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Barcelona, 29th September 2015

Dear Sirs,

Pursuant to the provisions of Circular 9/2010 of the Alternative Stock Market and for the purpose of its disclosure to the general public, we enclose the report for the first half of the financial year 2015 of AB-BIOTICS, S.A.

This report refers to the financial information of the company as of 30th June 2015.

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1. Six-month progress report and degree of compliance with forecasts

a) Analysis of the Income statement

The financial analysis included in this document shows the financial situation for the first half of 2015, comparing it to the same period in the previous year (the first half of 2014) and analysing the degree of compliance with the budget forecasts for the close of the financial year 2015 included in the company's Business Plan published in May 2014.

The total income obtained has grown by 53% with respect to the first half of 2014, reaching a total of 1,564,000 euros.

In this report we refer to the income based on its classification. We use the term 'product sales' to refer to sales of probiotics and other products from the Functional Ingredients area, and those corresponding to sales of the Neurofarmagen© test, all of which are considered as usual and recurring sales. The majority of the analyses will be made in reference to this type of income.

In addition, we have income derived from the provision of services, collaborations or fees. These are more specific in nature and less recurrent. The analyses of these kinds of income are also included, although less exhaustively.

The gross margin represented 57% of sales, reaching 892,000 euros, an increase of 220,000 euros in relation to the first half of 2014. The positive growth of the EBITDA with respect to the same period in the previous financial year is especially noteworthy.

Although supplies reflect an increase of 93%, if we analyse this based on the type of income we can see that the income from sales of the company's products has grown by 127% if we compare the trends for the six-monthly periods in question. These products include their corresponding supply costs and are in line with the trend towards growth in this type of income. The other types of income, from collaborations, services and fees, are usually more occasional and introductory, and in most cases do not include this supply cost, or its impact is less significant.

In turn, personnel costs have remained in line with those obtained for the first half of 2014, increasingly slightly by 4%, while operating costs have been reduced by 2% as a result of the company's cost containment and savings policy.

The EBITDA and operating result have increased respectively by 174,000 euros and 184,000 euros with regard to the previous financial year.

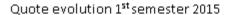
The total volume of income achieved in the first six months of 2015 (1,564,000 euros) represents 26% of the annual budget for the financial year 2015 included in the company's Business Plan (6,120,000 euros). If we add to this amount the 1,603,000 euros of orders firmly received from clients whose delivery is committed for the remainder of the financial year,

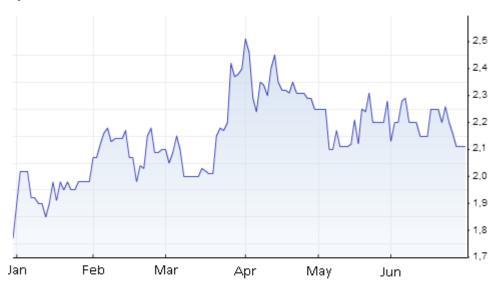


then the visibility that has already been completed in relation to the budget implementation for this year stands at 51%. As a result, the company has ratified the figures forecasted for the close of the financial year 2015 as a result of the orders received up until the date of producing this report, as well as a result of the contracts that are in the process of being negotiated.

Activations for Research and Development works carried out in 2015 are estimated to be higher than those for the financial year 2014, and we expect to reach a figure of between 800,000 euros and 1,000,000 euros. This increase is a result of activity in creating new specialities, improving existing specialities and adapting all of them to the specific regulatory requirements of each country. Significant resources have also been dedicated to promoting new projects at European level (SME Horizon 2020) as well as at local level (RETOS), which will start to be developed in the next few months. The RETOS programme has approved funding for the 4 projects from the company that were presented to the 2015 call.

With regard to the prices of AB-BIOTICS shares, during the first half of 2015 these rose by 19.20%, from €1.77 per share as of 31st December 2014, to €2.11 per share as of 30 June 2015.





