

## COMISIÓN NACIONAL DEL MERCADO DE VALORES

Calle Edison, 4  
28006, Madrid  
España

8 de junio de 2021

### **Oferta pública de adquisición de acciones de Biosearch, S.A.**

El siguiente documento es una traducción no oficial del folleto (excluyendo sus anexos) para la oferta pública de adquisición de acciones de Biosearch, S.A. realizada por Kerry Iberia Taste & Nutrition, S.L.U. (la “**Oferta**”). La Oferta fue autorizada por la Comisión Nacional del Mercado de Valores (“**CNMV**”) el 27 de mayo de 2021.

Esta traducción ha sido publicada a petición de Kerry Iberia Taste & Nutrition, S.L.U. a efectos meramente informativos y no ha sido revisada ni aprobada por la CNMV. En caso de discrepancias entre esta traducción y la correspondiente versión original en español, prevalecerá esta última.

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## COMISIÓN NACIONAL DEL MERCADO DE VALORES

Calle Edison, 4  
28006, Madrid  
Spain

8 June 2021

### **Public voluntary tender offer to acquire shares of Biosearch, S.A.**

The following is a non-official translation of the prospectus (excluding its annexes) for the public voluntary tender offer to acquire shares of Biosearch, S.A. made by Kerry Iberia Taste & Nutrition, S.L.U. (the “**Offer**”). The Offer was authorised by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (“**CNMV**”) on 27 May 2021.

This translation has been published on Kerry Iberia Taste & Nutrition, S.L.U.’s request for information purposes only and it has not been reviewed nor approved by the CNMV. In the event of any discrepancies between this translation and the corresponding original Spanish version the latter shall prevail.

*[Sigue hoja de firmas / Signature page follows]*

**Kerry Iberia Taste & Nutrition, S.L.U., como Oferente / as Offeror**

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Mr. Ronan Deasy

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## **PROSPECTUS**

### **FOR THE PUBLIC TENDER OFFER TO ACQUIRE SHARES OF BIOSEARCH, S.A.**

**made by**

**Kerry Iberia Taste & Nutrition, S.L.U.**

**Madrid, 18 May 2021**

In accordance with the provisions of the restated text of the Securities Market Law (*Ley del Mercado de Valores*) approved by Royal Legislative Decree 4/2015 of 23 October, Royal Decree 1066/2007 of 27 July on the regime for public offers to acquire securities, and other applicable law.

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**Annex 7.-** Copy of the audited annual accounts of the Offeror for the financial year ended 31 December 2019, together with the auditor's report and the management statement for the period.

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## INTRODUCTION

This explanatory prospectus (the “**Prospectus**”) sets out the terms and conditions for the public tender offer to acquire shares (the “**Offer**”) made by Kerry Iberia Taste & Nutrition, S.L.U. (the “**Offeror**”) in respect of the entirety of the shares representing the share capital of Biosearch, S.A. (“**Biosearch**”). The Offer is a voluntary offer for purposes of the provisions of article 137 of the restated text of the Securities Market Law (*Ley del Mercado de Valores*) approved by Royal Legislative Decree 4/2015 of 23 October (the “**Securities Market Law**”) and of article 13 of Royal Decree 1066/2007 of 27 July, on the regime for public offers to acquire shares (“**Royal Decree 1066/2007**”).

The Offeror is a Spanish company indirectly wholly-owned by Kerry Group plc (“**Kerry Group plc**” and together with its subsidiaries “**Kerry Group**”), an Irish company engaged in the development of taste and nutrition solutions for the food, beverage and pharmaceutical markets, whose shares are admitted to trading on Euronext Dublin and the London Stock Exchange.

The Offer is made in respect of 100% of the share capital of Biosearch, made up of 57,699,522 shares admitted to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges via the Automated Quotation System.

On 15 February 2021, the Offeror executed an irrevocable undertaking for the acceptance of the Offer with Grupo Lactalis Iberia, S.A.U., shareholder of Biosearch holding shares representing 29.50% of its share capital. The terms and conditions of said agreements are described in sub-section 1.5.1 of this Prospectus.

On 16 February 2021, the Offeror requested the Directorate General for International Trade and Investments of the Ministry of Industry, Trade and Tourism (*Dirección General de Comercio Internacional e Inversiones del Ministerio de Industria, Comercio y Turismo*) (i) to determine whether the Offering requires its prior authorisation, as described in section 5.2. and (ii) if so, to process the granting of such authorisation by the Council of Ministers (*Consejo de Ministros*). The Directorate General for International Trade and Investment confirmed on 27 April 2021 the granting of the authorisation by the Council of Ministers.

The consideration for the Offer consists of a cash price of 2.20 euros per Biosearch share, which may be adjusted downwards if applicable as described in sub-section 2.2.1 of the Prospectus.

The Offeror believes that the price of the Offer is a fair price (*precio equitativo*) for purposes of the provisions of article 9 of Royal Decree 1066/2007 and that it complies with the requirements established in article 137.2 of the Securities Market Law. A rationale has been provided for the price of the Offer in accordance with the provisions of article 10 of Royal Decree 1066/2007 and article 137.2 of the Securities Market Law, by means of a valuation report dated 17 May 2021 issued by Deloitte Financial Advisory, S.L.U., whose conclusions are described in sub-section 2.2.1 below. A copy of the aforementioned valuation report is attached to this Prospectus as **Annex 11**.

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The effectiveness of the Offer is subject to the fulfilment of the condition of minimum acceptance of the Offer by holders of shares of Biosearch representing at least 50% of the shares plus one, which equals to 28,849,762 shares.

The Offeror intends to delist the shares of Biosearch, whether by exercising the squeeze-out right if the requirements established for such purpose are met or, if said requirements are not met but the Offeror has reached an acceptance of 75% of Biosearch's share capital, by delisting the shares of Biosearch based on the exception to the making of a public delisting offer established in article 82.2 of the Securities Market Law and article 11.d) of Royal Decree 1066/2007. In either case, the purchase price for the shares of Biosearch will be equal to the price at which the Offer has been settled, adjusted where applicable in accordance with the provisions of sub-section 3.6.1 of the Prospectus.

The plans and intentions of the Offeror and Kerry Group plc with respect to Biosearch are described in chapter 4 of the Prospectus.

## CHAPTER 1

### 1.1 PERSONS RESPONSIBLE FOR THE PROSPECTUS

Mr Ronan Deasy, of legal age, of Irish nationality, in the name and on behalf of the Offeror, in his capacity as joint and several director (*administrador solidario*) and specially authorised pursuant to the resolutions adopted by the sole shareholder and the managing body of the Offeror on 15 February 2021, assumes the responsibility for the information included in this Prospectus, which has been prepared in accordance with the provisions of article 18 and the Annex of Royal Decree 1066/2007.

Mr Ronan Deasy, in the name and on behalf of the Offeror, declares that the data and information included in this Prospectus are true, that it does not include misleading data or information, and that there are no omissions that might alter the content hereof.

In accordance with the provisions of article 238 of the Securities Market Law, it is stated for the record that the filing with the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) ("**CNMV**") of this Prospectus and of its accompanying documentation only entails an acknowledgement that these documents include all of the information required by the regulation that establishes their content and in no case shall it result in the CNMV being liable for any inaccurate information contained therein.

### 1.2 RESOLUTIONS, SCOPE AND APPLICABLE LAW

#### 1.2.1 Resolutions and decisions of the Offeror for the making of the Offer

On 15 February 2021, the sole shareholder of the Offeror – that is, Kerry Group B.V. ("**Kerry Group B.V.**") – resolved to make the Offer for purposes of the provisions of article 160.f) of the restated text of the Spanish Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the "**Spanish Companies Law**") and the delegation to the board of directors, with express powers of substitution, of the power to establish the terms and conditions of the Offer, as well as to perform such acts as may be appropriate or suitable in order to make and implement the Offer, including but not limited to the adoption and formalisation of such resolutions and the granting of such powers as are necessary or appropriate for such purpose.

On that same date, the Offeror's managing body resolved to make the Offer, established its main terms and conditions and, pursuant to the delegation granted by the sole shareholder, also resolved to delegate authority to, among other persons, the person responsible for this Prospectus, including granting them the powers to request the corresponding authorisation of the Offer, to prepare, sign and file this Prospectus and any documents amending it, as well as any other documentation required pursuant to the provisions of the Securities Market Law or Royal Decree 1066/2007, and to perform or make any action, statement or procedure before the CNMV and any competent authority that may be relevant for the outcome of the Offer.

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Attached as **Annex 1** to this Prospectus is the certification of the resolutions adopted by the Offeror's sole shareholder and management body on 15 February 2021.

As regards Kerry Group plc, the sole indirect shareholder of the Offeror and parent company of Kerry Group ("**Kerry Group plc**"), its board of directors was promptly informed of the evolution of the Offer from its inception, particularly of the conversations held between the CEO, the strategy director of Kerry Group plc and their advisers, and Biosearch and Grupo Lactalis Iberia, S.A.U., as well as the status of the confirmatory due diligence process described in section 1.5.1 below. The board of directors of Kerry Group plc at its meeting held on 10 December 2020 authorised the trading and sale of the shares and, if applicable, the effective completion of the Offer at the Offer Price of 2.20 per share as defined below. Attached as **Annex 2** to this Prospectus is the certification of the aforementioned resolution, issued in English, as well as its corresponding translation into Spanish.

Except as stated, no Kerry Group company has adopted any other decision for the launch of the Offer by the Offeror.

#### *1.2.2 Scope of the Offer, applicable law and competent authority*

The Offer is voluntary according to articles 137 of the Securities Market Law and 13 of Royal Decree 1066/2007 and subject to the terms of this Prospectus and in accordance with the Securities Market Law, Royal Decree 1066/2007 and other applicable law.

The Offer is made in respect of a total of 57,699,522 shares of Biosearch, representing 100% of its share capital.

All the shares of Biosearch are admitted to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges via the Automated Quotation System (Continuous Market). The shares of Biosearch are not admitted to trading on any regulated or unregulated secondary market of a European Union Member State or any other country that is not a member of the European Union.

As Biosearch is a company registered in Spain and its shares are admitted to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, the competent authority to examine the Prospectus and authorise the Offer pursuant to the provisions of articles 129 of the Securities Market Law and 1 of Royal Decree 1066/2007 is the CNMV.

#### *1.2.3 Markets in which the Offer is made*

The Offer is made exclusively in the Spanish market, and it is addressed to all the shareholders of Biosearch regardless of their nationality or place of residence. The territorial restrictions affecting the distribution of this Prospectus and the dissemination of the Offer in certain jurisdictions are stated in sub-section 5.5 of this Prospectus.

#### *1.2.4 Law applicable to the agreements entered into by the Offeror and the shareholders of Biosearch*

The contractual relationship between the Offeror and the shareholders of Biosearch who accept the Offer and the effects arising therefrom will be governed by Spanish law (*legislación común española*).

Additionally, the courts with jurisdiction to rule on any matter relating to these agreements will be the corresponding Spanish courts and tribunals pursuant to legislation on the civil courts.

### **1.3 INFORMATION REGARDING BIOSEARCH**

#### *1.3.1 Corporate name and business name. Registered office*

The target company is Biosearch, S.A., whose business name is "BIOSEARCH LIFE". It is a Spanish limited company (*sociedad anónima*) with registered office at Camino del Purchil, 66, 18004, Granada, España and with Tax Identification Number (*NIF*, for its initials in Spanish) A-18550111. It was incorporated for an indefinite term on 12 September 2000, is registered in the Commercial Registry of Granada at volume 914, folio 164, sheet GR-17202 and holds LEI number 959800Y961RVVBV73R85.

Pursuant to article 2 of its articles of association, Biosearch has the following corporate purpose:

"Article 2.- Corporate purpose:

*The purpose of the Company is to investigate, manufacture, develop and commercialise new products based on natural ingredients with positive health-related effects, which can improve the quality of life and wellbeing of the population by reducing the incidence of certain illnesses.*

*All activities subject to special regulation whose requirements are not fulfilled by the Company are excluded.*

*The activities comprising the corporate purpose may be indirectly carried out, in part or in full, by means of the subscription or acquisition of shares or interests in companies with a similar or identical corporate purpose."*

The articles of association of Biosearch are made available to shareholders on its corporate website ([www.biosearchlife.es](http://www.biosearchlife.es)).

Biosearch's financial year starts on 1 January and ends on 31 December.

#### *1.3.2 Share capital*

##### **(A) Share capital**

Biosearch's share capital amounts to 13,847,885.28 euros, represented by 57,699,522 ordinary shares each with a par value of 0.24 euros, all of the same class and series, with identical political and economic rights, fully subscribed and paid-up, and represented in book-entry form, the registration of which is maintained by *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. ("Iberclear")* and its participating entities. The shares of Biosearch have been admitted to trading since 17 December 2001 on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges via the Automated Quotation System (Continuous Market).

Article 18 of Biosearch's articles of association states that in order to be able to attend general meetings, shareholders must hold at least 375 shares registered in their name in the corresponding accounting register five days prior to the day the meeting is to be held and must be up to date with all payments due to Biosearch. Each share gives the right to one vote.

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Biosearch does not have any shares without voting rights or special classes of share. Nor has it issued any subscription rights, obligations convertible into or exchangeable for shares, warrants, or other securities or instruments that might confer a direct or indirect right to subscribe or acquire shares of Biosearch.

