



Mr. Javier Ruiz del Pozo
Secondary Markets Manager
CNMV
Edison, 4
28006 Madrid

Quart de Poblet, June 20th 2019

Dear Sirs:

In compliance with article 227 of the Restated Text of the Spanish Securities Market Law, Natra, S.A. (“Natra” or “the Company”) releases the following:

RELEVANT NOTIFICATION

In accordance with article 24 of Royal Decree 1066/2007, of July 27th on the regime of takeover bids and the article 134.4 of the Royal Legislative Decree 4/2015, of October 23rd approving the Restated Text of the Spanish Securities Market Law, the relevant report issued today by the Board of Directors of Natra S.A. regarding the voluntary takeover bid for all the shares and convertible bonds of Natra, S.A. issued by World Confectionery Group S.à.r.l. on January 3rd 2019 and authorized by the National Securities Market Commission on June 12th 2019 is hereby sent. The attached report was approved unanimously.

Yours sincerely,

Ignacio López-Balcells
Secretary of the Board of Directors

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REPORT ISSUED BY THE BOARD OF DIRECTORS OF NATRA, S.A. ON THE TAKEOVER BID FORMULATED BY WORLD CONFECTIONERY GROUP S.À. R.L.

Madrid, 20th June 2019



**REPORT ISSUED BY THE BOARD OF DIRECTORS OF NATRA, S.A. ON
THE TAKEOVER BID FORMULATED BY WORLD CONFECTIONERY
GROUP S.A. R.L.**

This report is issued by the Board of Directors of Natra, S.A. ("**Natra**" or the "**Company**") on the occasion of the voluntary takeover bid formulated by World Confectionery Group S.à r.l. ("**World**" or the "**Offeror**") on all of the shares representing the share capital of Natra (the "**Takeover Bid**" or the "**Offer**").

This report has been issued by Natra's Board of Directors in its session of June 20th 2019 in compliance with article 134.4 of the Revised Text of the Securities Market Act, approved by Royal Legislative Decree 4/2015 of 23 October (the "**LMV**") and article 24 of Royal Decree 1066/2007 of 27th July on the rules governing takeover bids for securities (the "**RD 1066/2007**").

The Offer was authorized by the Comisión Nacional del Mercado de Valores ("**CNMV**") on 12th June 2019, and its terms and conditions are described in detail in the corresponding explanatory prospectus prepared by the Offeror which is available to the public in accordance with article 22 of RD 1066/2007 (the "**Prospectus**").

This Board of Directors recalls the mandatory but non-binding nature of the opinions included in this Report, and that it is up to each shareholder, depending on their particular interests and situation, to decide whether or not to accept the Offer.

1. MAIN CHARACTERS OF THE OFFER

Under the terms of the Prospectus, the main features of the Offer are as follows:

1.1 Offeror

The Offeror is World Confectionery Group S.à r.l., a private liability company of Luxembourg nationality, with registered office at avenue Monterey 23, L-2163 Luxembourg, registered with the Register of Commerce and Companies of Luxembourg (*Registre de Commerce et des Sociétés*) under number B 227.194, holder of CIF N0186808B.

For the purposes of article 5 of the LMV, it is hereby stated that the Offeror is fully owned, indirectly, through Luxembourg companies in a successive parent-subsidary relationship¹,

¹ The sole partner of the Offeror is World Confectionery Acquisitions, S.à r.l. ("**WC Acquisitions**"), limited liability company of Luxembourg nationality, with registered office at avenue Monterey 23, L-2163 Luxembourg, registered in the Register of Commerce and Companies with the number B 227.196. Both World Confectionery Group and WC Acquisitions and the rest of the companies that make up the shareholder structure of the Offeror are, in turn, wholly owned, indirectly, at the date of the Prospectus by the Investindustrial VI. (the "**Fund**"), advised and managed by Investindustrial Advisors Limited ("**Investindustrial Advisors**"), a subsidiary of Investindustrial, S.A.



by the fund Investindustrial VI LP (the "**Fund**"), advised and managed by Investindustrial Advisors Limited ("**Investindustrial Advisors**"), a subsidiary of Investindustrial, S.A. ("**Investindustrial**" and, together with its subsidiaries, "**Grupo Investindustrial**").

Investindustrial is a company incorporated under the laws of Luxembourg and the parent company of a European group of investment, securities holding and financial advisory companies managed in an independent manner. Investindustrial is not controlled by any other person or entity. Investindustrial Advisors is a company incorporated under the laws of England and Wales and authorised and supervised by the Financial Conduct Authority of the United Kingdom under Directive 2011/61/EU of 8 June 2011 on Alternative Investment Fund Managers. Investindustrial funds are managed by Investindustrial Advisors independently of each other in the interest of their investors in accordance with English law and the terms of each fund. Investindustrial invests predominantly in medium-sized companies active in industrial sectors such as manufacturing, consumer, retail and leisure, as well as in business services.

1.2 Securities to which the Offer is addressed

As indicated in the Prospectus, the Offer is directed at and formulated on all Natra securities currently issued and outstanding, that is:

- (i) 152,555,280 shares (including treasury stock at the date of the Prospectus, according to the half-yearly financial report for the first half of 2018 submitted by the Company to the CNMV);
- (ii) 5,759 convertible bonds².

There are no other securities of the Company other than the shares and the convertible bonds covered by the Offer.

The Offer is made solely and exclusively in Spain, the only country in which the securities of the Company to which the Offer is addressed are listed, despite being addressed to all

²The next ordinary period of voluntary conversion of Natra's convertible bonds into shares will begin on 28th June 2019 and end on 27th July 2019. Consequently, unless extended for any of the reasons set out in Royal Decree 1066/2007, the Offer acceptance period set out in section 3.1 of chapter 3 of the Prospectus will end before the end of the next ordinary period of voluntary conversion of the convertible debentures.

In this respect, the holders of Natra's convertible bonds who exercise their right of conversion into Natra shares during the aforementioned voluntary conversion period will not be able to accept the Offer with the shares subscribed as a consequence of the conversion of the convertible bonds. However, the Offeror will not execute the squeeze-out operation, if the requirements for it are met, until the end of the conversion period of the convertible debentures and Natra issues the corresponding new shares resulting from the conversion, so that such shares would be acquired in the squeeze-out operation under the same conditions as the remaining shares. And in the event that the requirements for carrying out the squeeze-out operation are not met, the holders of convertible debentures who have converted their debentures may also sell the shares to the Offeror if they so wish in the sustained purchase order that will be implemented as a consequence of the exclusion procedure provided for.



shareholders and holders of Natra's Convertible Bonds, regardless of their nationality or place of residence.

1.3 Type of Offer

The takeover bid is a voluntary offer since the Offeror does not meet any of the circumstances that determine the obligation to launch a mandatory bid in accordance with article 137 of the LMV and article 13 of RD 1066/2007,s without prejudice to the provisions of section 1.8 of this Report.

The Offer is formulated in compliance with the contract of sale commitments signed on January 3, 2019 by the Offeror with (i) Banco de Sabadell, S.A .; (ii) Deutsche Bank AG, London Branch; (iii) Kington S.à r.l .; and (iv) Sherston S.à r.l; these last two, companies controlled by Bybrook Capital Master Fund LP ("BCMF") and Bybrook Capital Hazelton Master Fund LP ("BCHMF"), funds advised and managed by the investment firm Bybrook Capital LLP ("Bybrook") (collectively, the "**Sellers**", including, when applicable, BCMF and BCHMF), by which they agreed to accept the Offer with the 91,164,000 shares of NATRA to be issued as a result of the conversion of the convertible bonds of their ownership (the "**Committed Shares**") and that represent the 59.76% of NATRA's share capital (the "Sale Commitment Agreement").