Source: Infobolsa



Profit and Loss Accounts

Results (€ x 000)	Jan-Jun 2014	Jan-Jun 2015	Variation (€ x 000)	Variation (%)*	% of BP 2015	BP 2015F
Sales Income	1.020	1.564	544	53%	26%	6.120
Total Income	1.020	1.564	544	53%	26%	6.120
Supplies	348	672	324	93%	23%	2.870
Gross Margin	672	892	220	33%	27%	3.250
Gross Margin %	66%	57%				53%
Personnel Costs	877	914	37	4%	46%	1.990
Other operating costs	867	876	9	1%	64%	1.360
Total OPEX	1.744	1.790	46	3%	53%	3.350
EBITDA	(1.072)	(898)	174	16%	898%	(100)
EBITDA %	-105%	-57%				-2%
Subsidies on Assets		48	48	100%	n/a	0
Amortizations	378	416	38	10%	59%	700
EBIT	(1.450)	(1.266)	184	13%	158%	(800)
Financial Result	(44)	(21)	23	52%	9%	(234)
EBT	(1.494)	(1.287)	207	14%	124%	(1.034)
BAI in %	-146%	-82%				-17%
Taxes						310
Net Profit						(724)
* Expressed in absolute terms						

Income

The total income obtained in the first half of 2015 has increased by 53% with regard to the same period in the previous financial year, reaching 1,564,000 euros and representing 26% of the estimates included in the Business Plan for the end of the financial year 2015.

This growth can be summed up in a) a considerable increase in income, b) the offering for sale of new products, and c) important international expansion.

This improved trend in income is especially clear in the functional ingredients line of business. This growth has come about as a result of the realisation of the agreements signed by the company.

Also, in the first half of 2015 there has been a growth in sales of more recurrent products in two lines of business, which have had a lower impact on income from collaborations, services or fees of a more occasional nature.

As a result, it can be seen that the company's products are carving out a niche in the markets in which AB-Biotics operates, in line with the strategy of the company's Business Plan.



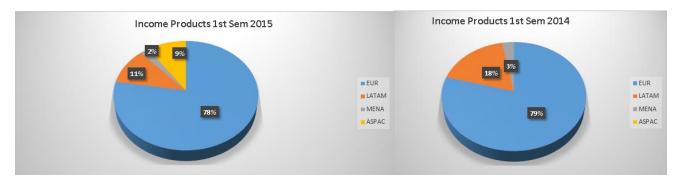
The following table details the income from the sale of the company's products as of 30th June 2014 and 2015, with a breakdown by lines of business. Both lines of business have experienced growth, especially in the area of Functional Ingredients.

€ x 000	Functional Ingredients	Genotyping	Total 1st Semester 2014	Functional Ingredients	Genotyping	Total 1st Semester 2015
Income	Real Jan-Jun 2014 Real Jan-Jun			al Jan-Jun 20	15	
Sales of Goods	288	219	507	867	284	1.151
Evolution 1st Sem 2015 vs 2014				201%	30%	127%
Total	288	219	507	869	284	1152

The income that is not directly connected with the sale of specific products, comprising fees or the provision of services, is connected with the contractual conditions of the licences for the company's products, while the income from collaborations is based on the company's involvement in joint projects with third parties. As these are usually of an introductory nature for future product sales, a reduction in this type of income usually results in significant increases in the sale of the company's regular products.

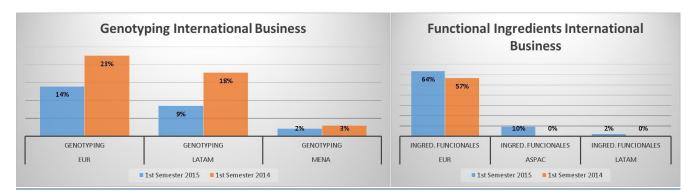
Income Collaborations, Services and Fees 1st Semester 2014-2015 € x 000	2014	2015	Variation	%
Collaborations, Services and Fees	514	413	-101	-20%

The following charts show the geographical breakdown of the company's income from the sale of its products. The presence of this income in the European market is maintained, with the Asian-Pacific market appearing in the first half of 2015.





With regard to the level of geographic distribution, both units have shown an upward trend in the first half of the financial years in question. The company's forecasts point towards an increased presence in new markets, maintaining the trend towards growth. The graphs below show the distribution of product sales by geographic area.



Margin and Cost of Sales

The margins resulting from sales of AB-Biotics products have experienced an overall increase of 2 percentage points in the first half of the financial years 2015 and 2014. However, if we analyse these results by business areas, we can see a strong positive trend in the margin for Functional Ingredients, increasing from 33% in the first half of 2014 to 48% in the same period in 2015. Genotyping ended the first half of 2015 with a margin of 74%, slightly lower than the figure obtained in the same period of the financial year 2014.

