Financial information of the company Bioorganic Research and Services, S.A.

Results of the first semester of 2014 of BIORGANIC RESEARCH AND SERVICES S.A.

In Jerez de la Frontera, September 29th, 2014

To whom it may concern:

Pursuant to section 9/2010 of the Mercado Alternativo Bursatil (MAB), and for making available to the public, Bioorganic Research and Services, S.A. ("Bionaturis" or "the Company") submits the following information for the first half of 2014, ended 30 of June:

1. Profit and Loss account
2. Balance Sheet
3. Report on business performance

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CEO
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GENERAL CONSIDERATIONS

This document shows an analysis of the financial statements and operational results of Bioorganic Research and Services S.A. ("Bionaturis" or the company) for the first half of 2014, ended 30 of June. It is of knowledge of the market that the company has no need to audit the intermediate financial statements.

The financial information presented in this report refers to the audited annual accounts of the company for the year ended December 31, 2013 and the unaudited half-yearly information from the first half of the financial years 2013 and 2014.

All amounts included herein are expressed in euros, unless specifically indicated.

FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements that involve risks and uncertainties. In some cases, forward-looking statements are identified by words such as "believe," "anticipate," "intend," "plan," "will," "may" and similar expressions. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. All of these forward-looking statements are based on information available to us at this time, and we assume no obligation to update any of these statements.

Actual results could differ from those projected in these forward-looking statements as a result of many factors. We urge you to review and consider the various disclosures made by us in this report, and those detailed from time to time in our filings with the MAB, that attempt to advise you of the risks and factors that may affect our future results.

1. Profit and Loss account. Comparative periods H1-2013/H1-2014 and forecasted 2014

Profit & Loss statements (k€)					
€'000	**H1-2013**	**H1-2014**	**Dif**	**Forecast 2014**	**Achieved**
Net sales	308	1.332	1.024	4.269	31.2%
Work done for the assets	306	282	(24)	563	50,0%
Other revenues	144	(1)	(145)	313	
Revenues	**758**	**1.616**	**855**	**5.145**	**31,3%**
Supplies	(50)	(67)	(17)	(749)	8,9%
Personnel expenses	(282)	(412)	(130)	(653)	63.1%
Other expenses	(101)	(513)	(412)	(355)	144,5%
EBITDA	326	620	295	3.388	18,3%
% s/over revenues	43,0%	38,5%		65,9%	
Amortizations	(256)	(197)	60	(940)	
EBIT	**69**	**423**	**981**		**17,3%**
% s/over revenues	**9,1%**	**26,3%**		**47,6%**	
Financial gain	31	723	691	15	
Financial lost	(44)	(154)	(110)	(15)	
Financial result	(12)	569	582	-	
Result before taxes	**57**	**993**	**936**	**2.448**	**40,5%**
Taxes	-	(149)	(149)	(231)	
Net result	**57**	**844**	**787**	**2.217**	**38,1%**
footnote: H1-2014 figures include BBD Biophenix figures, acquired by Bionaturis Group in May 2014. The average tax rate applied is 15% due to R&D deductions.					

Revenues and EBITDA

The evolution of the business during the first half of 2014 over the same period of the previous year has been positive. During the first six months of the 2014 financial year turnover has increased 333% and 91% EBITDA, comparing H1-2013.

During H1-2014 the Society has reached 31%, 18% and 38% of total sales, EBITDA and net profit, respectively, of the forecasted figures for the whole financial year. The Group's management estimates to achieve the provisional figures during H2-2014, based on contingent payments related to the fulfillment of different milestones in the development of BNTs programs and FLYLIFE license agreements according to the contracts in force. Those contingent payments accounting for about €1.5 million. Therefore, any unforeseen delay could cause a significant deviation in revenues, EBITDA and net result reported at year-end.

Throughout H1-2014, the company BBD Biophenix has been fully integrated. As it was communicated to the market at relevant fact dated May, 16th 2014, Bionaturis acquired 100% of BBD Biophenix. Since then, no transactions intra-group have been performed.

