The next translation is intended only for information purpose. In case of any discrepancies, the official Spanish version shall prevail.

Annual Financial Information of the company Bioorganic Research and Services, S.A. 2014

In Jerez de la Frontera, April 30th, 2015

To whom it may concern:

In compliance with the section 9/2010 of the Mercado Alternativo Bursátil (MAB), and for making available to the public, Bioorganic Research and Services, S.A. ("Bionaturis" or "the Company") submits the following annual information for the year ended 31st of December 2014:

INDEX:

1. Letter to Shareholder
2. 2014 financial statements analysis and degree of compliance with forecasts:
    a) Analysis of the business development
    b) Analysis of the financial statements
    c) Analysis of the balance sheet
3. Updating of the Company's Business Plan 2015-2016

Víctor Manuel Infante Viñolo
CEO
Bionaturis

1.- Letter to Shareholder

April-2015

2014: Strengthened after a year of contrasts

Dear Investors, Followers and Friends,

2014 has been a year in which, in quantitative terms, we have continued to make progress in providing value to our investors and society at large. We have increased our net result by 720,000 euros, our operating profits by 52%, and our net sales by 116% compared to the financial year 2013.

In qualitative terms, our position as a biotechnology group continues to grow, together with our catalogue of products and services with a high added value. In the Human and Animal Health Division, our collaborative developments with third parties (BNTs) have reached all of the technological milestones set for 2014, and have increased in their number and diversification, in particular two new developments which we have incorporated in collaboration with two companies in the USA, both aimed at human health.

At the same time, after acquiring 100% of the company BBD Biophenix last May, we have extended the offer of the Bionaturis Group in the CRO Division (Contract Research Organisation). Through this operation we have not only incorporated new talent, but also a greater offer of high added value services and clients as significant as Sanofi, Roche and Servier in the pharmaceutical sector, or Shell in the petrochemical sector.

As a result, our income has risen by 73% with respect to the previous financial year, although, as we indicated to the market last January, the objectives included in the current Business Plan have not been achieved, due to the BNT Dermocosmetics Division performing below expectations, and the nature and seasonal trends of the development agreements signed with third parties. At this moment, the whole of the management team of the Bionaturis Group continues to work tirelessly not only to reach the goals for 2014 as soon as possible, but also to exceed them. In doing so, the international expansion processes and inorganic growth policy we are implementing will play a key role.

At international level, we have made a decisive commitment and are making significant efforts in our business activities and search for new contacts, working with companies of recognised standing in the Chinese and Latin American markets. In terms of inorganic growth, our operations have been aimed at increasing in size and diversity in order to strengthen the group's structure, and to be ready to compete with the best possible guarantees in different international markets.

Our performance has also been recognised outside of our frontiers. Last November, in Brussels, Bionaturis Group was awarded the greatest accolade by the Federation of European Securities Exchanges in the prestigious Small and Mid-Cap Awards, in the Rising Star category. An acknowledgement that encourages us to face up to 2015 –a special year, as it marks our tenth anniversary– with the very greatest expectations. Thank you all for making it possible.

Jerez de la Frontera, 30 April 2015

Víctor Manuel Infante Viñolo

CEO, Bionaturis

2.- 2014 financial statements analysis and degree of compliance with forecasts

A. ANALYSIS OF THE BUSINESS DEVELOPMENT

Bionaturis Group aims to contribute to "a global access to health", with the goal that the latest advances in human and animal medicine can reach a larger number of users. With this vision as a guide, Bionaturis group focuses on offering services and products of high added value for the development of biotechnology applications for human and animal health, through the following major divisions:

- **Human and Animal Health Division**

BNT PRODUCTS

Bionaturis: biopharmaceutical company intended to develop and manufacture biological products for human and animal health 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, besides those described in this section, new BNTs programs have started this fiscal year, highlighting two new agreements with US biotechnology companies to join efforts to develop two new vaccines for human applications. 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.

Updated and authorized BNTs programs data are available below:

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, different versions of the recombinant enzyme have been tested against fibroblasts from Gauchers patients (in vitro), using the internalization and glucocerebrosidase activity of the fibroblasts as a measure of the efficacy. Pharmacokinetics and pharmacodynamics in mouse model tests have also been completed. They show that oral administration of BNT001 allows the intake of the active glucocerebrosidase enzyme in serum, liver, and spleen. The pharmacokinetics of a dose relatively low but continued of BNT001 is similar to that described for the pharmacological dose of current versions on the market administered by intravenous infusion. Mini-pigs assays have been planned to test efficacy in a murine model of the disease and to get the pharmacokinetic profile in a non-rodent animal model. Results expected for Q4-2015.
>
> **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 (challenged against one parasite specie) and lambs trials (challenged against highly burden several parasite species). 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, under specific conditions of infection of strategic interest to the sponsor. The proof of concept results under these conditions performed during 2014 show that the vaccine is safe and that dose-response experiments including different variations of the conditions of the final formulation are needed. The sponsor has proposed to run this next trial of clinical evaluation including a broader number of variables. The starting date of the new trial is pending approval by the sponsor.
>
> **Expected arrival to the market**: it depends on the starting date of the new trial.
>
> **Expected date to revenue:** it depends on the starting date of the new trial.

BNT005 (Canine visceral leishmaniasis recombinant prophylactic and therapeutic vaccine). BNT005 would be a first-in-class recombinant vaccine, not depending on the parasite to its manufacture, which induces the same immune response observed in individuals that have overcome the disease, acting not only to prevent but to treat infected dogs.

Stage of development: efficacy and toxicity tested in humanized transgenic mice models. The results of the first proof of concept in Beagle dogs show safety and efficacy triggering immune response. In Q4-2014 the results of a second trial in Beagle dogs were obtained with larger numbers of individuals, to evaluate efficacy and safety of adjuvanted formulations. The results confirm the safety and efficacy profile in the generation of the seek humoral and cellular immune response in all vaccinated dogs, as well as the removal of parasites in some individuals that were naturally infected prior to the trial. There are on-going infection tests of naïve dogs immunized in 2014 to evaluate the response after infection and the protection against the development of the disease. Results expected for Q3-2015. Validated and monitored by a multinational company, a jointly final efficacy trial with natural infection of a larger number of individuals in an endemic area of the disease has been planned, starting in Q4-2015.