1.4 Consideration offered

The Consideration offered for the securities (the "**Price of the Offer**") amounts to:

- (i) Euro 1 for each Natra share of euro 0.1332 par value; and
- (ii) Euro 1,000 for each convertible bond of Natra of euro 133.2 nominal value, which in case of conversion by its holders grant the right to subscribe 1,000 shares of Natra.

The Price of the Offer shall be paid in full in cash. In the prior announcement of the Offer made public on the 3rd of January 2019, the Offeror informed that the Price of the Offer amounted to euro 0.90 per share and euro 900 for each convertible bond. However, on 30th May 2019, the Offeror informed of its decision to raise this price to 1 euro per share and euro 1,000 per convertible bond by means of a Relevant Event (registration number 273,487). Consequently, the maximum amount to be disbursed by the Offeror amounts to euro 158,314,280 in the event of acceptance of the takeover bid by all of Natra's shareholders and bondholders.

The terms of the Offer are identical for all the securities of Natra to which the Offer extends, only the consideration offered to the shares and convertible bonds, varies among both instruments to be proportional to their respective nominal values and the number of shares of Natra to which Natra's convertible bonds are entitled to subscribe.

The Price of the Offer will be adjusted downwards in the event that Natra carries out a distribution or remuneration against equity funds (including, among others, payment of dividends, reserves, premium, capital reduction with return of contributions), whose limit



date is prior to the date of settlement of the Offer, in proportion to the amount equal to the gross amount of such a payment.

However, the Offeror points out in the Prospectus that none of the aforementioned actions are expected to occur as the Sellers own 59.76% of Natra's share capital and have undertaken vis-à-vis the Offeror not to vote in favour of proposals that imply a distribution or remuneration against equity funds.

In accordance with the Prospectus, the Price of the Offer represents:

- (i) A premium of 14.22% on the weighted average change of Natra shares corresponding to the trading session of January 2nd, 2019 (euro 0.8755) and a premium of 9.89% on the closing price of the trading session of January 2nd, 2019 (euro 0.91); and
- (ii) a premium of approximately 122.72 % on the closing price of Natra's shares on January 3rd, 2018 (euro 0.4490); and
- (iii) a premium of approximately 32.59% over the simple average change in the weighted average daily changes of Natra's shares for the twelve-month period ended January 2nd, 2019 (euro 0.7542).

Although the Offer is of a voluntary nature, and it is therefore not necessary for its price to be considered an equitable price, the CNMV has ratified that the Price of the Offer corresponds to the "equitable price" for the purposes set out in article 9 of RD 1066/2007.

1.5 Acceptance period

The acceptance period of the Offer is twenty-nine (29) calendar days following the date of publication of the first of the announcements referred to in article 22 of Royal Decree 1066/2007, which were published on the 13th of June 2019 in: (i) the quotation bulletins of the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, (ii) the Bulletin of AIAF, and (iii) "Expansión" on the 14th June 2019.

1.6 Financing of the Offer

According to the Prospectus, in the event that this Offer is accepted for all of the securities to which it is addressed, the Offeror would be obliged to make a maximum disbursement of euro 158,314,280 (that is, the result from multiplying the Price of the Offer by all of the securities to which the Offer is addressed). As stated in the Prospectus, the Offeror, as the ultimate party responsible for paying the total consideration of the Offer to the acceptors, will resort to the following sources of financing:

- (i) 74% of the consideration for the Offer (corresponding to a maximum amount of euro 117,152,567.2), out of a short-term loan provided by Investec Bank plc under the Master Facilities Agreement entered into on the 17th June 2016 between the Fund and Investec Bank plc and to which the Offeror adhered to on the 22nd January 2019 as a new borrower (the "**Bridge Facility**"), and



(ii) the remaining 26% (corresponding to a maximum amount of euro 41,161,712.8), out of the equity funds that WC Acquisitions will contribute before the settlement date of the Offer, which in turn WC Acquisitions will obtain, from the issuance of bonds convertible into shares of WC Acquisitions to be subscribed by Kington S.à.r.l. and Sherston S.pa.r.l under the WC Acquisitions Financing Agreement described in section 1.5 of the Prospectus.

Although the Bridge Facility will have a maximum maturity of 9 months from its disposition, it is the intention of the Offeror to repay and replace said Bridge Facility within a maximum period of 30 days from the settlement date of the Offer with a charge to equity funds from the proceeds to be contributed as capital and share premium by WC Acquisitions from the capital injections committed by the limited partners of the Fund (and from the latter, successively to WC Holding, WC Collective and WC Acquisitions) and, in the event of their holding being materialized within said term, from the contributions of the minority shareholders co-investors of both WC Holding and WC Collective.

Effects of financing:

It is stated in the Prospectus that neither the WC Acquisitions Financing Agreement nor the Bridge Financing described above will have any impact on the ordinary course of Natra's business, as they do not include commitments affecting Natra's activities.

Said financings will not entail any increase in Natra's indebtedness. In particular, Natra will not guarantee (neither personally nor by virtue of the constitution of any guarantees of an rem or other nature) the financing referred to above nor any other amount that would be applied from the payment of the Price of the Offer.

Such financings do not contain commitments restricting Natra's ability to distribute dividends or force their distribution.

In addition, as indicated in the Prospectus, the Offeror has submitted to the CNMV, in accordance with articles 15 and 17.1 of RD 1066/2007, the documentation evidencing the constitution of guarantees issued by Investec Bank plc, one in the amount of euro 142,482,852, and the other in the amount of euro 15,931,428 which jointly guarantee the payment of the cash consideration of the Offer to the benefit of the acceptors of the Offer and the members of the market or settlement system. The amount of the guarantees fully covers the payment of the Price of the Offer for all the securities to which the Offer is addressed.

1.7 Conditions to which the Offer is subject

Subject to the provisions of the Prospectus, the Offer is subject to the following conditions:

(i) Pursuant to the provisions of article 13.2.(b) of Royal Decree 1066/2007, the acceptance of the Offer by shareholders of the Company, in aggregate, of at least 91,164,000 shares, representing 59.76% of the voting rights corresponding to the shares to which the Offer is addressed;



(ii) As established in article 13.2.(d) of Royal Decree 1066/2007, to the acceptance of the Offer by the Sellers in relation to the Committed Shares (as defined in the Prior Announcement of the Takeover Bid) during the first 5 working days of the Offer acceptance period. The fulfilment of this condition will determine that the condition indicated in (i) above is fulfilled. This condition has been fulfilled on June 19th, 2019 by the acceptance of the Offer by the Sellers, as shown in Relevant Event published by the Offeror on June 19th, 2019 (registration number 279321).

The Prospectus states that the Offer was originally subject, in accordance with the provisions of article 26 of Royal Decree 1066/2007, to obtaining the necessary authorization from the European Commission for the business concentration operation that the Offer entails. However, this condition has been met insofar the operation was authorized by the European Commission on 7 March 2019 and it is not necessary to notify any Spanish or foreign authority, nor to obtain authorization from any other Spanish or foreign administrative authority other than the CNMV in order to carry out the Offer.

1.8 Squeeze-out

The Prospectus contemplates that the Offeror will demand the squeeze-out sale of the shares or convertible bonds of Natra owned by shareholders who have not accepted the Offer, in accordance with the provisions of articles 136 of the Securities Market Law and 47 of Royal Decree 1066/2007, provided that as a result of the Offer the requisites set out in section 3.6.1 (i) and (ii) of the Prospectus are met, that is: (i) the Offeror is the holder of shares and convertible bonds that represent (considering, in the case of convertible bonds, the Natra shares to be issued as a result of their conversion) at least 90% of the share capital with voting rights after the conversion into shares of the bonds whose holders accept the Offer; and (ii) the Offer has been accepted by holders of securities in respect of a number of shares and convertible bonds (considering, in the case of convertible bonds, the Natra shares to be issued upon their conversion) of at least 90% of Natra's voting rights following the conversion into shares of the convertible bonds whose holders accept the Offer.