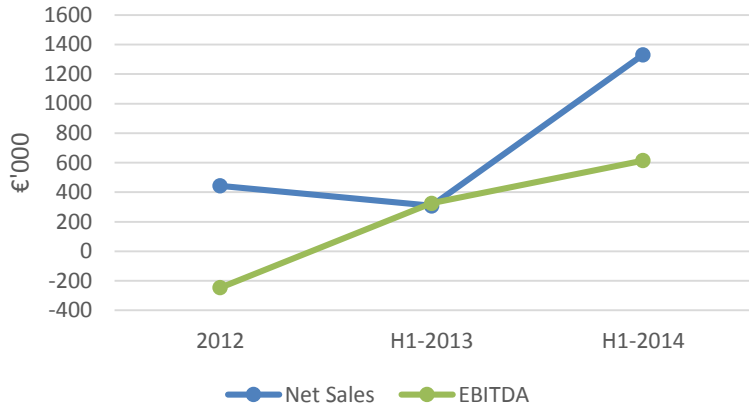
Amortization

Amortization accounts for €197 thousand, compared with €256 thousand of H1-2013.

Financing gains and lost

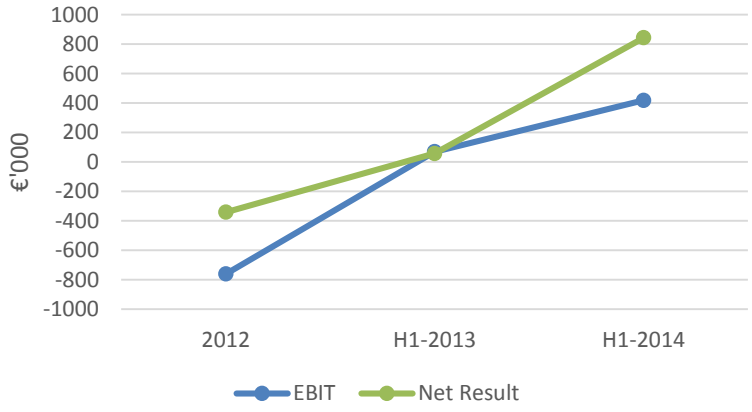
The financing net results has increased to €582 thousand from €(12) thousand of H1-2013, primarily due to higher short-term financial investments accounting for €2.1 million in June 2014 closing comparing to €0.17 million of December 31st 2013..

EBIDTA



In H1-2014 EBITDA was €620 thousand as compared to €326 thousand for the same period of 2013, an increase of €295 thousand. There has been an increase in operating expenses in the first half of the year as a result of the capital increase associated costs, as well as the international expansion and consolidated cost of the fellow company BBD BIOPHENIX, offsetting the Net Sales/EBITDA ratio.

Net result



In H1-2014 the interim Net Result was €844 thousand as compared with €57 thousand for H1-2013, an increase of €787 thousand. Such increase is partly due to the increase of the financial revenues of the 2014 first semester.

Balance Sheet

The following tables show the balances corresponding to the closed and audited accounts at December 31st, 2013 and unaudited half-yearly information from the first half of the financial years 2013 and 2014. The H1-2014 figures are consolidated figures between Bionaturis and BBD Biophenix, being the reason for the differences within comparing financial states. No transactions between fellow companies of the group have been performed.

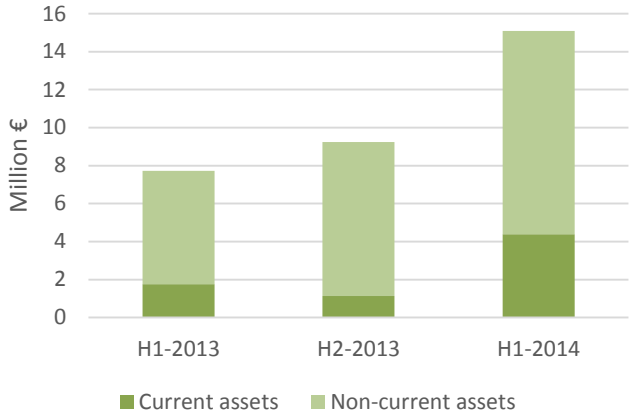
BBD BIOPHENIX was valorized using the nxEBITDA method and the buy-out operation was closed including a downpayment of 35%, being the remaining 65% conditioned to a EBITDA-based milestone payments according to its business plan. On the purchase of the company a goodwill amounting to 2.18 million euros has been generated in the consolidated balance sheet of the group.