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 peptide to combat infections and its effects without using traditional antibiotics or steroids, including multidrug-resistant bacteria. 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: the planned in-vitro assays for Q2-2015 have shown that a formulation of BNT006 developed for local application have the same bactericidal effect as a commercial standard. Oral administration efficacy and safety tests in murine models are underway. Results expected for Q4-2015.

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 domestic birds against high burden both classic and new strains of the virus.

Stage of development: Efficacy and toxicity tests in domestic birds were planned for Q3-2014 in farms (Mexico). Due to unforeseen events of the local partner in Mexico to get the import permit to receive the biological from Spain, the new starting date is Q2-2015.

Expected arrival to the market: it could reach the market during 2016-2017.

Expected date to revenue: 2016-2017 as out-licensing fees.

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

Stage of development: The trials performed in Q4-2014 has shown that a formulation of BNT010 has achieved similar or better results in in-vivo tests that commercial standards. Besides, the new formulation of BNT010 has been proof to

be scalable for a global need and to overcome any event of shortage supply from commercial sources. An evaluation and license agreement with a multinational veterinary company is in force. They are evaluating the following tests to apply for the registration in strategic regions of prevalence or in outbreak risk of the disease.

Expected arrival to the market: it could reach the market during 2016-17.

Expected date to revenue: 2015-16 as out-licensing fees.

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

Stage of development: Contract of evaluation and license option with multinational in forced. The first safety and efficacy field trials executed in 2014 has been satisfactory. As logic step in the way to registration, a new dose-response trial in salmon at the facilities of the sponsor is planned for Q2-2015.

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 carry out efficacy and safety tests 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 in forced. 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.

- **CRO** (Contract Research Organization) **division**:

Business division offering drug discovery and development services for third-parties. This division of Bionaturis group is mainly comprised of BBD BIOPHENIX, also including R&D services that Bionaturis offers to public and private research institutions.

BBD BIOPHENIX S.L. (BBD) is a leading international company in the application of the zebrafish model for toxicity and efficacy tests. This alternative model optimizes the new product discovery success rate for pharmaceutical, biotechnological, petrochemical, agrochemical, and cosmetic companies. BBD operates internationally under the brand name Biobide.

BBD revenue model is based on fee-for-services, having a broad customer portfolio in each of the sectors of application. The company offers a wide range of services based on the application of the Zebrafish model, including toxicity (acute, hepatic, cardiac, and teratogenic toxicity) and efficacy trials in specific types of cancer, central nervous system and metabolic diseases, among others.

During 2014 the company has achieved the renewal of the contracts that already had in place with several international key players in the chemical and pharmaceutical sectors, consolidating this way its long term relationship with its preferential clients. On the other hand, following the company´s expansion consolidation strategy, new clients from the chemical and pharmaceutical sectors have been also established during this period. Among these international clients we can highlight world leading companies such as SANOFI, SERVIER and ROCHE from the pharmaceutical sector as well as SHELL as a driver in the petrochemical sector.

Several innovative zebrafish assays have been developed and consequently presented in well renowned international meetings as well as published in prestigious scientific papers. An example of this is the collaboration with Sanofi that resulted in a publication in "The Journal of Biological Chemistry" 2015 Feb 6;290(6):3405-17 entitled. This is in line with our company´s strategy to promote and develop new assays that help optimizing and accelerating the drug development process of our clients.

As part of our market diversification strategy and aiming to fulfill all the requirements concerning ecotoxicity assays with zebrafish model that are approved

by OCDE, we are implementing Good Laboratory Practices (GLPs) in order to be certified by ENAC and/or Spanish Health Regulatory Agency. This milestone will pave the way to reach new key markets including the Agrochemical, Cosmetic and Petrochemical markets. These new markets will in turn benefit from the zebrafish alternative model.

Finally, as part of our internationalization strategy, we have also established a collaboration with one of the main public heath agents in USA and thanks to this collaboration, we will present our work in the Annual Meeting of the European Teratologogy Society that will be held next September 2015.

- **CDMO** (Contract Development and Manufacturing Organization) **division:**

Business division offering drug development and manufacturing services for third-parties. By means of the proprietary FLYLIFE system, Bionaturis offers the development and manufacturing of biological products for the industry. From research to clinical material. The business model of this division is as follow:

- ✓ Fee-for-services local develop and manufacturing at Bionaturis facilities; or
- ✓ FLYLIFE technology transfer agreement. Upfront, milestones and royalty-based fees

The objectives of this division of development, manufacturing and licensing to third parties has been achieved during the fiscal year 2014, increasing the portfolio of clients and the type of products/services offered. As part of the program, FLYLIFE facilities in Parque Tecnológico de Jerez de la Frontera have been expanded with a new 176 m^2 plant.

- **Consumer products division: BNT DERMOCOSMETICS**

This business division is dedicated to the development, manufacture and marketing of dermocosmetic products. Since its creation the company has launched to the market five products. These products are distributed by pharmaceutical and cosmetic products wholesalers, and made available to the final consumer in pharmacies, drugstores and specialty stores. All products are marketed under the registered brand BNT DERMOCOSMETICS. They are not pharmaceuticals. As published as relevant information last January, 8 2015, since October 2014 OSEI PHARMA services were hired to strengthen the sales strategy and to increase significantly the network of sellers.

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.

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.

As published as relevant information in March 2015, the Company is working along the firm of Carmelo Angulo Barturen to design and implement the expansion plan in Latin America. Carmelo Angulo has a wide experience and knowledge of the Latin American market, having diplomatic posts of high relevance in the area. Among other positions, he has been Ambassador of Spain in Mexico, Argentina, Bolivia, and Colombia, as well as resident coordinator of the United Nations in Nicaragua and Argentina. As part of the agreement, a first direct trade mission to Mexico has already be done and other to be held in Colombia, Peru, Uruguay, and Argentina is planned.

Although there have been delays due to administrative reasons beyond the responsibility of the Company, Bionaturis Group is conducting extensive prospection work at field-level in China for all its divisions. The group will begin operations with commercial structure by its subsidiary, to be operational from May 2015 onwards.

B. ANALYSIS OF THE FINANCIAL STATEMENTS

The following is an analysis of the financial situation of Bionaturis for the financial year 2014, and its trends with regard to the previous financial year.

These figures also analyse the degree of compliance with regard to the budget considered for the close of the financial year 2014 included in the company's Business Plan published on 15 January 2013 as a 'relevant event.'