This section justifies the increase in supply costs to 93%, as this has been associated with a 127% rise in product sales, revealing an improvement in cost efficiency and a positive impact on the margin.

€ x 000	Functional Ingredients	Genotyping	Sales Jan- Jun 2014	Functional Ingredients	Genotyping	Sales Jan- Jun 2015
Income		Jan-Jun 2014			Jan-Jun 2015	
Sales of Goods	288	219	507	867	284	1.151
Products Margins	94	175	269	418	210	628
Margin in % on Sales of Goods	33%	80%	53%	48%	74%	55%



If we analyse the variation in the overall margin of the company's products for the sixmonth periods in question, we can see that thanks to a higher volume of income and an improvement in the cost of the products, this margin has improved significantly.

Margin Evolution Analysis 1st Semester 2014-2015 € x 000	Total
Volume Effect	342
Margin Var. Effect	17
Total	359

The margins obtained for income associated with collaborations and services have evolved less favourably, ending the first six-month period with a margin of 64%.

€ x 000	Sales Jan-Jun 2014	Sales Jan-Jun 2015
Income	Jan-Jun 2014	Jan-Jun 2015
Collaborations and Services	514	413
Margin	Jan-Jun 2014	Jan-Jun 2015
Collaborations and Services	403	264
Margin x Collaborations and Services in %	78%	64%

Personnel Costs

At the end of the first half of 2015 the company had a total of 33 employees, 4 of whom had substitution contracts or contracts for specific projects. Personnel costs rose slightly by 4% in comparison with the same period in the previous financial year, reaching a total of 914,000 euros, in line with the forecasts of the company's Business Plan. The costs indicated as SG&A are for business management and administrative costs. The costs for each department are shown in the following table.

€ x 000	Jan-Jun 2014	Jan-Jun 2014 Jan-Jun 2015	
Staff Costs			
Functional Ingredients	110	114	4
Genotyping	157	138	-19
Scientific Business Support	145	126	-19
SG&A	465	536	71
Total	877	914	37
			4%

In relative terms, the increase in income has evolved positively in terms of the volume of personnel costs in comparison to sales, which was reduced substantially, from 86% in the first half of 2014 to 58% in the first half of 2015.



Operating Costs

The entry for other operating costs amounted to a total of 876,000 euros, in line with the figure for the previous six months, representing 64% of the amount forecast in the Business Plan for the end of the financial year 2015. This entry includes leases, insurance, travel costs, public relations, general costs and professional services, amongst others, as well as the costs incurred in registering products and commercialising them in different markets.

The following table shows the breakdown of operating costs by department in the first half of 2015 and the corresponding figure for the previous six months. The costs indicated SG&A are for business management and administrative costs.

€ x 000	Jan-Jun 2014 Jan-Jun 2015		Variation (€ x 000)
Other operating costs			
Functional Ingredients	121	219	98
Genotyping	34	127	93
Scientific Business Support	131	33	-98
SG&A	582	497	-85
Total	867	876	9
			1%

The majority of the increased operating costs for Functional Ingredients and Genotyping are a result of the efforts made in developing new products and improving existing products, with a special impact on the company's Functional Ingredients business, at the same time as updating the technological platforms associated with managing the Neurofarmagen© test. This has resulted in a higher investment being made in operating costs than for the same period in the financial year 2014.

In turn, the costs of the support departments (Scientific Business Support and SG&A) have been reduced by a total of 183,000 euros for the periods in question, as a result of applying a policy to ensure the efficient use of resources.



EBITDA, Operating Result and Net Result

In relative terms, the EBITDA has increased by 16% with respect to the same period in 2014. This increase is due to an increase in income from products in both lines of business.

To help understand the six-monthly income statement, special attention should be given to two aspects that are of crucial tactical relevance in the strategy of AB-BIOTICS:

- Firstly, observing the economies of scale that are produced for the company with the gradual increase in sales, which despite resulting in an early immobilisation of resources with suppliers, vastly reduces the marginal need to incur greater structural costs (both operating and personnel costs).
- Secondly, the acceleration of sales, both confirmed and forecast sales, corroborates
 the effectiveness in obtaining results from the intensive commercial activity carried
 out by the company in recent years.

In comparison with the estimated figure in the Business Plan for 2015, as of 30th June 2015, an EBITDA of -898,000 euros was obtained, in comparison to the total forecast figure for this financial year (-100,000 euros).