(B) Share-based incentive plans

At the annual general shareholders' meeting of Biosearch held on 28 June 2018, the shareholders approved a long-term incentive plan based on a cash incentive and a share incentive and linked to the achievement of the targets defined in Biosearch's strategic plan for the 2018-2020 period (the "**Incentive Plan**") and aimed at the executive committee, key employees as well as all directors and the secretary of the board. Further information on the Incentive Plan is available in the documents below:

| Document name   | Access  |
|---|---|
| Remuneration policy ( <i>Política de remuneraciones</i> )             | <a href="https://www.biosearchlife.es/wp-content/themes/x-child/descargas/PoliticasyPoliticaremuneraciones2019_2021.pdf">https://www.biosearchlife.es/wp-content/themes/x-child/descargas/PoliticasyPoliticaremuneraciones2019_2021.pdf</a> |
| Remuneration annual report ( <i>Informe anual de remuneraciones</i> ) | <a href="https://www.biosearchlife.es/wp-content/themes/x-child/descargas/Remuneraciones/IRCA185501112020.pdf">https://www.biosearchlife.es/wp-content/themes/x-child/descargas/Remuneraciones/IRCA185501112020.pdf</a>                     |
| Annual accounts ( <i>Cuentas anuales</i> )                            | <a href="https://www.biosearchlife.es/wp-content/themes/x-child/descargas/Informesy%20Anuales/InformeAnual2020.pdf">https://www.biosearchlife.es/wp-content/themes/x-child/descargas/Informesy%20Anuales/InformeAnual2020.pdf</a>           |

In accordance with Biosearch's annual corporate governance report and annual accounts, both for the period ended on 31 December 2020, as the above stated objectives have not been achieved in the terms described, the accrual of the incentives included in the Incentive Plan has not materialised. Consequently, as of 31 December 2020 the balance of the long-term provisions remains at zero.

As of the date of this Prospectus no new incentive plan has been made public.

The Offeror has not reached any agreement with Biosearch, its directors or senior management regarding remuneration.

### 1.3.3 Structure of Biosearch's management, decision-making and supervisory bodies

According to articles 23 and 27 of the articles of association of Biosearch, the board of directors is the body responsible for the administration, representation and management of the company. The articles of association establish that Biosearch's board of directors is to be composed of a minimum of three and a maximum of fourteen directors.

Biosearch's board of directors is currently composed of five members. According to article 24 of its articles of association, the directors are to hold their position for a four-year period and may be re-elected on one or more occasions for periods of the same maximum duration.

The directors of Biosearch hold the positions stated in the below table and directly or indirectly hold shares representing the share capital of Biosearch as detailed below:

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| Director                                   | Position | Category    | Shareholder represented                      | Number of shares | % of share capital <sup>(1)</sup> |
|--|----------|-------------|--|------------------|-----------------------------------|
| Mr Ignacio Elola Zaragüeta                 | Chairman | Proprietary | Grupo Lactalis Iberia, S.A.U. <sup>(2)</sup> | 0                | 0.00%                             |
| Mr Erick Boutry                            | Member   | Proprietary | Grupo Lactalis Iberia, S.A.U. <sup>(2)</sup> | 0 <sup>(3)</sup> | 0.00%                             |
| Mr Jose Cerezuela Rodríguez                | Member   | Proprietary | Pescaderías Coruñasas, S.L. <sup>(4)</sup>   | 0 <sup>(3)</sup> | 0.00%                             |
| Mr Isidoro Martínez de la Escalera Álvarez | Member   | Independent | -  | 37,941           | 0.07%                             |
| Ms María Jesús Alonso del Hoyo             | Member   | Independent | -  | 0                | 0.00%                             |
| <b>Total</b>                               |          |             |  | <b>37,941</b>    | <b>0.07%</b>                      |

**Source:** Except when otherwise stated public information available on the websites of Biosearch ([www.biosearchlife.es](http://www.biosearchlife.es)) and the CNMV ([www.cnmv.es](http://www.cnmv.es)).

Notes:

- (1) The percentage of share capital has been rounded.
- (2) Grupo Lactalis Iberia, S.A.U. is the holder of 17,021,357 shares representing 29.50% of the share capital of Biosearch. It is indirectly controlled by Mr Emmanuel Georges Philippe Besnier through the company Jema 1, in which he is a 50.31% shareholder. In turn, Jema 1 holds 50.71% of the shares of the company B.S.A., and B.S.A. holds 99.99% of the shares of the company B.S.A. Internacional, which is the sole shareholder of Grupo Lactalis Iberia, S.A.U.
- (3) This information has been provided by Biosearch.
- (4) Pescaderías Coruñasas, S.L. is the direct holder of 3,520,569 shares representing 6.102% of the share capital of Biosearch and the indirect holder, through Pescacoruña, S.L. in which it is an 80% shareholder, of 2,199,849 shares representing 3.813% of the share capital of Biosearch. The control structure of Pescaderías Coruñasas, S.L. is not publicly available.

Ms María A. Cobián Lareo holds the position of non-director secretary.

According to article 34 of the articles of association of Biosearch, in order for there to be a valid meeting of the board of directors it is necessary for half plus one of its members to attend the meeting in person or by proxy. Resolutions are to be adopted by absolute majority of the directors attending in person or by proxy except if law, the articles of association or the regulations of the board of directors provide for larger majorities. The chairman of the board of Biosearch has the casting vote in the event of a tie.

As provided for in article 31 of the articles of association and in articles 11 to 12 *ter* of the regulations of the board of Biosearch, the board of directors has created an executive committee, an audit, control and conflict of interests committee and an appointments and remuneration committee, whose secretary is the secretary of the board of directors. All of the powers of the board of directors have been delegated to the executive committee except for powers that are non-delegable pursuant to the provisions of articles 249 *bis* and 529 *ter* of the Spanish Companies Law.

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The executive committee has the following composition:

| <b>Member</b>                  | <b>Position</b> | <b>Category</b> |
|--------------------------------|-----------------|-----------------|
| Mr Ignacio Elola Zaragüeta     | Chair           | Proprietary     |
| Mr Jose Cerezuela Rodríguez    | Member          | Proprietary     |
| Ms María Jesús Alonso del Hoyo | Member          | Independent     |

The audit, control and conflict of interests committee has the following composition:

| <b>Member</b>                              | <b>Position</b> | <b>Category</b> |
|--|-----------------|-----------------|
| Ms María Jesús Alonso del Hoyo             | Chair           | Independent     |
| Mr Ignacio Elola Zaragüeta                 | Member          | Proprietary     |
| Mr Isidoro Martínez de la Escalera Álvarez | Member          | Independent     |

The appointments and remuneration committee has the following composition:

| <b>Member</b>                              | <b>Position</b> | <b>Category</b> |
|--|-----------------|-----------------|
| Mr Isidoro Martínez de la Escalera Álvarez | Chair           | Independent     |
| Ms María Jesús Alonso del Hoyo             | Member          | Independent     |
| Mr Ignacio Elola Zaragüeta                 | Member          | Proprietary     |

The organisation and functions of these committees are established in the regulations of the board of directors available on the Biosearch corporate website ([www.biosearchlife.es](http://www.biosearchlife.es)).

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### 1.3.4 Shareholding structure of Biosearch and private shareholder agreements

#### (A) Shareholding structure

Biosearch has the following shareholding structure:

| Name / Corporate name                                     | Number of shares  | Share capital (%) |
|---|-------------------|-------------------|
| Mr Emmanuel Georges Philippe Besnier <sup>(1)</sup>       | 17,021,357        | 29.50             |
| Pescaderías Coruñasas, S.L. <sup>(2)</sup>                | 5,720,418         | 9.91              |
| ODDO BHF Asset Management SAS <sup>(3)</sup>              | 2,850,000         | 4.94              |
| DWS Investment GmbH <sup>(4)</sup>                        | 1,078,947         | 1.87              |
| Syquant Capital <sup>(5)</sup>                            | 1,029,566         | 1.78              |
| Andbank Wealth Management SGIC, SA <sup>(6)</sup>         | 600,000           | 1.04              |
| Barclays plc <sup>(7)</sup>                               | 23,646            | 0.04              |
| Mr Isidoro Martínez de la Escalera Álvarez <sup>(8)</sup> | 37,941            | 0.07              |
| Treasury shares <sup>(9)</sup>                            | 504,897           | 0.88              |
| Free float <sup>(10)</sup>                                | 28,832,750        | 49.97             |
| <b>Total</b>  | <b>57,699,522</b> | <b>100.00</b>     |

**Source:** Public information available on the website of the CNMV ([www.cnmv.es](http://www.cnmv.es)) and the agreement to accept the Offer entered into by Grupo Lactalis, S.A.U. as described in sub-section 1.5.1 of this Prospectus.

Notes:

- (1) Mr Emmanuel Georges Philippe Besnier holds 50.31% of the shares of the company Jema 1. In turn, Jema 1 holds 50.71% of the shares of the company B.S.A. and B.S.A. holds 99.99% of the shares of the company B.S.A. International. B.S.A. International is the sole shareholder of Grupo Lactalis Iberia, S.A.U., which is the direct holder of Biosearch's shares.
- (2) Pescaderías Coruñasas, S.L. is the direct holder of 3,520,569 shares representing 6.102% of the share capital of Biosearch and the indirect holder, through Pescacoruña, S.L., in which it is an 80% shareholder, of 2,199,849 shares representing 3.813% of the share capital of Biosearch.
- (3) ODDO BHF Asset Management SAS is the manager of the ODDO BHF Merger Arbitrage fund. The fund manager exercises its voting rights independently. However, it is wholly owned by ODDO BHF SCA., which 58.71% is in turn owned by Financière IDAT SAS. Mr Philippe Oddo holds 50.0004% of the shares of Financière IDAT SAS and is the beneficial owner of the remaining 49.9996%.
- (4) DWS Investment GmbH is an asset management company of Deutsche Bank Group controlled by Deutsche Bank AG.
- (5) Syquant Capital manages Helium Fund and Helium Opportunities, direct shareholders of Biosearch.
- (6) Andbank Wealth Management, SGIC, S.A.U., owned by Andbank España, S.A., manages Esfera Yosemite Hedge Fund, FIL.
- (7) Barclays plc is (i) the indirect holder, through Barclays Bank plc, of 23,646 of Biosearch's shares representing 0.04% of its share capital, (ii) the indirect holder, through Barclays Capital Securities Ltd, of financial instruments giving the right to acquire 807,033 voting rights in Biosearch, representing 1.40% of its total voting rights, and (iii) the indirect holder, through Palomino Limited, of financial instruments giving 822,785 voting rights in Biosearch, representing 1.40% of its total voting rights.
- (8) Director of Biosearch.
- (9) Biosearch has made no undertaking to the Offeror regarding the acceptance of the Offer with its treasury shares.
- (10) Includes amongst others: Samson Rock Capital LLP holds financial instruments attributing 850,000 voting rights in Biosearch representing 1.30% of its total voting rights. Man Group plc holds financial instruments attributing 623,155 voting rights in Biosearch representing 1.008% of its total voting rights. Man Group plc is controlled by Man Strategic Holdings Limited, which in turn is controlled by Man Investments Finance Limited, which in turn is controlled by Man Group UK Limited, which is controlled by FA Sub 2 Limited, which is controlled by FA Sub 3 Limited, which is controlled

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by GLG Partners Limited and GLG Holdings Limited which are respectively general partner and limited partner of GLG Partners LP.

(B) Control structure

According to the publicly available information, for purposes of article 5 of the Securities Market Law, Biosearch is not individually or jointly controlled by any person or entity. The Offeror is not aware of the existence of any controlling shareholding relating to Biosearch, as defined in article 4 of Royal Decree 1066/2007.

(C) Private shareholder agreements (*pactos parasociales*)

The Offeror is not a party to and is not aware of the existence of any private shareholder agreement of the kinds described in article 530 of the Spanish Companies Law that has been entered into by the shareholders of Biosearch or regarding Biosearch.

*1.3.5 Limitations on voting rights and restrictions on access to management and decision-making bodies*

Article 18 of Biosearch's articles of association states that in order to be able to attend general meetings, shareholders must hold at least 375 shares registered in their name in the corresponding accounting register five days prior to the day the meeting is to be held and must be up to date with all payments due to Biosearch. Each share gives the right to one vote.

In addition to the legal restrictions relating to conflicts or disqualifications affecting directors, article 17.a) of the regulations of the board of Biosearch provides that persons with positions or duties involving representation, management, advice or the provision of services at competitor companies or at companies holding a dominant or controlling position in competitor companies may not be directors, unless these are subsidiary companies of the parent or companies with a significant and stable shareholding in Biosearch, or subsidiary companies thereof.

*1.3.6 Anti-takeover and compensation measures established by Biosearch*

Biosearch has not adopted any resolutions in application of the provisions of article 135 of the Securities Market Law and of article 29 of Royal Decree 1066/2007 relating to the application of discretionary anti-takeover measures.

*1.3.7 Companies in which Biosearch is shareholder*

According to Biosearch's audited annual accounts for the financial year 2019, Biosearch constitutes a commercial group given its 100% shareholding in the capital of the company Qalifica, Análisis de Sustancias Naturales S.L., but it does not prepare consolidated annual accounts by virtue of the provisions of article 7.c) of the Rules for the Preparation of Consolidated Financial Statements (*Normas de Formulación de Cuentas anuales Consolidadas*) approved by Royal Decree 1159/2010, given that the subsidiary does not hold a significant interest, neither individually, nor as a whole, in the true and fair view of the net worth, financial position and results of Biosearch. The net book value of Qalifica, Análisis de

Sustancias Naturales S.L. recorded in the aforementioned annual accounts for the period ended on 31 December 2019 amounted to 2,000 euros.