Consolidated Income Statement (Thousands €)					
€'000	**2013**	**2014**	**2014 P**	**Variation 2014 /2013**	**% compliance with BP**
Net turnover	870	1,881	4,269	116%	44%
Other income	61	59		-3%	
Allocation of subsidies to results	179	105	313	-41%	34%
Own work capitalised	638	981	563	54%	174%
Total operating income	**1,749**	**3,026**	**5,145**	**73%**	**59%**
Supplies	(189)	(245)	(749)	30%	33%
Personnel costs	(588)	(819)	(653)	39%	125%
Other operating costs	(251)	(1,030)	(355)	311%	290%
Depreciation of fixed assets	(503)	(600)	(940)	19%	64%
Operating results	**219**	**332**	**2,448**	**52%**	**14%**
EBITDA	**722**	**931**	**3,388**	**29%**	**27%**
% of total net turnover	*82.9%*	*49.5%*	*79.4%*		
Financial income	97	45	15	-54%	298%
Financial costs	(160)	(239)	(15)	50%	1595%
Exchange differences	(0)	(1)		2352%	
Impairment and results for disposal of equity instruments		620			
Financial result	**(63)**	**425**	**-**	**-774%**	
Pre-tax income	**156**	**756**	**2,448**	**386%**	**31%**
Income tax	317	437	(231)	38%	-189%
Net Results	**473**	**1,193**	**2,217**	**152%**	**54%**

Income

The total income for the Bionaturis Group in FY 2014 was 3,026,000 euros, representing an increase of 73% over the previous financial year. This increase is basically due to an increase in the company's net turnover of 116% compared to FY 2013.

It is important to note that FY 2014 is the first year in which the company has consolidated its accounts, a result of the acquisition in May 2014 of 100% of the share capital of BBD Biophenix, as a result of which the data for 2014 include the income from this company.

As regards compliance with the Business Plan presented by the company, the main reason for the divergence on the income side (56%) is because of the performance of the consumer products division, mainly including BNT DERMOCOSMETICS, which was well below the expected level, mainly because of a general downturn in consumption and a significant increase in competition in this sector.

In order to compensate for the divergences in this Division, the Group's Executive Management, as well as counting on the services of OSEI PHARMA since October to strengthen the sales strategy and significantly increase the network of distributors, has set other processes underway for inorganic growth, with good performance in

the area of Collaborative Development Agreements (known internally as BNTs) with third parties.

With regard to the BNTs programmes under development, the planned technical milestones have been achieved during FY 2014.

Both the third-party manufacturing and development division (CDMO) and CRO division (in which BBD BIOPHENIX has been included) have performed in line with forecasts.

Personnel and operating costs

Personnel costs have increased as a result of the consolidation with the personnel structure of BBD BIOPHENIX. In terms of operating costs, the increase includes the result of the consolidation process, the costs associated with international expansion processes underway, and the joint effect of the capital increase operation carried out in April 2014.

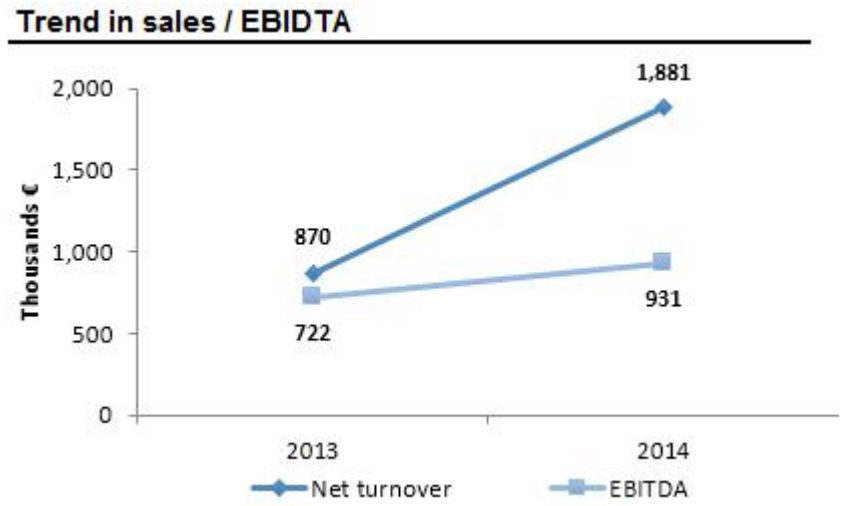
Amortisation

During FY 2014 the item for amortisation reached a total of 600,000 euros, similar to the figure for the previous financial year (503,000 euros).

Financial costs and income

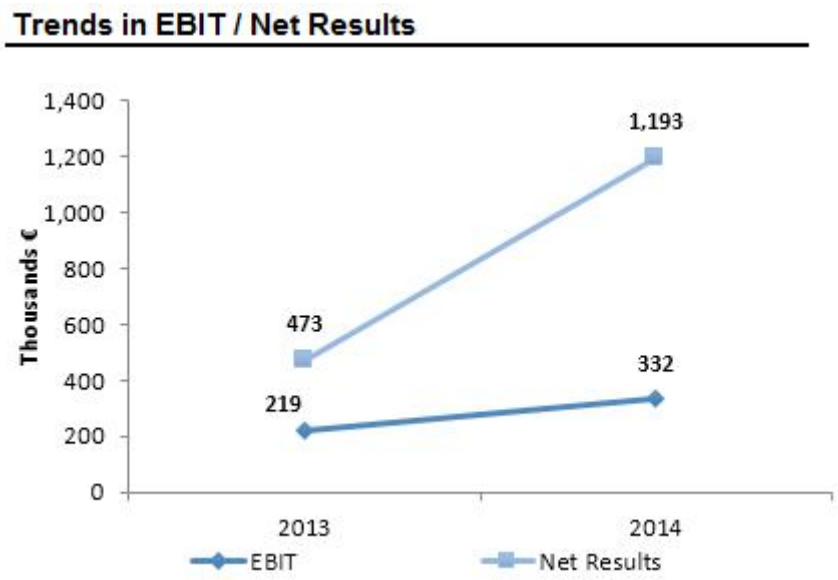
The net financial result increased to 425,000 euros from -63,000 euros in the previous financial year, mainly due to the increase in the result for the disposal of equity instruments from the sale of third party shares in FY 2014.

Trends in sales/ EBITDA



In 2014 the EBITDA increased by 29%, reaching 931,000 euros as a result of the consolidation with the company BBD. However, in relation to the forecast from the Business Plan, the EBITDA reached 27%.