The requirements for a squeeze-out sale will be considered fulfilled in the following scenarios and in any of the intermediate scenarios included between the two extreme cases presented in which the Offer is accepted by a number of shares and convertible bonds that represent (considering, in the case of convertible bonds, Natra's shares to be issued due to their conversion) at least 90% of Natra's voting rights after the conversion into shares of the convertible bonds whose holders accept the Offer:

(i) that the declarations of acceptance of the Offer include a minimum number of 137,299,752 Natra shares (assuming that the Offer was not accepted by any of Natra's convertible bonds) representing 90% of the shares to which the Offer is addressed;

(ii) that the declarations of acceptance of the Offer include a minimum number of 136,723,852 Natra shares and 5,759 convertible bonds, assuming that the Offer was accepted by all of Natra's convertible bonds and 89.62% of the shares with voting rights to which the



Offer is addressed, representing 90% of the share capital once 100% of the convertible bonds are converted into shares.

In the event that (i) Natra does not accept the Offer with the shares in treasury stock, which according to the latest information available, on 7th June 2019, amounted to 361.364 shares, representing 0.24% of its capital stock, and (ii) that such shares are held in treasury on the settlement date of the Offer, and (iii) that the Offeror decides to promote a redemption of such shares, reducing Natra's capital stock and meanwhile immobilizing such shares, the above calculations will be adjusted eliminating such shares from the total number of Natra shares issued for the purposes of said calculations.

In the event that the number of shares held as treasury stock differed from the number shown here, the calculation would be carried out for the squeeze-out calculations using the relevant adjustment, subject to the redemption of said shares. Likewise, in this case, if the Offer were accepted by holders of Natra's convertible bonds, the 90.00% of the share capital conferring Natra's voting rights would be determined after applying this adjustment based on the number of treasury shares and upon the conversion into shares of the convertible bonds whose holders accept the Offer (considering, in the case of convertible bonds, the shares of Natra to be issued on the occasion of their conversion).

In the shortest possible time, the Offeror shall communicate, by means of a Relevant Event, whether or not the requirements to carry out squeeze-outs sale have been met; in the event that they were met, the Offeror will communicate its decision to demand the squeeze-out sale of the shares and convertible bonds, setting the date for the transaction between 15 and 20 business days following the notification of its decision. In any event, the squeeze-out sale will take place after the end of the ordinary period of voluntary conversion of the convertible bonds which will commence on 28 June 2019 and will end on 27 July 2019, period in which the Offeror will exercise the right of conversion into shares of the convertible bonds it has acquired within the framework of the Offer.

As indicated in the Prospectus, the Offeror intends to delist Natra's shares and convertible bonds, either by exercising the right of squeeze-out if the requirements established for that purpose are met or, if they are not met, by promoting the delisting based on the exception provided for in article 11.d) of Royal Decree 1066/2007.

In any case, the purchase price will be equal to the price at which the Offer was settled, deducting the amount of any dividend paid after the settlement date of the Offer and the delisting of Natra's shares and convertible bonds will not take place until a date after the end of the next ordinary period of voluntary conversion of the convertible bonds, which will begin on 28 June 2019 and end on 27 July 2019.

2. GENERAL CONSIDERATIONS

2.1. Background to the Offer: The Company's Economic and Financial Context

The valuation of the Offer requires an adequate appreciation of Natra's economic and financial environment in the previous years.



2.1.1 Crisis Situation and Refinancing (2015)

The accumulation of negative results, mainly attributable to the unfavorable evolution of the price of cocoa and other raw materials and the difficult financial condition of the Company, had plunged Natra into a situation of very high indebtedness that put at risk the continuity and viability of the Company.

To address this crisis situation, during the first half of 2015 Natra undertook a process of global restructuring of its financial debt. Thus, on April 30th, 2015, the Company entered into a debt restructuring agreement (the "**Debt Restructuring Agreement**") with its main financial creditors ("**the Creditor Entities**") which included various actions aimed at making the Company's debt situation sustainable and improving the liquidity situation, allowing access to new funds. Said contract was subject to judicial homologation under article 71 bis and Additional Provision Four of the Bankruptcy Law.

Among these actions, the restructuring included an issue of convertible bonds. These convertible bonds were offered on a preferential basis to Natra's shareholders, with the commitment by the Creditor Entities to subscribe the bonds that had not been taken by the shareholders during the aforementioned period of preferential subscription, by means of the compensation of their credits, and up to a maximum amount of euro 14,763,355.2.

In execution of the provisions of the Debt Restructuring Agreement, on June 18, 2015, the General Shareholders' Meeting of Natra, with the favorable vote of shares representing 99.44% of the capital present or represented at the meeting, approved an issue of bonds convertible into shares of the Company for a total amount of euro 53,235,644.40, divided into 399,667 convertible bonds (the "**convertible bonds**" of constant reference) with a par value of euro 133.20 each. Of these obligations, a total of 110,836 were subscribed, with a total nominal value of euro 14,763,355.20, with the breakdown indicated below:

- (i) During the pre-emptive subscription period reserved for Natra's shareholders, a total of 14,264 convertible bonds were subscribed through cash disbursement, for a total nominal amount of euro 1,899,964.50, namely 12.87% of the total finally subscribed.
- (ii) At the end of the preferential subscription period, and in view of the insufficient level of subscription by Natra's shareholders, the Creditor Entities, in compliance with the provisions of the Debt Restructuring Agreement, subscribed a total of 96,572 convertible bonds, for a total nominal amount of euro 12,863,390.40, by offsetting the claims against the Company. This subscription represented 87.13% of the total issue actually subscribed.

This convertible bond issue, an essential part of Natra's financial restructuring scheme, entailed a potential dilution of the Company's pre-existing share capital of up to 70% in the full conversion scenario of the convertible bonds issued.

Relevant Events 233691 of 4th January 2016 (reporting on the issue of convertible bonds and the opening of the pre-emptive subscription period reserved for shareholders) and



234446 of 29th January 2016 (reporting on the results of the subscription) included the information now summarized in this Report.

2.1.2 The Transition to a New Strategic Business Approach (2016-2017)

Once stabilized the Company's financial situation under the Debt Restructuring Agreement and the issuance of convertible bonds, the focus was centered on the in-depth review of Natra's commercial policy and resources management.

At sight of the results of the recurring business corresponding to the first half of fiscal year 2016, it was decided to renew the positions in the Company, which materialized in the following months with the appointment of a new Chairman of the Board and a new General Director whose main task would be to thoroughly review Natra's Business Plan and begin a new stage of growth and profitability.

2.1.3 Implementation of a new Strategic Approach (2017-2018)

With the appointment of its new President and the new General Director, Natra's Board of Directors focused its efforts on the elaboration of a new Strategic Plan for the following five-year period 2019-2023 (made public on 3rd January 2019 through Relevant Notification 273.498) oriented towards a new vision focused on the commercial side of the business.

This new vision led to the need for new additions to the management team and the redefinition of organization charts, processes and resources.

Natra's results at the close of fiscal year 2017 and in the first half of 2018 already showed the positive effects of the new strategic approach and the potential of the Company's human team.

The last appreciation of Natra's Board of Directors regarding the Strategic Plan was made public through Relevant Event number 279.026, published on June 11th 2019.

2.1.4 The new perception of Natra in the Markets

The turnaround in the results obtained in 2017 and the first quarter of 2018 showed a positive trend in the evolution of Natra's businesses that brought about a visible change in the perception of the markets towards the Company.

