

Lindsay Goldberg joint venture with Aker BioMarine to acquire Epax from Austevoll Seafood

9/03/2010

Trygg Pharma AS – a company that will be jointly owned by Lindsay Goldberg LLC and Aker BioMarine ASA through a newly established joint venture company – has entered into an agreement to acquire 100% of the shares in Epax Holding AS (together with its subsidiaries, “Epax”), a wholly owned subsidiary of Austevoll Seafood ASA. Epax is the world’s premier high concentrate omega-3 supplement manufacturer.

Trygg Pharma AS has agreed to pay NOK 561 million for the shares, and will in addition assume the net interest bearing debt of Epax. As of December 31, 2009, Epax’s net interest bearing debt was NOK 314 million. Trygg Pharma AS will receive the results from the operations in Epax from January 1, 2010. The purchase price will carry an interest of 6% p.a. from September 20, 2010 until completion of the transaction. In 2009, Epax’s revenues were NOK 315 million and EBITDA was NOK 90 million.

“Epax truly represents the finest of Norway’s fish oil manufacturing traditions,” said Aaron Kramer, who will become CEO of Trygg Pharma. “The people at Epax have done a tremendous job in developing the company under dedicated Austevoll ownership, and we are excited to couple our team at Hovdebygd with the exceptional experience and competence in Epax to make further progress in the field of omega-3. We believe that the omega-3 supplement market will continue to have strong global market growth and Epax is very well positioned in the premium quality segment.”

Under its new ownership, Epax will immediately invest significantly in expanding the capacity of the factory in Ålesund, Norway. Trygg Pharma will also strengthen its development and production site in Hovdebygd. Trygg Pharma’s proprietary technology will be deployed to enable manufacturing of the next generation of omega-3 concentrates, thereby realizing synergies between the companies.

“Epax is fortunate to get an owner that will invest significantly in people, products, processes, and technology in Ålesund,” said Bjørn Refsum, who is currently CEO of Epax and will continue as Managing Director of Epax and EVP of Manufacturing of Trygg Pharma. “I am impressed with the technology and people of Trygg Pharma, and I am certain that we are stronger together than by ourselves. The planned capacity expansion means that our customers can rest assured that Epax will be able to grow with them in the future.”

As part of the agreement between Trygg Pharma AS and Austevoll Seafood, Epax has entered into a long-term supply agreement with Austral S.A., a subsidiary of Austevoll Seafood. The agreement will secure supply of the highest quality crude fish oil, which is a prerequisite to manufacture Epax’s premium quality omega-3 supplements.

The transaction is subject to customary closing conditions, including receipt of all necessary approvals from the relevant competition authorities. Closing is expected to take place in Q4 2010.

The Board of Directors in Aker BioMarine ASA will propose a rights issuance to finance Aker BioMarine’s funding of its obligations in connection with the acquisition of Epax.