



**FINANCIAL RESULTS FOR THE FIRST HALF OF 2019:
ADL BIONATUR SOLUTIONS INCREASES REVENUES BY 138% AND
CONFIRMS POSITIVE OPERATING RESULTS**

- Revenues of the first half of 2019 grew to EUR 22.5 million reflecting a 138% growth (H1 2018: EUR 9.5 million).
- CMO is ADL's key business area: revenues increased by 190% for the first half of 2019 to EUR 16 million (H1 2018: EUR 5.5 million).
- First positive half year results for ADL Bionatur Solutions: Adjusted EBITDA amounts to EUR 595 thousand for the first half of 2019 compared to a loss of EUR 5.9 million in the first half of 2018.
- ADL Bionatur Solutions share price increased by 30% in 2019, clearly outperforming the index Ibex 35 by six-fold.

León, Spain, 10 October 2019 - ADL Bionatur Solutions (MAB: ADL), a company specialized in research and development of health, cosmetic and beauty products, services and industrial fermentation production, today reported the financial results for the first six months of 2019. Revenues of the first half of 2019 amounted to EUR 22.5 million reflecting a 138% growth compared to the same period last year. EBITDA turned positive with EUR 595 thousand compared to a loss of EUR 5.9 million for the same period of 2018.

Pilar de la Huerta, CEO of ADL Bionatur Solutions, said: "The half year results presented today confirm the roadmap the management of ADL defined. With the investment effort made since 2017 and 2018 being the turning point for ADL, in 2019 we are proving our strength and capabilities with a revenue growth of 138% and reaching profitability. We are expecting to continue our strong growth path for the remaining months of 2019 and the years to come. Therefore, we confirm our guidance of revenues above EUR 50 million and the first ever positive full year EBITDA result."

Financial results for the first six months of 2019

Revenues of the first half of 2019 amount to EUR 22.5 million reflecting a 138% growth compared to EUR 9.5 million for the first half of 2018.

Income by Business Areas				
€'000	H1 2019	H1 2018	Δ	Δ %
Fermentation (CMO)	16,013	5,526	10,487	190%
APIs (Pharma)	1,893	1,714	179	10%
R&D and Licensing Services	1,243	189	1,054	558%
Other divisions	1,524	1,074	450	42%
Subtotal	20,673	8,503	12,170	143%
In-house work on assets	1,378	887	491	55%
Allocation of grants	539	116	423	363%
Total Income	22,590	9,506	13,084	138%

The substantial improvement results from stronger performance in the company's main business areas:

- Revenues for the first half of 2019 of the fermentation division (CMO) amounted to EUR 16 million, 71% of total sales, representing an increase of 190% compared to the first half of 2018. This figure already exceeds the amount for the entire area in 2018, when revenues amounted to EUR 15.7 million.
- Revenues of the APIs (active pharmaceutical ingredients) division grew 10%, compared to the same period last year, to EUR 1.9 million.
- In the division R&D and Licensing Services, revenues amounted to EUR 1.2 million, compared to EUR 189 thousand in the first half of 2018, an increase of 558%. The R&D expenses increased by 55% in order to accelerate the development of the proprietary CMO product portfolio.

CMO's strong revenue growth of 190% compared to the first half of 2018 is due to the renewal, extension and incorporation of new contracts with international clients and the continuous improvement of ADL's facilities. The strong growth of the R&D division reflects the company's commitment to research and development with the aim of developing a portfolio of proprietary products.

In the reporting period, ADL achieved an adjusted EBITDA of EUR 595 thousand, compared to a loss of EUR 5.9 million for the same period of 2018, which represents a strong improvement and change in trend towards growth with profitability. EBITDA for the first half of 2019 amounted to EUR 105 thousand, an improvement by 102% compared to the loss of EUR 6.2 million in the same period of 2018.