The financial stability resulting from the Debt Restructuring Agreement and the issuance of the convertible bonds and the new strategic impulse resulting from the 2019-2023 Business Plan, backed by the results obtained, gave the markets a new vision of Natra, far from the profile of a company in crisis that had characterized it in the past.

As far as the Company is aware, under the protection of this change in trend, Bybrook Capital LLP ("**Bybrook**"), an advisor to the Bybrook Funds (as such funds are defined in the Prospectus), which in turn controls two underwriters and holders of convertible bonds,



decided to carry out preliminary market research to identify the potential interest of investors in acquiring their position in the Company.

Bybrook's preliminary analysis showed that maximizing the potential expressions of interest would require (i) a detailed analysis of Natra's situation and its businesses, through a regular due diligence exercise in these type of processes; and (ii) the extension of any potential acquisition to all of Natra's shares and convertible bonds.

In this context, Bybrook, in its own interest and that of other entities holding Natra convertible bonds, requested the collaboration of the Company in order to organize and structure such a process.

2.1.5 Organization of a Competitive Process

Faced with the legitimate request made by the promoters of an eventual transfer of their stake that would likely result in a takeover bid for Natra, the Company's Board of Directors, in compliance with its duty, oriented its action towards three main objectives.

Firstly, to organize a due diligence process with the guarantee of confidentiality of all Natra's information made available to third parties, ensuring a professional and rigorous dialogue with any participants in the process. To this end, FTI Consulting EMEA was hired, a financial advisor of international prestige, who was fully familiar with Natra's business and with the details of its still recent financial restructuring.

The second objective was to establish a competitive climate among the participants, ensuring that their bids took into consideration the full potential of Natra, not only in view of its past trajectory, but also in light of the new Business Plan that was beginning to show its results. For this purpose, the services of Houlihan Lokey, a financial advisor of international prestige, with special knowledge of the food sector and with great experience in transactional processes in competitive environments, familiar with Bybrook's expectations and knowledgeable of Natra's strict interests, were hired. Houlihan Lokey's assignment included promoting maximum competition among the plurality of participants and ensuring that any offer was extended on equal terms to all of Natra's shareholders and bondholders.

The third objective was to ensure that all the legal and corporate obligations that must be observed in situations such as those described were properly complied with, ensuring respect for the confidentiality of the information and the transaction itself, and taking into account the evolution of the procedure of which Natra, as such, was no more than a guarantor for the respect of the common interest of its shareholders and bondholders and those of the Company itself.

As a result of the process followed, the holders of convertible bonds of Natra, Deutsche Bank AG, London Branch, Banco de Sabadell, S.A., Kingston S.á.r.l. and Sherston S.á.r.l. (the latter two, companies controlled by Bybrook, jointly referred to as "the **Sellers**") after analyzing the various bids received and promoting successive bid improvement rounds, informed Natra of their decision to select Investindustrial Group Holding, S.A. ("**Investindustrial**").



Subsequently, the Sellers signed with Investindustrial the Sale Commitment Agreement (in the sense that this term is given in the Prospectus) derived from which the Offer was formulated by World Confectionery Group, S.á.r.l., a company designated by Investindustrial.

For the sake of clarity, it is noted that all decisions concerning the selection of participants and their preliminary and final offers were the exclusive competence of the Sellers. The Company limited itself to guaranteeing the orderly access to the information necessary for due diligence and the promotion of a competitive environment among participants that would provide the best possible offer on equal terms and conditions for all shareholders and bondholders of Natra. The Sellers informed the Company of their decision, which limited itself to take knowledge and reserving its opinion or recommendation for the time of issuance of this Report, in accordance with the provisions of applicable regulations.

2.2 Advice received by the Board of Directors

In addition to the hiring of FTI Consulting EMEA and Houlihan Lokey for the specific advisory tasks referred to in section 2.1 above, Natra's Board of Directors has hired the following consultants for the following tasks:

(i) Financial Valuation of the Offer

The Board has entrusted FTI Capital Advisors, LLC (FTI Capital) and GBS Corporate Finance, S.A. (GBS) the preparation of two fairness opinions (the "*fairness opinions*") on the correctness and fairness, in strictly financial terms, of the consideration offered by the Offeror.

The *fairness opinions* of FTI Capital and GBS are attached to this Report as Exhibits I and II, respectively, for the information of all shareholders and bondholders of Natra. Integral reading of both reports is recommended in order to properly learn and assess the opinion and conclusions of FTI Capital and GBS regarding the Offer.

(ii) Legal advice

In addition to the legal advice that the law firm Buigas provides to Natra and its Board of Directors on a regular and recurrent basis, the Board has hired Mr. José Luis Blanco Ruíz as external and independent legal advisor to attend to the questions and requests formulated by the Board in the interest of the Company and all its shareholders and bondholders in the development and the processing of the Offer.

All the expenses incurred in advising the Board of Directors indicated in sections 2.1.5, 2.2 (i) and 2.2 (ii) above have been considered reasonable by the Company's financial advisors in their respective reports.

2.3 Activity of the Board of Directors since the announcement of the Offer



Natra's Board of Directors has observed at all times the rules of conduct and performance prescribed by the regulations in force both in the preparatory actions of the Offer of which the Board had become aware, as in those that have occurred since the publication of the announcement of the Offer.

At all times, Natra's Board of Directors has acted in the general interest of all the Company's shareholders and bondholders, guaranteeing the equal treatment of all of them and scrupulously respecting the guidelines and restrictions that, with respect to its activity after the publication of the announcement of the Offer, are prescribed by art. 28 of Royal Decree 1066/2007.

2.4 Purpose of the Offer and possible repercussions of the Offer and of the strategic plans of the Offeror on Natra's general interests, employment and the location of its activity centers.

2.4.1 Purpose of the Offer

The Offeror has stated in the Prospectus that the following strategic reasons justify the transaction:

- (i) Natra operates in the chocolate market that the Offeror considers interesting, despite being exposed to the high fluctuation in the price of raw materials that may have a significant impact on margins and cash generation.
- (ii) Natra focuses on private label products with a presence in the main European markets.
- (iii) Natra has a vertically integrated business with a presence in the processing of cocoa and the manufacture of intermediate products with a high component of dependence on the price of cocoa (industrial division) and in the manufacture of finished products (consumer division), which implies greater control of the productive process and the value chain.
- (iv) Natra has a new management team with an international, technical and experienced profile.
- (v) Natra has six plants located in Spain (2), Belgium (2), France and Canada from which it serves a broad geographic market.

2.4.2. Strategic plans and intentions of the Offeror regarding the strategic plans, the positions of personnel and executives and the location of the Company's activity centers and the entities that form part of its group.

The Offeror states in the Prospectus that its strategic plans for Natra are articulated on the basis of the refinancing of the existing Syndicated Debt. After the settlement of the Offer, the strategy that the Offeror has planned for Natra is based on the following aspects:

- Commercial and sales: (i) Integration and centralization of the sales team; (ii) Geographical diversification of sales; consolidation of Natra's positioning in the mid-range segment and increased penetration in the Premium segment.
- Operational Plan: implementation of efficiency policies and resource planning systems, rationalization of production planning, sales and customer portfolio and reinforcement of the central structure to undertake the business plan.



