

## Press Release

December 12, 2017

Herzliya, Israel

### **Merger Deal between Enzymotec and Frutarom Approved by 99.9% Majority of Enzymotec Shareholders**

#### **Completion of Transaction Expected Within 30 Days**

Frutarom Industries Ltd. ("**Frutarom**"), one of the world's 10 largest companies in the field of flavors and natural specialty fine ingredients, reports that the shareholders of Enzymotec Ltd., a public Israeli company whose shares are traded on NASDAQ (under the symbol ENZY) ("**Enzymotec**"), approved today by large majority the merger transaction between Frutarom and Enzymotec.

The transaction was approved at Enzymotec's General Meeting which convened on December 11, 2017 by 99.9% majority of shareholders present at the meeting and entitled to vote.

Following approval by Enzymotec's General Meeting, completion of the merger transaction is expected within 30 days from today, following which Enzymotec will be delisted from trading on NASDAQ and become a fully-owned subsidiary of Frutarom.

In exchange for acquiring full ownership of Enzymotec, Frutarom will pay approximately US\$ 210 million net of cash, deposits and securities in Enzymotec's treasury (including the cost of redeeming options and RSUs plus projected transaction costs). The merger transaction as approved shall be carried out at a price of US\$ 11.9 per share of Enzymotec which will be paid to its shareholders upon completion of the transaction.

Frutarom is preparing for fully integrating Enzymotec's activity with its Natural Specialty Fine Ingredients Division while rapidly capitalizing to the maximum on the many existing synergies between Frutarom and Enzymotec in order to bring about an acceleration of growth, improvement in cost structure and significant improvement in profitability for Enzymotec's activity.

**Mr. Ori Yehudai, President and CEO of Frutarom Group, said today:** "We are in the final stages of formulating a plan for the complete merging of all Enzymotec activities with Frutarom which will enable full rapid integration and the streamlining of the global activities of both companies in management, R&D, sales, marketing, production and the supply chain. In the framework of the merger and maximizing efficiencies, Frutarom's headquarters in Israel will be combined with Enzymotec's at the latter's modern plant at Migdal Ha'Emek.

"We will work towards accelerating growth of the joint activities of Frutarom and Enzymotec, with maximal realization of the significant cross-selling opportunities arising from the acquisition, significant business development that will enable the expansion Enzymotec's businesses to additional countries in which Frutarom has a presence, and a broadening of the product portfolio to Enzymotec's and Frutarom's existing customer base," continued **Mr. Yehudai**. "In addition, we will work to achieve maximum operational and business efficiencies to improve the cost structure and exploit the great potential inherent in the large investments made in Enzymotec, with emphasis on maximum utilization of its modern plant into which US\$ 40 million has been invested and the pipeline of new products which were developed over recent years in Enzymotec's R&D labs at an investment of approximately US\$ 30 million.



“We especially see Enzymotec’s specialty nutrition segment as playing an important part in our future profitable growth strategy that will contribute to the expansion of the portfolio of comprehensive solutions for customers of both companies in the field of pharmaceuticals, dietary supplements, designated foods for infants in the field of infant formula as well as in elderly clinical nutrition,” added **Mr. Yehudai**. “We will allocate additional resources to accelerate our growth in these fields where we see significant business potential.

“We are making progress in evaluating strategic alternatives for the activity of VAYA in the field of medical food which will be implemented in order to maximize value arising from this activity for Frutarom shareholders,” said **Mr. Yehudai**.

“Frutarom views Enzymotec as a significant base for establishing an excellence center for R&D and innovation in Israel which will consolidate the existing R&D activities of both companies and become a global base for developing new technologies for specialty fine ingredients in the realms of food and health, with maximum utilization and integration of Enzymotec’s R&D infrastructure also with the innovation incubator currently being set up by Frutarom after winning an Israel Innovation Authority tender,” concluded **Mr. Yehudai**. “Innovation and investment in specialized R&D are the basis for ensuring our continued rapid, profitable and unique growth. Over 750 R&D personnel t 82 laboratories around the world will get reinforcement from an increase in investment and the building of the excellence center in Israel. In addition, we will work to expand external R&D in combination with the many collaborations with universities, research institutes and start-ups throughout the world in order to bring maximum and unique added value to our more than 30,000 customers in over 160 countries.”

#### About Frutarom

**Frutarom** (LSE: **FRUT**, TASE: **FRUT**) is a leading global company operating in the global flavors and natural fine ingredients markets. Frutarom has significant production and development centers on all six continents and markets and sells over 70,000 products to more than 30,000 customers in over 160 countries. Frutarom’s products are intended mainly for the food and beverages, flavor and fragrance extracts, pharmaceutical, nutraceutical, health food, functional food, food additives and cosmetics industries.

Frutarom, which employs over 5,000 people worldwide, has 2 main core activities:

- The Flavors Activity which develops, produces and markets flavor compounds and food systems;
- The Specialty Fine Ingredients Activity, which develops, produces and markets natural flavor extracts, natural functional food ingredients, natural pharma/nutraceutical extracts, natural algae-based biotechnical products, natural food colors, natural antioxidants that provide solutions for natural food protection, aroma compounds, essential oils and unique citrus products. The Specialty Fine Ingredients products are sold primarily to the food and beverages, flavor and fragrance, pharmaceutical/nutraceutical, cosmetics and personal care industries.

Frutarom’s products are produced at its plants in the US, Canada, the UK, Ireland, Switzerland, Germany, Belgium, Italy, Spain, France, Slovenia, Poland, Russia, Turkey, Israel, South Africa, Morocco, China, India, Mexico, Guatemala, Peru, Chile, Brazil and New Zealand. The Company’s global marketing organization encompasses branches in Israel, the US, Canada, the UK, Ireland, Austria, Switzerland, Germany, Slovenia, Belgium, the Netherlands, Denmark, France, Italy, Spain, Hungary, Romania, Russia, Ukraine, Poland, Kazakhstan, Belarus, Turkey, Brazil, Mexico, Guatemala, Costa Rica, Peru, Chile, South Africa, China, Japan, Hong Kong, India, Indonesia and New Zealand. The Company also works through local agents and distributors throughout the world. For further information, please visit the Company’s website at [www.frutarom.com](http://www.frutarom.com).