

## **Karo Pharma AB announces a recommended voluntary cash offer to acquire all shares in Weifa ASA**

- **Cash offer at NOK 35 per Weifa share valuing the total share capital of Weifa at approximately NOK 1.28 billion on a fully diluted basis**
- **Recommended by the Board of Directors of Weifa**
- **Pre-acceptances of the Offer from shareholders together representing approximately 45.35% of the issued share capital of Weifa and purchase agreements with holders of 1,735,716 share options**

Karo Pharma AB (publ) ("Karo Pharma") and Weifa ASA ("Weifa"; OSE: WEIFA) today announced a transaction agreement whereby Karo Pharma, will launch a recommended voluntary cash offer (the "Offer") to acquire the entire issued share capital of Weifa for NOK 35 per share in cash. The Offer values the total share capital of Weifa at approximately NOK 1.28 billion on a fully diluted basis. The Board of Directors of Weifa has decided to recommend that its shareholders accept the Offer. Weifa is listed on Oslo Stock Exchange and Karo Pharma is listed on Nasdaq Stockholm.

Anders Lönner, Chairman of the Board of Karo Pharma said: *"The acquisition of Weifa is based on strong commercial grounds. The two companies are highly complementary in terms of both product portfolio and geography and we therefore see important synergies. We strengthen our Nordic operations and take a leading position in the Norwegian market. Our joint product portfolio with several new launches in the next year is more likely to succeed. A strong and profitable home market provides better opportunities for taking the next step towards new markets and co-operations outside the Nordic region. We are following our plan and looking forward to a very interesting future for our shareholders"*.

Einar J. Greve, Chairman of the Board of Directors of Weifa said: *"The proposed combination of Weifa and Karo Pharma will create a leading Nordic player. The synergies are evident and will contribute to further develop Weifa's position as a leading supplier of OTC products in Norway. The Board of Directors of Weifa has undertaken a careful review of the terms and conditions of the Offer and believes the Offer recognizes the strategic value of Weifa and delivers an attractive cash premium to our shareholders"*.

The Offer price represents a 10% premium to Weifa's closing share price on 23 August 2017 and a 25% and 37% premium to the three-month and twelve-month volume weighted average stock price on 23 August 2017, the last trading day prior to the announcement of the offer, respectively.

Certain of Weifa's largest shareholders have pre-accepted the Offer for all shares they own. In addition, Karo Pharma has received pre-acceptances from each of the Directors and executive management holding shares in Weifa to tender their shares into the Offer. The total shares subject to these pre-acceptances represent approximately 45.35% of Weifa's issued share capital. In addition, Karo Pharma has entered into conditional purchase agreements with holders of 1,735,716 options whereby Karo Pharma will purchase these options at a price equal to the difference between the Offer price and exercise price, subject to completion of the Offer. The aggregate purchase price for the purchase of all the outstanding options in Weifa is NOK 17,389,111. These pre-acceptances and commitments to sell options may be withdrawn by the shareholders and option holders in the event a superior competing offer is launched and the Board of Directors of Weifa decides to recommend such competing offer as described below.

## **Terms and conditions of the Offer**

Karo Pharma will make a voluntary offer to acquire the entire issued share capital of Weifa for NOK 35 per share in cash. The complete details of the Offer, including all terms and conditions, will be included in an offer document complying with the requirements of the Norwegian Securities Trading Act and expected to be distributed to Weifa shareholders late August 2017, following approval by the Oslo Stock Exchange. The offer period will be two weeks, subject to extension with up to an additional two weeks. Settlement of the offer is expected to take place within approximately one week from the expiry of the offer period (as extended).

The completion of the Offer is subject to satisfaction or waiver by Karo Pharma of the following conditions: (i) a minimum acceptance of at least 90% on a fully diluted basis, (ii) no material breach by Weifa of the transaction agreement entered into with Karo Pharma and (iii) that no material adverse change having occurred in Weifa. The Offer is not subject to any filing with or approvals from any competition authorities. Karo Pharma expects to close the Offer late September 2017.

