

PRESS RELEASE

Viscofan acquires Nitta Casings for 13.5 million US\$.

Tajonar, 19th December 2019

Viscofan Group (VIS:SM) has reached an agreement to acquire the casing collagen division from the Japanese Group Nitta Gelatin Inc. (4977:JP), a public company listed in Tokyo Stock Market specialized in the production and distribution of collagen products for the pharmaceutical, food and industrial sectors.

This agreement includes the cash acquisition of 100% of Nitta Casings Inc. in United States and 100% of Nitta Casings (Canada) Inc. in Canada for an Enterprise Value of 13.5 million US\$ equivalent to 9.0x estimated annual EBITDA. An additional payment of 1.5 million US\$ could be paid in 2021 if EBITDA for 2020 reaches 1.8 million US\$ (8,3x EBITDA). Viscofan has paid 2.8 million US\$ in cash and incorporated 10.7 million US\$ as financial debt and pensions.

Nitta Casings has been owned by Nitta Gelatin Group since 1996 and has become one of the leading brands in the production of collagen casings for the North American market with annual sales of 40 million US\$. The acquired companies have an extrusion manufacturing center of collagen in New Jersey (United States) and a converting center in Ontario (Canada) with a product portfolio that includes collagen casings, collagen gel and biomedical products based in collagen.

For José Domingo de Ampuero, Viscofan's Chairman, "Nitta Casings' acquisition is a landmark for Viscofan. Such transaction will enable us to fulfill our production capabilities in North America with collagen casings by adding manufacturing centers in the United States and Canada. This move fits our MORE TO BE strategy aimed at reinforcing our commitment to the development of the global market in all casing technologies. To welcome Nitta Casings' human team is a new push for this commitment thanks to better time to market and technology diversification to improve customer service, not just in the region, but also worldwide".

For Koichi Ogata, Representative Director and President of Nitta Gelatin Inc., "NGI welcomes this transaction as an achievement that is in line with the business strategies of both Nitta Gelatin Group and Viscofan Group. NGI believes that Viscofan Group's expertise in the casing business will contribute to an increase in the mid-long term corporate values of Nitta Casings Inc. and Nitta Casings (Canada) Inc."

Viscofan has been advised by Greenhill&Co, EY and Baker Mckenzie.

For further information:
Investor Relations and Corporate Communications Department
Phone: + 34 948 198 436
e-mail: aresa@viscofan.com; beguiristainf@viscofan.com

More information about Viscofan in www.viscofan.com
More information about Nitta Casings in www.nittacasings.com

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