



Current Agreements

Dealdoc

Acquisition agreement of Algeta

Algeta

Bayer

Dec 19 2013

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Companies:	Algeta Bayer
Announcement date:	Dec 19 2013
Amendment date:	Feb 24 2014
Deal value, US\$m:	2900 : sum of cash offering for shares

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Details

Announcement date:	Dec 19 2013
Industry sectors:	Bigpharma Pharmaceutical

Financials

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Termsheet

24 February 2014

Bayer has clinched a \$2.9 billion deal to take over Algeta after being tendered 92.17 percent of the shares in a cash offer.

Bayer reiterated it expected the deal to close in the first quarter.

19 December 2013

Bayer will launch a voluntary cash offer to acquire the entire issued share capital of Algeta for NOK 362 per share in cash.

The Offer values the total share capital of Algeta at approximately NOK 17.6 billion (USD 2.9 billion) on a fully diluted basis.

The Board of Directors of Algeta has unanimously decided to recommend that its shareholders accept the Offer.

Press Release

24 February 2014

Bayer clinches \$2.9 billion deal for Norway's Algeta

OSLO/FRANKFURT, Feb 24 (Reuters) - German drug firm Bayer has clinched a \$2.9 billion deal to take over Norwegian cancer drug maker Algeta after being tendered 92.17 percent of the shares in a cash offer, the companies said on Monday.

Bayer extended the acceptance deadline by two days to Wednesday, Feb. 26, to eliminate any remaining uncertainty.

"The acceptance ratio is based on preliminary figures and may be subject to change", a Bayer spokesman said.

Bayer reiterated it expected the deal to close in the first quarter.

Bayer bid for Algeta late last year to gain outright control over novel prostate cancer drug Xofigo which the two have developed jointly since 2009 and started selling in the United States in 2013. The drug also won European approval in November.

In December, Bayer won backing from the target's board for an increased \$2.9 billion offer for the Norwegian company, which is contingent on Bayer being tendered 90 percent of Algeta's share capital.

19 December 2013

Bayer AG (BAYN.DE) Secures Cancer Firm Algeta With Raised \$2.9 Billion Bid

The Board of Directors of Algeta ASA unanimously recommends voluntary cash offer from Bayer to acquire the entire issued share capital of Algeta

OSLO, Norway, Dec 19, 2013 (GLOBE NEWSWIRE via COMTEX) -- Intended for US media only

-- Offer at NOK 362 per Algeta share, in cash, valuing the total share capital of Algeta at approximately NOK 17.6 billion (USD 2.9 billion) on a fully diluted basis

-- Offer unanimously recommended by the Board of Directors of Algeta

-- Pre-acceptance of the Offer on certain terms and conditions by HealthCap IV, Algeta's largest shareholder

The Board of Directors of Algeta ASA ("Algeta"; OSE: ALGETA) today announced an agreement with the Bayer Group ("Bayer") whereby Bayer, through Aviator Acquisition AS, a wholly-owned subsidiary of Bayer Nordic SE, will launch a voluntary cash offer (the "Offer") to acquire the entire issued share capital of Algeta for NOK 362 per share in cash. The Offer values the total share capital of Algeta at approximately NOK 17.6 billion (USD 2.9 billion) on a fully diluted basis. The Board of Directors of Algeta has unanimously decided to recommend that its shareholders accept the Offer. The recommendation will be made public through the Oslo Stock Exchange and appended to the offer document.

The Offer price represents a 37% premium to Algeta's closing share price on 25 November 2013 and a 48% premium to the three-month volume weighted average stock price on 25 November 2013, the last trading day prior to the announcement of Bayer's preliminary acquisition proposal.

"The Board of Directors of Algeta has undertaken a careful review of the terms and conditions of the Offer. We believe the Offer recognizes the strategic value of Algeta and delivers a considerable cash premium to our shareholders," said Stein Holst Annexstad, Chairman of the Board of Directors of Algeta. "Having worked with Bayer since 2009, the Board of Directors is convinced of Bayer's commitment to establishing Xofigo (radium Ra 223 dichloride) globally, and maximizing its blockbuster potential. We are also pleased that Bayer intends to further invest in the potential of Algeta's Targeted Thorium Conjugate (TTC) research platform."

Algeta's largest and leading shareholder HealthCap IV has, on certain terms and conditions, pre-accepted the Offer for all shares that it owns. In addition, Bayer has received undertakings from each of the Directors and certain senior managers holding shares in Algeta to tender their shares into the Offer, subject to certain conditions. The total shares subject to these several commitments represent approximately 14% of Algeta's issued share capital.

Terms and conditions of the Offer

Under the terms of the Offer, Aviator Acquisition AS will make a voluntary offer to acquire the entire issued share capital of Algeta for NOK 362 per share in cash. The complete details of the Offer, including all terms and conditions, will be included in an offer document expected to be distributed to Algeta shareholders in January 2014, following approval by the Oslo Stock Exchange. The consummation of the Offer is subject to satisfaction or waiver of customary conditions, including, without limitation, a minimum acceptance of at least 90% or such lower percentage (not being less than 50%) of the outstanding Algeta shares as Aviator Acquisition AS determines, regulatory approval by German competition authorities being obtained and no material adverse change having occurred in Algeta. The Offer is not subject to any financing condition. Bayer will finance the transaction with available cash and new debt. Bayer expects to close the transaction during the first quarter of 2014.

The Board of Directors of Algeta has the right to withdraw its recommendation of the Offer in the event a superior competing offer is announced that is not matched by Bayer within three business days of being provided with notice thereof. Any such amendment or withdrawal will permit Bayer to withdraw from the Offer. Algeta has agreed to pay Bayer a break fee of 1.0% of the total Offer value in the event that the Offer lapses following the announcement of a competing offer that results in the acquisition of Algeta, payable upon completion of such competing offer. As part of the agreement with Bayer and subject to customary exceptions, Algeta has entered into undertakings not to solicit competing offers from third parties.

In the event the Offer is completed on the terms described above, there will be a Change of Control Event under the Loan Agreement governing Algeta's convertible bonds due 2018. As described in the Loan Agreement, this would result in such bonds being convertible at the Change of Control Conversion Price during the 60-day Change of Control Conversion Period following the occurrence of such a Change of Control Event (or notice thereof, if later). The conversion of bonds may, at the sole discretion of Algeta, be settled, in whole or in part, by cash payment, as described in the Loan Agreement.

Goldman Sachs International is acting as exclusive financial advisor to Algeta. Skadden, Arps, Slate, Meagher & Flom LLP and Wikborg, Rein & Co. DA are acting as legal advisors to Algeta.

DNB Markets has been engaged to provide the formal statement to be issued in accordance with section 6-16 (1) c.f. 6-19 (1) of the Norwegian Securities Trading Act, which includes a fairness opinion in support of the Board of Directors' recommendation of the Offer.

Centerview Partners provided an additional fairness opinion in support of the Board of Directors' recommendation of the Offer.

Xofigo is a registered trademark of Bayer AG

Filing Data

Not available.

Contract

Not available.