complete printout from our custodian/VPS<sup>1</sup> verifying our bondholding in the Bond Issue as of \_\_\_\_\_.

We acknowledge that, in relation to this Written Resolution, Nordic Trustee AS may, for verification purposes, obtain information regarding our holding of Bonds in the above stated account from our custodian / in the securities register VPS.

\_\_\_\_\_  
Place and date

\_\_\_\_\_  
Authorised signature

Return:

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

<sup>1</sup> If the Bonds are held in custody other than in the VPS, an evidence provided from the custodian confirming (i) that you are the owner of the Bonds, (ii) in which account number the Bonds are held, and (iii) the amount of Bonds owned (in EUR) must be provided with this form.