The Offer is not subject to any financing condition. Karo Pharma will finance the transaction with a loan facility that has been entered into with Swedbank. Except for satisfaction or waiver of the closing conditions for the Offer, the loan agreement with Swedbank are not subject to any other condition that are outside the control of Karo Pharma and its owners. After completion of the Offer, the board of Karo Pharma intends to propose a rights issue of new shares in Karo Pharma. Any final decision regarding such rights issue (including details and timeplan) is subject to further considerations, including market development.

The recommendation from the Board of Directors of Weifa will be included in the offer document. The Board of Directors of Weifa has the right to withdraw its recommendation of the Offer in the event a superior competing offer is made that is not matched by Karo Pharma within four days of being provided with notice thereof. Weifa has agreed to pay Karo Pharma a break fee of NOK 15 million in the event that the Offer lapses following the announcement of a competing offer that results in the acquisition of Weifa, payable upon completion of such competing offer. As part of the transaction agreement with Karo Pharma and subject to customary exceptions, Weifa has entered into undertakings not to solicit competing offers from third parties.

Karo Pharma does not own any shares in Weifa or other financial instruments that gives Karo Pharma a financial exposure similar to a shareholding in Weifa. Karo Pharma has not acquired any shares in Weifa during the last six months prior to this announcement.

Karo Pharma intends to make a compulsory acquisition of the remaining shares in Weifa upon acquiring not less than 90% of the shares in Weifa under the Offer. Further, upon such acquisition Karo Pharma intends to propose to the general meeting of Weifa that an application is filed with the Oslo Stock Exchange to de-list the shares of Weifa.

Weifa will engage an independent third party to provide the formal statement about the Offer to be issued in accordance with section 6-16 (1) c.f. 6-19 (1) of the Norwegian Securities Trading Act.

Upon completion of the transaction Weifa will (i) incur transaction costs in the amount of approximately NOK 26.7 million for services rendered by financial and legal advisors and the independent third party and (ii) pay an aggregate bonus amount of NOK 5.2 million to directors and employees. Karo Pharma will incur transaction costs in the amount of approximately SEK 15 million for services rendered by financial and legal advisors. No bonus arrangements or similar have been offered by Karo Pharma to any directors or employees in Weifa.

**For further information, please contact:**

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Managing director of Karo Pharma AB

Einar J. Greve: +47 90 02 77 66  
Chairman of the Board of Directors of Weifa ASA

**About Karo Pharma**

*Karo Pharma is a Swedish public limited company whose address is: Nybrokalen 7, Stockholm, Sweden. The company has its head office in Stockholm and is listed on Nasdaq Stockholm. For further information visit <http://karopharma.se/>*

**About Weifa**

*Weifa is a Norwegian public limited company whose address is: Østensjøveien 27, 0661 OSLO, Norway. The company has its head office in Oslo and is listed on the Oslo Stock Exchange. For further information visit: [www.weifa.no](http://www.weifa.no)*

**Forward-looking Statements**

*This news release contains certain forward-looking statements that are based on uncertainty, as they relate to events and depend on circumstances that will occur in the future and which, by their nature, may have an impact on results of operations and the financial condition of Karo Pharma and/or Weifa. Such forward-looking statements reflect our current expectations and are based on the information currently available. Neither Karo Pharma nor Weifa can give any assurance as to whether such forward looking statements will prove to be correct. These forward looking statements include statements regarding the Offer, our expectations as to the launch of the Offer, including the terms of the Offer and expected timing, expected benefits of the Offer. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, among other things, satisfactions of conditions to the Offer and investor participation in the Offer.*

**Important Notice:**

THE OFFER WILL NOT BE MADE IN ANY JURISDICTION IN WHICH MAKING OF THE OFFER WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION. THIS ANNOUNCEMENT DOES NOT IN ITSELF CONSTITUTE AN OFFER. THE OFFER WILL ONLY BE MADE ON THE BASIS OF THE OFFER DOCUMENT AND CAN ONLY BE ACCEPTED PURSUANT TO THE TERMS OF SUCH DOCUMENT.