#### **1.4 INFORMATION REGARDING THE OFFEROR AND ITS SHAREHOLDERS**

##### *1.4.1 Corporate name, registered office, financial year and corporate purpose*

The Offeror's corporate name is Kerry Iberia Taste & Nutrition, S.L.U. The Offeror is a Spanish sole shareholder limited liability company (*sociedad de responsabilidad limitada unipersonal*) with registered office at calle Coto de Doñana, 15, 28320 Pinto, Madrid, Spain, with Tax Identification Number (*NIF*, for its initials in Spanish) B-80162928, registered in the Commercial Registry of Madrid at volume 1812, folio 70, section 8, sheet number M-32702, and with Legal Entity Identifier (LEI) code 959800FU2WVM1SGL8945.

The Offeror was incorporated on 12 November 1991 with corporate name "Vendin, S.L.". On 1 June 2016, Kerry Group B.V. acquired all of the shares representing the share capital of the Offeror. On 29 May 2018, in its capacity as the sole shareholder, Kerry Group B.V. resolved to change the corporate name of the Offeror to its current one – that is, Kerry Iberia Taste & Nutrition, S.L.U. – pursuant to a public deed executed before the notary public of Madrid Mr Pablo de la Esperanza at entry number 539 of his notarial record.

Pursuant to article 3 of the Offeror's articles of association it has the following corporate purpose:

##### **"Article 3.- Corporate purpose**

*The corporate purpose of the Company is to investigate, design, manufacture, develop and commercialise all type of food and nutritional products, cosmetics, medicinal products and other products with positive health-related effects that improve the quality of life and wellbeing of the population, as well as to investigate, design, manufacture, develop and commercialise all type of industrial machinery related to these products.*

*All activities subject to special regulation whose requirements are not fulfilled by the Company are excluded.*

*The activities comprising the corporate purpose may be indirectly carried out, in part or in full, by means of the subscription or acquisition of shares or interests in companies with a similar or identical corporate purpose."*

The Offeror produces and distributes products for hot beverages automatic vending machines, including whole bean coffee, powdered milk and toppings, instant chocolates, soluble coffees, prepared cappuccinos and instant soups and soluble teas.

The Offeror's financial year starts on 1 January and ends on 31 December of each calendar year.

Attached as **Annex 3** hereto is certification issued by the Commercial Registry of Madrid regarding the Offeror, evidencing the incorporation of said company and of its current articles of association.

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#### 1.4.2 Share capital

The Offeror's share capital amounts to 210,354.24 euros, divided into 35,000 shares (*participaciones sociales*) each with a par value of 6.01012 euros, all of the same class and series, fully subscribed and paid-up.

Each share grants its holder the right to one vote.

The Offeror has not issued any subscription rights, obligations convertible into or exchangeable for shares, warrants, or other securities or instruments that might confer a direct or indirect right to subscribe or acquire its shares.

The Offeror's shares are not admitted to trading on any organised securities market.

#### 1.4.3 Structure of management, decision-making and supervisory body

The Offeror is currently managed by three joint and several directors (*administradores solidarios*) Mr Trevor James Horan, Mr Ronan Deasy and Mr Miguel Ángel Corbacho Franco.

#### 1.4.4 Limitations on voting rights and restrictions on access to the management bodies

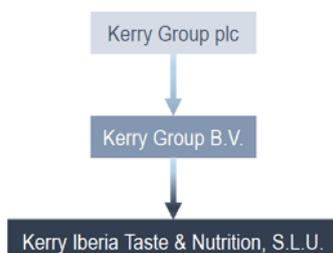
The Offeror's articles of association do not establish limitations on voting rights or restrictions on access to the management bodies.

#### 1.4.5 Concerted action

Neither the Offeror nor its sole direct shareholder, Kerry Group B.V., nor Kerry Group plc, nor any other company of the Kerry Group are party to any agreement that is classified as a concerted action with third parties in relation to Biosearch.

#### 1.4.6 The Offeror's shareholding and control structure

The Offeror is directly wholly-owned by Kerry Group B.V., which in turn is directly wholly-owned by Kerry Group plc.



Consequently, in accordance with the provisions of articles 5 of the Securities Market Law, 42 of the Code of Commerce and 4 of Royal Decree 1066/2007, the Offeror is indirectly controlled by Kerry Group plc.

Kerry Group plc is engaged in the development of taste and nutrition solutions for the food, beverage and pharmaceutical markets. Its shares are admitted to trading on Euronext Dublin and on the London Stock Exchange. No natural or legal person exercises control over Kerry Group plc on a direct or indirect, individual or joint basis as provided in the applicable Irish law.

(A) *The Offeror's sole shareholder: Kerry Group B.V.*

Kerry Group B.V. is the sole shareholder of the Offeror.

Kerry Group B.V. is a private company (*besloten vennootschap*) incorporated under the laws of Netherlands, with registered office at Maarssenbroeksedijk 2 A, Utrecht, 3542DN, Netherlands and registered in the Netherlands Chamber of Commerce (*Kamer van Koophandel*) under number 24234571.

The corporate purpose of Kerry Group B.V. is the shareholding and the granting of loans to companies within Kerry Group.

Kerry Group B.V.'s share capital amounts to 297,720.00 euros divided into 6,616 shares each with a par value of 45 euros, all of the same class and series, fully subscribed and paid-up. Each share confers a right to one vote. Kerry Group B.V.'s shares are not admitted to trading on any organised securities market. The shares are wholly owned by Kerry Group plc.

Kerry Group B.V.'s has not issued any subscription rights, obligations convertible into or exchangeable for shares, warrants, or other securities or instruments that might confer a direct or indirect right to subscribe or acquire its shares.

Kerry Group B.V.'s financial year starts on 1 January and ends on 31 December of each calendar year.

Kerry Group B.V. is currently managed by Mr Declan Crowley and Mr Daniël de Muynck. The articles of association do not establish limitations on voting rights or restrictions on access to the management bodies.

Attached as **Annex 4** hereto is a certified and apostilled copy of the articles of association of Kerry Group B.V., as well as a certified and apostilled extract from the Netherlands Chamber of Commerce, together with sworn translations into Spanish of both documents.

(B) *The sole shareholder of Kerry Group B.V.: Kerry Group plc*

Kerry Group plc is the sole shareholder of Kerry Group B.V.

Kerry Group plc is a company incorporated in 1972 under the laws of Ireland, with registered address at Prince Street, Tralee, Co. Kerry, V92 EH11, Ireland, and registered in the Companies Registration Office of Ireland with number 111471.

Kerry Group plc started operating in the Irish dairy market as North Kerry Milk Products Limited. In 1974, following a corporate reorganisation, it became part of Kerry Co-operative Creameries Ltd. In 1986 Kerry Group plc was named with its present name and was listed on the stock exchange.

Currently, Kerry Group plc engages in the development of taste and nutrition solutions for the food, beverage and pharmaceutical markets. Its business model is based on three central elements: a broad portfolio of foundational technologies that enable it to improve the taste of its products, as well as their nutritional characteristics and functionality; an integrated value chain through which the Kerry Group participates in the full development cycle of its products from conception to launch; and a solid network of customers and distribution channels at local, regional and national level.

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According to the information made public on 31 March 2021, the authorised share capital of Kerry Group plc is divided into 176,793,148 class A ordinary shares, each with a par value of 0.125 euros and giving the right to one vote.

The shares of Kerry Group plc are admitted to trading on Euronext Dublin and on the London Stock Exchange. It has the following shareholding structure:

| Shareholder                           | Number of shares of Kerry Group plc | % of share capital represented |
|---------------------------------------|-------------------------------------|--------------------------------|
| Kerry Co-operative Creameries Limited | 21,343,456                          | 12.08                          |
| Blackrock Investment Management       | 8,801,272                           | 4.98                           |
| Free float                            | 146,648,420                         | 82.94                          |
| <b>TOTAL</b>                          | <b>176.793.148</b>                  | <b>100%</b>                    |

Pursuant to the provisions of the Irish Companies Act 2014, as well as articles 5 of the Securities Market Law, 42 of the Code of Commerce and 4 of Royal Decree 1066/2007 no natural or legal person exercises control over Kerry Group plc on a direct or indirect, individual or joint basis.

Kerry Group plc's financial year starts on 1 January and ends on 31 December of each calendar year.

The board of directors of Kerry Group plc has the following composition:

| Member                | Position and category                     |
|-----------------------|---|
| Mr Philip Toomey      | Independent Chairman                      |
| Mr Edmond Scanlon     | Chief Executive Officer                   |
| Mr Gerry Behan        | Executive Director                        |
| Dr Hugh Brady         | Senior Independent Non-Executive Director |
| Mr Gerard Culligan    | Independent Director                      |
| Dr Karin Dorrepaal    | Independent Director                      |
| Mr Michael Kerr       | Independent Director                      |
| Ms Emer Gilvarry      | Independent Director                      |
| Ms Marguerite Larkin  | Executive Director (CFO)                  |
| Mr Tom Moran          | Independent Director                      |
| Mr Con Murphy         | Independent Director                      |
| Mr Christopher Rogers | Independent Director                      |
| Mr Jinlong Wang       | Independent Director                      |

The board committees of Kerry Group plc have the following composition:

| Committee       | Member                | Position |
|-----------------|-----------------------|----------|
| Audit Committee | Mr Christopher Rogers | Chairman |
|                 | Dr Hugh Brady         | Member   |

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| <b>Committee</b>                                    | <b>Member</b>         | <b>Position</b> |
|---|-----------------------|-----------------|
|   | Mr Jinlong Wang       | Member          |
|   | Ms Emer Gilvarry      | Member          |
| Governance, Nomination and Sustainability Committee | Mr Philip Toomey      | Chairman        |
|   | Dr Hugh Brady         | Member          |
|   | Dr Karin Dorrepaal    | Member          |
|   | Mr Tom Moran          | Member          |
| Remuneration Committee                              | Mr Tom Moran          | Chairman        |
|   | Dr Karin Dorrepaal    | Member          |
|   | Mr Christopher Rogers | Member          |

Apart from the legal restrictions relating to incompatibilities or prohibitions for directors, there are no statutory restrictions on access to the board of directors of Kerry Group plc.

Attached as **Annex 5** hereto is a certified and apostilled copy of the articles of association of Kerry Group plc, as well as a certified and apostilled extract from the Companies Registration Office of Ireland, together with the sworn translations into Spanish of both documents.

The articles of association of Kerry Group plc do not establish limitations on voting rights or restrictions on access to the management bodies.

## **1.5 AGREEMENTS REGARDING THE OFFER AND BIOSEARCH**

### *1.5.1 Agreements between Kerry Group plc and the shareholders and members of the management, decision-making and supervisory bodies of Biosearch and benefits reserved by the Offeror for said members*

On 26 October 2020, Kerry Group plc sent a letter to the board of directors of Biosearch expressing its potential interest in making the Offer subject to the performance of a confirmatory due diligence process. The terms of said letter were updated on 16 November 2020 and 7 January 2021.

On 2 February 2021, Biosearch and Kerry Group plc entered into a confidentiality agreement to preserve the use and confidentiality of the information that Biosearch was to make available to Kerry Group plc in the context of the aforementioned confirmatory due diligence process. From that date until 12 February 2021, the Offeror carried out a due diligence on Biosearch to confirm certain specific legal, regulatory, tax, environmental, financial, labour, operational, insurance, quality, technical infrastructure and R&D aspects.

Simultaneously to the latter, the Offeror held negotiations with the shareholder Grupo Lactalis Iberia, S.A.U. (the “**Lactalis**”) to ascertain its interest in transferring its shares of Biosearch to the Offeror in the context of the potential offer.

As a result of this process, the below-described agreements were entered into.

(A) Exclusivity undertaking

On 24 December 2020, Kerry Group plc and Lactalis entered into an exclusivity agreement (the “**Exclusivity Agreement**”) pursuant to which Lactalis granted Kerry Group plc an exclusive right to negotiate the terms of the Irrevocable Undertaking referred to below until 1 February 2021 (the “**Exclusivity Period**”).

Lactalis further committed, during the Exclusivity Period, not to solicit, or to initiate or continue negotiations with any person other than the Offeror or the Kerry Group in relation to, the sale or acquisition of its shares in Biosearch or any other transaction that may preclude the negotiation of said Irrevocable Undertaking.

In turn, Kerry Group plc undertook to commit, during the Exclusivity Period, sufficient resources and effort to complete the due diligence on Biosearch and prepare the Offer and to keep Lactalis duly informed of the efforts and progress made with respect to the due diligence.

On 21 February 2021 Kerry Group plc and Lactalis agreed on extending the Exclusivity Period until 1 March 2021.

The Exclusivity Agreement expired on 15 February 2021 due to the signing of the Irrevocable Undertaking described below.

(B) Irrevocable undertaking to accept the Offer

On 15 February 2021, the Offeror entered into an irrevocable undertaking with Lactalis, pursuant to which the Offeror undertook to irrevocably make the Offer and Lactalis irrevocably undertook to accept it for all of its shares of Biosearch, namely 17,021,357 shares representing 29.50% of Biosearch’s issued capital on the terms that are described below (the “**Irrevocable Undertaking**”).

Attached as **Annex 6** hereto is a copy of the Irrevocable Undertaking, together with its sworn translation into Spanish.

The main terms and conditions of the Irrevocable Undertaking are summarised below:

- (i) The Offeror undertook to irrevocably make the Offer on the terms described in the Prospectus.
- (ii) Lactalis undertook to irrevocably accept the Offer within the first five stock exchange trading days of the acceptance period, in respect of all of its shares in Biosearch.

This undertaking will remain in force even in the event that competing offers are made and it will only cease to apply if (a) the Offeror withdraws the Offer, (b) the Offer expires because any of its conditions is not fulfilled and the Offeror does not waive such condition, (c) the Offer is not approved by the CNMV, since the denial of the authorisation is published by CNMV.

The Offeror may only withdraw the Offer in the circumstances established by law in article 33 of Royal Decree 1066/2007.

