



INFORMACIÓN PRIVILEGIADA
ADL BIONATUR SOLUTIONS, S.A.

27 de mayo de 2020

En virtud de lo previsto en el artículo 17 del Reglamento (UE) nº 596/2014 sobre abuso de mercado y en el artículo 226 del texto refundido de la Ley del Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre, y disposiciones concordantes, así como en la Circular 6/2018 del Mercado Alternativo Bursátil (MAB), ponemos en su conocimiento la siguiente información:

**PRESENTACIÓN DE ADL BIONATUR SOLUTIONS, S.A. PARA EL
FORO MEDCAP 2020**

Por medio de la presente comunicación, ADL Bionatur Solutions, S.A. (“**ADL**” o la “**Sociedad**”) pone a disposición de los inversores la presentación elaborada por la Sociedad para el Foro MEDCAP2020, organizado por Bolsas y Mercados Españoles, S.A., a celebrar en el día de hoy, 27 de mayo de 2020.

El objeto de la citada presentación es exponer los principales indicadores de la estrategia de ADL para el presente ejercicio 2020, así como ofrecer un avance de los resultados (cuenta de pérdidas y ganancias) obtenidos en el ejercicio cerrado a 31 de diciembre de 2019.

Jerez de la Frontera,

ADL Bionatur Solutions, S.A.

D. Roberto Ramón González de Betolaza García
Presidente del Consejo de Administración



MEDCAP2020

Jaime Feced, CEO

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FORWARD LOOKING STATEMENTS

This document contains forward-looking information and statements about ADL Bionatur, including financial projections and estimates and their underlying assumptions, statements which may be related to plans, objectives, estimates, intentions and expectations, among others, with respect to future operations, capital expenditures, synergies, products and services, and statements regarding future performance. This information is typically identified by words such as "anticipating," "waiting," "estimating," "prognosis," "objective," "intent," "plan," "will," "may," "should," "could," and similar expressions. The specific forward-looking information provided in this document includes, but is not limited to, statements regarding the future operating of the Company and financial results, its research and development activities, and its capital expenditure plans.

Due to their nature, this forward-looking information and statements involve risks and uncertainties that could lead to the actual results differing from those expected. Although the Company believes that the assumptions on which these forward-looking statements are based to be reasonable, the Company realizes that these assumptions about future events, many of which are beyond the control of the Company, may alter the final outcome.

The ADL Bionatur Solutions Group notes that these developments are subject to significant risks and uncertainties many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to, the general conditions of industry and competition; general economic factors including interest and exchange rate fluctuations; the impact of international law on industry; global trends towards the containment of spending on animal health; technological advances, new products and new competitor patents; challenges inherent to biological products under development; manufacturing problems or delays; the instability of the international economic situation or any instability in particular; or exposure to litigation by third parties, among others. Thus, there can be no assurance that products under development will receive the necessary marketing approval or that they will be a commercial success, where applicable.

Forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of ADL Bionatur. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. All subsequent oral or written forward-looking statements attributable to the Company or any of its members, directors, officers, employees or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements included herein are based on information available to ADL Bionatur on the date hereof. Except as required by applicable law, the Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



ADL

**Introduction to
ADL 2020**

Index

- I. ADL Bionatur Solutions
- II. Fermentation Ingredients Market Outlook
- III. Consolidation of ADL Business Model 2020
 - I. Strategy and Actions Up to Speed
 - II. Breakeven Cash Flow
- IV. Introduction to 2019 FY Results and 2020
- V. ADL Beyond 2020

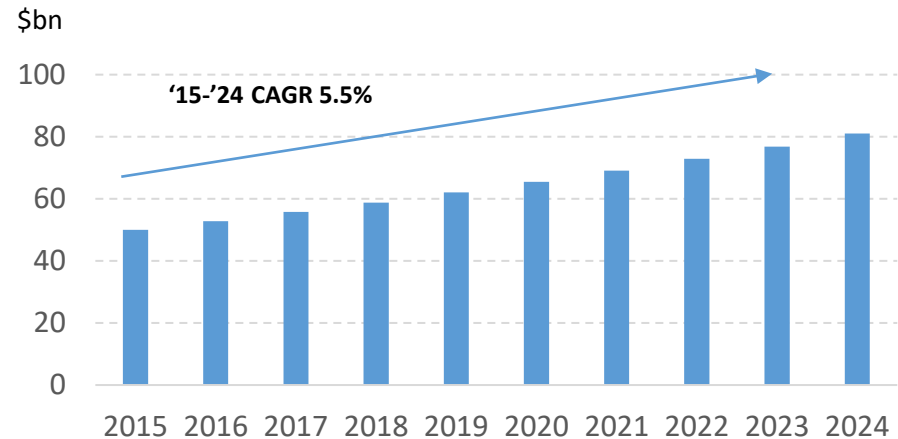
A Leader in Fermentation Ingredients Manufacturing and Commercialisation for Food, Personal Care and Pharma



