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

To the bondholders in:

ISIN NO 001 0832488 - ZITON A/S FRN Senior Secured EUR 125,000,000 Callable Bond Issue 2018/2021

Oslo, 4 December 2019

Summons for Written Resolution - confirmation regarding definition of Working Capital Facility in Bond Terms and Intercreditor Agreement, and update on ZITONs business and financial situation

Nordic Trustee AS (the "**Bond Trustee**") acts as bond trustee and security agent for the up to EUR 125,000,000 Senior Secured Callable Bonds with ISIN NO 001 0832488 (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 security agent for the EUR 25,000,000 Second Secured Callable PIK Bonds 2018/2022 with ISIN NO 001 0832512 (the "**Second 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 On 16 May 2019 the Issuer entered into a contract (the "**WoDS Contract**") with Siemens Gamesa regarding a blade upgrade campaign at the West of Duddon Sands wind farm ("**WoDS**"). The WoDS Contract originally did not contain provisions on advance payments. As described in item 3, the WoDS campaign has taken considerably longer than expected due to a number of factors. On this basis the Issuer and Siemens Gamesa have agreed to amend the WoDS Contract to include an advance payment from Siemens Gamesa to the Issuer of GBP 5.5 million.

1.2 The amendment necessitates an additional performance guarantee to be issued by Spar Nord Bank A/S to Siemens Gamesa relating to the WoDS Contract, by the amount of GBP 5.5 million (the "**SG Performance Guarantee**"). The SG Performance Guarantee will guarantee the full and punctual performance by the Issuer of its obligations under the WoDS Contract and become effective upon the reception of the Issuer of the advance payment by Siemens Gamesa of GBP 5.5 million.

1.3 As a prerequisite for providing this guarantee, Spar Nord Bank A/S has requested that the Trustee on behalf of the bondholders shall confirm that the SG Performance Guarantee will, as is customary, have super senior status under the Bond Terms and Intercreditor Agreement, which include this definition of "Super Senior Working Capital Facility":

"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.

1.4 The Issuer is of the opinion that the SG Performance Guarantee is a performance guarantee in respect of its ordinary course of business, as allowed for under the existing Bond Terms and the Intercreditor Agreement.

1.5 In support of this view, the Norwegian law firm, Schjødt and the Danish law firm, Kromann Reumert have provided legal opinions confirming that in their opinion the SG Performance Guarantee is already covered by the definition of "Super Senior Working Capital Facility" in the existing Bond Terms and the Intercreditor Agreement, respectively. Copies of these opinions are enclosed this Summons.

1.6 Currently, DKK 49.6 million in nominal amount is drawn on the Working Capital Facility and 2.96 million GBP issued in performance guarantees (prior to the SG Performance Guarantee).

2. PROPOSAL

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"):

To approve and agree that:

1. *the Bond Trustee is to confirm to the satisfaction of Spar Nord A/S, that the guarantee facility in respect of the SG Performance Guarantee is covered by the definition of "Super Senior Working Capital Facility" in the Bond Terms and the Intercreditor Agreement and, consequently, constitutes "Super Senior Obligations" as defined in the Intercreditor Agreement; and issue all statements and documents necessary for the SG Performance Guarantee to become effective.*

3. UPDATE ON ZITONS BUSINESS AND FINANCIAL SITUATION

3.1 In January 2019, the Issuer was selected preferred supplier for the WoDS campaign. Under the WoDS Contract signed on 16 May 2019 ZITON is to provide a full turnkey solution including, among other things, jack-up, lifting equipment, lift planning, technicians and blade upgrade work including onshore blade facilities.

3.2 Initiation of the WoDS campaign was delayed to July 2019 as it took longer than expected to obtain all permits required. In Q2 2019 this delay negatively affected revenue by approx. 4 MEUR.

3.3 During the first 2 months of the project, the expected level of operating efficiency was not achieved. A new project organisation was assigned and various inefficiencies in project execution was addressed one by one, leading to steady progress. Subsequently, all but one of the subsequent exchanges have been carried out at the average efficiency expected for the project. All in all, these factors and adverse weather reduced revenue from the WoDS project and negatively affected ZITONs EBITDA by approx. EUR 4 million during Q3 2019.

3.4 Challenges with the WoDS campaign continued in the first weeks of Q4 2019 due to an unfortunate damage to the blade lifting system, combined with adverse weather. Subsequently, performance has been improved and during November performance has been in line with original expectations. Still, ZITONs EBITDA is approx. EUR 2 million lower on the WoDS project than expected in Q4 2019, mainly as a result of damage to the blade lifting system.