- (iii) Lactalis irrevocably undertook to exercise the voting rights corresponding to its shares in Biosearch in the latter’s general shareholders’ meetings, which may be called for the purpose of enabling and facilitating the implementation of the Offer, and to vote against any resolutions that

might hinder, delay or otherwise harm the Offer, including agreements relating to the issues foreseen in article 28.1 of Royal Decree 1066/2007.

- (iv) Lactalis irrevocably undertook to collaborate with the Offeror to the extent legally possible and with the CNMV by providing any information in their possession that is required in the context of the Offeror, excluding any information related to Biosearch or its group.
- (v) Lactalis irrevocably undertook to procure, to the extent legally possible and subject to the fiduciary and any other duties of directors taking into account potential conflicts of interest and potential competing offers and any other applicable law, that the two proprietary directors of Biosearch appointed after their proposal by the Offeror vote in favour of issuing a favourable report on the Offer in accordance with the provisions of article 24 of Royal Decree 1066/2007.
- (vi) Lactalis irrevocably undertook not to trade shares of Biosearch, particularly not to subscribe for, purchase, sell or otherwise acquire or transfer shares of Biosearch or financial instruments whose underlying is shares of Biosearch, or the economic and voting rights associated therewith, and not to constitute any lien or charge on the latter until the Offer is executed or expires, is withdrawn by the Offeror or does not obtain approval from the CNMV.
- (vii) Lactalis irrevocably undertook not to enter into, modify or terminate any transaction or commitment with Biosearch unless the terms and conditions of such transactions or commitments are in the ordinary course of business, on market terms or consistent with past practice.
- (viii) Lactalis irrevocably undertook not to solicit or induce, neither directly, nor indirectly, any person other than the Offeror to make any offer for the shares or other securities of Biosearch and to take any action which would or might be detrimental for the successful completion of the Offer or that could impede the satisfaction of any of the Conditions of the Offer.
- (ix) The Irrevocable Undertaking shall remain in force until the parties have fulfilled all of their obligations and shall be terminated in the event that : (i) the Offeror withdraws from the Offer, (ii) the Offer acceptance period ends and the conditions of the Offer are not fulfilled, or (iii) it is not possible to settle the Offer before 31 December 2021, (iv) the Offer cannot be settled before 31 December 2021, except competing bids are submitted and Lactalis revokes its acceptance in accordance with the provisions of article 33 of Royal Decree 1066/2007, or (iv) either party breaches the Irrevocable Undertaking.

(C) Other agreements or pacts in relation to the Offer or Biosearch

Other than the Exclusivity Agreement (which as stated above expired on 15 February 2021), the Irrevocable Undertaking and the confidentiality agreement referred to and summarised in the foregoing sub-sections, there are no agreements of any nature in relation to the Offer or Biosearch between the Offeror or the entities of Kerry Group, on one hand, and Biosearch, its shareholders or the members of its management, decision-making and supervisory bodies, on the other, and no benefits have been reserved for the shareholders of Biosearch or the members of their management, decision-making and supervisory bodies.

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The Offeror declares that the Irrevocable Undertaking to accept the Offer entered into with Lactalis does not constitute neither a shareholders agreement of the foreseen in articles 530 and 531 of the Spanish Companies Law nor a concerted action for purposes of the provisions of article 5 of Royal Decree 1066/2007, for which reason the voting rights of Lactalis should not be attributed to the Offeror.

The Kerry Group has not reached any agreements with Lactalis, with the group to which it belongs or with its controlling shareholder in relation to Biosearch's contracts with that group.

The Kerry Group is unaware of the intentions regarding the Offer of other shareholders of Biosearch, particularly Pescaderías Coruñas which, according to publicly available information, holds, directly and indirectly, 5,720,418 shares, representing 9.91%.

#### *1.5.2 Members simultaneously serving on the management, decision-making and supervisory bodies of Biosearch and of the Offeror*

No members of the management, decision-making and supervisory bodies of Biosearch have been appointed by the Offeror or are simultaneously members of any management, decision-making or supervisory body of the Offeror, Kerry Group B.V. or Kerry Group plc

#### *1.5.3 Shares or securities of the Offeror held by Biosearch*

Biosearch does not directly or indirectly hold shares of the Offeror or other securities that could give rise to subscription or acquisition rights in relation thereto. Moreover, Biosearch has no shares in any of the companies that comprise the shareholding and control structure of the Offeror described in sub-section 1.4.6 above.

### **1.6 SECURITIES OF BIOSEARCH HELD BY THE OFFEROR AND ANY COMPANY OF THE KERRY GROUP**

#### *1.6.1 Securities of Biosearch held by the Offeror*

The Offeror or any company of the Kerry Group and the members of their respective management, decision-making and supervisory bodies do not directly or indirectly hold shares of Biosearch or other securities that could give rise to subscription or acquisition rights in relation thereto.

#### *1.6.2 Biosearch treasury shares*

According to the public information as of 31 December 2020 Biosearch has 504,897 treasury shares, representing 0.88% of its share capital.

### **1.7 TRANSACTIONS WITH SECURITIES OF BIOSEARCH**

In the 12 months prior to the date of the request for approval of the Offer and up to the date of this Prospectus, neither the Offeror, nor any company of the Kerry Group, nor the members of their respective management, decision-making and supervisory bodies have not directly or indirectly, individually or jointly with third parties or in any other manner, performed or agreed to perform transactions with shares of Biosearch or with other securities that could give rise to subscription or acquisition rights in relation to shares of Biosearch or that confer voting rights in Biosearch.

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According to the information provided by Lactalis, during the aforementioned 12-month period prior to the date of the request for approval of the Offer and up to the date of this Prospectus, Lactalis has performed the following transactions involving the sale and purchase of shares of Biosearch:

To the best of the Offeror's knowledge and understanding having carried out the reasonably required verifications, in the 12 months prior to the date of the request for approval of the Offer and up to the date of this Prospectus, Lactalis, the entities of its group and the members of their respective management, decision-making and supervisory bodies have not directly or indirectly, individually or jointly with third parties or in any other manner, performed or agreed to perform transactions with shares of Biosearch or with other securities that could give rise to subscription or acquisition rights in relation to shares of Biosearch or that confer voting rights in Biosearch.

In accordance with the provisions of article 32.3 of Royal Decree 1066/2007, until the publication date of the outcome of the Offer, the acquisition of shares of Biosearch by the Offeror or any company of the Kerry Group outside the context of the Offer will result in the elimination of the Minimum Acceptance Condition to which the effectiveness of the Offer is subject and the automatic increase of the Offer Price to the highest price paid in said acquisitions.

The Offeror, Kerry Group B.V. and Kerry Group plc do not intend to acquire Biosearch's shares outside the context of the Offer, the subsequent delisting process (or a potential subsequent delisting offer, if it is the case) from the publication of this Prospectus and until the definitive delisting of Biosearch's shares.

## **1.8 ACTIVITY AND ECONOMIC AND FINANCIAL SITUATION OF THE OFFEROR**

### *1.8.1 In relation to the Offeror*

Founded in 1991, the Offeror produces and distributes products for hot beverages automatic vending machines, including whole bean coffee, powdered milk and toppings, instant chocolates, soluble coffees, prepared cappuccinos and instant soups and soluble teas.

The Offeror was acquired by the Kerry Group in 2016.

Since its acquisition, the Offeror acquired Harinas y Sémolas del Noroeste, S. A.U. ("**Hasenosa**") in 2017 and Pevesa Biotech, S.A.U. ("**Pevesa**") in 2019. Hasenosa is a Spanish company (*sociedad anónima*) that manufactures specialty flours, batters, breadcrumbs and other products for the precooked, frozen and chilled food industry. Pevesa is another Spanish company (*sociedad anónima*) operating in the biotechnology sector that provides healthy and premium quality plant-based proteins and derivatives for the global food, feed, cosmetics, bioscience and agro-science industries. Its activity is focused on the production of proteins, design and production of amino acids, research and development of improved protein manufacturing and new product development of proteins which adjust to specific applications and functionalities.

The acquisition of these companies represents all the investments of the Kerry Group in Spain up to this date.

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Attached as **Annex 7** hereto is a copy of the latest audited annual accounts of the Offeror corresponding to the fiscal year closed 31 December 2019. Attached as **Annex 8** hereto is a copy of the unaudited annual accounts of the Offeror for the financial year ending 31 December 2020. The latter were prepared on 11 May 2021 by the joint and several director, Mr Miguel Ángel Corbacho Franco, and its approval by the sole shareholder is pending. There is no information of the Offeror available more recent than the above stated.

The below table summarises the Offeror's main financial parameters as at 31 December 2019 and 31 December 2020:

| <b>Offeror</b>                     | <b>As at 31 December 2020</b><br><i>(in euros)</i><br><i>(Unaudited)</i> | <b>As at 31 December 2019</b><br><i>(in euros)</i><br><i>(Audited)</i> |
|------------------------------------|--|--|
| Net equity                         | (1,039,672.85)   | 1,894,712.01   |
| .....                              |  |  |
| Turnover                           | 10,711,913.73  | 17,478,374.14  |
| .....                              |  |  |
| Treasury                           | 162,770.96   | 587,020.12   |
| .....                              |  |  |
| Total Assets                       | 61,603,028.25  | 65,685,364.92  |
| .....                              |  |  |
| Net Financial Debt                 | 59,625,813.44  | 59,289,096.24  |
| .....                              |  |  |
| Profit/loss for the financial year | (2,932,055.99)   | (1,993,346.93)   |
| .....                              |  |  |

The net equity of the Offeror resulting from the financial statements as at 31 December 2020 is negative. The Offeror's annual accounts of 2020 show that the necessary financing for the Offer will consist of a 102 million euros contribution of the sole shareholder and an extension from 30 to 75 million euros of the Facility, as it is defined in section 2.5.2 below, including a provision for the rebalancing of the companies accounts estimated at 8 million euros.

### 1.8.2 *In relation to Kerry Group plc*

Kerry Group plc is a global company in the development of taste and nutrition solutions for the food, beverage and pharmaceutical markets. Its business model is based on three central elements: a broad portfolio of foundational technologies that enable it to improve the taste of its products, as well as their nutritional characteristics and functionality; an integrated value chain through which the Kerry Group participates in the full development cycle of its products from conception to launch; and a solid network of customers and distribution channels at local, regional and national level. The Kerry Group has developed over 18,000 products to date, manufacturing them in 32 countries and commercialising them in over 150 countries.

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The Kerry Group has two business divisions: (i) Taste & Nutrition, through which it offers taste and nutrition solutions for end suppliers in the food, beverage and pharmaceutical industries that enable them to remake their existing products or create new ones; and (ii) Consumer Foods, through which it manufactures and distributes chilled food in Ireland and the United Kingdom.

The Kerry Group plc annual report for the financial year ended 31 December 2020, including its consolidated financial statements for the aforementioned financial year, prepared in accordance with the International Financial Reporting Standards (IFRS), together with the audit report of PricewaterhouseCoopers, is available on the Kerry Group plc website, accessible via the address [https://www.kerrygroup.com/investors/investor-centre/agm/KerryGroup\\_AR\\_2019.pdf](https://www.kerrygroup.com/investors/investor-centre/agm/KerryGroup_AR_2019.pdf). A copy of the document with a partial translation into Spanish is included in **Annex 9**. The translation comprises: the independent auditors' report, consolidated income statement, consolidated statement of comprehensive income, consolidated and individual balance sheet, consolidated and individual statement of changes in equity and consolidated and individual cash flow statement.

The below table summarises the main consolidated financial parameters for Kerry Group plc as at 31 December 2019 and 31 December 2020:

| <b>Kerry Group plc</b>             | <b><u>As at 31 December 2020</u></b><br><i>(in thousands of euros)</i><br><i>(Audited)</i> | <b><u>As at 31 December 2019</u></b><br><i>(in thousands of euros)</i><br><i>(Audited)</i> |
|------------------------------------|--|--|
| Net equity                         | 4,655.5  | 4,562.2  |
| .....                              | 6,953.4  | 7,241.3  |
| Turnover                           | 563.1  | 554.9  |
| .....                              | 9,443.1  | 9,504.3  |
| Treasury                           | 1,863.6  | 1,862.8  |
| .....                              | 1,945.1  | 1,972.2  |
| Total assets                       | 554.1  | 566.5  |
| .....                              |  |  |
| Net financial debt                 |  |  |
| .....                              |  |  |
| Profit/loss for the financial year |  |  |

Kerry Group plc publishes an interim management report. The report for the three months ended 31 March 2021, which includes relevant information about the development of Kerry Group plc's business for the period covered, is available on Kerry Group plc's website, accessible at <https://www.kerrygroup.com/investors/results-presentations/Q1-2021-Presentation.pdf>. A copy of the document with an English translation is included in **Annex 10**.

## CHAPTER 2

### 2.1 SECURITIES TO WHICH THE OFFER IS ADDRESSED

The Offer is made for all of the shares representing the share capital of Biosearch; that is, 57,699,522 shares, each with a par value of 0.24 euros, all of the same class and series, and fully subscribed and paid-up. The shares are admitted to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges via the Automated Quotation System.

Biosearch has not issued any subscription rights, obligations convertible into or exchangeable for shares, warrants, or other securities or instruments that might confer a direct or indirect right to subscribe or acquire its shares. Nor has it issued any shares without voting rights or special classes of shares.

### 2.2 CONSIDERATION OFFERED FOR THE SECURITIES

#### 2.2.1 *Consideration offered for each security and manner in which it will be paid*

The Offer is made as a share purchase.

The consideration offered by the Offeror to the shareholders of Biosearch is 2.20 euros in cash for each share of Biosearch (the “**Offer Price**”). As a result, the maximum total amount to be paid by the Offeror is 126,938,948.40 euros.

The Offer Price will be paid entirely in cash.

