

BLACK TORO CAPITAL FUND

Providing liquidity solutions through
partnership investing



International Press Coverage Antibiotics - November 2014

BTC

BLACK TORO CAPITAL

Barcelona Madrid London

Member of
EVCA
EUROPEAN PRIVATE EQUITY AND
VENTURE CAPITAL ASSOCIATION

Black Toro Capital Fund – November 2014

Black Toro snaps up Spain's Antibioticos

Black Toro Capital has acquired Spanish pharmaceutical company **Antibioticos**.



The advisory firm will invest €35m in the company and has taken over the Production Unit of Antibioticos.

Through its investment commitment, BTC has been able to preserve Antibioticos as a leading company in the pharmaceutical sector, as well as keep 170 job positions.

Black Toro's anchor investor, Allstate Investments, is the lead investor in this transaction.

The new company will start operating today under the name Antibioticos de Leon S.L.U. and will be based in the company's Leon factory.

Black Toro partner Ramon Betolaza said, "We are proud of our strategic commitment with Leon and with the Spanish industry.

"We certainly know that with our energy, financial support and this excellent team, Antibioticos will return to its leadership position in the pharmaceutical sector".

Antibioticos is a bio-pharma manufacturing company that develops, manufactures, sells and distributes a broad range of high quality, low cost generic pharmaceutical products.

The production unit is the largest biotech fermentation facility in Southern Europe meeting all applicable current Good Manufacturing Practices ("GMP") requirements under US, European, Japanese and other applicable quality standards. With offices in Barcelona, Madrid and London, Black Toro is an investment advisory firm focused on providing advice and structuring flexible capital solutions for mid-sized companies in Spain.

The firm is run by managing partner Ramon Betolaza and partners Jose Manuel de la Infiesta, Ignacio Foncillas and Carlos Tusquets.

Earlier this year research by Zephyr published by BvD found Private equity and venture capital dealmaking in the global biotechnology sector suffered a sharp slump in value [in September to \\$180m](#).



Antibioticos acquired from receivers by Black Toro Capital

Black Toro Capital has invested €35 million to buy the drugs production unit of Spanish company **Antibioticos** out of receivership. The deal is the firm's first since holding a first close for its maiden private debt fund.

The Spanish firm, which specialises in distressed-for-control investments and is able to invest across the capital structure, teamed up with U.S.-headquartered Allstate Investments for the deal. Allstate, the anchor investor in Black Toro's fund, was the lead investor in the transaction, according to a statement. The size of its investment was not disclosed.

The firms acquired Antibioticos at a "substantial discount to replacement value" through a judicial liquidation sale (known in Spain as a venta de unidad productiva), the equivalent of a 363 sale under the U.S. Bankruptcy Code. Black Toro said it has assumed no legacy liabilities or prior bank debt, which is understood to have been provided by local banks.

The firm aims to bring Antibioticos, now operating the name Antibioticos de Leon, back to full operating capacity within three years and hopes to generate sales of €100 million. Black Toro is currently raising its maiden fund, Black Toro Capital I. It held a first close in September as it pursues €500 million in total commitments, according to market sources. The firm is understood to have raised in the area of €240 million so far.

Antibioticos is one of Europe's largest manufacturers of active pharmaceutical ingredients. – [Oliver Smiddy](#).

Black Toro seals first deal from maiden fund

The deal comes after the firm held an undisclosed first close in October

By: Anna Devine

Published: 19 November 2014



Spain-based Black Toro Capital has made its first distressed-for-control investment in Antibioticos, one of the largest pharmaceutical ingredients (APIs) manufacturing facilities in Europe.

The fund manager made the investment from its maiden fund Black Toro Capital Fund I which has a target of €350 million and which held a “substantial first close” in October, a source familiar with the situation said. The hard-cap on the fund is €500 million.

Black Toro Capital will invest €35 million in the company through a combination of debt and equity, in a deal which will ensure the continued employment of 170 people. Allstate Investments, Black Toro Capital’s anchor investor, is the lead investor in the transaction.

Black Toro Capital acquired Antibioticos at a sizeable discount. It’s understood the plant was sold for €800 million in 1987. The new company will start operating today under the name Antibioticos de Leon and will base its headquarters and working centres at the current facilities.

Ramon Betolaza, Black Toro Capital’s partner, said in a statement: “We are proud of our strategic commitment with Leon and with the Spanish industry. We certainly know that with our energy, financial support and this excellent team, Antibioticos will return to its leadership position in the pharmaceutical sector”.

The sale marks the first time a production unit in Leon, a region in the northwest of Spain, has been sold through judicial liquidation, or “Venta de Unidad Productiva”, the equivalent to a 363 sale under US Bankruptcy Code with no legacy liabilities or prior bank debt assumed by Black Toro.