Trends in Net Results



The consolidated result for FY 2014 was 1,193,000 euros, compared to 473,000 euros for FY 2013. As previously noted, this increase is mainly due to the consolidation with the company BBD. In turn, the result for FY 2014 is 46% lower than the amount forecast in the company's Business Plan, mainly due to the results from the consumer products division (BNT DERMOCOSMETICS).

C. ANALYSIS OF THE BALANCE SHEET

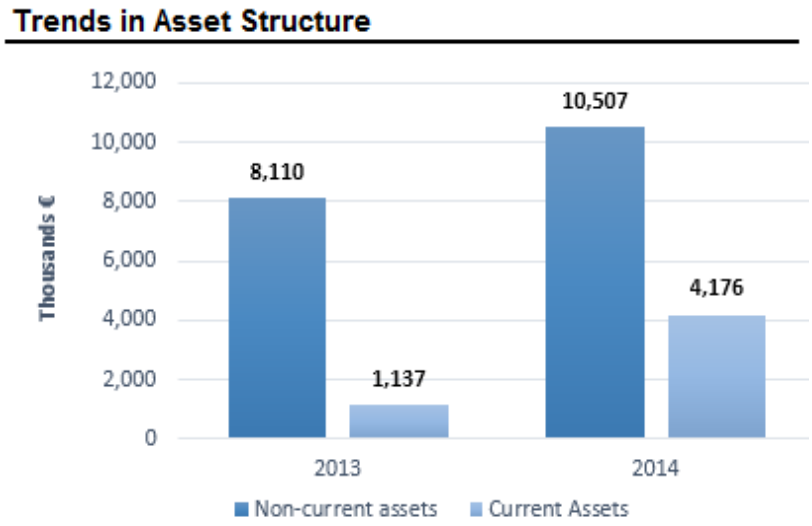
The table below shows the consolidated and audited balance sheet as of 31 December 2014 of the Bionaturis Group, together with the individual balance sheet for 2013 and the forecast from the company's Business Plan for FY 2014.

The consolidated balance sheet for 2014 includes the consolidated information for Bionaturis and BBD Biophenix, which is one of the reasons for the variations recorded between FY 2013 and 2014.

Consolidated Balance Sheet - Assets (Thousands €)					
€'000	**2013**	**2014**	**2014 P**	**Variation 2014 /2013**	**% compliance with BP**
Intangible fixed assets	2,120	4,880	1,371	130%	356%
Tangible fixed assets	3,117	3,276	2,553	5%	128%
Long-term financial investments	951	100	301	-89%	33%
Deferred tax assets	1,922	2,251	1,159	17%	194%
Non-current assets	**8,110**	**10,507**	**5,384**	**30%**	**195%**
Stocks	42	28		-32%	
Trade debtors and other receivables	339	2,126	1,291	528%	165%
Short term fiancial investments	181	901	532	398%	169%
Cash and other equivalent liquid assets	576	1,120	2,535	95%	44%
Current Assets	**1,137**	**4,176**	**4,358**	**267%**	**96%**
TOTAL ASSETS	**9,247**	**14,683**	**9,742**	**59%**	**151%**

The company's non-current assets rose by 30% compared to FY 2013, reaching a total of 10,507,000 euros, basically as a result of the increase in the intangible fixed assets.

The increase in current assets with regard to the previous financial year is mainly due to trade debtors and short-term financial investments carried out with the cash surplus.



Intangible Fixed Assets

In 2014 there was a significant increase compared to the estimates in the Business Plan, and with respect to FY 2013. This increase was mainly due to an increase in the company's activities in the field of Research and Development, as well as for the consolidation goodwill produced as a result of the acquisition of the new company for 2,039,846 euros.

Tangible Fixed Assets

The increase in this item with respect to the estimates in the Business Plan was caused by the consolidation of the tangible assets of BBD.

Financial Fixed Assets

The reduction in this item was caused by financial investments carried out using the cash surplus.

Deferred Tax Assets

This increase was caused by consolidating the data from BBD, which as already mentioned carries out important research and development work.

Current Assets

The item for short-term financial investments was increased in 2014 as a result of the investments made using the cash surplus.

It should be noted that on 30 June 2014 the company signed a non-exclusive licencing contract for the Flylife system, owned by Bionaturis, for the development of BNTs for a total price of 1,100,000 euros. During the financial year it successfully completed the operational classification stage, and therefore has proceeded with the invoicing agreed with the licensee. This amount is not reimbursable, and does not depend on any subsequent milestone. The outstanding balance at the end of the financial year for clients associated with the Flylife licensing contract, amounting to 1,100,000 euros, has not been addressed due to factors not related to the client's economic solvency (declared by the client itself), having been highlighted in the auditor's report. The client has also declared that once it has dealt with the circumstances leading to this situation, it will proceed to pay its outstanding debt. The amount of this contract represents 82.25% of the total sales of the parent company for this current financial year.

In the cash and other cash equivalents heading, the variations with regard to the business plan are a result of the financial investments policy carried out using the available cash surplus.

Consolidated Balance Sheet - Liabilities (Thousands €)					
€'000	2013	2014	2014 P	Variation 2014 /2013	% compliance with BP
Shareholder's equity	2,515	6,978	4,161	177%	168%
Subsidies, gifts and bequests received	1,728	699	918	-60%	76%
Equity	**4,242**	**7,676**	**5,079**	**81%**	**151%**
Long-term debts with credit entities	357	406	340	14%	119%
Other long-term debts	3,362	4,481	3,344	33%	134%
Deferred tax liabilities	203	213	229	5%	93%
Non-current liabilities	**3,923**	**5,100**	**3,913**	**30%**	**130%**
Short-term debts with credit entities	102	284	18	178%	1579%
Trade creditors	531	1,018	128	92%	795%
Other short-term debts	449	605	604	35%	100%
Current Liabilities	**1,082**	**1,907**	**750**	**76%**	**254%**
TOTAL NET EQUITY AND LIABILITIES	**9,247**	**14,683**	**9,742**	**59%**	**151%**

The net equity of Bionaturis amounted to 7,676,000 euros, representing an increase of 81% over the previous financial year, mainly caused by the capital increase carried out, as well as the results for the financial year.

Non-current liabilities rose by 30%, while the current liabilities rose by 76%.

