

HECHO RELEVANTE AB-BIOTICS, S.A.

24 de julio de 2019

En virtud de lo previsto en el artículo 17 del Reglamento (UE) nº 596/2014 sobre abuso de mercado y en el artículo 228 del texto refundido de la Ley del Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre, y disposiciones concordantes, así como en la Circular 6/2018 del Mercado Alternativo Bursátil (MAB), se pone a disposición del mercado la siguiente información relativa a AB-BIOTICS, S.A.:

Tal y como se había anunciado mediante hecho relevante publicado el pasado día 11 de julio de 2019, se ponen a disposición del mercado las conclusiones de la *Fairness Opinion* solicitada a Ernst & Young, así como las decisiones derivadas de la misma adoptadas en el día de hoy por parte del Consejo de Administración de la Compañía (absteniéndose de participar los consejeros designados por Kaneka Europe Holding Company NV –“Kaneka”):

- (i) La conclusión emitida por Ernst & Young Servicios Corporativos, S.L. (EY) expresa que el precio ofrecido por Kaneka es justo atendiendo a los criterios del International Valuation Standard Council, y válido asimismo a los efectos de exclusión (de conformidad con lo previsto en el art. 34 de los estatutos sociales y art. 10 del RD 1066/2007 sobre el régimen de las ofertas públicas de adquisición de valores), resaltando que el precio ofrecido por Kaneka es más alto que cualquiera de los valores obtenidos a través de los diferentes métodos de valoración utilizados en el análisis de EY, en línea con los previstos en los artículos 9 y 10.5 del Real Decreto 1066/2007.

Para la realización de este trabajo, EY se ha basado en la información interna facilitada por la Compañía: entre otros, el plan de negocio de la Compañía para el período 2019-2021 aprobado por el Consejo de Administración, el acuerdo firmado con Kaneka para Norte América y Japón, el pacto de socios firmado entre Kaneka y los socios fundadores, el cierre semestral provisional a 30 de junio de 2019, la información financiera auditada de la Compañía de los ejercicios 2016 a 2018, el Informe Anual de 2018 de la Compañía, el reporte financiero y operativo realizado al consejo de administración celebrado en junio, el informe de valoración independiente realizado por Crowe Advisory SP, S.L., información detallada sobre las patentes sobre los productos, fechas de expiración de las mismas, información detallada sobre ventas previsionales segmentadas por productos, clientes y mercados, informes de analistas, informes sectoriales, previsiones sobre fuentes secundarias y otra información pública, entrevistas con el management, análisis del mercado de la Compañía, el contexto macroeconómico, y otras informaciones disponibles.

- (ii) Una vez ausentados los consejeros designados por Kaneka, el Consejo de Administración aprobó las siguientes decisiones por unanimidad del resto de miembros:
 - a) Los consejeros presentes en la reunión de Consejo de Administración han reiterado su aprecio por el compromiso que supone la oferta formulada por Kaneka con el proyecto empresarial de AB Biotics, especialmente debido a la ventana de liquidez que ofrece a todos los accionistas de la Sociedad.

- b) Proceder a la comunicación al mercado de la *Fairness Opinion* (se adjunta al presente hecho relevante) así como la puesta a disposición de los accionistas del informe de valoración de apoyo emitido por EY. A los efectos de obtener copia de dicho informe los accionistas deberán enviar un email a la dirección de correo electrónico info@ab-biotics.com, manifestando ser accionistas de la Sociedad y que tienen interés en revisar el informe de valoración realizado por Earnst & Young en el contexto de la elaboración de la mencionada opinión profesional solicitada a EY.
- (iii) Los consejeros Miquel Àngel Bonachera Sierra y Sergi Audivert Brugué han comunicado al Consejo de Administración su apoyo a la OPA de Kaneka y han manifestado que atenderán la OPA un 2,92% del capital social cada uno de ellos (5,84% de la Compañía entre ambos). Lo hacen con el objeto de aprovechar la ventana de liquidez ofrecida por la OPA de Kaneka, y manteniendo su participación por encima del 5% para poder mantener la exención fiscal vigente en el impuesto sobre patrimonio. Ambos directivos han expresado su intención de apoyar la operación planteada por Kaneka en su conjunto.

El plazo de aceptación por parte de los accionistas de AB-BIOTICS de la oferta pública voluntaria de adquisición de acciones formulada por Kaneka finaliza el próximo día 16 de agosto de 2019. Kaneka ha anunciado que su objetivo último es promover la exclusión de la negociación de las acciones de AB-Biotics del MAB

Quedamos a su disposición para cuantas aclaraciones consideren oportunas.