Introduction to the Fermentation Market

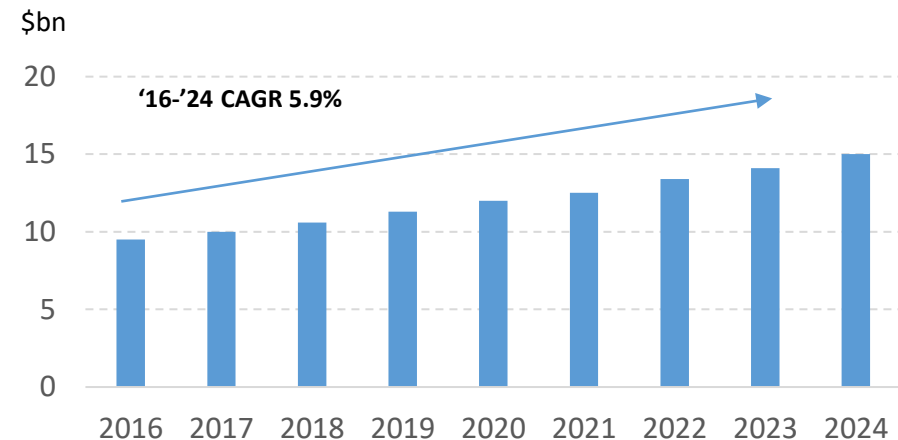
- Price competition made Pharma fermentation markets to be taken by Chinese fermenters during 1990s
- In last decade there has been an upswing in demand for fermentation capacity due to new developed molecules not previously fermented
- **New Developers are seeking fermentation capacity outside of China to manufacture their products**
- Favouring European and North American CMOs who have a **better reputation in relation to protecting IP, strong fermentation know-how and quality controls**
- Expected further demand due to shortage of products and API experienced in **current situation to secure European and American own reserves**

Global Fermentation Market



Source: Gran View Research 2017; ESN equity research

Nutritional & Pharmaceutical Fermentation



Source: Gran View Research 2017; Sabadell equity research

Fermentation Ingredients Market Outlook a Huge Uptrend and Revenue Stream

Global fermentation ingredients market size from \$23.1bn in 2017 to \$35.6bn in 2022 (up 9%)

- Rising demand from a variety of applications, industries

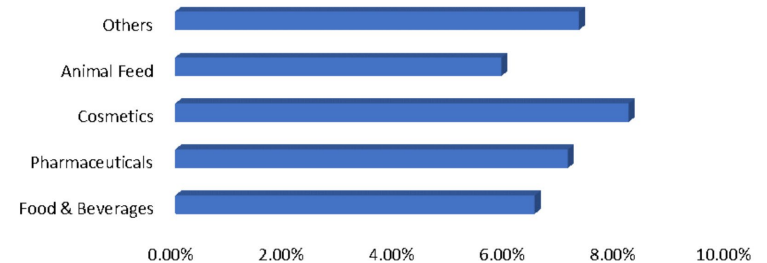
Spanish fermentation ingredients market to reach \$1.5bn in 2023 (up 3,46%)

- 3rd major fermentation ingredients producer for chemical and pharma applications in 2017
- Amino Acid projected to grow at higher rate
- Liquid form held more than 55% market share
- Dry form projected to grow at higher rate

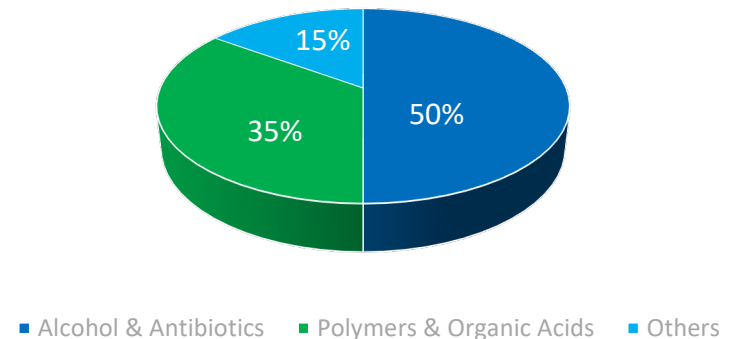
Growth drivers

- Eco-friendly productions system
- Increasing awareness about application in personal care, pharma, animal feed and care, food and beverages
- Microbiota, gut, personal care benefits
- Natural, sustainable, vegan, animal-free labels

Global Fermented Ingredients Market, Sales Value CAGR (%), 2019-2026



Market by type of Fermentation Ingredients (Spain 2017)



Source: 2017 Data by MktResearchFuture

Reinforcing the Consolidation of ADL for a Solid Fermentation-based Ingredients Business Model

- New CEO since January 2020
- A Leading Fermentation Ingredients Market Player with an unique value proposition: **an outstanding track record of successful scale-up and delivery of commercial batches of several ingredients such as Human Milk Oligosaccharides, phenolic alcohols, terpenoids, Omega 3**
- Further vertical integration in the sales channel and monetization of current and new assets by a more ambitious Commercial Plan
- Improvement of Fermentation Efficiency
- Cost efficiency and Capacity Optimisation



“What ADL does for us is highly critical.”