- Investment plan: significant investments in production plants focused on replacing obsolete lines; possible acquisition of new production plants.
- Mergers and acquisitions: implement a *buy-and-build* strategy using Natra's platform to expand its business.
- Future financing: both investment plan and possible mergers and acquisitions will require financial resources to be covered by capital increases and financial debt.
- Dividend policy: The Offeror does not intend to modify the current shareholder remuneration policy of Natra.
- Location of the activity centers of Natra and its group: after the Offer, the Offeror will consider the convenience of transferring the current location of the central offices or business centers depending on the needs of the business or the investments or divestments that could be carried out, although at the date of the Prospectus there is no specific provision in this respect.
- Jobs: The Bidder intends to rely on Natra's current management team for analysis, investment and asset management. It also plans to strengthen the management team with new incorporations, which could lead to an increase in current costs. In addition, the Offeror will implement an incentive plan for Natra's management team after the Offer, aligned with market practice in similar operations. This incentive plan will be negotiated with the management team after the Offer. Apart from this, the Offeror has no plans to make changes in the working conditions of Natra's workers and managers, and generally is expected to maintain the existing jobs for the next 12 months.
- Plans relating to the use or disposal of the Company's assets: following the takeover bid, the Bidder plans to carry out a detailed review of Natra's assets, focusing on identifying alternatives to optimize existing resources.
- Plans relating to Natra's financial indebtedness: Within the framework of the Sale commitments, the Offeror undertook to repay or refinance, within a period of 90 days after the settlement of the Offer, the existing debt derived from the Syndicated Financing contracts signed by Natra on 29 October 2015 with various credit entities.

For a more exhaustive description of the Offeror's strategic plans and intentions, as well as its objectives and plans in relation to Natra, shareholders are referred to chapter IV of the Prospectus.

3. AGREEMENTS BETWEEN NATRA AND THE OFFEROR, ITS PARTNERS OR ITS DIRECTORS OR BETWEEN NATRA'S DIRECTORS AND THE OFFEROR, ITS PARTNERS OR DIRECTORS

3.1 Agreements between Natra and the Offeror in relation to the Offer

There is no agreement between Natra and the Offeror in relation to the Offer.

3.2 Agreements between Natra and the partners or managers of the Offeror in relation to the Offer

There is no agreement between Natra and the partners or administrators of the Offeror in relation to the Offer.



3.3 Agreements between the directors of Natra and the Offeror, its partners or its administrators or directors.

There is no agreement between the administrators of Natra and the Offeror, its partners or its administrators.

3.4 Agreements between Natra's partners and the Offeror, its partners or its administrators

Bearing in mind that the Offer is also addressed to the convertible bonds into shares of the Company, as indicated in section 2.1.5 above, it becomes apparent that on 3 January 2019 the Sellers signed the Sale Commitment Contract with the Offeror, by virtue of which the Offeror undertook to launch the Offer under the terms and conditions agreed, and the Sellers undertook to convert all of their convertible bonds into shares of Natra, S.A. during the third conversion period (covering the period from 29 December 2018 to 27 January 2019) and, upon conversion, accept the Offer, that is, sell to Investindustrial the new 91,164,000 Natra shares to be issued as a result of the conversion.

Section 1.5.1 of the Prospectus describes in greater detail the content of these sale commitments, in the following terms:

The Offeror committed to:

- (i) Formalize the Offer at the initial price of euro 0.90 per share and euro 900 per convertible bond, and to do everything necessary to obtain authorization no later than July 31st, 2019; subsequently, said price has been increased until the final price of the public offer, that is, up to euro 1 per Natra share and euro 1,000 per convertible bond.
- (ii) Not to withdraw from the Offer except in the event of non-compliance with the conditions to which it is subject or in the cases contemplated in article 33.1 of Royal Decree 1066/2007, even if a public offer competing with the Offer is authorized; and
- (iii) Repay or refinance in full the current financial debt of the Natra Group within 90 days following the settlement date of the Offer.

In turn the Sellers committed themselves to:

- (i) Convert all the convertible bonds they held no later than 27th January 2019 (as they have done) and accept the Offer with all the Committed Shares, (the 91,164,000 shares to be issued as a result of such conversion), within the first 5 trading days of the Offer acceptance period, as well as not to revoke said acceptance.

This commitment will only be terminated in the event that (a) the Offeror desists from the Offer due to non-compliance with any of the conditions to which its effectiveness is subject or by any of the assumptions of withdrawal provided for in article 33.1 of Royal Decree 1066/2007, even if a takeover bid is authorised that competes by the Offer, in which case the Offeror will have to continue with the Offer; or (b) the CNMV does not authorise the



Offer reached on 31st July 2019. In this sense, the commitment of acceptance by the Sellers of the Offer referred to in the previous paragraph will be maintained even in the case of competing offers.

(ii) Exercise the voting rights corresponding to Natra's shares against those agreements of the Company that, if approved, (i) would foreseeably result in the breach of the conditions to which the effectiveness of the Offer is subject or that, in any way, prevent or hinder the Offer; or (ii) imply a, distribution or remuneration of equity funds (including, among others, the payment of dividends, reserves, premium and capital reductions with refund of contributions).

(iii) Not to operate with its treasury Natra's securities or with financial instruments whose underlying asset are rights linked to Natra's shares, as well as abstaining from constituting limited property rights on its treasury Natra securities.

This commitment does not extend to the transactions on securities or financial instruments that Banco de Sabadell, S.A. or Deutsche Bank AG, London Branch execute on behalf and for the benefit of their clients as investment services providers.

(iv) Not to search nor to accept bids from third parties in relation to its treasury Natra securities.

(v) Not to compromise nor accept with its Natra treasury securities any public competitive tender offer formulated by a third party.

As indicated in the Prospectus, on January 17th, 2019, Kington S.à r.l. and Sherston S.à r.l. (the "**Bybrook Companies**") entered into an agreement by virtue of which they agreed to sell their convertible bonds to their respective sole partners, BCMF and BCHMF, funds both advised and managed by Bybrook, for a sale price of euro 900 per convertible bond, matching the initial price of the Offer provided for in in the Sale Commitment Agreement. Kington S.à r.l. and Sherston S.à r.l. proceed to assign, on the same date, their rights and obligations derived from the Sale Commitment Agreement, respectively, to BCMF and BCHMF, which unconditionally and irrevocably accepted such assignment by means of a modifying and non-extinguishing novation of the Sales Commitment Agreement, assuming the rights and obligations of Kington S.à r.l. and Sherston S.à r.l. under the agreement. Said assignment was consented to by the Offeror and known by the other Sellers by virtue of the aforementioned modifying and non-extinguishing modification document (the "**Novation of the Sale Commitment Agreement**"), which was signed by all the parties of the Sale Commitment Agreement.

The percentages that the Committed Shares represent in Natra's share capital at the date of the Prospectus and of Natra's fully diluted share capital (following the conversion into shares of all convertible bonds outstanding) are those indicated in section 1.5.1. A) of the Prospectus.



4. SECURITIES OF THE OFFEROR HELD, DIRECTLY OR INDIRECTLY, BY NATRA, BY THE PERSONS WITH WHOM IT ACTS IN CONCERT OR BY THE MEMBERS OF ITS BOARD OF DIRECTORS

4.1 Securities of the Offeror held directly or indirectly, by Natra and the persons with whom it acts in concert

Natra and the companies in its group do not own, directly or indirectly or in concert with third parties:

- (i) any interest in World or in the companies composing the group to which it belongs; or
- (ii) securities or other instruments that confer the right to acquire or subscribe for shares in World or the companies that make up the group to which it belongs.

4.2 Securities of the Offeror held, directly or indirectly, by the members of Natra's Board of Directors

None of the members of the Board of Directors of Natra, as it results from individualized declaration of each one of them, is holder of:

- (i) securities issued by World or by the companies composing the group to which it belongs; or
- (ii) securities or other instruments that confer the right to acquire or subscribe for shares in World or the companies that make up the group to which it belongs.

