

TTS Group ASA
Folke Bernadottes vei 38
5147 Fyllingsdalen
Norway

Attn. Board of Directors

Oslo, 1 August 2016

Fairness opinion and independent statement in accordance with § 6-16 of the Norwegian Securities Act

1. BACKGROUND

Swedbank Norge ("**Swedbank**") has been engaged by the Board of Directors (the "**Board**") of TTS Group ASA ("**TTS**" or the "**Company**") in connection with the voluntary offer by Palfinger Marine GmbH (the "**Offeror**") to acquire all outstanding shares in TTS for a cash consideration of NOK 5.60 per share (the "**Offer Price**"), as announced 19 June 2016 (the "**Offer**"). The Offer was formally set forth in the offer document (the "**Offer Document**") published 18 July 2016.

Under § 6-16 (1) of the Norwegian Securities Trading Act ("**STA**") the Board has a duty to issue a statement in relation to the Offer. The statement shall include an assessment of the impact of a potential completion of the Offer on the Company's interests, including the effect, if any, of strategic plans by the Offeror as noted in the associated Offer Document on the employees and the location of the Company's business, as well as other factors of significance for assessing whether the Offer should be accepted by the Company's shareholders. The statement of TTS' Board is included in Appendix A to the Offer Document. In accordance with § 6-16 (4) of the STA, the Oslo Stock Exchange, in its capacity of Takeover Supervisory Authority, in this instance, has in addition required that a separate statement regarding the Offer is issued by an independent advisor on behalf of the Company.

In relation to the above, the Company has engaged Swedbank to provide a fairness opinion and independent assessment of the Offer ("**Statement**"). For the avoidance of doubt, Swedbank has only provided the Statement in connection with the Offer and has not acted as a financial advisor in any other respect for any of the parties involved. The opinions expressed in this Statement are prepared for the Board of TTS and may not be relied upon by any third party for any other purposes whatsoever. Evaluations of this nature will always contain an element of uncertainty, and although reasonable care and efforts have been exerted, Swedbank does not accept any legal or financial liability related to this Statement, nor any consequences resulting from acting to or relying on it.

The Statement is based on an evaluation of publicly available information, including discussions with TTS's management. Swedbank has not reviewed any non-public information related to TTS, nor performed any legal, technical or other due diligence of the Company.

2. ASSESMENT OF THE FINANCIAL FAIRNESS OF THE OFFER

The evaluation of the Offer has been made on objective criteria to the extent possible and on generally accepted and recognized valuation methods that have been deemed relevant and applicable. In addition, Swedbank has taken into account other conditions that are considered to be relevant.

The primary valuation methods applied in the valuation of the Offer include:

- Study of historical take-over bid premiums
- Historical trading range and liquidity of the TTS share
- Public company comparables
- Comparable transactions
- Discounted cash flow analysis
- Other considerations

The Offer Price represents a premium of 65% to the last close of TTS on the Oslo Stock Exchange, prior to the announcement of the Offer, and a premium of 76%, 94% and 83% to the volume weighted average share price in the 3-month, 6-month and 12-month period prior to the announcement, respectively. This premium is substantially higher than the average historical bid premiums observed in other takeovers.

Based on an evaluation of the market multiples of comparable public companies and of comparable transactions, and taking into account that Swedbank finds it to be fair that TTS should be valued at a discount to larger and more diversified peers, the Offer Price is above or in line with the estimated values when looking at historical earnings for 2015 and estimates for 2016. Swedbank estimates a gradual recovery in several of TTS' key market segments and an improvement in revenues and earnings for the Company in the coming years. Assuming such a recovery, the Offer Price is below value levels derived from looking at forward-based valuation multiples and a discounted cash flow analysis. That being said, there is significant uncertainty with respect to future estimates, and Swedbank finds it reasonable to put greater emphasis on valuation metrics for 2015 and 2016.

Swedbank also notes that shareholders representing 67% of the shares in the Company, including members of the Board and the CEO, have pre-accepted the Offer, signaling that these shareholders, several of whom have been long-term shareholders in TTS with insight into its underlying business, find the Offer to be fair and attractive. Furthermore, holders of TTS' convertible bond representing approximately 65.5% of the principal amount have also provided undertakings to support the transaction (including conversion of the convertible bond, the potential dilution of which has also been considered when evaluating the attractiveness of the Offer).