Black Toro seals first deal from maiden fund

The deal comes after the firm held an undisclosed first close in October

By: Anna Devine

Published: 19 November 2014



Spain-based Black Toro Capital has made its first distressed-for-control investment in Antibioticos, one of the largest pharmaceutical ingredients (APIs) manufacturing facilities in Europe.

The fund manager made the investment from its maiden fund Black Toro Capital Fund I which has a target of €350 million and which held a “substantial first close” in October, a source familiar with the situation said. The hard-cap on the fund is €500 million.

Black Toro Capital will invest €35 million in the company through a combination of debt and equity, in a deal which will ensure the continued employment of 170 people. Allstate Investments, Black Toro Capital’s anchor investor, is the lead investor in the transaction.

Black Toro Capital acquired Antibioticos at a sizeable discount. It’s understood the plant was sold for €800 million in 1987. The new company will start operating today under the name Antibioticos de Leon and will base its headquarters and working centres at the current facilities.

Ramon Betolaza, Black Toro Capital’s partner, said in a statement: “We are proud of our strategic commitment with Leon and with the Spanish industry. We certainly know that with our energy, financial support and this excellent team, Antibioticos will return to its leadership position in the pharmaceutical sector”.

The sale marks the first time a production unit in Leon, a region in the northwest of Spain, has been sold through judicial liquidation, or “Venta de Unidad Productiva”, the equivalent to a 363 sale under US Bankruptcy Code with no legacy liabilities or prior bank debt assumed by Black Toro.



The plan for the company is to bring it back to full operating capacity in the next 36 months with expected sales of more than €100 million, the firm said.

Black Toro Capital has offices in Barcelona, Madrid and London. Fund I is being used to make distressed-for control investments in Spanish companies with between €100 million and €1 billion in sales, seeking to take advantage of a funding gap since that has emerged since the crisis.

Black Toro Capital acquires Antibioticos

Black Toro Capital will invest €35 million in the company and retain 170 employees

Allstate Investments, Black Toro Capital's anchor investor, is the lead investor in this transaction

Antibioticos is one of the largest active pharmaceutical ingredients (APIs) manufacturing facilities in Europe

Black Toro Capital acquires Antibioticos at a substantial discount to replacement value through a judicial liquidation sale, or “Venta de Unidad Productiva”, the equivalent to a 363 sale under US Bankruptcy Code with no legacy liabilities nor prior bank debt assumed by BTC

Antibioticos' new Executive Chairman will restart operations and bring it back to full operating capacity in 36 months with expected sales in excess of €100 million

Black Toro Capital has taken over the Production Unit of Antibioticos S.A.U., a bio-pharma manufacturing company that develops, manufactures, sells and distributes a broad range of high quality, low cost generic pharmaceutical products, focusing on active pharmaceutical ingredients (APIs) for penicillin-based antibiotics. Antibioticos produces generic antibiotics and complex APIs for other pharmaceutical companies.

The new company will start operating today under the name Antibioticos de Leon S.L.U. and will base its headquarters and working centres in Antibioticos' de Leon current facilities.

This transaction lays several milestones, including the first Production Unit sale in Leon in an insolvency proceeding. BTC, through its 35 Million Euro investment commitment, has been able to preserve Antibioticos as a leading company in the pharmaceutical sector, as well as keep 170 job positions.

Antibioticos' production unit is the largest state of the art biotech fermentation facility in Southern Europe meeting all applicable current Good Manufacturing Practices ("GMP") requirements under US, European, Japanese and other applicable quality standards.

Commenting on this transaction, Ramon Betolaza, Black Toro Capital's partner said: *"We are proud of our strategic commitment with Leon and with the Spanish industry. We certainly know that with our energy, financial support and this excellent team, Antibioticos will return to its leadership position in the pharmaceutical sector"*.

The new Chairman of Antibioticos, Dr. Rafael Beaus has extensive experience in the pharmaceutical sector and is one of the worldwide renowned experts in antibiotics production. Regarding this new stage in the company, Beaus expressed: *"Antibioticos is one of the most sophisticated and advanced plants in APIs manufacturing worldwide, as well as a company with a highly qualified workforce. Our industrial plan will turn Antibioticos into Europe's leading company in APIs manufacturing"*.

For its part, Juan Molins, CRO of Antibioticos de Leon, believes that *"a new stage is coming for Antibioticos de Leon. We are currently facing a complex situation that needs everyone's commitment in order to return this company to the place deserved. During the following months, we will dedicate our efforts to build a new company able to compete in a highly competitive global market"*. Juan Molins has wide experience in the acquisition and launch of Production Units, having participated in the purchase of Cacaolat, Mecanotubo and Pujol Metal Casting, among others.