“ADL are an important and strategic partner.”

*“It is **good for us that ADL is in Europe** because a lot of our clients are pro-Europe in the segment we use ADL for, so having a CMO there can really help on the front end. It can also be helpful with the regulators.”*

“We are reliant on all of our suppliers and ADL is the largest of those.”

“ADL are a key part of our supply chain.”

*“When we initially chose ADL it was important to find a supplier which could **help us scale up the process and also produce at scale**. When we are looking to **start a new process it is important that suppliers have R&D experience**, since the process needs developing and refining in partnership with us.”*

Fermentation

- Optimisation of clients Product-Mix production to improve Margins and Efficiency
- Further Formalisation of CMO client relationships bringing Productions Consolidation
- Further alignment and relationships in development with “new” clients
- Further integration on the fermentation value chain – from liquid to solid final product
- **Above 80% capacity rate used by 2021 with existing clients**



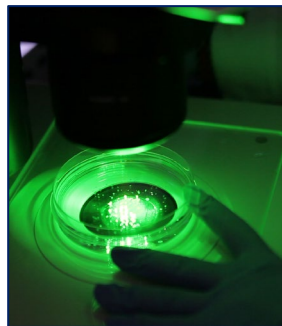
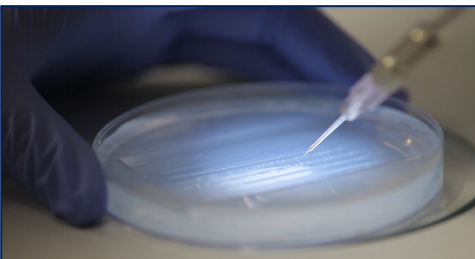
EVOLVA

amyris

Pharma

- Increased current pharma contracts and reactivated old pharma clients to fulfil budget for 2020
- Increased demand from established clients and news clients 2020 to start production by 2021
- Product/Customer mix for higher margins





- **R&D at the service of the Industry**

- Installations: Medium Fermentation Plant & Chemical Plant for production of fermented ingredients; Zebra fish facility and HCS,
- Technological transfers and developments as CMO
- Target Validation, Toxicity and Efficacy Assays, as well as Disease Models for preclinical stages (CRO)
- Smart vaccines

- **Fermentation Ingredients pipeline**

- High value ingredients and blends for cosmetics, Flavours & Fragrances, human and animal nutrition
- Microbiome modulators ingredients

- **Animal Health Pipeline**

- **Technology platforms Pipeline**

- Patent protected Splittera/Zera

In the Road of Breakeven Cash Flow by 2020 & EBITDA Margin of 30% by 2024



- **New clients and higher margins from vertical integration in the sales channel for 2020-2024 and beyond.**
 - Strategic alliance with Evolva
 - Igen new product and commercialisation
- **Focus on Own Fermentation Ingredients products, R&D and BD Projects**
 - Co-development projects and commercial alliances
- **Pharma current market shift and opportunities**
 - Increase sales of old contracts already confirmed
- **Cost efficiency policy & Covid19 Contingency Plan**

€	2019 (Subject to Audit)	2018 Actual	Variation
Fermenters	23.676.538	12.071.409	11.605.129
Sterile zone	2.153.447	2.093.661	59.787
PSS	3.270.655	3.497.156	(226.501)
Materias primas y otros	10.830.813	3.940.203	6.890.610
Subgrupo BNT	1.895.711	1.714.562	181.149
Total sales	41.827.165	23.316.991	18.510.174
Other operating income	3.502.565	1.812.946	1.689.619
Total income	45.329.730	25.129.937	20.199.793
-	-	-	-
Material supplies	(17.887.276)	(10.617.564)	(7.269.712)
Gross income	27.442.454	14.512.372	12.930.081
Company's work for its assets	2.066.267	1.915.037	151.230
Other income	1.262.697	653.847	608.850
Other income	3.328.964	2.568.884	760.080
Personnel expenses	(15.984.085)	(12.875.875)	(3.108.211)
Other operating expenses	(14.243.498)	(12.920.644)	(1.322.854)
Total expenses	(30.227.583)	(25.796.518)	(4.431.065)
EBITDA (Standardized)	543.835	(8.715.262)	9.259.097
% EBITDA Mg.	1,2%	-34,7%	
Extraordinary items	(2.951.838)	(3.569.094)	617.256
EBITDA	(2.408.003)	(12.284.356)	9.876.353
% Adj. EBITDA Mg.	-5,3%	-48,9%	
D&A	(4.301.886)	(2.757.691)	(1.544.195)
EBIT	(6.709.889)	(15.042.047)	8.332.158
% EBIT Mg.	-14,8%	-59,9%	
Financial result	(3.283.687)	(2.078.908)	(1.204.779)
EBT	(9.993.576)	(17.120.955)	7.127.378
% EBT Mg.	-22,0%	-68,1%	
Taxes	(89.143,8)	121.041,2	(210.185,0)
Net Income	(10.082.720)	(16.999.913)	6.917.193

