

Transaction agreement signed:

Wilhelmsen and Wallenius merge to form world-leading shipping and logistics platform

On 5 September 2016, Wilh. Wilhelmsen Holding ASA and Wilh. Wilhelmsen ASA (WWASA) signed a letter of intent with Rederi AB Soya and Wallenius Lines AB, whereby it was agreed to establish a new ownership structure for their jointly owned investments.

As of today, the parties have signed a transaction agreement, as detailed in a stock exchange notice from Wilh. Wilhelmsen ASA dated 22 December 2016.

The main terms include:

- At the day of the merger, Wallenius Lines and Wilh. Wilhelmsen Holding will hold 48% and 37.8% respectively. Minority shareholders in WWASA will hold the remaining 14.2% of the shares.
- Subsequent to completion of the merger, it is agreed that Wallenius shall reduce its shareholding in order to reach the same ownership level as Wilh. Wilhelmsen Holding ASA has in WWASA. Subject to certain conditions, at least 25% of the shares shall be sold within four weeks after completion of the merger. The remaining shares shall be sold no later than three weeks after the second quarterly reporting of WWASA following completion the merger. Following the reduction, Wilhelmsen's and Wallenius' proforma ownership will be 75.6%, and this is expected to facilitate a significantly improved trading liquidity in the WWASA shares.
- In relation to the 75% remaining shares, Wilh. Wilhelmsen Holding ASA has entered a risk sharing agreement with Wallenius, where Wilh. Wilhelmsen Holding ASA and Wallenius will equally share any upside if the shares are sold for more than NOK 32.50 per share and downside if the shares are sold for less than NOK 22.50 per share. Until all of the shares have been sold, Wallenius shall at possible general meetings of WWLASA not vote for more than the total number of shares held by Wilh. Wilhelmsen Holding ASA.
- Wilh. Wilhelmsen Holding and Wallenius Lines have entered into a limited shareholders' agreement dealing with board representation and a right of first refusal if either of the parties sell below 20%. Further, the parties have agreed a twelve months "stay away period", in which neither party are allowed to increase their holdings in the new combined entity. The agreement shall remain in force until 31 December 2021.
- Closing of the merger is expected early April, subject to relevant regulatory and shareholders' approvals.

"The markets in which our shipping and logistics entities operate are going through rapid change and requires a more agile and efficient business model. We are happy to have reached an agreement with our Swedish partners creating an agile, world-leading, sustainable shipping and logistics platform," says Thomas Wilhelmsen, group CEO at Wilhelmsen.

"In addition to establishing one common, more efficient owner and governance structure, the proposed merger is expected to enable substantial synergies by combining the assets and harvesting economies of scale, including more optimal tonnage planning, and administrative, commercial, and operational efficiencies between the entities," says Thomas Wilhelmsen, group CEO at Wilhelmsen.

Further to the prospects for the new entity, the board of Wilhelmsen states that: "Not only will we create a world leading transporter of car and ro-ro cargoes, but the proposed merger will also

facilitate a growth path for the land-based logistics offer where we expect new investments and development of products and services going forward.”