5. NATRA SECURITIES OWNED OR REPRESENTED, DIRECTLY OR INDIRECTLY, BY THE MEMBERS OF THE BOARD OF DIRECTORS

The values of Natra held, directly or indirectly, as of the date of this report by the members of Natra's Board of Directors, as evidenced by the individual declaration of each of them, are as follows:

Member of the Board of Directors	Category	Number of voting rights	% of total voting rights
Mr. Antonio Obieta Vilallonga	President	42.000	0.0275%
Carafal Investment, SLU (representsx by Mr. Manuel Moreno Tarazona)	Board member	5.923.387	3,883%
Ms. Ana Muñoz Beraza	Board member	----	----
Mr. Pedro Santisteban Padró	Board member	1.000	0.0007%
Mr. Pedro Esnaola Latasa	Board member	----	----
Ms Carmen Allo Pérez	Baord member	----	----



Mr. Ignacio LópezBalcells Romero	Secretary and Board member	----	-----
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6. CONFLICTS OF INTEREST OF NATRA'S BOARD MEMBERS AND INDICATION OF THEIR NATURE

It is noted that none of the members of Natra's Board of Directors have stated that they are in a situation of conflict of interest.

7. THE OPINION AND OBSERVATIONS OF THE BOARD OF DIRECTORS ON THE BID

Having analysed the Prospectus and taking into consideration the opinions and recommendations of the advisers especially consulted in this respect, the Board of Directors formulates the following considerations regarding the Offer:

7.1 General Considerations

With regard to the structure, object and features of the Offer, the Board positively evaluates the following aspects:

- (i) The Offer extends to all of the Company's shares and convertible bonds.
- (ii) The consideration offered shall be paid in full in cash.
- (iii) The risk of execution of the Offer is very low. Thus, the minimum threshold of acceptances is limited to the shareholding percentage represented by the shares owned by the signatories of the Sale Commitments. Therefore, unless such Sale Commitments are breached, compliance with the conditions stipulated in sections 2.3.1 and 2.3.2 of the Prospectus will occur within the Offer acceptance period. Acceptance of the Offer by Sellers has been published by Relevant Event on 19th June 2019.

7.2 Strategic and Industrial Considerations. Possible repercussions of the Offer and the Offeror's strategic plans on the Company's interests as a whole, employment and the location of its centers of activity.

In general, the Board values positively the maintenance of Natra's independent business project which the Offeror, in accordance with the statements contained in the Prospectus, intends to respect and promote.

The purpose of the acquisition, as it results from Chapter IV and other relevant sections of the Prospectus, essentially coincides with the vision and main lines of action contemplated in the Strategic Plan 2019-2023 that this Board had adopted as a management guide to enhance the value of Natra and its group.



The emphasis on investments aimed at modernizing production capacities and improving information and control systems coincide with Natra's industrial, commercial and strategic needs and priorities to strengthen its organic growth. The Offeror declares not to have, at the date of the Prospectus, any specific provision with respect to the relocation or transfer of the central offices or activity centers linked to the production facilities, although it reserves the possibility of such actions depending on the needs of the business or the investments or divestments that may be made.

In addition, the purpose of boosting the growth of Natra's business through acquisitions of other operators both in markets in which the Company is already present and in new markets, represents a positive strategic challenge to consolidate and promote Natra's competitive role. However, the consequences on the financial structure of this expansive policy, whether it is financed with debt or with own resources, merits separate consideration, which is set out subsequently.

The continuity of this strategic approach, complemented by the continuity of Natra's management team and the announced implementation of an incentive policy that guarantees the full alignment of the teams with the objectives pursued, must be translated into the strengthening of the service to Natra's clients and the strengthening of relations with its suppliers and industrial and commercial allies.

This continuity in the project also seems to extend to the maintenance of employment, indicating the Offeror's expectation not to modify the working conditions of Natra's workers and, in general, to maintain the existing jobs during the twelve months following the Offer, without prejudice to the eventual variations derived from the evolution of the business.

As regards the financial structure of the Company, the Offeror declares that the financing of the Offer, as described in section 2.4.3 of the Prospectus, will have no impact on the ordinary course of Natra's business. The financing of the Offer, according to the Offeror, will not imply any increase in Natra's indebtedness, nor will it guarantee such finance.

It is the intention of the Offeror to refinance fully the existing debt of the Company by repaying the existing Syndicated Debt (as such term is defined in the Prospectus) and replacing it with a Senior Finance Facility and a Revolving Credit Facility (the terms and conditions of which are described in section 4.4.2 of the Prospectus). This new financial structure seems to be coherent in order to initiate the implementation of the strategic plan envisaged by the Offeror for the Company.

As regards Natra's financial structure forecasts for the future, the intention to undertake an acquisition plan to boost Natra's growth beyond its own organic growth will lead, according to the Offeror, to an increase in Natra's indebtedness and financial leverage. This greater leverage of the Company's balance sheet will necessarily affect its risk profile and, as indicated in the Prospectus itself, will entail a policy of no dividend distribution. These circumstances (greater financial leverage and the policy of not distributing dividends), together with the possibility of possible dilutions if the expansion were to require financing with additional equity resources, configure the praxis of the so-called "buy and build" projects and must be



taken into consideration by the shareholders both if, after the Offer, and in accordance with its terms, the Company's shares are delisted from trading on the Spanish Stock Exchanges and the convertible bonds on the AIAF, and even if their trading is maintained after the Offer.

7.3 Remarks regarding the consideration

At the request of the Board, FTI Capital and GBS have analyzed and evaluated the consideration offered in the Offer in order to determine, in their best professional opinion, whether it is adequate and correct ("fair"). Their respective reports are attached to this Report as Exhibits I and Exhibit II.

Both advisors consider that the consideration offered is adequate and is included in the valuation ranges corresponding to the Company's shares and convertible bonds, using generally accepted valuation methodologies duly weighted.

In view of the reports issued by the advisors, the Board considers that the consideration offered, adequately reflects the value of the Company, avoiding to all Natra's shareholders the possible dilutive effect on the share value inherent to the conversion of the outstanding convertible bonds. The possible dilutive impact of the conversion of the convertible bonds on the price of Natra's pre-existing shares has been specifically addressed by the Board's financial advisors and their conclusions are outlined in their respective reports.

7.4 Individual opinion of the directors

This report was approved unanimously by the attendees, without any member of the Board of Directors having made an individual pronouncement disagreeing with that adopted collegially by the Board of Directors.

8. NATRA'S INTENTION TO ACCEPT OR NOT THE OFFER IN RELATION TO ITS OWN SHARES HELD AS TREASURY STOCK

As of the date of this report, Natra holds 361,364 treasury shares representing 0.24% of the share capital. These shares are accounted for in the balance sheet at a cost of euro 1,580,393, recorded as lower equity value. Consequently, having decided to accept the Offer in respect of said shares, there will be an increase in reserves, and therefore in the Company's equity, of euro 361,364, and the proceeds of the sale of the shares must be immediately and automatically used to amortize debt, as provided for in clause 18.3.(iv)c of the Financial Debt Restructuring Agreement signed between Natra and the Creditor Entities in force today ("Holdco Financing Agreement").

9. DIRECTORS' INTENTION TO ACCEPT THE OFFER

In accordance with the provisions of article 24 of RD 1066/2007, the members of Natra's Board of Directors who hold shares in the Company are individually obliged to express their



intention to accept or not the Offer. Therefore, without prejudice to the fact that the Directors reserve the right to review their intention based on their assessment of the terms and conditions of other offers or improvements that may be authorized by the CNMV, and without this implying a restriction on their freedom to dispose of their shares, the current intention of the Directors who hold, directly or indirectly, Natra's shares exclusively in relation to this Offer is as follows:

(i) Mr. Antonio Obieta Vilallonga, direct and indirect holder of 42,000 Natra shares, states that his intention today is to accept the Offer with all his shares.