The terms of the Offer are identical for all of the shareholders of Biosearch to whom it is addressed.

The Offer Price shall be reduced by an amount equal to the gross amount per share of any distribution of dividends, reserves, issue premium or any other distribution to the shareholders of Biosearch provided that the outcome of the Offer is published in the stock exchange bulletins on the same date as or later than the ex-dividend date for said distribution. To the contrary, the Offer Price shall not be reduced if the outcome of the Offer is published in the stock exchange bulletins prior to the ex-dividend date.

#### 2.2.2 *Rationale for the consideration*

The Offeror believes that the Offer Price is in line with article 137.2 of the Securities Market Law and meets the “fair price” conditions for the purposes of the provisions of article 9 of Royal Decree 1066/2007, insofar as:

- (i) it constitutes the full amount of the price agreed by the Offeror with Lactalis in the Irrevocable Undertaking for acceptance of the Offer described in sub-section 1.5.1 of this Prospectus, with no compensation in addition to the agreed price and no agreement as to any payment deferral.
- (ii) it is not lower than the highest price paid or agreed by the Offeror (following the Irrevocable Undertaking), any entity of its group or any other party that might be deemed to be acting jointly therewith for purposes of Royal Decree 1066/2007, or any of its directors or administrators;

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- (iii) neither the Offeror nor any of the companies of the Kerry Group are party to any agreement relating the purchase or subscription of Biosearch's shares apart from the Offer;
- (iv) none of the circumstances established in article 9.4 of Royal Decree 1066/2007 that could give rise to the amendment of the fair price by the CNMV have occurred.

The Offeror also provides an independent expert report prepared by Deloitte Financial Services, S.L.U. ("**Deloitte**") and issued on 17 May 2021 ("**Date of the Report**"), made according to the rules established in article 10 of Royal Decree 1066/2007 and in article 137.2 of the Securities Market Law to comply with the provisions in the latter of said rules and for purposes of the provisions of articles 9 and 11.d) of Royal Decree 1066/2007 (the "**Valuation Report**"), which is attached to this Prospectus as **Annex 11**. The Offer Price is over the value range of the aforementioned Valuation Report.

#### Valuation Report from Deloitte

In order to adequately understand this sub-section, it is recommended that it be read together with the Valuation Report to which it refers, which is attached hereto as **Annex 11** to this Prospectus.

The purpose of the Valuation Report is to value the shares of Biosearch in accordance with the methods established in article 10 of Royal Decree 1066/2007 and in article 137.2 of the Securities Market Law in order to comply with the provisions in the latter of said rules and for the purposes of the provisions of article 11.d) of Royal Decree 1066/2007.

In performing its work, Deloitte has used financial and non-financial information obtained from public sources. Likewise, Deloitte has relied on information provided by the Offeror. Finally, Deloitte has not had access neither to Biosearch's board of directors or management team, nor the due diligence report.

Given that Deloitte has not had access to Biosearch's business plan or long-term financial projections, Deloitte has prepared financial projections based on publicly available information and estimates of the market in which Biosearch operates and of its potential competitors and on reports of stock market analysts that cover Biosearch's shares.

As stated in the Valuation Report, Deloitte considers that the information used is sufficient for the issuance of the Valuation Report, as it allows for the formulation of likely scenarios in relation to the cash flows that could be generated and the discount rate that would have to be applied to discount those cash flows to present value, which are necessary elements for using discounted cash flow as a valuation method.

Deloitte's valuation analysis refers to 31 December 2020 (the "**Valuation Date**"). In the preparation of the report, Deloitte has taken into account the relevant facts subsequent to the Valuation Date, macroeconomic and market data and the latest relevant public information published by Biosearch, until the Date of the Report, including information of the first quarter of 2021. The above information has not affected the conclusions of the Valuation Report.

Deloitte has analysed and has determined that it does not have any conflict of interest for the preparation of the Valuation Report and maintains its conclusion of Biosarch's valuation as of the Date of the Report

The valuation methods used and the valuation range per share resulting from each of them are indicated below:

| Valuation method  | Range of value per share / Value per share                                      |      |
|---|---|------|
| Discounted cash flows                                     | 1,29  | 1,50 |
| Weighted average share price for the last six months      | 1,41  |      |
| Transaction multiples of comparable companies             | 1,23  | 1,39 |
| Multiples of comparable companies                         | 1,53  | 1,57 |
| Underlying book value (31/12/2020 / 31/03/2021)           | 0,44 / 0,44   |      |
| Price of takeover bids made in the previous twelve months | No takeover bid has taken place   |      |
| Net asset value   | Not calculated as it is considered significantly inferior to the other methods. |      |

In the Valuation Report, Deloitte has applied all the methods set forth in articles 10 of Royal Decree 1066/2007 and 137.2 of the Securities Market Law.

After evaluating the results of the selected methods, taking into account the individual strengths of each one and the quantity and quality of the available data, Deloitte considers that the results of the application of the discounted cash flow valuation method are the most relevant. Consequently, in its opinion, as of the Valuation Date, the value of each Biosearch share is between 1.29 and 1.50 euros per share. This range is the result of applying the discounted cash flow valuation method.

In view of the characteristics of Biosearch, its activity and the sector in which it operates, Deloitte has not considered other valuation methods other than those used to be relevant.

The Offer Price is above the valuation range indicated. In accordance with the provisions of articles 10 of Royal Decree 1066/2007 and 137 of the Securities Market Law, the Offer Price is not lower than the highest of the fair price referred to in article 9 of Royal Decree 1066/2007 and the price resulting from taking into account, jointly and with justification of their respective relevance, the methods contained in the aforementioned articles.

#### **(i) Discounted cash flows**

The discounted cash flow method is the most widely accepted method in the business practice and in international financial markets and is the most appropriate in the case of Biosearch because it is a dynamic method based on the general concept that the value of a business is equivalent to the present value of the future returns generated by its activity. Its application makes it possible to obtain a company or business value by updating the cash flows to be generated by the business and available for capital providers.

In this regard, Deloitte has estimated the value per share of Biosearch by applying this method, having divided the valuation process into the following steps:

- Analysis of Biosearch's public financial information (annual accounts, results presentations and other information published by Biosearch's management);

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- Understanding of the outlook of the sector and of Biosearch based on industry and analysts' reports;
- Preparation of valuation scenarios derived from considering the evolution of the latest financial information published by Biosearch corresponding to 31 December 2020, based on the expected evolution of its net revenues by business line (Probiotics, Lipids, Extracts and Others) and the expected volume of investment.

Deloitte's study is independent. These financial projections for years 2021 to 2025 have been prepared by Deloitte based on public information on Biosearch and other information published in the market and by analysts of other companies classified by S&P Capital IQ in the biotechnology, food supplements and special food products sectors. For the projections for 2025 Deloitte has added a variable related to long term growth converging to terminal value.

- Once the cash flow has been estimated over the time horizon up to which the return on assets is considered to stabilize, the terminal value has been calculated as the present value of a perpetual income;
- The estimated cash flows for the explicit period and the terminal value have then been updated by applying a discount rate calculated using the Capital Assets Pricing Model methodology, details of which are included in the Valuation Report;
- In order to better understand the impact that certain value levers could have on the result of the valuation study, two scenarios have been developed based on sales growth of Biosearch's different business lines and on the profitability thresholds reached by comparable companies and historically by Biosearch.
- Once the value of the business has been determined, the value attributable to the shares has been calculated considering the assets and liabilities not included in the free cash flow, mainly its net cash position and other assets and liabilities reflected by Biosearch in its financial statements. The post-Valuation Date circumstances and Biosearch's financial statements for the first quarter of 2021 have been reviewed and Deloitte considers that the conclusion reached using the discounted cash flow method can be sustained.

Regarding the financial structure, although Biosearch at the Valuation Date is not leveraged, Deloitte has considered a leverage of 5.4% which is in line with the leverage of comparable companies and is consistent with the estimated ratio. This calculation has been applied to obtain the discount rate.

Deloitte has calculated a discount rate that reflects the risk inherent to Biosearch. After calculating all the variables that compose it, Deloitte has concluded that Biosearch's discount rate is between 8.04% and 10.2%, averaging 9.2%. The following table shows the variables used:

| Variable       | Spot | Normalized |
|----------------|------|------------|
| Risk free rate | 0.1% | 3.1%       |
| Market premium | 8.6% | 5.6%       |

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| Variable                    | Spot  | Normalized |
|-----------------------------|-------|------------|
| Levered beta                | 0.97  | 1.40       |
| Equity cost                 | 8.4%  | 10.9%      |
| Cost of debt                | 1.6%  | 1.6%       |
| Tax rate                    | 25.0% | 25.0%      |
| Cost of debt after taxes    | 1.2%  | 1.2%       |
| %Debt/Equity                | 5.4%  | 5.4%       |
| %Equity/Debt                | 94.6% | 94.6%      |
| Range of discount rate used | 8.0%  | 10.4%      |

Likewise, Deloitte estimates that the long term growth rate is 2%, which is in line with the estimates of long term general inflation and with the minimum calculated by analysts. Moreover, Deloitte has conducted a sensitivity adjustment considering the forecasts' average of analysts of similar companies, which amounts to 2.6%.

Due to the importance of some of the parameters used, Deloitte has performed a sensitivity analysis of the discount rate and growth rate applied and has concluded, as a result of the discounted cash flow valuation method, that the value range of Biosearch's share is between 1.29 and 1.50 euros per share.

**(ii) Weighted average share price for the last six months**

Article 137.2 of the Securities Market Law requires considering the average market value over a certain period and article 10 of Royal Decree 1066/2007 requires to take into consideration the average share price for the six months prior to the announcement of the Offer. This is why different periods prior to 11 March 2020 (date of the announcement of the Offer), as well as prior to 15 February 2021 (date on which Covid 19 was classified as a global pandemic by the WHO).

In this regard, Deloitte points out that Biosearch's share price has suffered from the strong reaction of the markets to the Covid 19 pandemic crisis, which particularly affected it during the month of March and the beginning of April.

Once Biosearch published its results for the first half of the year and advanced its expectations regarding the foreseeable evolution of the business, the price recovered its value and remained stable over the last six months, a period which Deloitte considers, therefore, to be more representative.

The analysis carried out by Deloitte shows that given the relative size and sector in which Biosearch operates, the levels of liquidity of the stock market trading of Biosearch's shares that the weighted average price is an adequate or relevant reference for the value of the shares.

The weighted average share price during the six-month period immediately prior to the announcement of the application for authorisation of the Offer made by the Offeror amounts to 1.41 euros per share. This price has been calculated as the simple average of the weighted average prices of the period and is the

average that Deloitte considers most representative for the reasons indicated above. The listed prices in the remaining periods considered are detailed below:

| 15 February 2021               | 6 months | 12 months |
|--------------------------------|----------|-----------|
| Weighted average trading price | 1.41     | 1.23      |
| Minimum price                  | 1.18     | 0.50      |
| Maximum price                  | 1.82     | 1.82      |
| 11 March 2020                  | 6 months | 12 months |
| Weighted average trading price | 1.06     | 1.13      |
| Minimum price                  | 0.85     | 0.85      |
| Maximum price                  | 1.38     | 1.49      |

### (iii) Transaction multiples of comparable companies

For its analysis, Deloitte has selected transactions carried out in the biotechnology, nutritional supplements and special chemicals sector at European level in the last three financial years. The sample used is of seven relevant transactions and is included in the Valuation Report.

From the sample of comparable transactions, an EV/EBITDA multiple as of 31 December 2020 of 17.8x has been obtained. In addition, the multiple resulting from the price of the takeover bid made on the Spanish alternative investment market (*BME Growth*, formerly *Mercado alternative Bursátil*) by Kaneka for AB-Biotics, which is described in the Valuation Report and which Deloitte has considered particularly relevant, has been applied. This multiple is 20.8x. As a result of applying these multiples, Deloitte has concluded that the range of value of the Biosearch share is between 1.23 and 1.41 euros per share, calculated solely as a contrast to the result obtained by the discounted cash flow method.

For its report, Deloitte has identified seven transactions with sufficient information that, due to their comparability in terms of business, operations and regulation allow to consider that this methodology can be used as a contrasting method to estimate the value of Biosearch.

### (iv) Market multiples of comparable companies

The comparable companies market multiples methodology compares, in terms of multiples, the company valued in relation to similar comparable companies.

For the selection of comparable companies, Deloitte has applied criteria to identify similar businesses: companies operating in a similar industry, in similar regions, with the same type of business and subject to similar regulation. As a result, 14 relevant comparable listed companies have been identified and are indicated in the Valuation Report.

Deloitte's analysis has selected the business value/EBITDA (EV/EBITDA) as a reference, since this is a valuation multiple commonly used to measure the value of a company, mainly because it is neutral with respect to the capital structure, and independent of the tax regime and the depreciation policy followed by comparable companies.

The EV/EBITDA multiplier derived for Biosearch is between 22.8x and 23.4x at 31 December 2020. As a result of applying this multiplier, Biosearch's share value range would be between 1.53 and 1.57 euros per share. Deloitte's conclusion is not based on the application of this method, which serves only as a contrast.

**(v) Underlying book value**

Deloitte considers that the underlying book value is not an appropriate method, since it is a static approach that considers the assets and liabilities invested in the business at the time of the valuation at their recorded value, except for certain adjustments of assets and liabilities at fair value, which may not take into account the total unrealized capital gains or losses that the company may have and does not take into account the future evolution of the returns expected by the company.

The individual underlying book value of Biosearch based on the audited financial statements for the year ended 31 December 2020 is 0.44 euros per share. According to the interim results referred to the period ended 31 March 2021 and made public by Biosearch the price as of the latter date is 0.44.

