

Summa Equity acquires Milarex

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Summa Equity has acquired 75% of Milarex, a value-added processing company in the salmon industry, from the founder, Jerzy Malek. Summa Equity is a thematically-focused private equity investor with Seafood as one of the focus areas within its "Resource Scarcity" theme.

"With a growing global population amidst global climate issues, the world needs healthy and sustainable food, and these megatrends are driving the growth in seafood consumption. Wild catch of fish is levelling off and we expect fish farming to surpass it by 2019. Salmon farming uses no fresh water, has a high feed conversion ratio, is healthier than meat and barely produces CO2. Although there are environmental issues, as with most food production, the industry is young and innovation and regulation in Norway are rapidly improving the sustainability of salmon farming," says Reynir Indahl, Managing Partner of Summa Equity.

Milarex has built one of the largest factories for value-added processing of salmon outside Gdansk in Poland, and is already a leading supplier to large retailers of smoked salmon products. Production commenced in 2016 and the company has a current production of ~5,500 tons finished products, but can be ramped up to over 30.000 tons which the factory is built for. Milarex has been profitable since start-up of production and expects revenues of c. EUR 100 million in 2017. The company has an industry-leading production efficiency, due to its large scale, technology and the flexibility of its production.

"In a fragmented industry where capacity additions have been limited relative to demand, Milarex has built one of the largest and most efficient processing factories and quickly gained a strong European market position," says Joakim S. Johansen, Investment Manager at Summa Equity.

Milarex is founded and led by Polish entrepreneur Jerzy Malek, the founder of Morpol, the world's currently largest salmon processor, which was sold to Marine Harvest in 2012.

"Jerzy Malek, the man who developed the German smoked salmon market and created Morpol, is an institution in the world of salmon. Yet again, he proves his ability to create a leading player. The technology and know-how his organization has developed is a tremendous asset to Milarex. It is a privilege to be working with him and his team," says Jon Hindar, Summa Equity's Industrial Advisor, the former CEO of Cermaq, and the new Chairman of the Board of Milarex.

Going forward, Summa will make substantial investments to position Milarex as a global leader in value-added processing of salmon. A new main office will be established in Oslo, as the majority of salmon comes from Norway which supplies over 50% of the global salmon production. Jerzy Malek will continue as a 25% shareholder and have an active role in the Board of Milarex.

"The investment from Summa Equity will enable Milarex to grow rapidly in Europe and beyond. My former experience with Hindar and Indahl from Summa, and the discussions we've had over the last year, convinced me that they are the right partner to develop Milarex," says Jerzy Malek, founder and CEO of Milarex.

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PRESS RELEASE



For more information, please contact:

Reynir Indahl, Managing Partner, Summa Equity, +4790691113, reynir.indahl@summaequity.com

Jon Hindar, Chairman, Milarex, +4797748829, jon@hindar.no

Jerzy Malek, Founder and CEO, Milarex, +48602374250, jm@milarex.com

About Summa Equity

Summa Equity was formed in 2016 by partners with a shared vision of building a leading specialised private equity firm in the Nordic lower mid-market, positioned to capture the investment opportunity provided by the thematic megatrends expected to drive growth over the long term. The firm focuses on sectors related to four megatrend-driven themes: Resource scarcity, energy efficiency, changing demographics and tech-enabled businesses. Summa Equity closed its first fund in February 2017 with commitments of SEK 4.5 billion.

About Milarex

Milarex is a value-added processor of salmon with a factory in Slupsk, Poland, and its main product is smoked salmon in addition to a range of other seafood products. It has distribution in the European markets, mainly in Germany, Poland and Italy. The company was founded by Jerzy Malek, the previous founder of the leading value-added processor, Morpol, that was sold to Marine Harvest in 2012.