Shareholder's Equity

The increase under this heading with regard to 2013 is mainly due to the capital increase operation that was carried out in April 2014 for a total of 3,088,687 euros.

The share capital of Bionaturis is represented by 4,633,036 shares, each with a nominal value of 0.05 euros.

Subsidies, gifts and bequests received

The amount under this heading includes the consolidation of the figures from BBD, a company that carried out significant research and development activities.

Long-term debts with credit entities

These include the effects of the consolidation process, in addition to the effect of debt repayments according to the established schedules.

Other long-term debts

The difference registered is mainly due to the debt contracted with the seller in the operation to buy BBD, by including deferred payments that are conditioned by compliance with the business plan.

Short-term debt with credit entities

This shows the effect of the consolidation of the short-term debts held by BBD Biophenix.

Trade creditors

Variations resulting from the company's activities.

Other short-term debts

The difference registered is mainly due to the debt contracted with the seller in the operation to buy BBD.

3.- Updating of the Company's Business Plan 2015-2016

On 8 January 2015, the company published a 'relevant event' regarding the divergence of sales for FY 2014 with regard to the provisions of the Business Plan. This announced that once additional information was available on the close of FY 2014 and its potential impact on budget provisions for 2015, this would be notified to the market.

Also, as previously mentioned, the company has the possibility of making a corporate acquisition that will be carried out through a capital increase for which the corresponding Enlargement Document has been prepared, which is currently pending publication in the market.

In this case, on 31 March 2015 the company's Board of Directors unanimously approved a new Business Plan which includes the change in the forecasts and estimates for the coming financial years resulting from the trends seen in Bionaturis' business, as well as the effects caused by the acquisition of the new company. This is detailed below.

As a result, this Business Plan replaces the Plan filed as a 'relevant event' on 15 January 2013.

Firstly it is important to note that the new acquisition and policy of inorganic growth at global level do not imply any qualitative change in the vision, mission, strategic lines and goals of the company, which are and will continue to be the following:

1. To increase sales and the number of licences granted to pharmaceutical and veterinary laboratories at international level.

2. To situate Bionaturis as an international benchmark in the field of rare illnesses and the development of recombinant vaccines.

3. To implement the international expansion plan, achieving an effective presence in the main biotechnology markets.

4. To acquire competences for the advanced clinical development of pharmaceutical and veterinary products.

5. To standardise the use of FLYLIFE® as a platform for the manufacture of biological medicines.

The Bionaturis Group aspires to contribute towards A Global Access to Health with aim of ensuring that major steps forward in human and animal health can be enjoyed by an increasingly greater number of users. With this perspective in mind, the Bionaturis Group focuses its activity on offering products and services with a high added value for the development of biotechnological applications for human and animal health, through the following main divisions:

- **Human and Animal Health Division**

  BNT PRODUCTS

  Bionaturis (parent company): a biopharmaceutical company dedicated to the development and manufacture of biological medicines for applications in human and animal health.

  The registration and commercialisation processes for the products developed by Bionaturis are carried out by third parties. The company's portfolio includes a wide range of second-generation vaccines against infectious diseases, developed using its own FLYLIFE system.

  The candidates under development by the company require more stages of development, including clinical trials and approval, as a previous stage to effectively reaching the end market. The company's main activity is based on signing Collaborative Development Agreements (known internally as BNTs) and technology licence agreements with third parties. In most cases these agreements are signed with leading companies in their respective fields. Each BNT programme or licence agreement may include advance payments at the moment of signing the agreement, payments for achieving specific milestones (in terms of time or technical achievements), payments for research and development activities, and royalty payments for sales. The company may receive income from these programmes before the product actually reaches the end market, or even before it is registered and/or commercialised.

  The majority of the collaborative development agreements underway are aimed at animal health.

- **CDMO Division** (Contract Development and Manufacturing Organization):

  This division is dedicated to carrying out development and manufacturing services for active compounds for third parties. This division of the Bionaturis Group includes:

  Bionaturis-FLYLIFE: development and manufacture of biological products for industry using the company's own FLYLIFE system, ranging from research material to clinical material. The business model for this division is:

  - ✓ Fees for development and manufacturing services at the FLYLIFE facilities of Bionaturis.
  - ✓ Technological transfer agreements from FLYLIFE. Initial charges made for reaching milestones and as royalty payments in the commercial use of the FLYLIFE system.

  New acquisition: a company dedicated to manufacturing pharmaceutical and dietary products for third parties in solid or liquid formats. The facility meets

all of the necessary requirements for manufacturing purposes (European GMO and/or American cGMP regulations: 21 CFR, parts 210-211), as well as having clean air classification as per the European GMP Annex 1 and ISO 14644 standard. The facility is prepared for the manufacture of medicines. The Bionaturis Group has carried out financial and legal due diligence for the new company, which does not have any contingencies in this regard.

In the last four audited financial years (2010-2013), this company has had an average turnover of six million euros, with an annual growth rate of 6.2% in the same period and an operating margin of approximately 20%.

- **CRO Division** (Contract Research Organization):

  Division dedicated to carrying out investigation and development services for active compounds for third parties. This division of the Bionaturis Group includes:

  BBD BIOPHENIX S.L. (BBD), a leading international company in the use of Zebra Fish for toxicity and effectiveness tests, an alternative model that improves the cost effectiveness of testing for pharmaceutical, biotechnology, petrochemical, agrochemical and cosmetic companies.

  BBD's income model is based on contracting services, and has a large catalogue of leading clients in each of their respective fields.

- **Consumer Product Division: BNT DERMOCOSMETICS**

  A division dedicated to the development, manufacture and commercialisation of skin care products. The company has launched five products since it was created, which have a national code. These products are distributed by wholesalers of pharmaceutical and cosmetic products, and sold to end consumers in chemist's, parapharmacies and specialised stores. All of the products are sold under the BNT DERMOCOSMETICS registered trademark. None of them are pharmaceutical products. As detailed in the 'relevant event' of 8 January 2015, since October 2014 the division has had the support of OSEI PHARMA in order to strengthen the sales strategy and significantly increase the network of retailers.

The company has continued with its process of international expansion, but in this case enriching its catalogue of products and services. Although most of the clients of the different divisions of the Bionaturis Group operate at international level, the company is implementing an international expansion plan in order to achieve an effective presence in other biotechnology markets. It has now extended its business structure to include markets in Asia, Latin America, and most recently in the USA.