- **Consolidated Total Sales went up 79% to €41,82m**, where **CMO sales** increased to €23,67m (+96%) during 2019, from €12m in 2018
- **Total Income** rose to €45,33m, an increase of **80%** compared to €25,13m in 2018
- **Gross income shows an increase of 89%**, rising to €27,4m from €14.61m. Gross margin, within industry standards, of 60%
- **An increased of EBITDA (standardized) of €9.3 million, recording the First full year positive EBITDA (standardized) figure** -without considering extraordinary items
- Deviation of EBITDA is mainly due to deviation in total sales at the end of the year, respect to former annual guidance
- FY2019 Result publications on the 22nd June

(*) Pre-audited figures. Data updated as of 25th of May

- CMO sales are normally seasonal and campaign-based. Annual goals kept
- Other operating income downtrend confirmed
- New productions and new clients during 2Q and through the year
- Covid19 Contingency Plan significant reductions (ERTE, others...)
- Costs reduction policy in place to be shown in H1 and FY
- New relevant licenses and contracts on-going
- Strategic alliances on discussions
- In current context there will be no guidance for 2020

FY2020 Main Goals

- 2020 Strategy already oriented towards 2020 Positive Cash Flow and improving EBITDA margin
- Better financial position and debt structure
- Strategic alliances with industrial partners

Improve

- Overdue collection
- Cost cutting rationalisation
- Efficiencies optimisation: transversal business model
- Cycles of excellence
- Customer relations stabilisation

Build the Case

- New Fermentation business opportunities: New molecules, customers and proprietary molecules
- Pharma production optimisation
- Animal Health and micro-biota platforms (new market segments)

Growth

- Searching for new business opportunities and partnerships
- Incremental fermentation capacity





Thank you

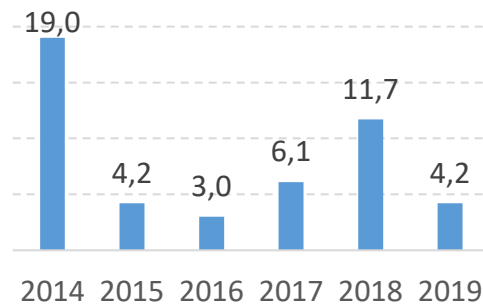


ANNEXES

MEDCAP2020

Significant Historical CAPEX Invested to Upgrade the Manufacturing Plant

Capex Investment 2016-2019 (€m)



CAPEX by Company (€k)	2014	2015	2016	2017	2018	2019	Total
Consumables	18.4	0.0	1.9	0.7	1.9	0.0	22.9
Fermentation III	0.0	0.0	0.0	1.7	3.0	0.6	5.3
Others	0.1	0.4	0.2	1.7	1.9	0.7	5.0
Start-up CAPEX	0.5	1.9	0.5	1.3	0.1	0.0	4.3
Machinery and equipment	0.0	1.2	0.3	0.3	0.4	1.2	3.4
Pilot Plant	0.0	0.0	0.04	0.1	2.1	0.2	2.4
Media Preparation plant	0.0	0.0	0.0	0.0	0.0	1.0	1.0
Waste Treatment plant	0.0	0.0	0.0	0.0	2.0	0.5	2.5
Refrigeration	0.0	0.7	0.04	0.2	0.01	0.0	1.0
Client related CAPEX	0.0	0.0	0.05	0.1	0.3	0.0	0.5
Total	19.0	4.2	3.0	6.1	11.7	4.2	48.2

- **In 2014 and 2015**, BTC invested in ADL's plant to resume operations
- **In 2016 and 2017**, CAPEX in plant and equipment was performed to comply with American, Asian and European regulations in order to position the Company to win CMO contracts
- **During 2018 and 2019**, ADL has embarked on additional CAPEX in order to maximize its production capabilities and to equip the plant with the latest technology
- **CAPEX beyond 2020 readjusted by Covid19**