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Investor News

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Bayer plans to acquire Norwegian pharmaceutical company Algeta

- Successful collaboration on cancer medicine Xofigo™
- Transaction would give Bayer full control over Xofigo™
- Public takeover offer planned at a price of NOK 362 per Algeta share in cash
- Offer unanimously recommended by Algeta's Board of Directors
- Pre-acceptance for approximately 14 % of the shares

Leverkusen, Germany, December 19, 2013 – The Bayer Group plans to further strengthen its oncology portfolio with the acquisition of Norwegian pharmaceutical company Algeta ASA, Oslo. "We have already successfully collaborated with Algeta to develop and commercialize the cancer drug Xofigo™. The planned acquisition would give us full control over Xofigo™. We are absolutely convinced of the potential of this drug and the underlying technology to provide patients with innovative treatment options," commented Bayer CEO Dr. Marijn Dekkers.

Bayer has reached an agreement with Algeta's Board of Directors to make a recommended voluntary public takeover offer to Algeta's shareholders, and is offering them NOK 362 per share in cash. The offer implies an equity value of NOK 17.6 bn (EUR 2.1 bn) and an enterprise value of NOK 16.2 bn (EUR 1.9 bn). The offer price represents a premium of 37 % over the closing price on November 25, 2013, the day before Algeta confirmed that it had received a preliminary, non-binding acquisition proposal from Bayer, or a premium of 48 % over the unaffected three-month volume-weighted average share price on November 25, 2013.

The Board of Directors of Algeta has unanimously decided to recommend acceptance of the offer to its shareholders. In addition, Bayer has obtained pre-acceptances for approximately 14 % of the shares in Algeta, including pre-acceptances from all members of Algeta's Board of Directors as well as from Algeta's largest shareholder, HealthCap IV.

Bayer intends to make the offer through a subsidiary of Bayer Nordic SE once the offer document has been cleared by the Oslo Stock Exchange. The successful completion of the transaction is subject to certain conditions, including a minimum acceptance level of 90% of the share capital and approval by the relevant antitrust authorities. The complete details of the offer, including all terms and conditions, will be included in an offer document expected to be distributed to Algeta's shareholders in January 2014. Bayer expects to close the transaction during the first quarter of 2014.

Bayer and Algeta have collaborated since 2009 to develop and commercialize radium-223 dichloride, which was approved in the United States in May 2013 under the tradename Xofigo™ and is being co-promoted there by Algeta and Bayer. The European Commission granted marketing authorization for the product in November 2013. "Xofigo™ can provide a meaningful clinical benefit to many patients with castration-resistant prostate cancer, symptomatic bone metastases and no known visceral metastases," said Olivier Brandicourt, CEO of Bayer HealthCare. "This transaction will strengthen our oncology business and support our efforts to provide patients with innovative treatment options. We plan to work together with the Algeta team to leverage the full value of this business."

Xofigo™ is an alpha-particle-emitting radioactive therapeutic agent for the treatment of patients with castration-resistant prostate cancer (CRPC), symptomatic bone metastases and no known visceral metastatic disease. Xofigo™ is one of Bayer's top five recently launched pharmaceutical products, which the company considers to have a total peak sales potential of more than EUR 5.5 billion per year. It is estimated that Xofigo™ alone could achieve peak annual sales of at least EUR 1 billion if it receives marketing authorization in further indications.

"We believe that the offer recognizes the strategic value of Algeta and delivers a considerable cash premium to Algeta's shareholders," said Stein Holst Annexstad, Chairman of the Board of Directors of Algeta. "Having worked with Bayer since 2009, the Board of Directors of Algeta is convinced of Bayer's commitment to establishing Xofigo™ globally, and maximizing its full potential. We are also pleased that Bayer intends to further explore Algeta's Thorium platform that has successfully been established as a potential novel form of targeted therapy."

Algeta ASA develops novel cancer therapies based on its world-leading, patented technologies. Its alpha-pharmaceuticals are designed to target cancers using the unique properties of alpha particle radiation, such as targeted delivery, potency and the lack of known resistance mechanisms. The company has about 180 employees.

Bayer: Science For A Better Life

Bayer is a global enterprise with core competencies in the fields of health care, agriculture and high-tech materials. As an innovation company, it sets trends in research-intensive areas. Bayer's products and services are designed to benefit people and improve their quality of life. At the same time, the Group aims to create value through innovation, growth and high earning power. Bayer is committed to the principles of sustainable development and to its social and ethical responsibilities as a corporate citizen. In fiscal 2012, Bayer employed some 110,000 people and had sales of EUR 39.7 billion. Capital expenditures amounted to EUR 1.9 billion, R&D expenses to EUR 3.0 billion.

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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.