En Barcelona, a 24 de julio de 2019

AB-BIOTICS, S.A.

Sergi Audivert Brugué

Consejero Ejecutivo

Miquel Àngel Bonachera Sierra

Consejero Ejecutivo

Miquel Àngel Bonachera Sierra
Sergi Audivert Brugué
AB-Biotics, S.A.
Atn. Board of Directors of AB-Biotics, S.A.
ESADE Creapolis Business Park
Avinguda de la Torre Blanca, 57, Office 3B11
08172 Sant Cugat del Vallés, Barcelona

23 July 2019

Dear Sirs:

According to the terms of the engagement letter dated 16 July 2019 (the "Engagement Agreement") signed between AB-Biotics, S.A. (hereinafter "AB-Biotics", "the Company" or "the Client") and Ernst & Young Servicios Corporativos, S.L. (hereinafter "we" or "EY"), we have been engaged to provide an opinion as to whether the price per share offered ("the Offer Price") by Kaneka Europe Holding Company NV (hereinafter "Kaneka" or "the Bidder") in the context of the takeover bid for the 60.24% of the Company ("the Transaction") is fair from a financial point of view to the shareholders of AB-Biotics ("the Purpose"). The reference date of our analysis has been 9 July 2019 ("the Reference Date"), date of the take-over announcement by Kaneka.

This Letter of Opinion (hereinafter "the Letter") is confidential and for internal use of AB-Biotics only for the purpose of verifying that the Offer Price at which the Transaction will be accomplished is fair to the Company's shareholders from a financial point of view. The Directors of AB-Biotics may rely on the content of this Letter for the purposes of providing such opinion, subject to the terms and conditions of the Engagement Agreement.

EY has no conflict of interest for the performance of this work and has not received, nor will receive, any type of contingency fees in connection with this work.

In order to carry out the work and meet the objectives set forth in the scope of our mandate, we have conducted the procedures that we have deemed appropriate in order to assess the fair market value of AB-Biotics.

1. BACKGROUND

AB-Biotics was founded in 2004 as a spin-off of the Autonomous University of Barcelona launched by Miquel Àngel Bonachera and Sergi Audivert, currently executive directors and members of the Company's Board of Directors. Nowadays, it has become a leading biotechnology company, with a strong international footprint. It divides its activities into these two main business areas:

- Probiotics: business line that designs unique and patented probiotic supplements for specific health conditions (gastrointestinal, cardio metabolic, pediatrics, women's health, immune and oral health). These products are licensed and distributed globally through local distribution partners.
- Precision medicine (Neuropharmagen): pharmacogenomics-based precision medicine platform aimed at optimizing pharmacological treatments based on several factors that influence the medication success.

On 28 March 2018, the Company and Kaneka Americas Holding, Inc. subscribed a license agreement by which it was granted in favor of Kaneka Americas Holding, Inc. the exclusive right to manufacture, import, ferment, use, sell and offer certain products of AB-Biotics in Japan and North America.

As part of the same agreement, the Kaneka Group, through Kaneka Europe Holding Company NV, invested in AB-Biotics' capital through the acquisition of 26.859% of its shares through different private acquisitions. This percentage of the Company's share capital has increased since then and, as of 9 July

2019, the Bidder is the owner of 5,005,234 shares of AB-Biotics, which represent 39.76% of its share capital.

2. THE TRANSACTION

The Bidder intends to achieve 100% of the capital of the Company. In this regard, the Bidder has placed an offer to all the shareholders of the Company (other than the Bidder) for the acquisition of all AB-Biotics' shares, which represent 60.24% of its share capital. The ultimate objective of Kaneka following the liquidation of the offer is to promote the exclusion of the negotiation of AB-Biotics' shares from the Mercado Alternativo Bursátil ("MAB").

According to the announcement of the voluntary public tender offer over the shares of AB-Biotics launched by Kaneka (the "Announcement"), the offer has been formulated as a purchase and sale of shares settled in cash, being the offer price 5.00 euros per share, and targets 7,583,025 shares in AB-Biotics, accounting for 60.24% of its share capital.