**(vi) Value of the consideration offered in the past**

There has not been any previous takeover bid for Biosearch's shares that has materialized during the mandatory period.

**(vii) Net Asset Value**

For the reasons stated in the Valuation Report, Deloitte considers that the application of this method would result in significantly lower values than those obtained from the other methods.

**2.2.3 Other information regarding the Offer Price**

The Offer Price represents a premium of approximately:

- (i) 45.7% of the closing price of the share of Biosearch on the trading day before the publication of the request for approval of the Offer (1.51 euros); and
- (ii) 56.8% of the volume-weighted average price of the shares of Biosearch for the six-month period ended on the trading day before the publication of the request for approval of the Offer (1.40 euros).

**2.3 NO OBLIGATION TO MAKE A BINDING PUBLIC OFFER TO ACQUIRE SHARES**

If as a result of the settlement of the Offer and in the event of its waiving the Minimum Acceptance Condition the Offeror obtains a shareholding equal to or greater than 30% of the voting rights of Biosearch (controlling share), the Offeror will not be obliged to make a binding offer regardless of the percentage of acceptance of the Offer, as the Offer Price complies with the provisions of article 137.2 of the Securities Market Law as well as articles 9 and 10 of Royal Decree 1066/2007.

## **2.4 CONDITION TO WHICH THE OFFER IS SUBJECT**

### *2.4.1 Description of the condition to which the Offer is subject*

#### **(A) Minimum acceptance condition**

The effectiveness of the Offer is subject to the acceptance of the Offer by holders of shares representing at least 50% of Biosearch's issued capital plus one share, equal to 28,849,762 shares of Biosearch (the "**Minimum Acceptance Condition**"). Taking into account that Lactalis irrevocably undertook to accept the Offer with all of its shares, namely 17,021,357 shares representing 29.9% of Biosearch's share capital, the Minimum Acceptance Condition will be fulfilled if shareholders holding 11,828,405 shares, representing 20.5% of Biosearch's share capital, accept the Offer.

#### **(B) Other conditions pursuant to article 26.1 of Royal Decree 1066/2007**

As foreseen in article 26.1 of Royal Decree 1066/2007, when the Offer is admitted for processing its effectiveness was subject to the authorization of the Offer by the Markets and Competition National Commission (*Comisión Nacional de los Mercados y la Competencia*) ("**CNMC**") pursuant to Competition Law 15/2007 of 3 July.

As of 16 March 2021, the CNMC authorized the Offer. Consequently, this condition is deemed fulfilled.

### *2.4.2 Limitation on waiver of the Minimum Acceptance Condition if it is not fulfilled*

The Offeror is not subject to any regulatory, self-imposed, third-party or any other limitations or restrictions with respect to waiving or not waiving the Minimum Acceptance Condition.

### *2.4.3 Provision by the Offeror with regard to the potential waiver of the Minimum Acceptance Condition*

Without prejudice to the decision that will be made at the relevant time, the Offeror does not intend to waive the Minimum Acceptance Condition.

If the Offeror decides to waive the Minimum Acceptance Condition in the event of non-fulfilment thereof, regardless of the shareholding obtained, the Offeror might not be able to implement all of the plans and intentions with respect to Biosearch described in chapter 4 of this Prospectus, but it will do everything in its power to bring the operation to a successful conclusion.

### *2.4.4 Effects of non-fulfilment of the Minimum Acceptance Condition*

If the Minimum Acceptance Condition is not fulfilled and the Offeror or any company of the Kerry Group do not waive fulfilment thereof, the Offer will be rendered null and the provisions of article 39 of Royal Decree 1066/2007 will apply. As a result, the Offeror, the companies of the Kerry Group, the members of their management and decision-making bodies, their top management and the promoters of the Offer in their own name or on behalf of the Offeror or jointly therewith will be unable to promote another public offer to acquire the shares of Biosearch for six months as from the date on which the Offer is rendered null, and will be unable to acquire securities or satisfy any of the circumstances creating an obligation to file a public offer that are established in Royal Decree 1066/2007.

## **2.5 GUARANTEES AND FINANCING OF THE OFFER**

### *2.5.1 Type of guarantees established by the Offeror*

In accordance with the provisions of article 15 of Royal Decree 1066/2007 and in order to ensure fulfilment of the obligations under the Offer, the Offeror has provided the CNMV with a guarantee issued by BNP Paribas Securities Services, Sucursal en España in February 2021 in an amount of 126,938,948.40 euros.

Attached as **Annex 12** to this Prospectus is a copy of the aforementioned bank guarantee.

### *2.5.2 Sources of financing for the Offer*

If the Offer is accepted for all of the shares in relation to which it is effectively made, that is, 57,699,522 shares of Biosearch representing 100% of its share capital, the Offeror shall be required to make a payment of 126,938,948.40 euros.

The Offeror will pay the consideration for the Offer and the costs related to the transaction combining equity funds and intragroup financing.

In relation to the shareholders' equity, the sole shareholder of the Offeror, Kerry Group B.V., agreed on 11 February 2021 to make a contribution to the shareholders' equity of the Offeror by means of a capital increase for an amount of up to 102,000,000 euros to partially meet the payment of the Offer Price. Kerry Group B.V. and the companies of the Kerry Group have sufficient resources from their existing financing to make this contribution to the Offering Company.

Regarding the intra-group financing, on 9 February 2021 the Offeror requested an increase in the amount available under the revolving credit facility granted by Kerry Group Financial Services Unlimited Company ("KGFS"), a Kerry Group company, with the latter's approval to the Offeror on 31 May 2019 (the "Facility"). On 11 February 2021 KGFS agreed to increase the amount of the Facility from 30,000,000 euros to 75,000,000 euros. The margin applicable to the Facility was also reduced from 5.00% to 2.84%. The Facility does not require compliance with certain ratios or covenants, nor does it require the provision of guarantees. Its other terms and conditions remained unchanged.

The main terms and conditions of the Facility are as follows:

- (i) Purpose of the amount of the Credit Facility granted in February 2021: to partially fund the payment of the Offer price and expenses related to the Offer.
- (ii) Availability: the Credit Facility is available at the Offeror's request at any time prior to the month before the maturity date of the Facility (31 May 2024).
- (iii) Interest rate: applicable margin of 2.84% plus EURIBOR, calculated in respect of the amount drawn down in the corresponding interest period, accrued and payable quarterly.
- (iv) Maturity date: 31 May 2024, unless extended by the parties.
- (v) Amortisation: The Facility shall be repaid in full on the maturity date.

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- (vi) Early repayment: All amounts payable under the Facility shall be paid immediately in the event that the Offeror defaults on any payment obligation under the Facility within five business days, or breaches the terms and conditions of the Facility, or acknowledges its inability to pay its debts or an insolvency administrator is appointed in relation to any of its assets; or insolvency or bankruptcy proceedings are initiated against the Offeror by the Offeror itself or by third parties; or the Offeror is subject to dissolution or liquidation.

The Offeror shall meet the payment of the Facility with the cash flows it generates.

The Offeror shall have the necessary funds to meet the consideration for the Offer on the Offer settlement date.

### *2.5.3 Effects of the financing on Biosearch*

The financing of the Offer described in sub-section 2.5.2 of this Prospectus will not have effects on Biosearch as third-party financing will not be requested. Due to the launch of the Offer by the Offeror there will be neither an increase in the indebtedness of Biosearch, nor a limitation to its investments, nor will Biosearch be required to provide security (whether personally, by granting *in rem* security interests or in any other way), nor pay any amount allocated to payment of the consideration for or costs of the Offer.

## **CHAPTER 3**

### **3.1 OFFER ACCEPTANCE PERIOD**

The acceptance period for this Offer is 30 calendar days as from the stock exchange trading day following the date of publication of the first of the announcements referred to in article 22 of Royal Decree 1066/2007 and which will be published in: (i) the listing bulletins of the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges; and (ii) a national newspaper (excluding digital media). The date of publication of the announcements in the listing bulletins will be deemed to be the date of the stock exchange trading session to which they refer.

Both the first and last day of the aforementioned period will be included for purposes of calculating the period. If the first day of the term is not a stock exchange trading day for purposes of the functioning of the Spanish Stock Exchanges, the acceptance period will start on the first subsequent trading day. If the last day of the acceptance period is not a stock exchange trading day for purposes of the functioning of the Spanish Stock Exchanges, the acceptance period will be extended until the first subsequent stock exchange trading day. In any event, the acceptance period will end at midnight (24:00) on the last day of the period.

The Offeror may extend the acceptance period for the Offer on one or more occasions in accordance with the provisions of article 23 of Royal Decree 1066/2007, provided that it does not exceed the maximum limit of 70 calendar days and the CNMV is given prior notice of the extension. Any extension of the acceptance period must be announced by the same means through which the Offer has been published, at least three calendar days before the end date of the initial period or of the corresponding extension, together with a statement of the circumstances justifying the extension.

Attached as **Annex 13** hereto is the template announcement to be published in the listing bulletins of the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, and in at least one national newspaper. Also attached as **Annex 14** hereto is the letter delivered by the Offeror to the CNMV in relation to the publication of the Offer.

### **3.2 FORMALITIES WITH WHICH THE ADDRESSEES OF THE OFFER MUST COMPLY IN ORDER TO STATE THEIR ACCEPTANCE, AS WELL AS THE FORM AND TIME IN WHICH THEY WILL RECEIVE THE CONSIDERATION**

#### *3.2.1 Statements accepting the Offer*

The shareholders of Biosearch will make the statements accepting the Offer in accordance with the procedure established in this Prospectus.

The shareholders of Biosearch may accept the Offer for part or all of the shares that they hold from the first day of the acceptance period until the last day thereof, both inclusive. Their statements of acceptance will be revocable at any time before the last day of said period and will be invalid if they are conditional, all pursuant to the provisions of article 34 of Royal Decree 1066/2007.

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### 3.2.2 Offer acceptance procedure

The shareholders of Biosearch who wish to accept the Offer must contact the depositary entity with which they have deposited their shares and state their acceptance in writing, whether in person, by electronic means or by any other means accepted by depositary entities.

The shares with respect to which the Offer is accepted must include all corresponding political and economic rights, whatever their nature. The shares must be transferred: (i) with all the corresponding economic and political rights, free of charges and encumbrances and third-party rights that limit their political or economic rights or free transferability; and (ii) by a person entitled to transfer them according to the entries of the corresponding accounting books, such that the Offeror acquires irrevocable ownership of the shares in accordance with the provisions of article 11 of the Securities Market Law.

Acceptances of the Offer will be sent to the governing bodies (*sociedades rectoras*) of the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges via the Iberclear participating entities where the corresponding shares are deposited, who will be responsible for collecting said acceptances in writing, whether made in person, by electronic means or by any other means accepted by depositary entities and will be responsible, according to their detail records, for the ownership and holding of the shares to which the acceptances refer, as well as the absence of charges, encumbrances or third-party rights that limit the political or economic rights of said shares or the free transferability thereof.

Statements of acceptance from the shareholders of Biosearch will be accompanied by sufficient documentation to enable the processing of the share transfer and must include all identifying data required by the law applicable to this type of transaction, including but not limited to: (i) full name or corporate name; (ii) registered address; and (iii) tax identification number or, in the case of shareholders not resident in Spain and not having a Spanish tax identification number, their passport or identification number, nationality and place of residence.

On a daily basis during the Offer acceptance period, the Iberclear participants that receive statements of acceptance will, through the representative designated for these purposes as stated below, send the Offeror and the governing bodies of the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges the data relating to the number of shares included in the statements of acceptance filed and not revoked by the shareholders of Biosearch.

The following entity is the Offeror's representative for these purposes:

BNP Paribas Securities Services, Sucursal en España (BIC: PARBESMX)  
c/ Emilio Vargas, 4  
28043 Madrid (Spain)  
Attn.: José Miguel Fernández  
[josemiguel.fernandez@bnpparibas.com](mailto:josemiguel.fernandez@bnpparibas.com)

The Offeror and the governing bodies of the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges will upon request provide the CNMV with information on the number of acceptances filed and not revoked of which they are aware.

Market members participating in the transaction on behalf of the accepting shareholders and the Offeror, as well as the depositary entities for the securities, are reminded of the obligation to send the respective governing bodies and the Offeror (through its representative, BNP Paribas Securities Services, Sucursal en España) the acceptances occurring during the acceptance period on a daily basis, in accordance with the provisions of article 34.2 of Royal Decree 1066/2007.

In no case will the Offeror accept shares acquired after the last day of the Offer acceptance period. In other words, those shares that are offered for sale must have been acquired no later than the last day of the Offer acceptance period.

The shareholders of Biosearch may accept the Offer for part or all of their shareholdings. Any statement that they make must include at least one share of Biosearch.

### *3.2.3 Publication of the result of the Offer*

In accordance with the provisions of article 36 of Royal Decree 1066/2007, upon the expiry of the acceptance period established in sub-section 3.1 of this Prospectus or of the period resulting from any extension or modification thereof, and within a term not exceeding seven business days as from that date, the governing bodies of the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges will publish the result of the Offer in the listing bulletins subject to the terms and session stated by the CNMV.

The date of publication of the result of the Offer will be deemed to be the date of the stock exchange trading session to which the aforementioned listing bulletins in which the result of the Offer is published refer.

### *3.2.4 Brokerage, settlement and payment of consideration for the Offer*

The acquisition of the shares that are the object of the Offer will be intervened by Banco Sabadell, S.A. in its capacity as a member of the Spanish Stock Exchanges and Iberclear participant and settled by BNP Paribas Securities Services, Sucursal en España as Iberclear participant.

The settlement and payment of the price for the shares will take place in accordance with the provisions of article 37 of Royal Decree 1066/2007 and following the procedure established for such purpose by Iberclear, and the corresponding stock exchange transaction date will be deemed to be the date of the stock exchange trading session to which the official listing bulletins of the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges that publish the result of the Offer refer.

