



Solabia Group Announces its Acquisition of Algatech, a Global Leader in the Microalgae Industry

Paris, France, 22 May 2019 – Solabia Group (“Solabia”) today announces that it has acquired Algatech Ltd. (“Algatech” or “the Company”), a global innovative leader in the development, cultivation and commercialisation of ingredients delivered from microalgae and used by leading food supplement, food and cosmetic brands worldwide. Solabia, a family-owned company working closely with its minority partner TA Associates, is a global leader in biotechnology, fine chemicals and plant extraction technologies, and provides a range of active ingredients used by the cosmetics, pharmaceutical, diagnostic and nutrition industries worldwide. Financial terms of the transaction were not disclosed.

Founded in 1998 and located in the Arava desert in southern Israel, Algatech is leading innovation in the microalgae industry and is one of the very few companies in the world to have perfected commercial-scale production at the very highest standard. Algatech’s mission is to unlock and share the immense power of microalgae by bringing algae-based products to market and continuing to explore its limitless and wide-ranging applications. Over the past two decades, the Company has grown to become one of the world’s largest photobioreactor facilities, and a leading biotech business in the nutraceuticals sector. Algatech has complete oversight and control of its value and supply chains – from research, science, IP and cultivation to product development, testing and marketing – and can deliver tailored end-to-end solutions to meet its customers’ needs. Algatech currently exports to more than 35 countries worldwide, serving leading brands across the nutrition, cosmetic and food and beverage industries.

Algatech has realised high double-digit top line growth over the last several years and this trajectory will accelerate with Solabia’s backing. The strategic investment from Solabia will support Algatech’s continued focus on R&D and product development, as well as the expansion of its production capabilities, enabling the Company to serve the increasing global demand for microalgae. Algatech will become the centrepiece of Solabia’s nutrition division and the combination will allow both companies to benefit from the combined network and expertise, as well as to access new marketing channels and an expanded customer base.

The transaction represents a full realisation of UK-based investment firms Grovepoint Capital and JCA Charitable Foundation in Algatech, while Kibbutz Ketura will retain a minority share.

Commenting on the acquisition, Hagai Stadler, Chief Executive Officer of Algatech, said:

“We are excited to announce Algatech’s acquisition by Solabia. It marks a significant milestone for the Company and all of the people behind its success to date and is an important step towards realising our mission to unlock the power and share the benefits of microalgae with the world. Together with Solabia, we are poised to extend the Algatech growth story as part of a larger organisation with an extensive global footprint, a shared commitment to innovation, research and development, and an unwavering focus on utilising the benefits of microalgae to elevate the health of all of us.”

“I am thankful for the hard work and dedication of our employees, and the incredible support of our previous investors Grovepoint Capital and JCA Charitable Foundation over the past six years.”

Gerard Josset, Chief Executive Officer of Solabia Group, commented:

“Algatech’s pioneering R&D, impressive manufacturing facilities, market leading product portfolio and established customer base brings the opportunity for Solabia to be present in both fields of macroalgae and microalgae whose futures are very promising. Following our acquisition of Algues & Mer in 2016, this investment will allow us to further

strengthen our position in the nutrition and food supplement markets. We are looking forward to working with Algatech and its accomplished team to accelerate the growth of its current product portfolio, as well as to develop new algae-based products for the cosmetics and pharmaceuticals industries.

“The strength of Algatech’s team of experts is undeniable and we are excited and honoured to have them join the Solabia Group.”

Bradley Fried, Co-Founder and Partner at Grovepoint Capital, added:

“When we invested in Algatech six years ago, we recognised growth opportunities in the microalgae industry and saw significant potential for Algatech as a leader in that space. The talented team of experts at Algatech have successfully managed to harness the power of microalgae and its related applications, bringing the company’s products to an increasing customer-base across the world. We have been proud of Algatech’s growth and development, and wish Solabia and the company every success in its next stage of development.”