The company obtained better operating results in the first six months of 2015 (-1,266,000 euros) than in the same period in the previous financial year (-1,450,000 euros).

In comparison with the estimated figure in the Business Plan for 2015, as of 30th June 2015 the company obtained an operating result of -1,266,000 euros, 58% higher than the total forecast figure for this financial year (-800,000 euros).

With regard to the Business Plan and the quantitative objectives set for 2015, the figures set out in this Plan are expected to be achieved both in terms of income and profitability, taking into account the fact that in historical terms, the second half of the year is usually better than the first in all of these indicators. This seasonal behaviour for 2015 is endorsed by the projects in the order book, and the progress of contracts currently underway.



b) Analysis of the Balance Sheet

The Balance Sheet for the first half of 2015 for AB-BIOTICS is detailed below, compared to the first half of 2014 and including the balance for the end of 2014, as well as the expected results from the Business Plan for the end of the financial year 2015:

Balance Sheet (thousand euros)	June 2014	Close 2014	June 2015	2015F
A) NON-CURRENT ASSETS	10.454	10.175	9.852	9.034
Intangible assets	3.978	4.233	3.908	2.672
Property, plant & equipment	398	435	434	525
Long-term financial investments	3.478	2.181	2.178	2.250
Other non-current assets (taxes)	2.600	3.327	3.332	3.587
B) CURRENT ASSETS	1.249	2.271	1.437	2.650
Inventory	241	324	495	563
Accounts Receivable	721	1.294	629	1.100
Other receivables	287	653	313	987
C) CASH/CASH EQUIVALENTS	2.610	1.673	932	1.469
TOTAL CURRENT ASSETS	3.859	3.944	2.369	4.119
TOTAL ASSETS (A+B+C)	14.313	14.119	12.221	13.153
A) TOTAL EQUITY	9.103	8.676	7.347	8.115
A-1) Equity	8.810	8.324	6.942	7.822
Share Capital	480	480	480	480
Share premium	14.370	14.340	14.353	14.063
Reserves	30	30	30	30
(Own shares and equity instruments)	-588	-1.003	-1.111	-450
Net Income	-1.494	-1.535	-1.287	-724
Prev. years Net Income	-3.988	-3.988	-5.523	-5.577
A-2) Grants, donations and legacies received	293	352	405	293
B) NON-CURRENT LIABILITIES	4.086	3.701	3.595	3.584
Long-term debt	1.440	1.074	1.277	1.001
Long-term debt with Public Administrations	2.515	2.510	2.201	2.503
Other non-current liabilities	131	117	117	80
C) CURRENT LIABILITIES	1.124	1.743	1.279	1.455
Short-term debt	338	818	394	347
Trade creditors	402	641	644	853
Other accounts payable	384	284	241	256
TOTAL EQUITY & LIABILITIES (A+B+C)	14.313	14.119	12.221	13.153



Comments on the Assets Side of the Balance Sheet

Non-Current Assets

Balance Sheet (thousand euros)	June 2014	Close 2014	June 2015	2015F
A) NON-CURRENT ASSETS	10.454	10.175	9.852	9.034
Intangible assets	3.978	4.233	3.908	2.672
Property, plant & equipment	398	435	434	525
Long-term financial investments	3.478	2.181	2.178	2.250
Other non-current assets (taxes)	2.600	3.327	3.332	3.587

In the first half of 2015, the entry for non-current assets accounted for 81% of the total assets. In line with the first half of 2014, the main entry included in the current assets was the intangible fixed assets resulting from the company's Research and Development activities, and the investments made in the registering of patents and software elements. The entry for Research and Development resulting from internal projects and those carried out with third parties accounts for 92.8% of the total intangible fixed assets.

Long-term financial investments were reduced by 37% with respect to the same period in the previous financial year due to part of these investments maturing, and being transferred to the company's liquid asset accounts.

Amongst other elements, this entry includes the investments made in incorporating the subsidiary companies AB-BIOTICS Research Services, S.L.U. and Food Genomics, S.L.U.