## **3.3 OFFER ACCEPTANCE AND SETTLEMENT COSTS**

The shareholders of Biosearch who accept the Offer through Banco Sabadell, S.A. will not bear the brokerage fees arising from the participation of a market member in the transaction, Iberclear's settlement fees, or the transaction fees of the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, which will be paid in full by the Offeror.

If market members other than Banco Sabadell, S.A. broker the Offer on behalf of the shareholder accepting the Offer, the brokerage fees and other expenses of the selling party in the transaction,

including Iberclear's settlement fees and the transaction fees of the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, will be borne by the accepting shareholder.

The Offeror will bear the costs it incurs for the acquisition and settlement of the shares.

In no case will the Offeror bear any fees or expenses that the entities acting as depositaries and administrators of the shares charge their customers for processing orders arising from the acceptance of the Offer and the maintenance of balances.

In accordance with the provisions of article 33.5 of Royal Decree 1066/2007, upon publication of the withdrawal of the Offer or grounds rendering it void, any acceptances that have been filed will become void and the Offeror will bear the costs resulting from the acceptance of Biosearch's shareholders. If the Offer has a negative outcome, the Offeror will bear: (i) the costs caused to shareholders of Biosearch owing to their acceptance of the Offer; and (ii) in accordance with the provisions of article 39 of Royal Decree 1066/2007, all the costs of returning to the accepting shareholders the documents certifying their ownership of the shares delivered by them.

Any costs other than those referred to above will be borne by the party that incurs them.

#### **3.4 PERIOD FOR WAIVER OF CONDITIONS FOR THE EFFECTIVENESS OF THE OFFER**

If the Minimum Acceptance Condition is not met, the Offeror will communicate its decision as to whether to waive it no later than the end of the stock exchange trading day following the stock exchange trading day on which the CNMV notifies the Offeror of the number of shares included in the Offer acceptance statements that have been filed.

If the Offeror does not waive said conditions or in the absence of said communication, the Offeror will be deemed not to waive the aforementioned conditions and the negative outcome of the Offer will be published and the Offer will be void.

#### **3.5 ENTITY ACTING ON BEHALF OF THE OFFEROR IN THE ACQUISITION AND SETTLEMENT PROCEDURE RELATING TO THE OFFER**

The Offeror has appointed (i) Banco Sabadell, S.A. with registered office at Avenida de Oscar Esplá, 37, Alicante (Spain), tax identification number (*NIF*, for its initials in Spanish) A-08000143 and registered in the Commercial Registry of Alicante at volume 4,070, sheet 1, section 8, sheet A-156,980 as the entity responsible for the brokerage of any Biosearch share acquisition transactions that might arise from the Offer; and (ii) BNP Paribas Securities Services, Sucursal en España with registered office at Calle Emilio Vargas, 4, Madrid, (Spain), tax identification number (*NIF*, for its initials in Spanish) W-0012958 and registered in the Commercial Registry of Madrid at volume 15,921, sheet 120, section 8, sheet M-269,144 as the entity responsible for the settlement of any Biosearch share acquisition transactions that might arise from the Offer

Banco Sabadell, S.A. and BNP Paribas Securities Services, Sucursal en España will also be the entities responsible for the brokerage and settlement, respectively, of squeeze-out and sell-out transactions on the terms described in this Prospectus.

Attached as **Annex 15** hereto is a copy of the letter of acceptance from Banco Sabadell, S.A. and BNP Paribas Securities Services, Sucursal en España as the entities responsible for the brokerage and settlement of the Offer, respectively.

### **3.6 FORMALITIES REGARDING SQUEEZE-OUT AND SELL-OUT TRANSACTIONS**

#### *3.6.1 Squeeze-out and sell-out requirements*

In accordance with the provisions of article 136 of the Securities Market Law and article 47 of Royal Decree 1066/2007, the requirements for the exercise of squeeze-out and sell-out rights will be met if the following circumstances have occurred by the Offer settlement date: (i) the Offeror holds shares representing at least 90% of the share capital of Biosearch with voting rights, equal to 51,929,570 shares; and (ii) the Offer has been accepted by shareholders representing at least 90% of the voting rights in respect of which it is made equal to 51,929,570 shares.

If the aforementioned thresholds are achieved: (i) the Offeror will exercise squeeze-out in respect of the remaining shareholders of Biosearch who have not accepted the Offer of all their shares, in exchange for a cash consideration per share that is equal to the Offer settlement price, adjusted downwards by the gross amount per share of any distributions (of dividends, reserves or share premium, or any other distribution) that have been paid to the shareholders between the settlement of the Offer and the date on which the squeeze-out transaction is settled (including if the ex-dividend date for said distribution is the same as or prior to the settlement of the squeeze-out transaction); and (ii) the shareholders of Biosearch who wish to do so will be able to exercise the sell-out of all their shares at the Offer settlement price, although in this case the downwards adjustment arising from any distributions made to the shareholders will take place between the settlement of the Offer and the respective dates on which the various sell-out transactions are settled (including if the ex-dividend date for said distribution is the same as or prior to the settlement of the sell-out transaction).

In accordance with the foregoing and taking into account the sell-out formalities established in sub-section 3.6.2 below of this Prospectus, the shareholders of Biosearch must take into account the following considerations before deciding to exercise the sell-out right:

- (A) The requirements giving rise to the Offeror's right to exercise the squeeze-out of the shares of the remaining shareholders are the same as the legal requirements for the remaining shareholders of Biosearch to have the right to exercise sell-out.
- (B) The consideration to be received by the remaining shareholders will be the same whether the Offeror exercises squeeze-out or said shareholders exercise sell-out, since in both cases said shareholders will receive the Offer price in cash adjusted downwards as described above.
- (C) All the costs arising from the sale and purchase and settlement of the shares will be borne by the Offeror in the squeeze-out process, while said costs will be borne by the selling shareholders in the event of sell-out.

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- (D) If in light of the date of receipt by the Offeror of any sell-out request in respect of Biosearch shares the settlement thereof would be subsequent to the date of the squeeze-out transaction, the request will be void and the shares will be included in the squeeze-out transaction.

### *3.6.2 Procedure for exercise of squeeze-out and sell-out rights*

As soon as possible and no later than three stock exchange trading days after the date of publication of the result of the Offer by the CNMV on its website, the Offeror will inform the CNMV, for purposes of public dissemination, whether the requirements for squeeze-out and sell-out transactions set forth in sub-section 3.6.1 of this Prospectus have been fulfilled, describing where applicable the decision to redeem the treasury shares of Biosearch and immobilise them until the execution of said transaction.

In the event of fulfilment of the aforementioned requirements, the Offeror will inform the CNMV no later than three months after the expiry of the acceptance period of its decision to exercise squeeze-out in respect of the shares, setting the transaction date between 15 and 20 stock exchange trading days after said communication to the CNMV, which the latter will make public.

No later than five business days after the date of the aforementioned publication by the CNMV, the Offeror will make publicly and generally available the characteristics of the squeeze-out, by means similar to those used for the dissemination of the Offer, in accordance with the provisions of article 22 of Royal Decree 1066/2007.

If the requirements for Offeror to exercise the squeeze-out right are fulfilled, the shareholders of Biosearch may avail themselves of their sell-out right.

Settlement will take place within the same period as the settlement of the Offer, counting from the date of the squeeze-out transaction or, where applicable, from the date of receipt of each sell-out request.

Acquisitions of shares subject to squeeze-out or sell-out will be brokered and settled by Banco Sabadell, S.A. and BNP Paribas Securities Services, Sucursal en España, respectively.

Prior to the date of the squeeze-out transaction, the Offeror will demonstrate to the CNMV that guarantees have been created that secure compliance with the obligations arising from the exercise of the squeeze-out right.

In accordance with the provisions of article 136 of the Securities Market Law, if the shares of Biosearch that are subject to squeeze-out or sell-out are seized as a result of administrative actions or court rulings or are subject to any kind of charges, including encumbrances, limited in rem rights or financial guarantees, the aforementioned shares will be transferred free of said charges, which will encumber the consideration received. The depositary of the shares will be obliged to hold the sale price on deposit, notifying the judicial or administrative authority that has ordered the seizures or the holder of any other charges or rights of the application of this procedure. If following the application of the provisions of this paragraph any part of the price is not required to satisfy the obligations secured with to the seizure or seizures that have been obtained, or with the existing charges over the shares, it will immediately be made available to the holder thereof.

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In accordance with the provisions of article 48 of Royal Decree 1066/2007 and applicable law, the execution of the squeeze-out transaction as a result of the exercise of the above-described right will in turn give rise to the delisting of the shares of Biosearch from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. Said exclusion will be effective as from the settlement of the squeeze-out transaction.

### *3.6.3 Formalities to be complied with by the shareholders of Biosearch in order to exercise sell-out in respect of their shares*

Following notification by the Offeror of fulfilment of the requirements to exercise squeeze-out or sell-out and in any event not before the settlement of the Offer, the shareholders of Biosearch who wish to exercise sell-out in respect of their shares must contact the Iberclear participating entity with which they have deposited their shares. Said entities must send sell-out requests in writing to the Offeror through Banco Sabadell, S.A.. The Iberclear participating entities with which the shares are deposited will be responsible, in accordance with their records, for the details of the ownership and holding of the securities to which the sell-out requests refer. All shareholders who request sell-out must include all of the Biosearch shares that they hold in their requests.

The Iberclear participating entities that are depositaries of the shares of Biosearch subject to sell-out requests are to send the Offeror, on a daily basis through Banco Sabadell, S.A., the data relating to the number of shares included in any sell-out requests filed by the shareholders of Biosearch.

Sell-out requests made by shareholders of Biosearch are to be accompanied by sufficient documentation to enable the transfer of the shares to take place and must include all identifying data required by the applicable law for this type of transaction.

### *3.6.4 Costs arising from squeeze-out or sell-out transactions*

In a squeeze-out transaction, the Offeror will bear all the costs arising from the sale and purchase and settlement of the shares, while said costs will be borne by the selling shareholders in sell-out transactions. In no case will the Offeror be obliged to assume the fees charged to shareholders for the administration or custody of securities by depositary and administrative entities.

## **CHAPTER 4**

Statements made by the Offeror in this chapter will be also understood as made by Kerry Group plc.

### **4.1 PURPOSE OF THE OFFER**

The Offeror intends to acquire all of the shares of Biosearch in order to delist them from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. The Offeror intends to integrate Biosearch as a subsidiary within the Kerry Group.

From a business perspective, the Offeror believes that the acquisition of Biosearch would complement the Kerry Group's Taste & Nutrition business growth strategy in Europe in two respects.

First, the Offeror believes that the transaction would reinforce the potential of the Kerry Group to create value both in Spain and abroad, owing to the knowledge of Biosearch in probiotics derived from breast milk (Hereditum brand), botanic extracts (Exxenia brand) and natural Omega-3 (Eupoly-3 brand) and to its capacities in terms of research, development and production of healthy, natural-origin ingredients. For these purposes, the Offeror's intention is to include Biosearch within the aforementioned Taste & Nutrition division of the Kerry Group. Said integration is also intended to foster collaboration by Biosearch with other activities of the Kerry Group, particularly as regards the supply of complementary products that will facilitate an expansion of the portfolio of taste and nutrition solutions for food and beverages.

Second, Biosearch's extensive range of probiotic bacteria and its manufacturing facility for functional, vegetable-based extracts represents a growth opportunity for the Kerry Group, which has not developed products of this nature to date.

The Offeror believes that the technological platforms of both groups and their research, development and innovation cultures fit and complement each other from a strategic perspective and that they share a business approach that is focused on satisfying customer and client needs. As a result, it considers that the acquisition of Biosearch represents an exceptional business opportunity, which will be supported due to the size, experience, global distribution model and financial soundness of the Kerry Group.

### **4.2 STRATEGIC PLANS AND INTENTIONS REGARDING FUTURE ACTIVITIES AND LOCATION OF BIOSEARCH'S PLACES OF ACTIVITY**

As stated in the above sub-section, the context for the acquisition of Biosearch is the Kerry Group's business growth strategy in Europe, and particularly its intention to strengthen the position of its Taste & Nutrition business in the Spanish market. As a result, the Offeror plans to maintain both the activities carried out by Biosearch and its group and the location of the places in which those activities are being carried out for the twelve months following the settlement of the Offer.

### **4.3 STRATEGIC PLANS AND INTENTIONS REGARDING THE PRESERVATION OF EMPLOYMENT POSITIONS AND LABOUR CONDITIONS FOR THE EMPLOYEES AND OFFICERS OF BIOSEARCH**

The Offeror believes that Biosearch's staff are one of its main assets and the management of its human resources is a fundamental priority for the Kerry Group.

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The Offeror does not plan to make changes to the employment conditions of Biosearch's employees and directors and it intends to preserve the existing employment positions for the next twelve months, without prejudice to any changes that might arise from the evolution of the business.

In accordance with the provisions of article 25 of Royal Decree 1066/2007, a copy of this Prospectus will be sent to Biosearch's employee representatives or, in the absence thereof, to the employees themselves.

#### **4.4 PLANS RELATING TO THE USE OR DISPOSAL OF ASSETS OF BIOSEARCH AND PLANNED CHANGES TO ITS NET FINANCIAL DEBT**

The Offeror intends to maintain the use of Biosearch's assets and it does not intend to make material changes to said use or dispose of any of the material assets of Biosearch in the twelve months following settlement of the Offer.

Additionally, the Offeror does not plan significant changes to the financial debt of Biosearch in the twelve months following settlement of the Offer. According to the available public information, Biosearch has not entered into any financing agreement or agreement of any other kind that would be amended or subject to early termination in the event that the Offer is successful.

