

ZITON A/S

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Stock Exchange Announcement 1/2022

Non-Payment of interest and instalment by ZITON A/S and cross default under Wind Enterprise P/S bond loan

On 4 April 2022, ZITON A/S ("**ZITON**") is scheduled to make payments of interest and instalment on the bond loan ZITON A/S FRN senior secured EUR 125,000,000 2018/2021 (ISIN NO 0010832488) (the "**1st Lien Bonds**"). The payments should have amounted to 1,940,074.92 EUR in quarterly interest payment and 2,500,000.00 EUR in semi-annual instalment. ZITON is not in position to make the cash payments of interest and instalment on 4 April 2022 and will instead deliver PIK bonds for the interest and instalment due on 4 April 2022 under new ISINs (in accordance with the rules of Verdipapirsentralen ASA (Central Securities Depository)). ZITON will also not make the payment to the retention account that should be made before the end of March 2022.

To strengthen the capital structure and liquidity of ZITON, ZITON and its majority shareholder have initiated discussions with holders representing a majority of the 1st Lien Bond and over 2/3 of the holders in the 2nd lien bond (ISIN NO0010832512) (the "**2nd Lien Bonds**") to reach a solution for a long-term and viable capital structure. A summon to a written resolution will be initiated by the company once an agreement is reached with the lenders representing the majority holders of the 1st and 2nd lien bonds. Such written resolution could potentially also consolidate the new ISINs with the existing ISINs for 1st Lien Bonds. Further, the company's super senior working capital facilities have been prolonged until the end of April to facilitate negotiations on a long-term and viable capital structure.

Each of abovementioned non-payments constitutes an Event of Default under the terms and conditions of the 1st Lien Bonds and for this reason a standstill agreement has been entered into with ZITON's majority creditors temporarily preventing any acceleration and enforcement of security to provide sufficient time to reach a long-term solution with all relevant stakeholders. The standstill also encompasses, inter alia, a likely breach of the undertakings to maintain a subordinated capital ratio of at least 31% for the period ending on 31 March 2022 under the terms and conditions for the 1st Lien Bonds and the 2nd Lien Bonds as well as cross defaults triggered under ZITON's other financing agreements with the majority creditors.

Wind Enterprise P/S, a wholly owned subsidiary of ZITON, has also become a party to the abovementioned standstill agreement together with bondholders representing more than fifty per cent. of the nominal amount outstanding under its bond loan Wind Enterprise P/S EUR 35,000,000 senior secured callable bonds 2020/2024 (ISIN NO 0010911126) (the "**Wind Enterprise Bonds**"). In addition to cross defaults triggered by the mentioned Events of Defaults under the terms and conditions of the 1st Lien Bonds and the 2nd Lien Bonds, the standstill agreement also covers a likely breach of Wind Enterprise P/S's undertaking to maintain an interest cover ratio of at least 4x for the period ending on 31 March 2022 under the terms and conditions for the Wind Enterprise Bonds.

Pareto Securities AB has been retained as financial advisor by ZITON.

For further information, please contact

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