The non-current financial assets also include the participative loans held by the company with third parties for a total value of 2,326,000 euros. As of the date of this report, negotiations are still underway to reach an agreement that makes it possible to collect a substantial part of these participative loans in kind (1,977,000 euros) through the reception of certain assets from the debtors. The visibility of this negotiation is very high, and therefore the company considers it highly likely that the negotiations underway will reach a positive conclusion. As was explained in the annual report dated 30th April 2015, in the unlikely event of these negotiations not achieving a positive conclusion, this would lead to a situation in which the worst-case scenario would be to consider all of the outstanding amounts as non-recoverable.

Other Non-Current Assets

This entry includes deferred tax assets amounting to 3,332,000 euros which have increased with respect to the end of June 2014, due to the corporation tax corresponding to the financial year 2014.



Current Assets

Balance Sheet (thousand euros)	June 2014	Close 2014	June 2015	2015F
B) CURRENT ASSETS	1.249	2.271	1.437	2.650
Inventory	241	324	495	563
Accounts Receivable	721	1.294	629	1.100
Other receivables	287	653	313	987
C) CASH/CASH EQUIVALENTS	2.610	1.673	932	1.469
TOTAL CURRENT ASSETS	3.859	3.944	2.369	4.119

In the first half of 2015, current assets represented 19% of the total assets, less than in the same period in the previous financial year, mainly as a result of a reduction in the 'clients' entry and to a greater extent in the 'cash/liquid assets' entry.

The 'other receivables' entry includes balances with the tax authorities and payment rights for loans to personnel connected with the company's Employee Plan. At the end of each financial year, the balances corresponding to each employee are liquidated, by apportioning on a monthly basis the adjustment of these balances in line with the conditions of the Plan.

As of 30th June 2015, the 'cash' entry includes liquid assets and other financial assets:

Breakdown liquid assets	€ x 000
Financial Institutions	273
Short-term financial investments	506
Liquidity Provider	153
Total liquid assets	932

Comments on the Liability Side of the Balance Sheet

Net Equity

Balance Sheet (thousand euros)	June 2014	Close 2014	June 2015	2015F
A) TOTAL EQUITY	9.103	8.676	7.347	8.115
A-1) Equity	8.810	8.324	6.942	7.822
Share Capital	480	480	480	480
Share premium	14.370	14.340	14.353	14.063
Reserves	30	30	30	30
(Own shares and equity instruments)	-588	-1.003	-1.111	-450
Net Income	-1.494	-1.535	-1.287	-724
Prev. years Net Income	-3.988	-3.988	-5.523	-5.577
A-2) Grants, donations and legacies received	293	352	405	293

In line with the first half of 2014 and with the provisions of the company's Business Plan, the net equity represented 60% of the total liabilities.



Equity was reduced by 21% with respect to the same period in the financial year 2014, basically due to the results for the previous financial year as well as variations in the 'treasury shares' entry. The balance of the account for treasury shares as of 30th June 2015 consisted of 477,183 shares valued at 1,111,000 euros (compared to the 435,555 shares that existed at the close of the financial year 2014 as treasury stock).

The entry for grants and subsidies increased by 38% with respect to the same period in the previous financial year, mainly as a result of the capitalisation of interest rates arising from loans with public authorities with rates below the market average, and those corresponding to being awarded the grant for the final stage of the Nemaf project.

Non-Current Liabilities

Balance Sheet (thousand euros)	June 2014	Close 2014	June 2015	2015F
B) NON-CURRENT LIABILITIES	4.086	3.701	3.595	3.584
Long-term debt	1.440	1.074	1.277	1.001
Long-term debt with Public Administrations	2.515	2.510	2.201	2.503
Other non-current liabilities	131	117	117	80

This consists of long-term financial debts with banks as well as different public bodies.

As of the end of June 2015, the entity 'Institut Català de Finances' was reclassified in the 'private bodies' section, due to its classification as such, and which had been included in previous reports as a public body.

BREAKDOWN FINANCIAL ENTITIES						
PRIVATE	AMOUNT	PUBLIC	AMOUNT			
ICF	203.048	CDTI	442.975			
SANTANDER	12.939	INNPACTO	720.127			
POPULAR	473.715	ENISA	67.419			
SABADELL	64.127	MITYC	64.399			
TARGO	431.291	GENOMA	230.082			
BANKIA	91.667	AVANZA	571.118			
		INNCORPORA	105.373			
TOTAL PRIV. FIN.	1.276.786	TOTAL PUBL. FIN	2.201.492			



Current Liabilities

Balance Sheet (thousand euros)	June 2014	Close 2014	June 2015	2015e
C) CURRENT LIABILITIES	1.124	1.743	1.279	1.455
Short-term debt	338	818	394	347
Trade creditors	402	641	644	853
Other accounts payable	384	284	241	256

Current liabilities rose by 14% in comparison to the previous six months as a result of increased operational activity, whose effect can mainly be seen in the 'trade creditors' entry (for purchases and services).

