

## **Recommended voluntary cash offer to acquire all shares in Saferoad by FSN Capital V**

- **Cash offer at NOK 30.10 per Saferoad share valuing the total share capital of Saferoad at approximately NOK 2,067 million on a fully diluted basis. Offer price will not be adjusted for the proposed ordinary dividend of NOK 0.90 per share**
- **Recommended by the Board of Directors of Saferoad**
- **Pre-acceptances of the Offer from shareholders holding approximately 34.4% of the issued share capital of Saferoad**
- **Conditional purchase agreement with Cidron Triangle S.à r.l., a company indirectly controlled by Nordic Capital Fund VII, holder of 29.2% of the issued share capital in Saferoad, to purchase its shares at NOK 26 per share (less any dividend or leakage)**
- **Combined, including the pre-acceptances and the conditional purchase agreement, pre-commitments from 63.6% of the share capital of Saferoad**

WR Start Up 225 AS (name to be changed to "SRH Investco AS" or something similar), a company indirectly controlled by FSN Capital V<sup>1</sup>, (the "Offeror") and Saferoad Holding ASA ("Saferoad", OSE: SAFE) today announced a transaction agreement whereby the Offeror will launch a recommended voluntary cash offer (the "Offer") to acquire the entire issued share capital of Saferoad, other than the Cidron Shares (as defined below), for NOK 30.10 per share in cash (the "Offer Price"). The Offer Price is not to be adjusted for the proposed ordinary dividend for 2017 of NOK 0.90 per share to be resolved by the 2018 annual general meeting and values the total share capital of Saferoad at approximately NOK 2,067 million on a fully diluted basis including the proposed ordinary dividend. The Board of Directors of Saferoad has decided to recommend that its shareholders accept the Offer.

FSN Capital V believes Saferoad operates in an attractive market with stable underlying growth, has opportunities to further expand its geographical footprint, including opportunities to pursue value accretive acquisitions, and that Saferoad has further potential to execute on operational excellence initiatives.

FSN Capital V believes it would be an ideal partner to assist Saferoad in its forthcoming growth opportunities. FSN Capital V and Saferoad shares their footprint not only in Norway, Sweden and Denmark, but since last year also Germany. FSN Capital V has a strong operational focus which has resulted in margin improvements and strong performance of its portfolio companies.

*"FSN Capital is excited about this opportunity to work with Saferoad, which operates in an attractive market with significant growth opportunities. Our Offer is supported by the statement from the Board recommending the offer, and by Saferoad's management. With FSN's industrial and operational experience, we look forward to supporting Saferoad's further growth, and believe that the company will benefit under FSN's ownership in the coming years",* says Ulrik Smith, Partner at FSN Capital Partners AS, investment advisors to FSN Capital V.

*"Building on Nordic Capital's significant development of Saferoad in recent years, FSN will be well positioned to take the company further through its extensive experience and track record of developing Nordic-based companies. This offer is positive for Saferoad and its stakeholders",* says Johan Ek, Chairman of the Board of Directors of Saferoad.

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<sup>1</sup> FSN Capital GP V Limited acting in its capacity as general partner for and on behalf of each of FSN Capital V L.P., FSN Capital V (B) L.P. and FSN Capital V Invest L.P.

The Offer Price, with the addition of the ordinary dividend proposed by Saferoad, represents a 51% premium to Saferoad's closing share price on 15 May 2018 and a 52% and 49% premium to the one-month and three-month volume weighted average stock price on 15 May 2018, the last trading day prior to the announcement of the Offer, respectively.

Certain of Saferoad's largest shareholders have pre-accepted the Offer for all shares they own. In addition, the Offeror has received pre-acceptances from each of the Directors and executive management holding shares in Saferoad to tender their shares into the Offer. The total shares subject to these pre-acceptances represent approximately 34.4% of Saferoad's issued share capital.

In addition, the Offeror has entered into a conditional purchase agreement with Saferoad's largest shareholder, Cidron Triangle S.à r.l ("Cidron"), whereby the Offeror will purchase 29.2% of the outstanding shares of Saferoad (the "Cidron Shares"), subject to completion of the Offer, for NOK 26 per share (less any dividend or other leakages) (the "**Purchase Agreement**"). These pre-acceptances and the commitment to sell shares under the Purchase Agreement may be withdrawn on certain conditions in the event of a superior competing offer.

Combined, including the pre-acceptances and the conditional purchase agreement, the Offeror has received pre-commitments from 63.6% of the share capital of Saferoad.

### **Terms and conditions of the Offer**

The Offeror will make a voluntary offer to acquire the entire issued share capital of Saferoad, other than the Cidron Shares, for NOK 30.10 per share in cash. The Offer Price will not be adjusted for the proposed ordinary dividend for 2017 of NOK 0.90 per share, and shareholders owning shares prior to the ex-date for the distribution of the proposed dividend (i.e 24 May 2018) will receive this payment (if approved). The complete details of the Offer, including all terms and conditions, will be included in an offer document complying with the requirements of the Norwegian Securities Trading Act and expected to be distributed to the Saferoad shareholders shortly, following approval by the Oslo Stock Exchange. The offer period will be three weeks, subject to extension with up to an additional seven weeks. Settlement of the offer will take place within three weeks from the announcement that the closing conditions have been satisfied or waived.