Last April 2014, the Company launched a capital increase operation in order to implement the internationalization process outlined in the business plan presented to the market in January 2013, pursuing to have an effective presence in the Asian and Latin American markets. A total of 441.241 new common stocks were fully subscribed, accounting for 3.088.687 euros.

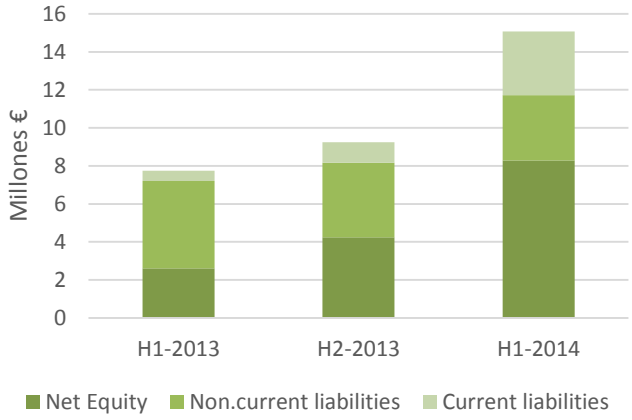
Assets			
€'000	**30.06.2013**	**31.12.2013**	**30.06.2014**
Intangible assets	1.957	2.120	4.611
Fixed assets	2.252	3.117	3.343
Long-term financial investments	148	951	925
Deferred taxes assets	1.619	1.922	1.922
Non-current assets	5.975	8.110	10.801
Supplies	78	42	38
Unbilled receivables	1.095	347	1.777
Short-term investments	422	173	2.142
Cash and cash equivalents	164	576	494
Current assets	1.759	1.137	4.451
Total assets	**7.734**	**9.247**	**15.251**

Liabilities and Equity			
	30.06.2013	**31.12.2013**	**30.06.2014**
Shareholders' equity	1.651	2.515	6.520
Received grants and donations	961	1.728	1.934
Net equity	2.612	4.242	8.454
Bank long-term debts	373	357	457
Other long-term debts	3,966	3.362	2.724
Deferred taxes rent	248	203	250
Non-current liabilities	4.587	3.923	3.431
Bank short-term debts	9	102	109
Accounts payables	13	531	2.883
Other short-term debts	512	449	374
Current liabilities	535	1.082	3.366
Equity and Liabilities	**7.734**	**9.247**	**15.251**

Assets evolution



Liabilities evolution



2. REPORT ON BUSINESS PERFORMANCE IN THE FIRST HALF, YEAR 2014

BIONATURIS GROUP gathers biopharmaceutical companies that share a common vision of a more global access to the breakthroughs that happened in the global health sector. Nowadays, BIONATURIS GROUP is constituted by BIONATURIS and BBD BIOPHENIX.

BIONATURIS

Bioorganic Research and Services, S.A ("Bionaturis") is a biopharmaceutical company focused on the development and manufacturing of biological drugs for human and animal applications. The registration and commercialization process of the Company's product pipeline is conducted by third parties. The Company's product pipeline targets a variety of, but not limited to, second generation vaccines for infectious diseases based on its proprietary FLYLIFE technology and thereof.

The Company's candidates currently under development will require additional development efforts that include clinical testing and regulatory approval prior to commercial use.

The Company´s main activity is based on Collaborative Development Agreements (called "BNT PROGRAMS") with third parties, most of them multinational leader companies, and technology licensing agreements. Each BNT PROGRAM or out-licensing agreement may include an upfront payment, payments for research and development services, milestone (temporary or technical) payments and royalties.

Thus, the Company may get revenues from these Programs before the corresponding product entering a market or even without ever entering a market.

Most of the current BNT and licensing programs of the Company are devoted to animal health applications.

BNT PROGRAMS ON DEVELOPMENT

Due to NON-DISCLOSURE clauses of the Collaborative Development Agreements signed with third parties the information the company is authorized to disclose is often limited and under the scrutiny of all the parties. Bellow, you can find the authorized information about some BNTs ongoing programs. The company informs that the expected deadlines for BNT results published in the last annual report are kept and it includes a new BNT development (BNT013). As the company gets authorizations from the partners involved in the projects the relevant information about results and new BNTs developing data will be disclosed.