The company is up to date with all of its obligations with its employees in terms of tax and social security payments. These obligations are included in the entry "Other accounts payable" in the Current Liabilities, and the balance of 241,000 euros mainly corresponds to balances with the tax office and social security department.



2. Analysis of the Company's Activities

During the first half of the financial year 2015, the company's activities have focused on ensuring the correct development of the business partnerships that were established in 2014, and on laying the foundations for strengthening and diversifying its innovative product lines.

As a result of signing more than thirty agreements last year, an intensive regulatory activity has been necessary in order to guarantee that the licensed products receive the corresponding authorisations to be commercialised from the health authorities in the different countries involved. For this reason, the scientific support team of AB-Biotics has processed an exceptional number of regulatory procedures over the last few months. We expect that these efforts will gradually result in more than 50 product dossiers being authorised over the next 12 to 18 months.

From a logistical perspective, the increase in the number of clients and product launches has made it necessary to guarantee supplies and to define new procedures that optimise planning the demand for our products. In these initial stages, it is difficult for the orders from our clients to adapt to standard manufacturing batches, and for this reason the coordinated management of orders has become especially relevant in ensuring greater precision in terms of production practices and/or the resulting increase in unit costs.

The IT department has provided exceptional support to the startup of Neurofarmagen in countries such as India, Israel, Sweden, Argentina or Venezuela. The process of adapting the platforms to the scientific, market, regulatory and logistical requirements of such different countries has made it necessary to improve the proprietary software and increased the company's know-how.

Functional Ingredients

AB Life

During the first half of the year, the number of countries where our product is available has increased, including Australia, one of the most important markets in terms of volume and innovation in the field of probiotic-based specialities.

In the countries where the product was supplied as of the end of 2014, the first quarter of 2015 has served to fill the distribution channels and ensure its availability in pharmacies precisely at the moment when our commercial partners have begun to promote it.

In May, AB-Life was awarded the prize for the best-finished product of the year by the prestigious journal 'NutraIngredients' in the cardiovascular and cerebral health area. The panel of experts selected by NutraIngredients gives these awards to the best ingredients, products and groundbreaking innovations in the nutraceutical field.



AB Fortis

AB-Fortis has continued to grow at a significant rate, over and above the level expected for its used as a foodstuff ingredient. During the first half of 2015, a series of stability studies for formulas have been successfully completed that will allow it to be marketed for self-consumption and prescription. During the second half of the year it is expected that the first regulatory procedures will be completed for its commercialisation as a dietary supplement, and that clinical tests will be requested to complete the registration procedures in countries where it is planned to be marketed as a medicine.

AB Dentalac-AB-Gingilac-Str.Dentisani

A significant part of the company's development efforts have been focused on its range of oral health products. During the first half of the year, more than 50% of the patients have been recruited who will take part in the clinical trial to confirm the effectiveness of the Gingilac product. We expect to have full details on this trial before the end of the year.

With regard to Streptococcus Dentisani, the joint project carried out by teams from Fisabio and AB- Biotics has provided:

- New scientific evidence about the anti-caries action of this new probiotic
- Therapeutic application formulas in line with regulatory guidelines
- New sources of funding for definitive clinical trials to complete the regulatory procedures
- The opening of negotiations with marketing companies that may result in a distribution licence for the first product that contains the probiotic.

In the case of Dentalac, the most significant event in the first half of the year has been the preparation of the elements that will allow it to be marketed in the USA before the end of the year. Agreements have been signed with an expert cross-border assembly plant in the sector, production and stability tests have been carried out in the country for the speciality manufactured in the country, a licensing agreement has been signed with a leading company in the market, and the necessary administrative procedures have been completed. The speed with which the process has been carried out has once again demonstrated the reproducibility and reliability of the technical and scientific data accumulated by AB-Biotics with its products, the ability to transfer technology in an orderly manner, and the flexibility of its departments to adapt to the varying requirements of different markets.

i3.1

The product has been launched by the company Mylan in the Spanish market as a new natural therapy for symptoms associated with irritable bowel syndrome marked by episodes of diarrhoea or alternating diarrhoea and constipation. i3.1 has been promoted to a wide range of healthcare professionals, including pharmacists and general and specialist medical practitioners.