3.5 In ZITONs Q3 report issued on 4th November 2019, the guidance for EBITDA was lowered to the lower end of the range 15-19 MEUR. ZITON did not achieve the expected performance from the WoDS blade campaign until November, further the utilisation of the three other vessels have been lower than expected during the second half of Q4 2019. Consequently, ZITON reduces the full year 2019 guidance for EBITDA to EUR 8-10 million. The developments discussed above has put strains on ZITONs liquidity, triggering a need for the amendment to the WoDS Contract ensuring advance payment.

3.6 ZITONs outlook for 2020 is encouraging. The agreement with SGRE enables 2 set of blades on J/U WIND SERVER which will allow for an efficiency in line with original expectations, and the framework agreements with Ørsted, Vattenfall and MHI Vestas Offshore Wind provides a good coverage going into 2020. Consequently, initial guidance for EBITDA for 2020 is EUR 24-30m.

3.7 BWB Partners, the majority shareholder of ZITON, is convinced of ZITONs future potential, especially on the back the improved performance in the WoDS project. As BWB Partners remain highly committed and to avoid any potential breach of the covenant on "Subordinated Capital" in the Bond Terms and in order to support ZITON, the majority shareholder intends to inject additional cash in the form of subordinated capital in an amount of DKK 15 million (the "Capital Injection"). The Capital Injection will in such case take place in December 2019. Following this the Subordinated Capital Ratio per 31 December 2019 is expected to be above 32.5%.

3.9 The Capital Injection, coupled with the GBP 5.5 million advance payment from Siemens Gamesa, are expected to alleviate any cash constraints of ZITON and provide sufficient liquidity.

4. FURTHER INFORMATION

If Bondholders require any further detail on the information contained in this Summons or the Proposal, they may contact Jørgen Andersen at Andersen@nordictrustee.com.

Bondholders will shortly be invited to join the conference call with ZITON. Dates and contact details will be announced at ZITONs web-site; Ziton.eu.

5. 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).

6. 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, upon having ascertained that the capital injection described in section 3.7 will be effected, 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.

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 50% 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 18 December 2019. The Bond Trustee must have received all votes necessary in order for the Proposed Resolution 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 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

Appendix 2: Legal opinions

Appendix 1 Voting Form

Written Bondholders' Resolution

ISIN NO 001 0832488 **Ziton A/S FRN Second Secured EUR 125,000,000 Callable Callable Bond Issue 2018/2021**

The undersigned holder or authorised person/entity votes either in favour of or against the Proposed Resolution in the summons dated 04.12.2019

☐ **In favour** of the Proposed Resolution

☐ **Against** the Proposed Resolution

ISIN **ISIN NO 001 0832488**	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[1] 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

[1] 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.

Appendix 2: Legal opinions

SCHJØDT

Nordic Trustee AS (the "**Bond Trustee**")

Oslo, 4 December 2019
Responsible partner:
Knut Bergo

Dear Sirs;

ZITON A/S – INTERPRETATION OF DEFINITION IN THE BOND TERMS

1. **INTRODUCTION**

We have been asked to opine on the interpretation of the Bond Terms dated 3 October 2018 for Ziton A/S FRN senior secured EUR 125,000,000 callable bonds 2018/2021 ISIN NO 0010832488 (the "**Bond Terms**") in connection with the issue of a guarantee by Spar Nord A/S (the "**Guarantee**") related to the "Amendment to the Call-Off Contract for West of Dunnon Sands" to be entered into between Ziton A/S and Siemens Gamesa Renewable Energy Limited" (the "**Amendment Agreement**").

2. **DOCUMENTATION**

For the purpose of this opinion we have examined pdf copies of:

(a) the Bond Terms (execution version);

(b) the Amendment Agreement (final draft as of 28 November 2019)

(c) the Guarantee Framework ("Forhøyelse af Garantiuramme) of 18 November 2019.

3. **ASSUMPTIONS**

3.1 The opinions set out in this letter relate only to the interpretation of the Bond Terms under Norwegian law as in force at the date hereof, and are based on the following assumptions:

3.2 The absence of any other agreements or arrangements between any of the parties to the Guarantee or Addendum or between any of these parties and any third party which modify or supersede any of the terms thereof.

3.3 That there is nothing under any law or regulation (other than the laws of Norway) which would or might affect the opinions expressed below.

3.4 That all material facts and documents relevant to us giving this opinion have been disclosed to us.

We have taken no steps to verify these assumptions. We are not aware of any fact which would render these assumptions untrue.

