

Lindsay Goldberg and Aker BioMarine to form 50/50 joint venture

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Lindsay Goldberg LLC has entered into an agreement with Aker BioMarine ASA to acquire 50% of all outstanding shares in a newly established joint venture company that will own Trygg Pharma AS and Natural Nutrition Development Ltd AS, both wholly owned subsidiaries of Aker BioMarine. Lindsay Goldberg will pay up to NOK 280 million for the 50% stake in the joint venture, of which NOK 140 million will be paid upfront and another NOK 140 million is subject to certain development milestones.

“We are very pleased to enter into a long-term partnership with such a professional, competent, and experienced private investment firm as Lindsay Goldberg,” said Kjell Inge Røkke, Chairman of Aker BioMarine. “It is a recognition of the research and development that has been done in Aker BioMarine and we look forward to continuing this journey together with Lindsay Goldberg.”

“We are excited about the partnership with Aker BioMarine,” said Dr. Egil Bodd, Managing Partner of Lindsay Goldberg Nordic, Lindsay Goldberg’s affiliate partner in the Nordic region. “The Aker system has extensive experience in the processing of marine products, which will be critical to a successful business going forward. Lindsay Goldberg’s objective is to partner with exceptional owners and managers of enterprises with significant long-term growth potential. This is such an opportunity.”

Trygg Pharma AS will enter into a license agreement with Aker BioMarine under which it will be granted the exclusive right to develop krill-derived active pharmaceutical ingredients based on Aker BioMarine’s intellectual property platform. Trygg Pharma AS will pay Aker BioMarine a royalty of net in-market sales on all future products developed under the license. As part of the agreement, Trygg Pharma AS will have an obligation to source its entire future requirement of krill-derived raw material from Aker BioMarine, on market terms.

Natural Nutrition Development Ltd AS is involved in research, development, manufacturing, marketing, and sales of omega-3 concentrates for the nutritional supplements market. Its plant in Hovdebygda has laboratory and production facilities for testing, development, and manufacturing of fatty acids and omega-3 concentrates.

Aker BioMarine’s krill operations will be unaffected by Trygg Pharma save for potential future sale of krill raw material to Trygg Pharma. Trygg Pharma will be established with its own management team and staff and be operated separately from Aker BioMarine. Aker BioMarine and Lindsay Goldberg will each nominate three board members to the board of the joint venture company.

Aaron Kramer will leave his position as Aker BioMarine’s President of Pharmaceuticals and Omega-3 Concentrates to become CEO of Trygg Pharma. Kramer has been part of Aker BioMarine’s management team since 2007, and was previously with the business strategy group at Merck & Co. and the pharmaceutical and medical products practice at McKinsey & Co.

Dr. Egil Bodd will become Chairman of Trygg Pharma. Prior to assuming his current position as Managing Director of Lindsay Goldberg Nordic, Dr. Bodd spent more than ten years at Merck & Co. His last position was Vice President of Europe, Middle East, and Africa. In addition, he has been CEO of Pronova Biocare (now Pronova BioPharma) and currently serves on the board of several companies including Synnøve Finden, Sørlandschips, and Lundbeck (Denmark).

Simultaneous with the entering into of the agreement between Aker BioMarine and Lindsay Goldberg, Trygg Pharma AS entered into an agreement to purchase Epax Holding AS from Austevoll Seafood ASA which will make Epax part of the new joint venture.

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

The law firm BA-HR has acted as legal advisor to Aker BioMarine and the law firms Weil Gotshal and Schjodt have acted as legal advisors to Lindsay Goldberg.