Work has intensified on negotiating licences for distributing i3.1 in significant potential markets such as the USA, Mexico, Russia or Indonesia.

AB Colic / Kolicare

During the first half of 2015, the marketing of AB-Colic or Kolcare has been extended to include Asian and Eastern European countries, although these still only account for a small volume of business.

The most significant event for this product has been its preparation for launching in Spain. All of the different elements required for its distribution have been prepared, and the first presentations have been made to groups of professionals. The most important distribution events will be concentrated in the third quarter of the year.

As a result of collaborations with our licensees, the team from AB-Biotics has developed a new speciality, AB-Digest, which includes the probiotic mixture Kolicare, and whose therapeutic use will be focused on primary or secondary diarrhoeal episodes. The new product has received the necessary authorisation to be marketed, and is ready to be launched simultaneously with AB-Colic.

AB Intimus

CE certification has been obtained for the first speciality of AB-Intimus, which means that this healthcare product can be marketed directly in all of the member nations of the European Union. The product was presented last month in Spain, as a first step towards its wide-scale marketing from the third quarter of the year onwards.

During the clinical development of AB- Intimus, new evidence has been found of its therapeutic use. A recently concluded clinical study has shown a 60% reduction in the recurrence rate of gynaecological infections with a fungal or bacterial origin. Experimental data have also been completed that demonstrate the superior action of AB-Intimus in comparison to the most established products on the market, providing our product with a competitive advantage in this extensive segment.

The development group is already working on new formulas that will make it possible to extend the product range that has already been approved.

AB Genotyping

The main focus of the company's genotyping work and business development in the first half of 2015 has been on three areas:

- Managing commercial partnerships to ensure the correct introduction of Neurofarmagen in countries where licencing agreements were signed in 2014.
- Diversifying the portfolio of products based on a) providing laboratory services to third parties, b) licensing third party products for international distribution, and c) refining new developments by the company in new therapeutic areas.
- Screening and selecting candidates for the distribution of Neurofarmagen mainly in the US and Japanese markets.



During this period, the company has received confirmation from public healthcare bodies in Mexico for the inclusion of the use of Neurofarmagen in its protocols. This validation has been made following scientific analysis of the product and the drafting of a local pharmaco-economic dossier that has confirmed the favourable cost-benefit ratio of the use of Neurofarmagen. Although the administrative procedure has taken a little longer than expected, its successful conclusion has allowed us to maintain the business perspectives included in the action plan.

During the first six months of the year, AB-Biotics has continued with its commitment towards the clinical development of Neurofarmagen. The ambitious multi-centre clinical trial that was set up in eighteen centres of reference in our country, using Neurofarmagen to improve the prescription of patients with depression, has continued to have a high level of recruitment that will make it possible to complete the trial before the end of the year. This study has entailed major efforts in terms of investment and monitoring by the company, although we believe that it will provide the necessary data to make Neurofarmagen the leading, most differentiated and validated product in its category at international level.

Licensing-in

As a part of the company's strategy announced in 2014, further efforts have been focused on completing the portfolio of its own products with developments made by third parties that make it possible to promote joint efforts and cover new therapeutic areas.

In this case, agreements have been signed with the Japanese company Wakamoto, the US company Kibow and the Korean company Dae Sang.

As a result of the first agreement, AB-Biotics has obtained the option to market the first patented toothpaste containing probiotics, Avantbise, extending the existing offer from AB-Biotics in dental healthcare represented by AB-Dentalac, AB Gingilac and Str. Dentisani. Avantbise is currently marketed in Japan.

The contract signed with Kibow allows AB-Biotics to market the product Renadyl in Europe. Renadyl is a probiotic formula that is specially designed for patients with kidney failure, an area that requires special medical treatment with new therapeutic solutions. Renadyl is marketed in the USA as Medical Food.

The agreement signed with DaeSang has provided AB-Biotics with the opportunity to introduce the first patented probiotic with clinical evidence for the treatment of patients with inflammatory dermatological complaints, especially atopic dermatitis.

New agreements are expected to be announced in the coming months, this time focusing more on the genotyping area.