As published in the 'relevant event' of March 2015, the company is working with the firm of Carmelo Angulo Barturen to design and implement an expansion plan in Latin America. Carmelo Angulo has extensive experience and knowledge of the Latin American market, having held important diplomatic posts in the region. These included the post of Spanish ambassador in Mexico, Argentina, Bolivia and Colombia, as well as a United Nation Resident Coordinator in Nicaragua and Argentina. As a part of this agreement, an initial commercial mission has already been carried out in Mexico, to be followed by another to Colombia, Peru, Uruguay and Argentina.

Although there have been delays for administrative reasons beyond the company's control, the Bionaturis Group is carrying out extensive exploratory and commercial fieldwork in China for all of its divisions. The Group will start to operate with a commercial structure through its subsidiary, which will start to operate in May 2015.

The figures for the Business Plan are indicated below:

Consolidated Income Statement:

Consolidated Income Statement (Thousands €)				
€'000	**2013**	**2014**	**2015 P**	**2016 P**
Net turnover	870	1,881	5,153	8,629
Other income	61	59		
Stock variation				
Allocation of subsidies to results	179	105	207	190
Own work capitalised	638	981	852	895
Total operating income	**1,749**	**3,026**	**6,212**	**9,714**
Supplies	(189)	(245)	(1,789)	(3,649)
Personnel and general costs	(588)	(819)	(1,376)	(1,909)
Other operating costs	(251)	(1,030)	(948)	(1,202)
Amortisation of fixed assets	(503)	(600)	(1,164)	(1,353)
Operating result	**219**	**332**	**935**	**1,601**
EBITDA	**722**	**931**	**2,099**	**2,954**
% of total net turnover	*82.9%*	*49.5%*	*40.7%*	*34.2%*
Financial income	97	45		
Financial costs	(160)	(239)	(448)	(295)
Exchange differences	(0)	(1)		
Impairment and results for disposal of equity instrur	-	620		
Finaicial result	**(63)**	**424**	**(448)**	**(295)**
Pre-tax income	**156**	**756**	**487**	**1,306**
Income tax	317	437	(122)	(327)
Result for financial year	**473**	**1,193**	**365**	**979**

Trends in Income and EBITDA

The figures for FY 2013 correspond to the individual audited accounts of Bionaturis for this year, while the figures presented for the Group in FY 2014 are consolidated, including data for Bionaturis and BBD Biophenix.

The expected growth in business for the Bionaturis Group for FY 2015 is 5,153,000 euros, representing an increase of 174% over the audited figure for 2014. This increase is a result of the acquisition of the new company, representing a Compound Annual Growth Rate (CAGR) of 77% for the period 2013-2016.

These forecasts are mainly based on the recurrent revenue from the new company, consolidated from the planned acquisition date (May 2015), as well as on the growth of Bionaturis' business. The new company operates in the sector of manufacturing for third parties, marked by customer loyalty and repeated contracts. This means that the figures included in the new business plan are essentially based on historic data. Forty-eight per cent of the sales forecasts included for FY 2015 are from the new company, consolidating figures from the planned moment of acquisition. Forecasts for the forthcoming subsidiary in China have not been included, as work is still underway to analyse the potential market.

The increase in EBITDA is also conditioned by the consolidation of the new company, which has had high operating margins in the last few financial years.

The consolidated result for the financial year will be positive, while lower than the result for FY 2014. This reduction has been caused by the extraordinary results caused by the sale of third party shares that occurred in FY 2014. The EBIT would increase by 603,000 euros, caused by the effect of the new consolidated company.

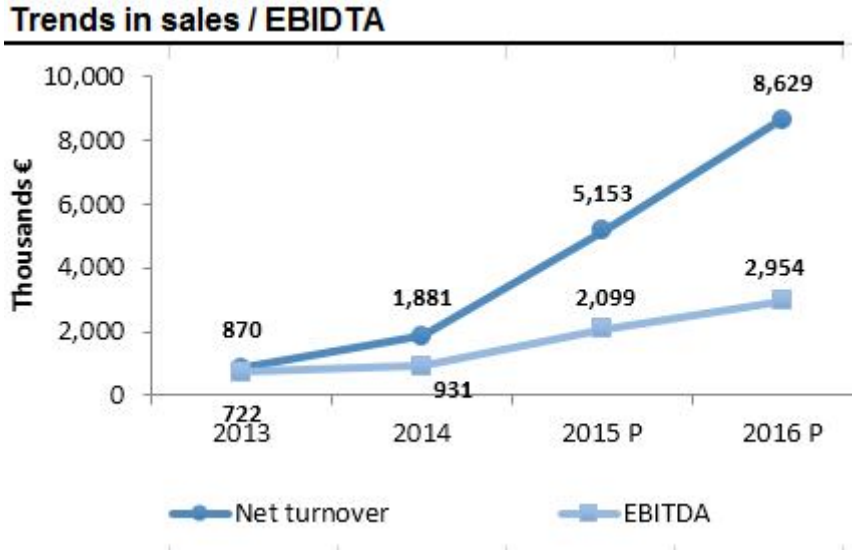
Amortisations

The heading for amortisations would increase by 564,000 euros in FY 2015, by consolidating the entry for the purchased company.

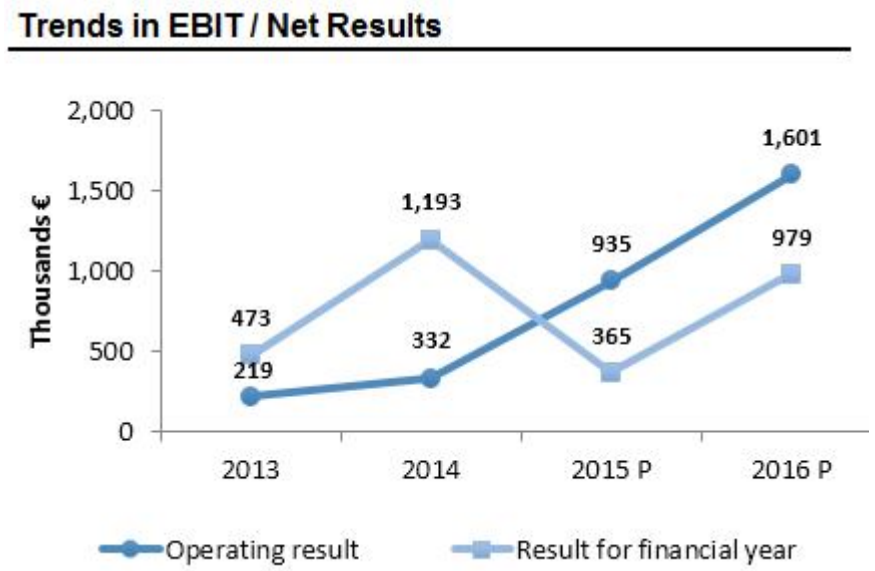
Financial costs and income

The financial result would change to a negative value of 448,000 euros, incorporating the effects of the debt used to carry out the acquisition operation. There are plans to take out a loan for six million euros, to be repaid over six years at market interest rates.

