



## Statement from the Board of Directors in Solvang ASA on the voluntary offer made by Unity Invest AS for all issued and outstanding shares Solvang ASA.

### 1. Introduction

Reference is made to Unity Invest AS's voluntary offer dated November 28<sup>th</sup> 2017 for all issued and outstanding shares in Solvang ASA against cash settlement of NOK 30 per outstanding share.

Further information on the voluntary offer can be found at this link:

<http://fearnleysecurities.no/Capital-Markets/Ongoing-projects/Solvang-ASA-voluntary-offer>

The relevant offer is from a company controlled by the Chairman of Solvang ASA, and as such the advice from the Board of Directors will be subject to the Norwegian Security trading act §6-16 (4), dictating that Oslo stock exchange will make a final ruling on who should advise shareholders on the offer. The Oslo stock exchange has on November 16<sup>th</sup> 2017 decided that the board in Solvang ASA, excluding Chairman Michael Steensland Brun as owner of AS Clipper, and Board Member Alf Andersen, as co-investor in other shipping business ventures with the Chairman, will advise the shareholders on the offer.

To support the advice, and in compliance with corporate governance, the Board of Directors have hired Pareto Securities as independent advisor to do a fairness opinion on the offer.

### 2. The offer

On November 13<sup>th</sup> 2017, Unity Invest AS announced that it intended to make a voluntary offer on all issued and outstanding shares in Solvang ASA. On November 28<sup>th</sup> 2017, the Oslo stock exchange approved the offer pursuant to chapter 6 in the Norwegian Securities Trading Act. On November 29<sup>th</sup> 2017, the offer was made available to all the registered shareholders.

The offer is made by Unity Invest AS, a Norwegian private limited company based in Oslo currently owned 100% by AS Clipper. Unity Invest AS is a newly established company without any other activity than to make the offer.

As follows extract from the offer document:

*"On 10 November 2017, the Offeror entered into a conditional agreement (the "Investment Agreement") with the following parties (hereinafter collectively referred to as the "Consortium"):*

*Members of the consolidated Steensland Group (as further detailed below):*

- AS Clipper (currently controlling 6,531,513 Shares in the Company);*
- AS Straen (currently controlling 5,405,157 Shares in the Company);*
- AS Audley (currently controlling 3,589,014 Shares in the Company);*
- Barque AS (currently controlling 15,827 Shares in the Company);*
- Corneliusen Invest AS (currently controlling 35,000 Shares in the Company);*
- Michael Steensland-Brun (currently controlling 981,201 Shares in the Company);*
- Menne Steensland (currently controlling 72,875 Shares in the Company); and*
- Melanie Tone Steensland Gotteberg (currently controlling 32,500 Shares in the Company)*

*The following Solvang Shareholders:*

- *Mertoun Capital AS (currently controlling 1,269,782 Shares in the Company);*
- *MP Pensjon PK (currently controlling 821,363 Shares in the Company);*
- *Skagenkaaien Eiendom AS (currently controlling 597,200 Shares in the Company);*
- *Espedal & Co AS (currently controlling 160,425 Shares in the Company);*
- *Torkap AS (currently controlling 119,927 Shares in the Company);*
- *Jaco Invest AS (currently controlling 100,000 Shares in the Company);*
- *Svend Botolf Sundby (currently controlling 67,365 Shares in the Company);*
- *Svesund AS (currently controlling 40,651 Shares in the Company);*
- *AS Taif (currently controlling 25,565 Shares in the Company); and*
- *Bomato AS (currently controlling 15,000 Shares in the Company)*

*Pursuant to the Investment Agreement, each of the members of the Consortium shall contribute and transfer all their Shares to the Offeror and will, upon closing of the transaction, become shareholders in the Offeror. Subject to satisfaction of the conditions precedent for the Offer being met or waived by the end of the Offer Period (as extended), each member of the Consortium will swap their Shares in Solvang with shares in the Offeror on a 1:1 basis, at a value per Share equal to the Offer Price.*

*The members of the Consortium have furthermore entered into a shareholder's agreement relating to their investment in the Offeror which will enter into effect from the time they become shareholders in the Offeror.*

*In total, the members of the Consortium currently control 19,880,365 Shares, equal to 80.64% of the issued share capital in the Company.” End extract.*

The offer price is set at NOK 30 per share.

No special advantages or benefits have been awarded to, or are being held in prospect for, the members of the management group, the Board of Directors or any other governing body of Solvang in connection with the Offer

The offer period is from and including November 29<sup>th</sup> 2017 to and including December 13<sup>th</sup> 2017 at 16:30 (CET).

### 3. The offer's significance for employees and company

As described in the offer document, the majority owner intends to continue their support to the company's business as an owner and operator of LPG vessels. The Offer itself will not have any legal, economic or work related consequences for the company's employees. There are no stated plans to relocate the companies registered offices in Stavanger, Oslo or Manila.

Furthermore the offer details the shortfall in Solvang's current structure, where being both a ship manager and investor in the underlying shipowning companies, is a model that hardly exists today. With the growth Solvang has had over the last 10 years, it has become clear from offeror's perspective that the current structure is not sustainable.

The offer also states the intent of restructuring the Group, where the first step in this process is to take the Company private and to seek a de-listing from the Oslo Stock Exchange. A consolidated ownership structure is furthermore considered essential for Solvang to maintain its current position and fulfill its stated aim "to be the preferred carrier of LPG and pet.chems".

The company has informed employees of the offer, where the majority owner, if successful, will with a group of select other investors, own the entire company. No concerns received from employees.

#### 4. Advise to shareholder

The Board of Solvang ASA has employed an independent advisor, Pareto Securities, in order to get a qualified fairness opinion on the offer. Pareto Securities made the same valuation with regards to the mandatory offer from April 6<sup>th</sup> 2017.

Pareto has used the same method of valuation from April 2017, and now calculates a fair price at NOK 29.80 per share. The valuation is a combination of third party ship valuations, estimating additional value of existing contracts, setting a value on Solvang's ship-management business, as well as assets and liabilities in the balance sheet. In addition Pareto discounts from NAV for low liquidity in the share, and for the ownership structure, where Solvang is only a minority shareholder in each of the shipping companies.

The drop in value from April comes from further depreciation of ship values and the USD/NOK foreign exchange rate. This drop is offset somewhat by inclusion of the value of first installments for the four newbuilds with delivery in 2019 and a reduction in total liabilities.

Based on an adjusted value of NOK 29.80 per share, the advisor is of the opinion that, as of the date hereof, the offer price of NOK 30 per share is fair from a financial point of view to all shareholders of Solvang ASA.

The board of Solvang ASA agrees with the independent advisor that the offer price of NOK 30 per share represents a fair value for all shares in Solvang ASA. The remaining board members of Solvang were unanimous in their decision, with the Chairman Michael Steensland Brun and Board member Alf Andresen excluded on the subject matter.

Board member Wenche Rettedal owns 2.781 shares, representing 0.01% of the company, and CEO Edvin Endresen owns 7.926 shares, representing 0.03% of the company, have both decided to accept the offer. The other included board members, Ellen Solstad and Hans Petter Aas, have no shares in the company.

The fairness letter from independent advisor is enclosed.