Industrial and Intellectual Property

AB-Biotics has obtained authorisation for the patent of its AB-Fortis functional ingredient in Japan during the period in question.

It has also signed an agreement with the Higher Centre for Scientific Research in Spain for the licencing and commercial exploitation of the rights of the patent for *Lactobacillus casei*. The available data, IP and clinical validation that is currently underway could easily result in AB-Biotics having a new product available for sale in the near future that is indicated for people with gluten intolerance. This new product will extend the offer of gastro-intestinal health products and continue in line with the company's development of wide-spectrum products for minor symptoms, and specific products used as therapeutic complements for more specific pathologies.



3. Business Management Indicators

The Business Plan for the period 2014-2016 suggested that in order to be able to more effectively monitor the progress, reduction of risk and sustainability of the company, it would be necessary to analyse indicators apart from the economic data, such as:

- i. The number of products marketed at the end of each six-month period
- *ii.* The number of new countries in which it has been possible to launch at least one new product at the end of each six-month period
- iii. Balancing the geographic ratio of the company's income. The relative percentages of income from marketing products in different countries and geographic areas
- iv. Trends in the consumption of liquid assets

i. Number of products marketed

In this case, the concept of the number of products marketed by the company refers to those in a commercial stage that have generated recurring unit sales for the different specialities.

This indicator does not include products or specialities that are marketed but which have generated income as a result of collaboration agreements that are underway and whose sales forecast will be made in the next few months.

In line with the company's forecasts, all of the speciality products included in the Functional Ingredients business have generated income in the first half of 2015. The introduction of the complete range of these products was announced in the Annual Report for 2014.

In the case of the Genotyping business, a new genetic test has been developed for prostate cancer, which has been successfully marketed and started to generate income during the first half of 2015.

New Products with Invoice	
Functional Ingredients	3
Genotyping	1

New Products
Intimus, Kolicare and I3.1.
PCA Test (Prostate Cancer)
PCA Test (Prostate Cancer)



ii. New countries with at least one product from AB-Biotics in the commercial stage

AB-Biotics has continued to increase its international presence, with its products now on sale in a total of 29 countries, and is already receiving recurrent income from some of them. In other countries launches are being prepared for licenced and registered products, and new orders are already expected to deal with market demand. In other cases the first fees have been received in order to start the regulatory process and to proceed with the launch of the different products in the coming months.

Geographic Data	jun-14	dec-14	jun-15
Number of Countries	13	22	29

iii. Geographic Ratio

As mentioned in the last Annual Report for 2014 presented to the MAB, the company has continued to grow in both lines of business.

The total sales of Functional Ingredient products as well as the Neurofarmagen© test have increased by 9 points in the different international markets.

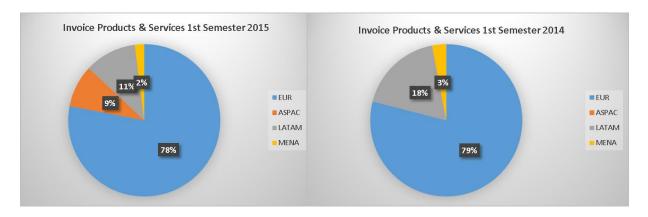
In the first half of 2015, international sales of functional ingredients already represented 50% of the turnover for products in this line of business, an 11-point increase with respect to the first six months of 2014.

The level of internationalisation in the company's Genotyping business is even greater, representing 63% of the total sales of Neurofarmagen©.

Degree of Internationalization	Jan-Jun 2015	Jan-Jun 2014
Functional Ingredients	50%	39%
Genotyping	63%	52%
Total	53%	45%



Europe continues to be the main market for AB-Biotics, although growth in Latin America, North America–MENA and the Asian-Pacific area already represents 22% of the product turnover, with significant growth forecast for 2015 which will become visible from July onwards.



iv. Trends in the consumption of liquid assets

The consumption of the company's liquid assets has also resulted in an improved management of its resources. The average cash flow for the first six months of 2015 has improved by 198,000 euros with respect to the same period in 2014. This improvement is mainly due to cash flows from operations that are indicative of their improved management.

Thousands of euros

Cash Flow 1st Semester	jan.	feb.	mar.	apr.	may	jun.	Average
2014	-257	-201	-116	-424	-646	-286	-322
2015	13	-261	-144	-123	-3	-224	-124

Cash-Flows evolution 1st semester 2014-2015