4. OPINION AS TO NORWEGIAN LAW

With reference to the Bond Terms you have asked for our opinion on the matters set forth below:

4.1 The Bond Terms section 1.1 include the following definition:

*"**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.

4.2 We are of the opinion that the Guarantee is a performance guarantee in respect of the ordinary course of business of Ziton A/S and consequently falls within the definition of the "Super Senior Working Facility" in the Bond Terms.

5. MISCELLANEOUS

5.1 This opinion speaks as of its date. Other than as specified in this opinion we express no opinion as to any matter, agreement or instrument.

5.2 This opinion is addressed to you and may only be relied upon by you.

5.3 Without our written consent:

(a) no person other than you may rely on this opinion for any purpose;

(b) this opinion may not be used, circulated, cited, quoted or otherwise referred to in any financial statement, offering memorandum, prospectus, private placement memorandum or other similar document or otherwise;

(c) this opinion may not be cited or quoted in any other document or communication which might encourage reliance upon this opinion by any person or for any purpose excluded by the restrictions in this paragraph; and

(d) copies of this opinion may not be furnished, released or disclosed to anyone other than as an appendix to the Summons for Written Resolution of 4 December 2019.

5.4 We shall not be liable for indirect or consequential losses arising in connection with this opinion nor any advice given by us in connection with this opinion or the matter or assignment to which this opinion relates. Our liability, if any, in respect of this opinion or related advice as aforesaid shall always be limited to documented and direct financial loss and shall in no event exceed the aggregate amount of NOK 50 million and as further set out in our standard terms and conditions.

5.5 This opinion is given by Advokatfirmaet Schjødt AS. Neither the person executing this opinion on behalf of Advokatfirmaet Schjødt AS nor any director, officer, employee or other partner of Advokatfirmaet Schjødt AS shall have personal liability in respect of this opinion or any related advice as aforesaid.

5.6 This opinion shall be governed by and construed in accordance with the laws of Norway. The courts of Norway shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this opinion; the venue to be Oslo.

Yours faithfully
ADVOKATFIRMAET SCHJØDT AS

Knut Bergo

KROMANN REUMERT

Ziton A/S
Bygholm Søpark 21 E
8700 Horsens

ZITON A/S - PERFORMANCE GUARANTEE

You have asked us to give an opinion on whether the contemplated increase of Spar Nord Bank A/S' guarantee facility (*garantiramme*) to be made in connection with the issuance of a guarantee to Siemens Gamesa Renewables Energy A/S is covered by the existing Intercreditor Agreement dated 2 October 2018 between, among others, Spar Nord Bank A/S and Nordic Trustee A/S.

Pursuant to clause 3 of the Intercreditor Agreement, the Super Senior Obligations rank prior to the First Lien Bonds and Second Lien Bonds in case of enforcement of the security interests listed in Schedule 1 to the Intercreditor Agreement.

Pursuant to the definition in the Intercreditor Agreement, "Super Senior Obligations" cover, among others, Ziton A/S' obligations under "performance guarantees in respect of the ordinary course of business of" Ziton A/S.

We have received a draft of an "Amendment to the Call-Off Contract for West of Duddon Sands" between Ziton A/S and Siemens Gamesa Renewables Energy A/S pursuant to which Ziton A/S shall procure the issuance of additional performance security by way of an on demand bank guarantee in an amount equal to the advance payment payment which Ziton A/S simultaneously will receive from Siemens Gamesa Renewables Energy A/S. The guarantee is to cover "the full and punctual performance" of Ziton A/S' obligations. We understand this wording as a requirement to issue a "performance guarantee" and we further understand that the agreement with Siemens Gamesa Renewables Energy A/S is a central part of Ziton A/S' business and, consequently, part of Ziton A/S' "ordinary course of business".

An increase of the guarantee facility with Spar Nord Bank A/S for the purpose of such a performance guarantee will be covered by the wording of "Super Senior Obligations" in the Intercreditor Agreement and, consequently, pursuant to clause 3 of the Intercreditor Agreement have priority over First Lien Bonds and Second Lien Bonds in connection with enforcement of the security interest listed in Schedule 1 to the Intercreditor Agreement.

This opinion is addressed to, and is solely for the benefit of, Ziton A/S and may not, without our prior written consent, be relied upon for any other purpose or be disclosed to or relied

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3 DECEMBER 2019
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upon by any other person. Notwithstanding the foregoing, this opinion may be disclosed (on a strict non-reliance basis) as an appendix to the Summons for Written Resolution of 4 December 2019.

Med venlig hilsen
Kromann Reumert

Thomas Kaas, Partner