(ii) Carafal Investment, S.L.U. (represented by Mr. Manuel Moreno Tarazona), direct and indirect holder of 5,923,387 Natra shares, states that, for reasons that concern his personal finances, his intention today is to accept the Offer in terms of 4,966,285 shares.

(iii) Mr. Pedro Santisteban Padró, direct and indirect holder of 1,000 Natra shares, states that his intention today is to accept the Offer with all his shares.

10. INFORMATION TO WORKERS

It is hereby stated that the Company has complied with its obligations to inform employees in accordance with article 25.2 of Royal Decree 1066/2007 and, in particular, the Company sent a copy of the Prospectus to its employees representatives.

Likewise Natra sent a letter to the employees of the company and all its subsidiaries (in those subsidiaries with workers' representatives appointed, the letter was sent to them) informing them of the publication of the prior announcement of the Offer.

Natra's Board of Directors has not received any opinion or report from the workers' representatives expressing their opinion on the effects of the Offer on employment.

* * *

In Madrid, June 20, 2019.



FTI Capital Advisors, LLC is a member of FINRA/SIPC.

June 20, 2019

Board of Directors

Natra, S.A.

Autovía A3, salida 343, Cami de Torrent (s/n)

46930, Quart de Poblet, Valencia (España)

Ladies and Gentlemen:

We refer to the voluntary tender offer (referred to herein as the “Transaction”) launched by World Confectionery Group, S.à.r.l (the “Acquirer”) to acquire up to 100% of the share capital of Natra, S.A. (the “Company”). The cash offer price to be paid by the Acquirer is €1.00 per share (“Cash Offer Price”). The cash offer price was initially €0.90 per share (the “Initial Cash Offer Price”) but the Board of Managers of the Acquirer agreed on 29 May 2019 to increase the cash offer price up to the Cash Offer Price.

The Transaction is subject to, among other conditions, acceptance by shareholders of the Company who hold shares in the Company representing at least 59.76% of the share capital of the Company (i.e. at least 91,164,000 shares). As disclosed by the Acquirer in the Prospectus, Banco de Sabadell, S.A., Deutsche Bank AG, London Branch, Bybrook Capital Master Fund LP and Bybrook Capital Hazelton Master Fund LP have irrevocably undertaken vis-a-vis the Acquirer to tender their 91,164,000 Company shares under the Transaction. References herein to the Company shall, unless specified otherwise, be deemed to be references to the Company and its subsidiaries, on a consolidated basis.

In accordance with the terms of the engagement letter, dated November 19, 2018 (the “Engagement Letter”) between the Company and FTI Capital Advisors, LLC (“FTICA”) a wholly-owned subsidiary of FTI Consulting, Inc. (“FTI”), we have been requested to provide the Board of Directors of the Company (the “Board”) with an opinion as to whether the Cash Offer Price to be paid by the Acquirer within the Transaction is fair from a financial point of view to the holders of the capital stock of the Company as of the date hereof (our or this “Opinion”). Our Opinion does not address any other aspect of the Transaction. This letter (including our Opinion) has been prepared in the English language and a courtesy copy may be translated to Spanish. In the event there is any conflict between the two versions, the English language version will control.

Based on our understanding of the Transaction, the tender offer published is addressed to 100% of the shares of the Company and 100% of the outstanding convertible bonds issued by the Company. The consideration offered by the Acquirer, after the modification agreed by the Board of Managers of the Acquirer on 29 May 2019, is €1000 per each convertible bond (equivalent to €1.00 per each of the 1,000 Company’s shares in which each convertible bond may be converted

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if the right of conversion is exercised). For purposes of the Opinion, we have assumed a total conversion of the convertible bonds and performed our analysis on a fully-diluted basis.

In arriving at our Opinion, we reviewed and analyzed, among other things:

- (i) the terms of the Transaction as presented in the prospectus (*folleto explicativo de la oferta pública voluntaria de adquisición de acciones de Natra, S.A. formulada por World Confectionery Group, S.à.r.l.*) dated 7 June, 2019 in compliance with Article 18 of Spanish Royal Decree 1066/2007, which was approved by the National Securities Market Commission (*Comisión Nacional del Mercado de Valores* or “CNMV”) on 12 June, 2019 (the “Transaction Prospectus”);
- (ii) recent historical financial information of the Company, including (a) the Company’s audited financial statements for the fiscal years ended 31 December, 2015 through 31 December, 2018, as well as (b) the Company’s interim financial statements for the three months ended 31 March, 2019;
- (iii) certain internal financial analyses and forecasts for the Company prepared by the management of the Company and approved for our use by the Company (the “Forecasts”);
- (iv) the trading history of the Company’s common stock for the last five years and a comparison of that trading history with similar publicly available information of other companies that we deemed relevant;
- (v) a comparison of the historical financial results and present financial condition of the Company with similar publicly available information of those of other companies that we deemed relevant;
- (vi) a comparison of the historical financial results and present financial condition of the Company with similar publicly available information of other companies that were acquired in comparable transactions; and
- (vii) a comparison of Forecasts to that of prior forecasts provided by the Company.

In addition, we have had discussions and a presentation with the management of the Company concerning the Company’s business, operations, assets, liabilities, financial condition, prospects and the results of the analysis performed to arrive to our Opinion, and we have undertaken such other studies, financial analyses and investigations as we deemed appropriate.

In arriving at our Opinion, we have relied upon and assumed, without independent verification, the accuracy and completeness of the financial and other information and data furnished to or disclosed to us by or on behalf of the Company and the publicly available information that was reviewed by us, including the Forecasts, and we have not assumed and we do not assume any responsibility or liability for independently verifying such information. We have further relied upon the assurances of the management of the Company that they are not aware of any facts or circumstances that would make such information and data inaccurate, incomplete or misleading

and that such information and data provide a reasonable basis for our Opinion. We have assumed, with your consent, that the Forecasts have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of the Company. We assume no responsibility for, and we express no view as to, the Forecasts, estimates or the assumptions on which they are based. In arriving at our Opinion, we have not been retained pursuant to the Engagement Letter to, and we therefore did not, conduct a physical inspection of the properties and facilities of the Company or any subsidiaries and have not made or obtained any independent valuations or appraisals of the assets (tangible or intangible) or liabilities (contingent or otherwise) of the Company. Our Opinion necessarily is based upon financial, market, economic and other conditions as they exist on, and can be evaluated as of, the date of this letter and our Opinion. We assume no responsibility for updating or revising our Opinion based on events or circumstances that may occur after the date hereof or based on additional data or information which comes to our attention after the date hereof. Our Opinion is subject to the assumptions, limitations, qualifications and other conditions contained herein. Furthermore, we have not evaluated the solvency of the Company and its subsidiaries under any laws relating to bankruptcy, insolvency or similar matters and this Opinion does not constitute a solvency opinion.

We have assumed (i) the accuracy and completeness of any representations, warranties and statements made in the Transaction Prospectus; (ii) that the covenants contained in the Transaction Prospectus are reasonably likely to be performed; (iii) that the Transaction will be consummated without waiver, modification or amendment of any material terms of conditions set forth in the Transaction Prospectus; and (iv) that the price to be paid in the Transaction will be as set forth in the Transaction Prospectus. We have also assumed that all material governmental, regulatory and third-party approvals, consents and authorizations and releases necessary for the consummation of the Transaction will be obtained prior to completion of the Transaction and within the time frames reasonably contemplated by the parties to the Transaction and that in the course of obtaining any of those approvals, consents, authorizations or releases, no restrictions or conditions will be imposed that would have an adverse effect on the Company or the Transaction. We do not express any opinion as to legal, regulatory, insurance, tax or accounting matters, as to which we understand the Company and the Board have obtained such advice as they deemed necessary from qualified professionals.