After the settlement of the Offer the terms and conditions of Biosearch's financing will be revised and might be replaced by intragroup financing with more convenient terms and conditions for both Biosearch and the Kerry Group.

#### **4.5 PLANS RELATING TO THE ISSUANCE OF SECURITIES OF BIOSEARCH**

The Offeror does not intend to promote the issuance of securities of Biosearch.

#### **4.6 PLANNED CORPORATE RESTRUCTURINGS OF ANY KIND**

The Offeror does not intend to carry out any corporate restructuring operation that involves Biosearch. The Offeror does not plan to carry out any merger, division or any structural change with Biosearch; rather, it plans for Biosearch to maintain its current legal status and to be included in the Kerry Group, indirectly via the Offeror, as an autonomous entity.

#### **4.7 BIOSEARCH DIVIDEND AND SHAREHOLDER REMUNERATION POLICY**

Biosearch has not paid dividends from the date of its listing on the Stock Exchange to the date of this Prospectus.

The Offeror does not plan to pass a new dividend policy for Biosearch, nor does it have any intention to promote the distribution of dividends by Biosearch nor make a pay out of any kind to its shareholders.

#### **4.8 PLANS RELATING TO THE MANAGEMENT, DECISION-MAKING AND SUPERVISORY BODIES OF BIOSEARCH**

Between the date of settlement of the Offer and the delisting of the shares of Biosearch, in case the latter takes place vacancies on Biosearch's board of directors might arise if the proprietary directors resign as a result of the transfer of the shares of the shareholders they represent, following recommendation 20 of the Good Corporate Governance Code (*Código de buen gobierno corporativo*).

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In the event of such vacancies arising, the Kerry Group shall, through the Offeror, make available to the board of directors of Biosearch such persons as may be necessary so that the board of directors may, if it considers it appropriate in the exercise of its powers of co-option and subject to its fiduciary duties, fill such vacancies by appointing the aforesaid persons as proprietary directors of the Offeror or such other persons as it may deem appropriate.

Except for the foregoing, in case the Offeror can promote the delisting of Biosearch's shares it does not plan to make changes to the structure, composition and operation of Biosearch's board of directors or its committees before the delisting. Once delisting has taken place, the Offeror will make a change to the governance structure of Biosearch, which will become managed by a three-member board of directors, with no independent directors no matter how many of the current Biosearch's shareholders continue owning shares after delisting and the board committees will be eliminated.

In the event that the Kerry Group, through the Offeror, is unable to promote the delisting of Biosearch, it will exercise through the Offeror the right of proportional representation in accordance with the provisions of the Spanish Companies Law in order to appoint as many members as possible to the board of directors of Biosearch, being able to take control thereof provided that its shareholding as a result of the Offer exceeds 50% of the share capital of Biosearch.

As long as Biosearch continues being a listed company, the Offeror will procure that it continues to comply with applicable law in respect of the composition and operation of the board of directors and committees of listed companies established in the Spanish Companies Law, taking into consideration the good corporate governance recommendations for listed companies and in particular regarding the appointment of independent directors.

#### **4.9 PLANS RELATING TO BIOSEARCH'S ARTICLES OF ASSOCIATION**

The Offeror will not amend the articles of association and other internal rules of Biosearch before the Biosearch shares are delisted from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. Following delisting, the Offeror will amend said internal rules as it deems necessary or appropriate to adjust said documents to Biosearch's status as an unlisted company.

#### **4.10 INTENTIONS WITH RESPECT TO THE LISTING OF SHARES OF BIOSEARCH**

The Offeror intends to delist the shares of Biosearch from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, whether by exercising the squeeze-out right if the requirements established for such purpose in article 47 of Royal Decree 1066/2007 are met or, if said requirements are not met but the Offering shareholder achieves at least 75% of Biosearch's issued capital on the settlement date, by delisting the shares pursuant to the exception to a delisting offer established in articles 82.2 of the Securities Market Law and 11.d) of Royal Decree 1066/2007.

In the latter case and in accordance with the provisions of 11.d) of Royal Decree 1066/2007, once the Offer has been settled, the Offeror will procure that a general shareholders' meeting of Biosearch be held in order to resolve to delist its shares and it will launch an ongoing purchase order for all outstanding shares for a minimum period of one month to facilitate the sale of the shares of Biosearch.

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The shares of Biosearch will be delisted as soon as possible following approval of the delisting by the shareholders at the general shareholders' meeting of Biosearch and the mandatory authorisation issued by CNMV, in any event, within a maximum period of six months as from the settlement of the Offer.

The price of the aforementioned ongoing purchase order will be equal to the Offer Price, adjusted downwards where applicable by the gross amount per share corresponding to any distribution made to the shareholders of Biosearch between the settlement of the Offer and the date on which each order is executed.

The Valuation Report issued by Deloitte providing a rationale for the Offer Price in accordance with the provisions of articles 10.5 and 10.6 of Royal Decree 1066/2007, for purposes of the provisions of articles 9 and 11.d) of Royal Decree 1066/2007 and of article 137.2 of the Securities Market Law, is described in sub-section 2.2.1 of this Prospectus and is attached hereto as **Annex 11**.

In the event that neither the requirements necessary to promote the delisting of the Biosearch shares by exercising the squeeze-out right are met nor 75% of the capital of Biosearch is reached on the date of settlement of the Offer in accordance with the requirements of Article 82. 2 of the Stock Exchange Law, the Offeror intends to use its holding in Biosearch as a result of the Offer to promote, as soon as possible after the settlement of the Offer, the launch of a new delisting offer for the shares of Biosearch in accordance with the terms set out in article 10 of Royal Decree 1066/2007.

#### **4.11 INTENTIONS REGARDING EXERCISE OF SQUEEZE-OUT RIGHT**

The Offeror will exercise the squeeze-out right if the thresholds established for such purpose in article 47 of Royal Decree 1066/2007 are reached (see sub-section 3.6.1 of the Prospectus), which would result in the delisting of the shares of Biosearch.

#### **4.12 INTENTIONS REGARDING THE TRANSFER OF SECURITIES OF BIOSEARCH**

The Offeror does not intend to transfer any share of Biosearch after the settlement of the Offer and there is no agreement, negotiation or undertaking with third parties in this regard.

#### **4.13 INFORMATION INCLUDED IN THIS CHAPTER RELATING TO THE OFFEROR AND ITS GROUP**

With respect to the information required in this chapter relating to the Offeror and its group, neither the Offeror nor any company of the Kerry Group expect to be affected by the Offer. In particular, they do not anticipate that the Offer will result in (i) any change in the structure, composition and functioning of its management bodies, its articles of association or its constitutional documents; (ii) any significant change in its organisation, strategy or activity; (iii) any reduction in its planned investments; (iv) any change in its personnel policy or its centres of activity; (v) any change in its dividend policy; and (vi) any corporate restructuring affecting Biosearch.

The impact of the Offer on equity and net financial indebtedness is disclosed in section 4.14 below.

The impact of the Offer and its financing on the key financial figures of Kerry Group plc expected after settlement of the Offer, assuming that 100% of the Biosearch shares have accepted the Offer and the

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sources of funding set out in section 2.5.2 of the Prospectus have been used, is not significant as shown in the table below:

| <b>Concept<br/>(in thousands of<br/>euros)</b> | <b>Kerry Group<br/>plc<br/>Pre-Offer<sup>(1)</sup></b> | <b>Biosearch<sup>(2)</sup></b> | <b>Impact of<br/>the offer</b> | <b>Kerry Group<br/>plc<br/>Post-Offer</b> |
|--|--|--------------------------------|--------------------------------|---|
| Equity <sup>(3)</sup>                          | 4,655.5  | 25.27                          | -                              | 4,655.5                                   |
| Revenue  | 6,953.4  | 25.84                          | -                              | 6,979.2                                   |
| Total assets <sup>(3)</sup>                    | 9,443.1  | 34.71                          | 0 <sup>(4)</sup>               | 9,452.5                                   |
| Net financial debt<br>with leases              | 1,945.1  | (1.8)                          | 126.9                          | 2,070.2                                   |

*(1) Figures taken from the audited consolidated annual accounts for the year ended 31 December 2020.*

*(2) Figures taken from the audited individual annual accounts for the year ended 31 December 2020.*

*(3) The equity of Biosearch is subtracted from equity and total assets for consolidation purposes due to its incorporation into the Kerry Group.*

*(4) The impact on total assets is zero, as cash decreases by the amount of the Offer price, while Biosearch shares are added to total assets in the amount of the Offer price.*

## **CHAPTER 5**

### **5.1 COMPETITION APPROVALS**

The concentration transaction to which this Offer gives rise was subject to the authorisation of the CNMC in accordance with the provisions of Law 15/2007, of 3 July, Competition Law.

Pursuant to the provisions of article 9 of the aforementioned Law, on 22 February 2021, the Bidding Company notified the economic concentration involved in the Offer to the CNMC and the latter authorised the Offer on 16 March 2021. A copy of the aforementioned authorisation is attached as Annex 13 to this Prospectus.

The Bidding Company considers that it is not necessary to obtain any other authorisation from any other competition authority. Other competition approvals

### **5.2 FOREIGN INVESTMENT AUTHORISATION**

On 16 February 2021, the Offeror requested the Directorate General for International Trade and Investments of the Ministry of Industry, Trade and Tourism (i) to determine whether the indirect foreign investment of the shareholders of the Offeror in Spain resulting from the Offer requires the prior authorisation provided for in article 7 bis of Law 19/2003, of 4 July, on the legal regime governing the movement of capital and economic transactions abroad and the sole transitory provision of Royal Decree-Law 34/2020, of 17 November, on urgent measures to support business solvency, on the energy sector and tax matters and (ii) in the event that the Directorate General for International Trade and Investments considers that it is necessary to obtain such authorisation, its processing for its granting by the Council of Ministers.

The aforementioned authorisation shall be considered as authorisation prior to the authorisation of the Offer by the CNMV for the purposes of article 26.2 of Royal Decree 1066/2007.

The Directorate General for International Trade and Investments confirmed that the authorisation of the Council of Ministers was mandatory. This authorisation was granted on 27 April 2021 in compliance with the foreign investment authorisation requirement and article 26.2 of Royal Decree 1066/2007. A copy of the aforementioned authorisation is attached as **Annex 17** to this Prospectus.

### **5.3 OTHER ADMINISTRATIVE AUTHORISATIONS**

The Offeror believes that it is not obliged to notify any Spanish or foreign authority or to obtain approval from any other Spanish or foreign administrative authority other than the CNMV and the Council of Ministers in order to implement this Offer.

### **5.4 PLACES WHERE THIS PROSPECTUS AND ITS ACCOMPANYING DOCUMENTS MAY BE CONSULTED**

In accordance with the provisions of article 22.3 of Royal Decree 1066/2007, this Prospectus and its accompanying documentation will be made available to interested parties at least from the day following publication of the first of the announcements provided for in article 22.1 of Royal Decree 1066/2007, in the following places:

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| Entity  | Address                                       |
|---|---|
| <b>National Securities Market Commission (Comisión Nacional del Mercado de Valores)</b>       |   |
| – CNMV Madrid   | Calle Edison 4, Madrid                        |
| – CNMV Barcelona  | Paseo de Gracia 19, Barcelona                 |
| <b>Governing Bodies of the Stock Exchanges (Sociedades Rectoras de las Bolsas de Valores)</b> |   |
| – Governing Body of the Madrid Stock Exchange   | Plaza de la Lealtad 1, Madrid                 |
| – Governing Body of the Barcelona Stock Exchange  | Paseo de Gracia 19, Barcelona                 |
| – Governing Body of the Bilbao Stock Exchange   | Calle José María Olabarri, Bilbao             |
| – Governing Body of the Valencia Stock Exchange   | Calle Libreros 2-4, Valencia                  |
| <b>Offeror and Biosearch</b>  |   |
| – Offeror   | Calle Coto de Doñana, 15, 28320 Pinto, Madrid |
| – Biosearch   | Camino del Purchil, 66, 18004, Granada        |

The Prospectus and its annexes will also be made available on both the CNMV website ([www.cnmv.es](http://www.cnmv.es)) and the Biosearch website ([www.biosearchlife.es](http://www.biosearchlife.es)) as from the day following publication of the first of the announcements of the Offer referred to in article 22.1 of Royal Decree 1066/2007.

## 5.5 TERRITORIAL RESTRICTION

The Offer is made exclusively in the Spanish market and is addressed to all the shareholders of Biosearch as stated in this Prospectus. This Prospectus and the text hereof do not constitute an extension of the Offer to any jurisdiction where the making of the Offer might require the distribution or registration of documentation in addition to the Prospectus.

In particular, the Offer is not directly or indirectly made in the United States of America, whether by mail or by any other interstate or foreign means or instrument (including but not limited to facsimile, telephone or internet) or by means of the securities exchanges of the United States of America. Therefore, this Prospectus will not be published, sent to or distributed in any jurisdiction or territory where its publication might be prohibited or restricted by law or where the registration or deposit of additional documentation is required, and the persons in receipt of this request for authorisation or the Prospectus may not publish or distribute them in said jurisdictions or territories.

Those shareholders of Biosearch who are resident outside of Spain and decide to accept the Offer are informed that they may be subject to legal and regulatory restrictions other than those established under Spanish law. In this regard, those shareholders who are resident abroad and decide to accept the Offer shall be solely responsible for complying with said rules, and hence for the verification, applicability and implications thereof.

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This Prospectus for the voluntary public Offer to acquire the shares of Biosearch, S.A. is signed in Madrid, on 18 May 2021.

**Kerry Iberia Taste & Nutrition, S.L.U., as Offeror**  
By

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Mr Ronan Deasy