

Edison initiates coverage of ADL Bionatur Solutions forecasting an equity valuation of EUR 2.37 per share with an upside potential of 42%

- Potential upside of more than 42% compared to MAB closing price of EUR 1.66 on 10 December 2018
- Edison based analysis on ADL's pipeline of existing fermentation CMO contracts and portfolio of patented, commercial stage products, predicting ADL's growth will continue in the coming years

León, Spain, 11 December 2018 - ADL Bionatur Solutions (MAB: ADL), a company specialized in research and development of health products, services and industrial fermentation production, today announced that the international investment research and advisory company, Edison Investment Research Limited, has initiated coverage of ADL.

Edison gave ADL an enterprise value (EV) of EUR 138.8 million, which translates to an equity valuation of EUR 93.4 million, or EUR 2.37 per share¹, 42 % higher than the closing price of EUR 1.66 on the Spanish Alternative Market (MAB) on 10 December 2018. The valuation is based on ADL's pipeline of existing CMO contracts, which secure the company's business plan for the coming years, and Edison's estimation of the upside potential of ADL's patented, commercial stage product portfolio. Not included in the evaluation are possible synergies of the integration and ongoing R&D activities on product development, such as microbiota.

Edison noted that ADL's fermentation contract manufacturing business serves as a stable foundation for the business model, driving ADL to firmly positive company-wide EBITDA and profitability in 2019.

Notably, ADL Bionatur Solutions announced on 22nd November, 2018, that the company had achieved an EBITDA positive position for the month of October, 2018; the first time since the reverse merger in May 2018.

Furthermore, Edison stated that longer-term vertical integration synergies of the two business segments could support future development and manufacturing of proprietary products in human and animal health, leveraging the significant product development capacity of ADL's R&D division. Several new products are expected to be launched in the next two years, which Edison projected would result in a significant increase in sales in this segment.

The overall valuation consisted of a discounted cash flow (DCF) model, applying a 10 % cost of capital (CoC) as per Edison's usual policy for operating healthcare firms with ongoing revenue. Given that ADL's production facilities and products under contract already meet relevant regulatory standards, no additional regulatory risk adjustments were applied by Edison.

¹ After removing EUR 45.4 million in estimated net debt for the fourth quarter of 2018.



The complete Edison report is available at:

<https://adlbionatur.com/wp-content/uploads/2018/12/InicioCoberturaEdison10Dic18.pdf>

About ADL Bionatur Solutions

ADL Bionatur Solutions, controlled by the investment fund Black Toro Capital (BTC) with 73% of the capital, is the company that resulted from the merger of ADL Biopharma and Bionaturis. The merger involves melding into a single unit the specialization in R&D in health products and services and the industrial production by fermentation and manufacturing capacity. ADL Bionatur Solutions is listed on the MAB, Spain's Alternative Stock Market (Ticker: ADL), since May 2018. The company provides qualified employment for more than 320 people and its markets are mainly located in Europe and the United States. www.adlbionatur.com

For more Information please contact:

ADL Bionatur Solutions

Blanca San Román

IRO and Communications

Email: ir@adlbionatur.com

International Media & Investor Relations

MC Services

Raimund Gabriel

Tel.: +49 89 21022880

Email: ADLbionatursolutions@mc-services.eu