BNT001 (biobetter for Gaucher Type I patients). Oral version of recombinant human glucocerebrosidase for palliative treatment of Gaucher patients (human). BNT001 would be an oral version of the current available treatments delivered by infusion.

Stage of development: Following advice from the Spanish Medicines Agency and Phase I unit of Virgen del Rocío University Hospital of Seville, a plan for preclinical investigation is actually running. In the first on-going set of experiments the different forms of hrGBA have been tested againstin vitro cultures of fibroblasts from Gaucher´s patients with different mutations. To

measure effectiveness internalization of the recombinant enzymes in fibroblasts and increase of fibroblasts glucocerebrosidase activity is being measured. Results expected for Q2-2014. Future development (2015) includes trials in Gaucher mice "Gba1D409V/D409V/V394L/V394L + saposin C-/-" form to evaluate efectiveness and safety after the oral delivery of a selected hrGBA.

Expected arrival to the market: undetermined

Expected date to revenue: 2015-2016 as out-licensing fees

BNT004 (recombinant vaccine for nematodes in livestock). Efficacy, effectiveness, and toxicity tested in both rodents and lambs trials. It would be a first in class prophylactic treatment for this disease.

Stage of development: a multinational company is testing the efficacy and safety in lamb trials. Expected results for Q32014

Expected arrival to the market: it could reach the market during 2015.

Expected date to revenue: 2014 as out-licensing fees

BNT005 (Canine visceral leishmaniasis recombinant prophylactic and therapeutic vaccine). It would be a first in class prophylactic and therapeutic product (all in one) for this disease.

Stage of development: efficacy and toxicity tested in rodent challenges. Ongoing efficacy trial in beagle dogs. It has been confirmed humoral and cellular immune response in vaccinated dogs versus control. It has also confirmed a safety profile in vaccinated dogs. A new field assay in dogs to test adjuvants, dose-regime and combination vaccines is planned, which is being monitored by a multinational vet company. Expected results for Q4-2014.

Expected arrival to the market: it could reach the market during 2017.

Expected date to revenue: 2015 as out-licensing fees

BNT006 (antimicrobial peptide). Antimicrobial natural-occur agent to fight multiresistant bacterial strains. To be used either alone or in combination with other antimicrobial agents. Different mechanism of action than traditional antibiotics. Application in human and animal health and as bactericide in industrial hygiene as well.

Stage of development: Ongoing efficacy and toxicity trial both in-vitro and in-vivo (rodent model). Expected results for Q2-2015.

Expected arrival to the market: it could reach the market during 2016.

Expected date to revenue: 2015 as out-licensing fees

BNT007 (recombinant vaccine for poultry). A multivalent recombinant vaccine for poultry.

Stage of development: Efficacy and toxicity tests in chickens planned for Q3-2014 in farms (Mexico).

Expected arrival to the market: it could reach the market during 2016.

Expected date to revenue: 2016 as out-licensing fees

BNT010 (swine vaccine). A recombinant vaccine for pigs.

Stage of development: Contract of evaluation and license option with multinational signed. Trials of efficacy and safety in pigs planned for 2014 in farms.

Expected arrival to the market: it could reach the market during 2016.

Expected date to revenue: 2015 as out-licensing fees

BNT011 and BNT012 (salmon vaccine 1 and 2). Recombinant oral vaccines for salmon.

Stage of development: Contract of evaluation and license option with multinational signed. Trials of efficacy and safety in salmon planned for 2014.

Expected arrival to the market: it could reach the market during 2016.

Expected date to revenue: 2015 as out-licensing fees

BNT013 (fertility treatment for livestock). New breakthrough drug to induce ovulation in livestock prior to artificial insemination. Bionaturis will run tests of effectiveness and safety of the new drug in animal models, while the multinational will validate these results in its facilities, performing field trials with the intended specie. The agreement includes exclusive licensing option rights for the multinational company.

Stage of development: Contract of evaluation and license option with multinational signed. Successful FLYLIFE manufacturing proof of concept. Efficacy and safety results in animal model expected for Q2-2015. In case of a positive outcome, a field trial with the intended specie would be performed with available results ready for analysis in 2016

Expected arrival to the market: 2018.