Trends in sales and EBITDA (2013-2016F)



Trends in Net Result (2013-2016F)



Consolidated Balance Sheet (2013-2016F):

Consolidated Balance Sheet - Assets				
€	**2013**	**2014**	**2015P**	**2016P**
Intangible fixed assets	2,120	4,880	11,195	11,289
Tangible fixed assets	3,117	3,276	4,196	3,747
Long-term financial investments	951	100	105	105
Deferred tax assets	1,922	2,251	2,131	1,804
Non-current assets	**8,110**	**10,507**	**17,627**	**16,945**
Stocks	42	28	471	1,115
Trade debtors and other receivables	339	2,126	1,057	2,023
Short term fiancial investments	181	901	94	94
Cash and other equivalent liquid assets	576	1,120	7,923	4,179
Current assets	**1,137**	**4,176**	**9,545**	**7,411**
TOTAL ASSETS	**9,247**	**14,683**	**27,172**	**24,356**

Intangible Fixed Assets

In 2015 there could be a significant increase in this heading, for more than six million euros, mainly because of the goodwill generated as a result of the acquisition of the new company.

Tangible Fixed Assets

This heading has increased as a result of consolidating the tangible assets of the new company.

Current Assets

As a result of the acquisition of the new company, which is strongly industrial in nature, the stocks heading has increased significantly, mainly due to raw materials, semi-completed products and finished products.

The heading for short-term financial investments has increased in 2014 as a result of investments made with the cash surplus.

In 2015 a considerable increase in the available cash flow is expected as a result of the consolidation of the treasury of the new company that has been acquired, and of the financing obtained. The heading decreases in 2016 mainly as a result of including the payment deferred from the acquisition operation, conditioned by maintaining sales and operating margins, as well as by working capital requirements.

Consolidated Balance Sheet - Liabilities				
€	**2013**	**2014**	**2015P**	**2016P**
Shareholder's equity	2,515	6,978	11,166	12,146
Subsidies, gifts and bequests received	1,728	699	669	479
Equity	**4,242**	**7,676**	**11,835**	**12,625**
Long-term debts with credit entities	357	406	4,080	3,063
Other long-term debts	3,362	4,481	4,700	4,369
Deferred tax liabilities	203	213	271	271
Non-current liabilities	**3,923**	**5,100**	**9,051**	**7,703**
Short-term debts with credit entities	102	284	1,697	927
Trade creditors	531	1,018	588	1,101
Other short-term debts	449	605	4,000	2,000
Current liabilities	**1,082**	**1,907**	**6,285**	**4,028**
TOTAL NET EQUITY AND LIABILITIES	**9,247**	**14,683**	**27,172**	**24,356**

Shareholder's equity.

The indicated increase is mainly due to the capital increase operation that will be carried out in order to acquire the new company. This heading could vary depending on its results.

Long-term debts with credit entities

An increase is expected due to the credit requested for the acquisition of the new company.

Trade creditors

The business integrated through the acquisition will result in less supplier financing.

Other short-term debts

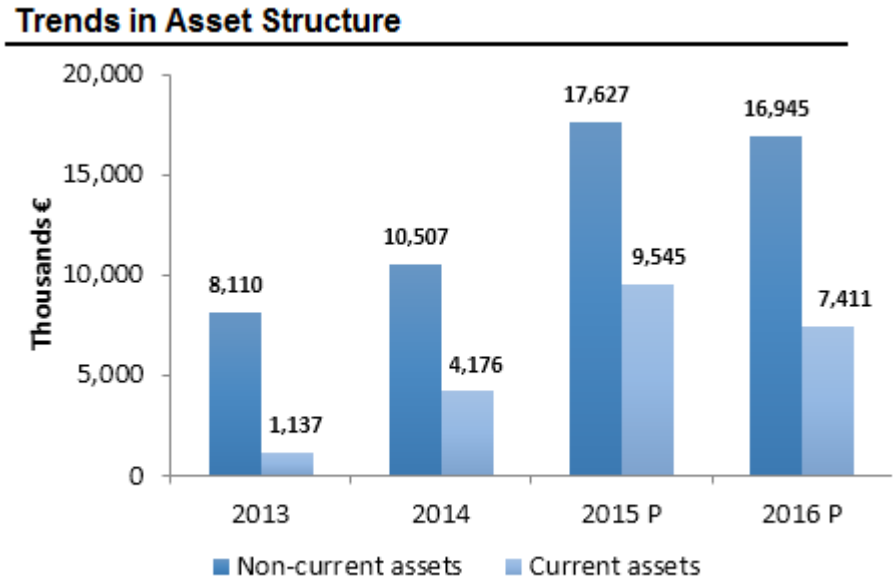
This heading includes the debt contracted for a total of 4 million euros with the seller, as a deferred payment for the operation. This payment, as previously mentioned, is conditioned by the maintenance of sales and the operating margin, and is expected to be amortised in FY 2016 and 2017.

The acquisition of the new company will be carried out by means of an operation which in 2015 will include six million euros of financial debt and four million euros of equity due to a capital increase.