The completion of the Offer is subject to satisfaction or waiver by the Offeror at its sole discretion of the following conditions on or before 16 December 2018:

- (i) shareholders shall in the aggregate have accepted the Offer for a number of shares representing more than 90% of the total share capital of Saferoad, including the Cidron Shares, on a fully diluted basis.
- (ii) no material adverse effect on the Saferoad group shall have occurred.
- (iii) Any necessary regulatory approvals shall have been duly obtained without any conditions.
- (iv) No material breach of the Transaction Agreement by Saferoad shall have occurred.
- (v) No material breach of the Purchase Agreement by Cidron shall have occurred and all closing conditions pursuant to the Purchase Agreement shall have been fulfilled or waived by the Offeror.
- (vi) The Board of Directors of Saferoad shall not have amended or withdrawn the board recommendation of the Offer.
- (vii) No changes to the share capital of Saferoad or issuance of any rights which entitle the holder to acquire or subscribe for shares in Saferoad or give the holder any other form of equity interest in Saferoad shall have taken place other than in accordance with Saferoad's Long Term Incentive Plan 2017.

The Offer will not be subject to any financing or due diligence condition. The Offeror will finance the transaction with third party debt financing and equity from FSN Capital V and other FSN Capital branded funds, partnerships or special purpose vehicles.

The recommendation from the Board of Directors of Saferoad will be included in the offer document. The recommendation from the Board of Directors of Saferoad is not a formal statement made pursuant to sections 6-16 and 6-19 of the Norwegian Securities Trading Act. Saferoad has in consultation with Oslo Børs engaged KPMG as an independent third party to provide the formal statement about the Offer to be issued in accordance with section 6-16 (1) c.f. 6-19 (1) of the Norwegian Securities Trading Act.

The Board of Directors of Saferoad has the right to withdraw its recommendation of the Offer in the event a superior competing offer is made that is not matched by the Offeror within five days after the Offeror received notice thereof. As part of the transaction agreement with the Offeror and subject to customary exceptions, Saferoad has entered into undertakings not to solicit competing offers from third parties.

The Offeror does not own any shares in Saferoad or other financial instruments that gives the Offeror a financial exposure similar to a shareholding in Saferoad. The Offeror has not acquired any shares in Saferoad during the last six months prior to this announcement.

The Offeror intends to make a compulsory acquisition of the remaining shares in Saferoad upon acquiring not less than 90% of the shares in Saferoad under the Offer and the Purchase Agreement. Further, upon such acquisition the Offeror intends to propose to the general meeting of Saferoad that an application is filed with the Oslo Stock Exchange to de-list the shares of Saferoad.

Carnegie is acting as financial advisor and Wikborg Rein is acting as legal advisor to the Offeror. Arctic Securities is acting as financial advisor and Thommessen is acting as legal advisor to Saferoad.

**For further information, please contact<sup>2</sup>:**

Ulrik Smith: +47 974 15 569  
Partner at FSN Capital Partners AS  
us@fsncapital.com

or

Morten Welo: +47 92448555  
Partner & COO/IR at FSN Capital Partners AS  
mw@fsncapital.com

***About FSN Capital***

*Founded in 1999, FSN Capital Partners, investment advisors to FSN Capital V, is an independent Northern European private equity investment advisory firm with a team of approximately 30 investment professionals based in Oslo, Stockholm, Copenhagen and Munich. FSN Capital is a one of Europe's fastest growing private equity advisory firms with €2125 million under management.*

***About Saferoad***

*Saferoad is a leading supplier of road safety and road infrastructure solutions in Europe. The Group offers a broad range of innovative and high -quality products and solutions to those who own, build and maintain roads.*

*Saferoad is headquartered in Oslo, Norway and has approximately 2 800 employees across 20 countries in Europe.*

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<sup>2</sup> Contact persons are acting for FSN Capital Partners, in its capacity as investment advisors to FSN Capital V

***Forward-looking Statements***

*This news release contains certain forward-looking statements that are based on uncertainty, as they relate to events and depend on circumstances that will occur in the future and which, by their nature, may have an impact on results of operations and the financial condition of the Offeror and/or Saferoad. Such forward-looking statements reflect our current expectations and are based on the information currently available. The Offeror cannot give any assurance as to whether such forward-looking statements will prove to be correct. These forward-looking statements include statements regarding the Offer, our expectations as to the launch of the Offer, including the terms of the Offer and expected timing, expected benefits of the Offer. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, among other things, satisfactions of conditions to the Offer and investor participation in the Offer.*

***Important Notice:***

*The Offer and the distribution of this announcement and other information in connection with the Offer may be restricted by law in certain jurisdictions. The Offeror and Saferoad assume no responsibility in the event there is a violation by any person of such restrictions. Persons into whose possession this announcement or such other information should come are required to inform themselves about and to observe any such restrictions.*

THE OFFER WILL NOT BE MADE IN ANY JURISDICTION IN WHICH MAKING OF THE OFFER WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION. THIS ANNOUNCEMENT DOES NOT IN ITSELF CONSTITUTE AN OFFER. THE OFFER WILL ONLY BE MADE ON THE BASIS OF THE OFFER DOCUMENT AND CAN ONLY BE ACCEPTED PURSUANT TO THE TERMS OF SUCH DOCUMENT.