3. OTHER CONSIDERATIONS

Impact on the Company and its employees

The Offeror states in the Offer Document that following a successful completion of the Offer, the Offeror intends to enhance its global business development expansion. Further, the Offeror states that there are no plans to restructure the Company as a result of the Offer and that the Offer is not expected to have legal, economic, or work-related consequences for the employees of the Company.

The Board has unanimously resolved to recommend that shareholders of the Company accept the Offer. The Board highlights, amongst others, that the Offer might have positive effects for key stakeholders, including the Company's employees, as the Offeror is a leading global producer of lifting solutions on commercial vehicles and ships and will be in a strong position to develop the Company's business going forward, as well as benefit from strong industrial and strategic integration and cross-selling of products and capabilities.

Swedbank notes that the Offeror has no current plans to restructure the Company or make changes to the Company's workforce, and that the offer is not expected to have any legal, economic or work-related consequences for the employees of TTS. Further, the Board has issued a unanimous recommendation of the Offer and highlight that the Offer may have positive effect on key stakeholders, including the Company's employees. On this basis, Swedbank deems the impact of the Offer on the Company and its employees to be positive.

Views of the Board, executive management and the largest shareholders

The Company and the Offeror initiated dialogue regarding a possible transaction in the spring of 2015 and during the first half of 2015 the parties advanced discussions, including facilitating for due diligence post the submission of an indicative offer in March 2016. On 19 June 2016, the Offeror and the Company entered into a transaction agreement ("**Transaction Agreement**"), containing, amongst others, the Offeror's commitment to make the Offer on an agreed set of terms and conditions and the Board's commitment to issue a recommendation to the Company's shareholders to accept the Offer.

Pre-acceptances for approximately 67% of the shares in the company were obtained in conjunction with entering into the Transaction Agreement, including pre-acceptances from all members of the Board and the CEO of the Company.

In addition to the support from the majority of shareholders, the Board has also in its recommendation to accept the Offer taken into account the Company's business and financials, strategic alternatives that are available as well as other shareholder matters. The Board also notes that CEO Toril Eidesvik and the board members Trym Skeie, Bjarne Skeie and Gisle Rike in their capacities as direct and indirect shareholders in the Company are positive to the Offer and have pre-accepted the Offer for all their shares in the Company. None of the members of the Board or members of the executive management of the Company or close associates of such individuals has any current or recent affiliation with the Offeror.

The Board has received a recommendation from its financial adviser Pareto Securities AS which concludes that the Offer represents an attractive consideration to all the shareholders of the Company from a financial point of view.

No special advantages have been, are planned to be given or will be given by the Offeror, nor have any prospects for special advantages been given by the Offeror, to members of the executive management or members of the Board of the Company in connection with the Offer. The Company has, unrelated to the Offer, as compensation for increased workload relating to a possible transaction involving TTS Group ASA, granted certain change of control bonuses to members of the Company's executive management and key personnel that will be triggered upon completion of the Offer.¹

4. CONCLUSION

Swedbank is of the opinion that the Offer is fair, from a financial point of view, and on market terms, based on: i) an assessment of the Offer Price and ii) also taking into account that the Company has carried out a structured process with the Offeror that was concluded with the support of the majority of the Company's shareholders.

Swedbank does not express any opinion or any recommendation as to whether or not shareholders of TTS should accept the Offer, and recommend shareholders to study the Offer Document and to make up their own view on the prospects for the Company to draw their own conclusions.

This document including the advice contained herein is based on information available as of 1 August, 2016, and is subject to change in case of new information.

On behalf of Swedbank,



Jarand Lønne
Corporate Finance

5. CONFLICTS OF INTEREST AND SHARE OWNERSHIP

As of 1 August 2016, employees in Swedbank own 35,000 shares in TTS and 0 shares in Palfinger AG ("**Palfinger**"), the parent company of the Offeror. Jarand Lønne and other members of the team providing this Statement own 0 shares in TTS and 0 shares in Palfinger.

In the ordinary course of business, Swedbank may actively trade all shares in all of the listed instruments mentioned in herein for our own account and for the accounts of customers and accordingly, may at any time hold a long or short position in such securities.

¹ Please refer to the Offer Document for further details.