Expected date to revenue: since the signing of the contract, the multinational company is assuming the development costs. Other income is expected as a result of execution of licensing rights in case positive results are obtained in field trials over target species.

Disclaimer

These above paragraphs include “forward-looking statements”. These statements are based upon the current beliefs and expectations of Bionaturis’ management and are subject to significant risks and uncertainties. There are no guarantees with respect to pipeline products that the products will receive the necessary regulatory approvals or that they will prove to be commercially successful. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements.

Risks and uncertainties include but are not limited to, general industry conditions and competition; general economic factors, including interest rate and currency exchange rate fluctuations; the impact of pharmaceutical industry regulation and health care legislation internationally; global trends toward health care cost containment; technological advances, new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approval; Bionaturis’ ability to accurately predict future market conditions; manufacturing difficulties or delays; financial instability of international economies and sovereign risk; dependence on the effectiveness of Bionaturis’ patents and other protections for innovative products; and the exposure to litigation, including patent litigation, and/or regulatory actions.

Bionaturis undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

OTHER RELEVANT FACTS

Capital Increase

Last April 2014, the Company launched a capital increase operation in order to implement the internationalization process outlined in the business plan presented to the market in January 2013, pursuing to have an effective presence in the Asian and Latin American markets. A total of 441.241 new common stocks were fully subscribed, accounting for 3.088.687 euros.

BBD Biophenix acquisition

Last May, the Company acquired 100% of BBD BIOPHENIX S.L (BBD), a leader in state-of-the-art screening systems for drug discovery. With this acquisition Bionaturis incorporates cutting-edge biotech assets to its organic growth, in this case, related to the use of zebra fish models for early determination of drug pharmacological profiles.

BBD is an international leader in the field of using the zebra fish model for drug toxicity and efficacy tests applying the latest technologies such as image analysis and automation. This alternative model improves the cost/effectiveness of preclinical phase for pharmaceutical, biotechnology, petrochemical, agrochemical, and cosmetic companies. BBD has a wide portfolio of big pharma clients, from United States and Europe.

Throughout H1-2014 the company has achieved the renewal of contracts with several of the major players in the chemical and pharmaceutical sector, consolidating its top-level customer portfolio. On the other hand, and in line with the consolidation of its international expansion strategy, the company has raised interest on new clients, expecting to sign new contracts over next quarter.

As part of the policy of promotion and development of new zebra fish assays for optimizing and speeding up the drug discovery process of our customers, innovative developments have been carried out and they have been disseminated in both international forums and prestigious scientific magazines as well.

In order to comply with the requirements for the ecotoxicity tests approved by the OECD guidelines, Good Laboratory Practices (GLP) are being implemented to be certified along the year. This milestone will allow to achieve new targets such as agrochemical, cosmetic, and petrochemical markets.

Others M&As

Besides the acquisition of 100% of BBD BIOPHENIX, BIONATURIS GROUP is evaluating some new buy-out operations. The assets that are being analyzed may contribute to get size and promote value in both sides of the value chain. After these acquisitions are fully executed the Company will broaden its offer always under the pursuit of its vision: “a more global and democratic access to health”. The Company will inform about the state of these operations in forthcoming months.

International expansion

Although Bionaturis is working with international renowned institutions from the beginning, as it is presented in the business plan published both in the DIIM and in the DAC (March 2014), the company

is implementing an international expansion plan in order to have an effective presence in others biotech markets, specifically in Asia and Latin America. At the date of issuing this report, the subsidiary of Bionaturis in China is in advanced administrative phase of constitution. It has been signed a pre-agreement with the Wuxi Life Science and Technological Park (Wuxi L-Park), located in the city of Wuxi (Jiangsu, Huishan distric), to be closed at the time that the subsidiary is legally incorporated.

New Collaborative Research Agreement

Last June the Company signed a new collaborative development agreement with a multinational company. In the framework of the contract, Bionaturis will make use of its proprietary system FLYLIFE to develop a new breakthrough drug to induce ovulation in livestock prior to artificial insemination. Bionaturis will also run tests of effectiveness and safety of the new drug in animal models, while the multinational will validate these results in its facilities, performing field trials with the intended specie. The agreement includes exclusive licensing option rights for the multinational company, which forecasts a minimum potential market of 20-25 USD million for this product.