3. SCOPE AND PROCEDURES

The appropriate basis of valuation for the purpose of our work is Fair Value. This is defined by the International Valuation Standard Council as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

In order to carry out the work and meet the objectives set forth in the scope of our mandate, we have conducted the following procedures in order to assess that the price per share offered by the Bidder is reasonable from a financial point of view:

- a) Analysis of the proposed Transaction from a financial point of view, through the gathering and global analysis of certain information related to the Transaction and the business, such as:
 - i. AB-Biotics Business plan for the period 2019 to 2021, approved by the Board of Directors.
 - ii. Agreement signed with Kaneka for the North America and Japanese business.
 - iii. Financial Statements of the Company as of 30 June 2019.
 - iv. Audited Financial Statements of the Company as of 31 December 2016, 2017 and 2018.
 - v. AB-Biotics Annual Report (2018).
 - vi. AB-Biotics corporate presentations.
 - vii. Valuation report issued by Crowe Advisory SP, S.L. in the context of the take-over bid by Kaneka.
 - viii. Other public information about AB-Biotics.
 - ix. Broker reports on AB-Biotics.
 - x. Industry reports and publicly available forecasts.
- b) Holding interviews with Client's Management in order to obtain a clear understanding of the Company's business.
- c) Understanding of the market and the competitive and economic environment in which the Company operates.
- d) Understanding of the macroeconomic environment in which the Company operates.
- e) Analysis of the documents necessary to understand AB-Biotics' financial situation as well as its historical and projected cash generation capacity.

- f) Obtaining of a Representation Letter from the Client confirming, among other aspects, that it has no knowledge of any event, circumstance, or other relevant information up to the present day that has not been delivered or communicated to us and that could affect the performance of our work.
- g) Issuance of this Fairness Opinion Letter, addressed to the Board of Directors of the Client concluding with our opinion about the reasonableness of the price per share offered by Kaneka from a financial point of view to the shareholders of AB-Biotics.

Our analysis has been performed based on the latest Financial Statements available as of 30 June 2019. The main valuation methodologies used for reaching our conclusions are in line with those described in article 10.5 of the Royal Decree 1066/2007 on Takeover Bids (*Real Decreto 1066/2007, de 27 de julio, sobre el régimen de las ofertas públicas de adquisición de Valores*):

- Net Book Value of the Company.
- Liquidation value of the Company.
- Weighted average share price during the semester immediately prior to the disclosure of the delisting proposal.
- Price offered in the acquisitions performed, if any, over the previous last twelve months.
- Other valuation methods applicable to the specific case and commonly accepted by the international financial community. EY has considered the Income Approach (Discounted Cash Flow Methodology) and Market Approach (Comparable Listed Companies and Precedent Transaction multiples).

4. OTHER CONSIDERATIONS

To carry out our work, Company's Management has granted us access to certain historical and prospective financial information of AB-Biotics. Additionally, we have also considered certain publicly available information regarding the industry of probiotics and other relevant information about companies which operate in this industry. In arriving at our conclusion, we have assumed that all the information provided to us is trustworthy, accurate, true and complete in all aspects to date, and that any information that is or could be relevant for our work has been provided to us in its entirety.

We have not carried out an audit or an independent investigation to determine the veracity or accuracy of the information provided. Likewise, we do not express any opinion as to the basis on which assumptions about the financial statements, estimates, and financial projections have been prepared or as to the reasonableness of such projections.

In relation to the work carried out, we should point out that certain aspects of the valuation involve, aside from objective factors, underlying factors that imply making judgments and establishing hypotheses that are dependent to a large extent of future events whose final outcome cannot be determined at present. As a result, some of the hypotheses used to arrive at our conclusions may not materialize as predicted.

Our opinion is based on our financial analysis of the information provided by the Management and publicly available financial information collected by us. As we are financial advisors, we have relied on the accuracy of the information provided by AB-Biotics without independent verification.

5. CONCLUSION

In accordance with the valuation methodologies reflected in articles 9 and 10.5 of the Royal Decree 1066/2007 on Takeover Bids (Real Decreto 1066/2007, de 27 de julio, sobre el régimen de las ofertas públicas de adquisición de valores) and based on the procedures performed during the course of our work, the information used and all the other aspects described in this Letter, the price per share offered by the Bidder within the context of the Transaction is fair to the shareholders of AB-Biotics from a financial point of view as of 9 July 2019.

This letter, as well as the information contained in it, has been prepared in the context herein described and therefore it should not be used for any other purposes nor distributed without our prior written consent.

EY declines any responsibility for the improper use of this letter or any use different than that established in our Engagement Agreement.

Yours faithfully,



Cecilia de la Hoz Arespachaga
Partner
Ernst & Young Servicios Corporativos, S.L.