We express no view as to, and our Opinion does not address, any terms or other aspects or implications of the Transaction (other than the fairness of the Cash Offer Price from a financial point of view to be paid by the Acquirer) or any aspect or implication of any other agreement, arrangement or understanding entered into or to be entered into in connection with the Transaction, including, without limitation, the fairness (financial or otherwise) of the amount or nature of the compensation resulting from the Transaction to any officers, directors, consultants or employees of the Company, or any class of such persons. In addition, we express no view as to, and our Opinion does not address, the future price or trading range of any equity interests in the Company or the underlying business decision of the Company to proceed with or effect the Transaction nor does our Opinion address the relative merits of the Transaction as compared to

any alternative business strategies that might exist for the Company or the effect of any other transaction in which the Company may engage.

In performing our analyses in connection with our Opinion, we took into account our experience and knowledge of the consumer staples industry and general business and economic conditions which may impact the Company. These analyses performed by us are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses.

We will receive a fee for our services in connection with this Opinion, a portion of which is payable upon rendering this Opinion. No portion of the fee is refundable or contingent upon the consummation of the Transaction. The Company has agreed to reimburse our expenses and indemnify us for certain liabilities that may arise out of our engagements. FTI through FTI Consulting Spain, S.L. (a subsidiary of FTI); (a) during the past two years, has provided consulting services to the Company related to (i) advisory services to the Board within the frame of the refinancing agreement executed in December 2015 and (ii) supporting the Company in the past on the preparation of a transformation plan, (b) are providing consulting services in the form of assistance to the Company in matters related to the support on the preparation of information and management meetings in light of interest arisen from potential investors related to Transaction and (c) might continue to provide assistance to the Company in connection with matters unrelated to the Transaction; in each case, FTI has received, or expects to receive, customary fees for such services. FTICA has not provided services to the Company during the past two years.

FTI, its subsidiaries and its affiliates engage in a wide range of businesses from investment banking, asset management and other financial and non-financial advisory services. In the ordinary course of our business, we and our affiliates may actively advise our customers with respect to trades or other transactions in equity, debt and/or other securities (and any derivatives thereof) and financial instruments (including loans and other obligations) of the Company for the accounts of our customers. Although information may be acquired in the course of providing such services to parties other than the Company or otherwise carrying out its business, neither FTI, its subsidiaries nor its affiliates shall have any obligation to disclose such information to the Company or to use such information for the benefit of the Company.

This Opinion, the issuance of which has been approved by our Fairness Committee, is for the exclusive use and benefit of the Board on behalf of the Company in connection with its consideration of the Transaction and is subject to the further restrictions in the Engagement Letter. We acknowledged and consent that the Board may make reference to this Opinion in the report on the Transaction to be issued by the Board pursuant to article 24 of Spanish Royal Decree 1066/2007 to the fact that FTICA has been engaged for this process, quote this letter in such report (as long as such quote is previously approved by FTICA, such approval not to be unreasonably withheld, delayed or conditioned) and attach this letter to such report. This Opinion is not intended to be and does not constitute a recommendation to any person, including any stockholder of the Company as to how such stockholder should proceed with respect to the

Transaction. We have not been engaged as an agent, broker or fiduciary of the Company or the stockholders of the Company or any other person with respect to the Transaction.

Based upon and subject to the foregoing, we are of the opinion that, as of the date hereof, the Cash Offer Price to be offered and paid by the Acquirer in the Transaction is fair, from a financial point of view, to the holders of the capital stock of the Company. Our opinion is based on the terms described to us by the Company.

Very truly yours,

FTI Capital Advisors, LLC

FTI Capital Advisors, LLC



INVESTMENT
BANKERS

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To the Board of Directors of Natra, S.A.
Edificio Master's I
Avda. General Perón, 38, 5ª Planta
28020 – Madrid (Spain)

Madrid, 20 June 2019

For the attention of Mr. Antonio Obieta

Dear Sirs,

GBS Corporate Finance, S.A. (hereinafter, "GBS Finance") was appointed by the Board of Directors of Natra, S.A. (hereinafter, "Natra" or "Company") on 18 October 2018 to compile an independent fairness opinion on the financial adequacy of the value offered by World Confectionery Group, S.à.r.l. (hereinafter, "Offeror" or "WCG") in its takeover bid (hereinafter, "TB").

Background

In order to describe the setting in which our work as an independent financial advisor has been undertaken, GBS Finance wants to show that our work has been undertaken with the prior knowledge of the following facts:

- i. Natra received a TB on 3 January 2019, valued at €0.90 per share and €900 per convertible bond (hereinafter, "the Initial Offer"). This offer was improved on 30 May 2019 to €1.00 per share and €1,000 per convertible bond (hereinafter, "the Revised Offer").
- ii. The initial price was reached following a competitive process to search for buyers driven by the main holders of the convertible bonds, which ended in an irrevocable sales agreement with the candidate who submitted the best offer.
- iii. Acceptance of the offer by the holders of the convertible bonds guarantees WCG access to a control stake of 57.58% in the capital of the Company after conversion.
- iv. WCG stated its intention to exclude Natra from the Stock Exchange and that the price offered should be considered as the Fair Price for all purposes, an aspect which has been accepted by the Spanish securities and exchange commission (CNMV) with the admission of the definitive prospectus on 12 June 2019. This fact implies, indirectly, the endorsement of the value offered in the Revised Offer by the CNMV.

A handwritten signature in blue ink, appearing to be the initials 'S' or 'SS'.



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Working methodology

GBS Finance was appointed by Natra’s Board of Directors in October 2018 once it became aware of Investindustrial’s intention to launch a takeover bid on the Company, which would ultimately be achieved through WCG.

The lengthening of the due diligence process, the compilation of the prospectus for the CNMV and its subsequent acceptance, and the final improvement in the price of the takeover bid, has resulted in this independent expert opinion report being compiled in two phases, without prejudice to GBS Finance’s opinion being unique and not varying between phases.

Phase I: Full assessment work by Natra to check the reasonableness of the price reported in the Initial Offer. This work was undertaken between November and February using the following valuation methods generally accepted by the financial community for this type of situation, as set out in Article 10.5 of Royal Decree 1066/2007 of 27 July 2007:

	<u>Applicability</u>
Discounted Cash Flows (“DCF”)	High
Comparable Transaction Multiples	Medium
Comparable Listed Company Multiples	Medium
Weighted Average Price for recent months	Medium
Theoretical Accounting Value	Low

Phase II: Following the offer improvement by WCG on 30 May 2019, GBS Finance revised the information applied to the different valuation methods indicated above. This revision is included in the assessment report accompanying this independent expert opinion.

Likewise, consideration has been given to the relevant event issued by the Company on 11 June 2019, at the request of the CNMV, in which it informs that the evolution of the business derived from the financial statements at 31 December 2018 and 31 March 2019 published in due time and form, falls within the Base Case of the Business Plan that GBS Finance has used in its valuation exercise.

Conclusions reached

As a result of the work described above, GBS Finance is in a position to conclude the following:

- i. Price. The final price offered by WCG of €1.00 per share and €1,000 per convertible bond is above our upper valuation range in all methods applied.



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- ii. Premium. Regardless of the effect of dilution by conversion of convertible bonds, WCG's offer implies an implicit premium, placing it above the median of the set of premiums paid in TBs in Spain in recent years.

This letter is part of the Independent Expert Opinion report attached and should therefore be considered as a whole. However, in order to simplify the work of the Board of Directors of Natra, GBS Finance authorises this letter to be used as part of the mandatory documentation that the Board of Directors must submit to the market following acceptance of the Information Prospectus by the CNMV.

Sincerely,



GBS Corporate Finance, S.A.
Pablo Gómez de Pablos
Managing Partner