Sir Stephen Waley-Cohen, Chairman of JCA Charitable Foundation, said:

“We have been involved since the very start of Algatech, a ground-breaking project leveraging science from Ben Gurion University to create innovative products in the desert. We are very proud of the high level of employment achieved at Kibbutz Ketura, and the world-beating products which are developed at Algatech. Realising our investment will enable us to support many more projects in the rural periphery of Israel.”

Advisors

Peter Sugarman from Yigal Arnon & Co. served as legal counsel to Algatech and Asaf Nahum from Herzog Fox & Neeman served as legal counsel to Solabia in Israel. Mishcon de Reya served as legal counsel to Algatech and Latham & Watkins served as legal counsel to Solabia in the UK.

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Notes to Editors

About Algatech

Algatech is a world leader in the research, cultivation and commercialisation of microalgae, one of the earliest life forms and a proven source of crucial nutrients. Based at Kibbutz Ketura in southern Israel, the Company’s mission is to unlock the immense health benefits of these vital plants through meticulous R&D and cutting-edge technology. The company currently exports its products to leading brands in more than 35 countries worldwide across the nutrition, cosmetics, food and beverages industries.

Since its inception in 1998, Algatech has collated a team of 70 global experts and pioneers in biology, engineering, science, production and technology, all passionate and committed to breaking new ground in the development and productisation of microalgae. From its state-of-the-art eco-friendly facility in Israel’s Arava Desert, the team has developed techniques to cultivate algae in over 600km of greenhouse-like glass tubes, a process operated entirely on renewable energy. The location’s harsh and stable climate, high year-round light intensity and clean, unpolluted air are critical to successful and sustainable algae production. The process is designed to mimic nature’s processes using solar energy and recycled wastewater, with the only waste produced being oxygen.

The near million different species of algae have the potential to be hugely valuable sources of ingredients, including proteins, omegas, vitamins, carotenoids and polysaccharides, but only a handful are currently commercialised. Leveraging its cutting edge eco-friendly technologies and state-of-the-art scientific methods, the Company has become the leading manufacturer and supplier of astaxanthin, one of the world’s most powerful antioxidants sourced from the microalgae *Haematococcus pluvialis*, which it markets as AstaPure® Astaxanthin and sells as an active bulk ingredient to customers worldwide. Algatech also recently started to market FucoVital™, from the

microalgae Phaeodactylum, a proprietary composition for targeting liver health and metabolism syndrome. Algatech has an ambitious product pipeline that will add significant value to the wellbeing of humans and animals around the world. Algatech plans to introduce additional novel ingredients in the coming years and bring new ingredients sourced from microalgae to a market currently worth 2 billion USD. More information about Algatech can be found at www.algatech.com

About Microalgae

At the very basis of the food chain and containing almost all the basic nutritional elements of life, microalgae are recognised as one of the most promising long-term, sustainable sources for food, health, chemicals and other co-products. While there is substantial evidence for the health benefits of algae-derived food products, from improving heart, eyes and brain health to boosting immunity and improving skin health, algae are increasingly being consumed for functional benefits beyond the traditional considerations of nutrition and health. Not only has microalgae become a fundamental component of some of the world's most common and widely used consumer products, such as cosmetics and food supplements, but it also has the potential to address the growing population's need for a more sustainable food supply, specifically with respect to vegan sources of protein and high value lipids demands.

About Solabia Group

Solabia is a vertically-integrated manufacturer of natural active ingredients for the cosmetic, pharmaceutical, nutraceutical and microbiology industries. Solabia also produces culture media, supplements, detection kits and peptones for the food testing and pharmaceutical industries. With six production facilities and multiple R&D centres, the company offers an extensive range of natural active principles and ingredients for the cosmetic, pharmaceutical and nutraceutical industries. Solabia is a major player in the global cosmetic ingredients market with presence in the Americas, Europe, Asia and Africa. Under the brand Biokar, Solabia is also active in the development, production and selling of raw materials and of culture media, supplements and detection kits for microbiology laboratories. The company's products are principally used in the agro-food industry to detect bacteria, such as salmonella, legionella or listeria. More information about Solabia can be found at www.solabia.com.

For more information, please contact:

Algatech

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