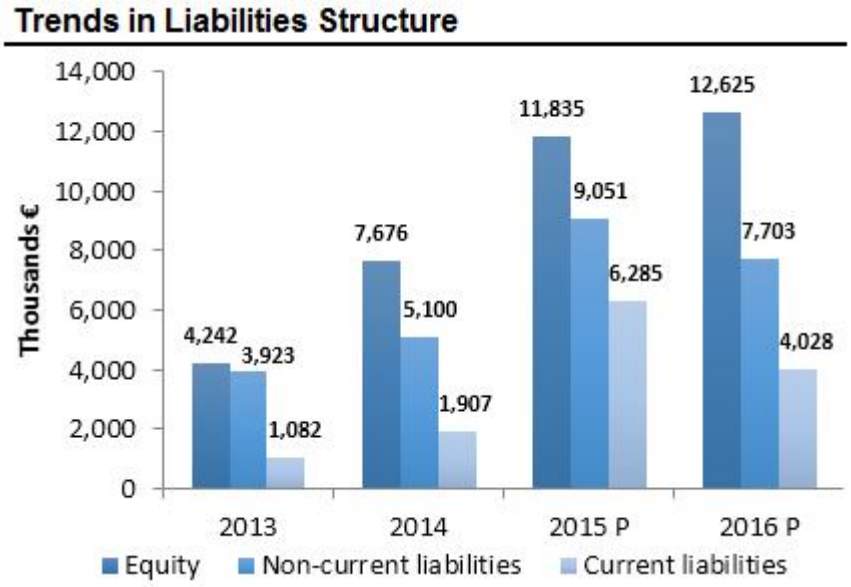
However, there may be a gap between the moment when the company is acquired and the actual implementation of the capital increase. In this case the amount of the

new acquisition will be advanced by means of a credit, which will then be paid using part of the capital increase carried out. The company already has entities prepared to provide this credit should this situation occur, although at the date of writing this document there are no documents to support this or full visibility in this regard.

Trends in assets



Trends in Liabilities



The trends affecting the company's business under the terms envisaged in the Business Plan depend on complying with the hypotheses it contains. These hypotheses have been considered taking into account reasonable market scenarios and the historical data of the group.

The main risk factors that could alter these hypotheses are the following:

Potential for commercialisation of products in co-development

The commercialisation of products in co-development in which the company is involved depends, amongst other factors, on obtaining the necessary approvals, patents and licences.

In this case, the successful commercialisation of the product depends on the project or product successfully passing the different stages (preclinical, clinical, manufacturing and production) according to the milestones defined in its schedule.

Failing to obtain any of the approvals, patents or licences that need to be granted by the competent authorities could have a negative effect on the commercialisation of the products from co-development projects, and therefore the estimated development of income and the results of the Business Plan.

Risks derived from the regulatory framework for the sector

The biotechnology / biopharmacy sector is subject to uncertainties of a regulatory nature that affect the planning, execution and financing of research and development activities, as well as the financial and tax support available.

The development of compounds in the pharmaceutical and veterinary field is subject to uncertainty inherent in the process of research and development, as in order to pass each of the preclinical and clinical development stages it is necessary to present dossiers that are reviewed by the competent authorities, which decide on whether a stage has been passed or not partially based on subjective criteria and economic criteria.

Risk derived from temporary delays in co-development projects

A significant part of the income and margins of the Business Plan is derived from a series of long-lasting co-development projects which will offer results within this timescale. Any delay in the commencement and / or execution of these projects may result in important divergences in the revenue and margins that have been forecasted.

Risk derived from signing contracts with strategic partners and the signing of licencing contracts

The search for suitable partners by Bionaturis in order to undertake the co-development projects included in the Business Plan, as well as signing agreements that control future relationships between Bionaturis and its strategic partners, are essential factors in order to achieve the goals included in the Business Plan.

Risk associated with the success of research and development projects

One of the strategic cornerstones of Bionaturis is the yearly investment it makes in research and development, a key factor in the growth and consolidation of the company due to the sector in which it operates.

The Business Plan takes into account the activation of the costs incurred, mainly costs for research personnel, from a part of the research, development and innovation

projects to be carried out by the company. The capitalisation of these costs is conditioned by the following:

- ✓ The costs have to be specifically individualised by projects, and their costs has to be clearly defined so that it can be distributed over time.
- ✓ There must be a firmly grounded belief in the technical success and future economic and commercial profitability of the project or projects in question.

Any failure to comply with any of these conditions may result in the company being unable to capitalise all of the costs included in its Business Plan.

Risk associated with the corporate transaction

- Risks derived from changes in the organisational culture and development of business that any merger process involves.
- The activity of the company to be acquired is subject to extensive and exhaustive controls in the jurisdictions in which it operates. Any adverse modification to the laws or regulations that affect the pharmaceutical industry may affect its business and financial situation.
- Risks derived from the concentration of companies in the pharmaceutical sector: a concentration of companies is occurring in this sector which is resulting in others with larger sizes and with more qualified and specialised R&D departments. The activity of providing services by the new company that would be consolidated by the Bionaturis Group must be capable of competing with these large companies.
- Dependency of the management team in the new company.
- Technological risks derived from suffering some kind of accident in the laboratories or the faulty operation of the equipment that may cause damage to the production capacity of the new company, despite the insurance policies taken out.
- Existence of a high concentration of clients in the new company: 72.13% of its turnover comes from two main clients.

Risks connected with the capital increase that will be carried out to acquire the new company

If the timescales involved in formalising the new acquisition mean that it takes place prior to the capital increase, the company may be purchased by taking out a credit, with the additional financial costs that this implies. However, the company expects to have entities prepared to provide this credit if this temporary difference between both operations occurs, which would then be reimbursed using part of the capital increase carried out.

In the event of the capital increase failing to be successful or if credit cannot be obtained, or both, or if the process were partially successful but insufficient to cope with the requirements of the Business Plan, the viability of the acquisition would be put at risk and the company would have to redesign its business plan.

Commercial Risks

Any worsening of the situation indicated in the audit for the financial year regarding the greater length of time taken to receive outstanding payments from customers could have a very significant effect on the company's forecasts, although as of the date of this document this is not considered likely.

All of these risks could have an adverse effect on the company's business, results and forecasts, as well as its financial, economic and equity situation. The risk factors indicated are those that are considered to be the most relevant, notwithstanding the presence of other less relevant factors or which are currently unknown.

Shareholders are reminded that in the Human and Animal Health Division there cannot be any guarantees that the products under development will receive the necessary approval to be commercialised, nor that their commercialisation will be successful. If any of the risks or uncertainties occur, the results could differ from the expectations indicated in this section.

These risks and uncertainties include, but are not limited to, general conditions of the industry and its competitors; general economic factors, including fluctuations in interest and exchange rates; the impact of international legislation on the industry; global trends towards containing health expenditure; technological advances, new products and new patents from competitors; the challenges that are inherent to biological products under development; problems associated with manufacturing or delays; the instability of the international economic situation or of any one country in particular, and exposure to legal action brought by third parties, amongst others.