Key event in the first six month of 2019:

- February 2019: Nutricion Center NC and ADL Bionatur Solutions sign a strategic alliance to tackle weight control by rebalancing the gut microbiome with the first age-specific product line. The alliance with Nutrition Center NC opens great opportunities for ADL in the Spanish pharmaceutical sector, reaching more than 2,000 direct sales points and 20,000 pharmacies.
- February 2019: ADL analyst coverage initiated by Checkpoint with a target price of €3.20 per share. Checkpoint estimates a potential 12-month increase of 51% over the share price of €2.12 on February 11, 2019 and an estimated company value of €160 million.
- March 2019: ADL signs a collaboration agreement with the Dravet Foundation Argentina and the Apoyodravet Association to promote the search for new medicines against the rare Dravet Syndrome
- May 2019: Banco Sabadell publishes a new research report on ADL with a revaluation potential of 77%. According to the report, ADL shares should be valued between 2.50 euros and 4.11 euros.
- May 2019: Edison updates its research note increasing the equity valuation to EUR 3.11 per share (from EUR 2.37 previously) resulting in an enterprise value of EUR 163.1 million (previously EUR 138.8 million).

Key events after the reporting period to date:

- July 2019: Through Biobide, ADL signs an important contract with one of the most important public health entities in the USA. Biobide was again chosen among the top 10 zebrafish service providers in the world, which consolidates it as a reference provider.
- July 2019: ADL renews its 2020 contract with Amyris with revenues anticipated to exceed EUR 12 million. Expansion confirms ADL's leading position in fermentation production in Southern Europe.
- July 2019: ADL increases 2019 production for a global nutrition company for additional revenues of over EU 2.5 million.
- August 2019: ADL enters into a strategic alliance with Japanese pharma company with revenues of initial EUR 13 million over the next 5 years. Alliance reaffirms ADL as global supply partner of sterile active pharmaceutical ingredients and extends its client base in Asia-Pacific.
- August 2019: ADL reinforces its growth strategy with a EUR 25 million debt financing from Kartesia. Proceeds complete the necessary investments to execute ADL's strategic business plan for the next four years, strengthening its CMO business plan and growth objectives.



- September 2019: ADL signs contract for development and scale-up services with long-standing German partner adding revenues of EUR 2.5 million for 2019.

Share price:

In 2019, ADL Bionatur Solutions share price increased by 30% clearly outperforming the index Ibex 35 and the MaB index by six-fold. The target price valuation of analysts covering ADL, Checkpoint, Banco Sabadell, ESN and Edison, ranges between EUR 2.37 and EUR 3.30.

Analysts	Target Price
Banco Sabadell	190%
ESN (European Securities Network)	10%
Edison Research	558%
Checkpoint	42%

Outlook:

Since the beginning of 2019, ADL has signed and renewed several CMO (contract manufacturing organization) and API (active pharmaceutical ingredient) contracts with internationally leading companies. These achievements and the strong reported growth allow the company to confirm its full year guidance of revenues above EUR 50 million and the first overall positive full year EBITDA result.

The financing agreement of EUR 25 million with Kartesia facilitate the execution of the business plan for the next four years including the complete modernisation of the facilities in León and investments at the other company sites.



About ADL Bionatur Solutions

ADL Bionatur Solutions (MAB: ADL) is a company specialized in biopharma manufacturing plus research and development of health, cosmetic and beauty products, services and industrial fermentation production. The Company, that owns the largest fermentation production plant in Southern Europe, carries out high value-added product development, scale-up and production for third parties. International healthcare companies as well as first-in-class academic and industrial laboratories mainly from Europe and the US are part of ADL's customer base. The biopharma manufacturing business is complemented by a research and development division, which creates a proprietary product pipeline in animal and human health. ADL is listed on the MAB, Spain's Alternative Stock Market (ISIN ES0184980003) and its major shareholder is the investment fund Black Toro Capital holding 71%. More information is available at www.adlbionatur.com or follow us on Twitter [@adlbionatur](https://twitter.com/adlbionatur) and [LinkedIn](https://www.linkedin.com/company/adlbionatur).

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