At the transaction signing, Black Toro Capital's team wanted to thank the insolvency trustees, ABC profesionales concursales S.L.P. and Lener, administraciones concursales, S.L., for their efforts in recent years to keep alive the possibility of preserving Antibioticos' Production Unit, achieving the objective of safeguarding the maximum job positions and the city of Leon's productive fibre. Furthermore, BTC wanted to thank trade unions for their sacrifice and efforts in order to come to an agreement. All efforts will be made to maintain and increase Antibioticos' de Leon full occupation.

ANTIBIOTICOS

Antibioticos is a pharmaceutical company founded in 1949 due to the merger of Abello S.A., IBYS S.A., Zeltia S.A., LETI S.A., UQUIFA S.A. and Instituto Llorente laboratories. That year, Antibioticos built its headquarters in Madrid and subsequently settled its first factory in Leon, where it began penicillin production. In 1968, Antibioticos started an expansion plan, increasing the turnover and turning the company into a leading actor of the pharmaceutical sector. Since then, a group of investors formed by Juan Abello, Mario Conde, Emilio Botin and Jaime Botin became controlling shareholders of the company, in 2003 the Italian company Fidia Farmaceutici took it over. In recent years, the firm has suffered diverse restructuring process causing a leadership loss in one of the most well known companies in the Spanish pharmaceutical sector.

Today Antibioticos is one of the largest API manufacturing facilities in Europe. It develops, manufactures, sells and distributes a broad range of high quality, low cost generic pharmaceutical products, focusing on active pharmaceutical ingredients ("APIs") for penicillin-based antibiotics: producing generic antibiotics and complex active APIs for other pharmaceutical companies with which Antibioticos has had existing registration for sale of APIs for over 3 decades.

Company facilities cover 9200 sq meters, with Total estimated capacity of 3,450 tons/year of solid product. The plant is regularly inspected by the FDA, European Agencies or other authorities as applicable. Additionally, this plant is designated as strategic facility in case of pandemic or war by the WHO.

BLACK TORO CAPITAL

Black Toro Capital, based in Barcelona, Madrid and London, is an investment advisory firm focused on providing advice and structuring flexible capital solutions for mid-sized companies in Spain by structuring investments throughout the capital structure with new direct lending structures and discounted securities purchases to de-leverage and recapitalise company balance sheets. At BTC we look to partner up with "good" companies with a viable and proven business model undergoing financial and liquidity constraints as well as strategic leadership and ownership misalignments.

Contact details

▣ **Black Toro Capital**

Avda Diagonal 640, 3º E, Barcelona 08017, Spain

Tel: +34 934 252 08 89

Velázquez 70, 2º Izda, Madrid 28001, Spain

Tel: +34 914 362 827

26 Cadogan Square, London SW1X 0JP, UK

Tel: +44 207 245 6954

▣ **Ramon Betolaza**

Managing Partner

rbetolaza@blacktorocapital.com

Direct: +34 934 252 08 89

▣ **Ignacio Focillas**

Partner

nfocillas@blacktorocapital.com

Direct: +34 91 436 28 25

▣ **Jose Manuel de la Infiesta**

Partner

jminfiesta@blacktorocapital.com

Direct: +44 207 245 69 54

Disclaimer

Recipients of this document who are considering investing in Black Toro Capital Fund (the "Fund") in the future are reminded that any such purchase or subscription must be made only on the basis of the information contained in the Private Placement Memorandum in its final form. No reliance may be placed for any purpose whatsoever on the information or opinions contained in this document or on the completeness, accuracy or fairness thereof. Any investment and/or services offered or related to this document are by no means intended for retail clients and should not be made available to retail clients. In the United Kingdom, this document is directed at and is for distribution only to a limited number of prospective investors who either (a) have professional experience in matters relating to investments and who fall within the description of investment professionals contained in Article 19 of FSMA (Financial Promotion) Order 2005 (the "FP Order"), (b) are persons who are high net worth companies, unincorporated associations, trustees and other persons who fall within the exemption contained at Article 49 of the FP Order, (c) are persons who fall with the description of sophisticated investors contained in Article 50 of the FP Order, or (d) are persons to whom this document may lawfully be provided (all such persons together being referred to as "relevant persons"). This document is directed only to such persons and must not be acted on or relied on by any other persons. For specific distribution and investment restrictions in other jurisdictions please refer to the Private Placement Memorandum, a copy of which is available at request. This document is prepared by Black Toro Capital based on internally developed data, and third party and publicly available information generally accepted as reliable. However no attempt has been made to verify independently such information. No undertaking, representation or warranty or other assurance, express or implied, is made or given by or on behalf of Black Toro Capital or any of its members, employees, agents or advisers or other person as to the accuracy completeness or fairness of the information or opinions contained in this document and no responsibility or liability is accepted for any such information or opinions. Past performance of any of Black Toro Capital's partners or employees does not indicate or guarantee future result