

## **ACG signs MoU with Applied DNA Sciences to Enhance Capsule Authentication and Traceability Technology for Pharmaceutical and Nutraceutical Industry**

*Collaboration to help thwart counterfeits with molecular tagging of capsules*

**STONY BROOK, N.Y. and MUMBAI, INDIA– February 26, 2018** - Applied DNA Sciences, Inc. (NASDAQ: APDN) (“Applied DNA” or the "Company"), and ACG have signed a memorandum of understanding (MoU) that will allow ACG to utilize Applied DNA’s proven SigNature® molecular tagging and authentication technologies to develop molecularly tagged empty hard-shell capsules for offering to ACG’s customers to enhance product traceability and authentication. The MoU is expected to be followed by a definitive agreement.

The empty capsules market witnessed healthy growth during the last decade and is expected to grow at a CAGR of 7.2% between 2016 and 2021 to reach USD 2.13 billion by 2021.

The development of molecularly tagged empty hard-shell capsules will allow ACG’s customers to enhance every distribution channel’s integrity. It will also provide pharmaceutical companies with increased and assured capabilities when investigating suspected counterfeit medicines and help enhance patient and regulator confidence in pharmaceutical companies and their supply chains.

Applied DNA’s SigNature technology allows the embedding of a bespoke molecular tag into one or more capsule component materials. Each customer’s molecular tag can be formulated to specifically adhere tenaciously to a wide variety of substrates and is optimized to allow for authentication at any point in the pharmaceutical supply chain.

On the association between ACG and Applied DNA, Mr. Selwyn Noronha, CEO, ACG Capsules said, “With the increasing threat of counterfeits in the pharmaceutical supply chain and regulations mandating companies to deploy strategies such as serialization and to have greater awareness, there is a need for innovative and effective solutions for product authentication, track and trace and supply chain integrity. We strongly believe that our association with Applied DNA is a step towards nipping the counterfeiting problem that is grappling the industry today. With the introduction of stricter regulatory norms and measures across the globe, the pressure lies increasingly in improving existing supply chain safeguards. The association will equip pharmaceutical companies with greater capabilities to thwart the threat of counterfeits by providing amplified traceability solution across the supply chain.”

Elaborating on the association, Dr. James Hayward, president and CEO of Applied DNA said “We are proud to announce the signing of the MoU and are excited by ACG’s development of on-dose authentication for hard-shell capsules powered by the Company’s SigNature molecular tagging and authentication technologies. The ability to forensically test a capsule in the field and quickly prove its

provenance is a powerful tool for all nodes of the pharmaceutical supply chain and will ensure a more secure and traceable global pharmaceutical supply chain.”

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### **About Applied DNA Sciences**

Applied DNA is a provider of molecular technologies that enable supply chain security, anti-counterfeiting and anti-theft technology, product genotyping and DNA mass production for diagnostics and therapeutics.

Applied DNA makes life real and safe by providing innovative, molecular-based technology solutions and services that can help protect products, brands, entire supply chains, and intellectual property of companies, governments and consumers from theft, counterfeiting, fraud and diversion.

The proprietary DNA-based "CertainT™" platform can be used to identify, tag, test, and track products, to help assure authenticity, origin, traceability, sustainability and quality of products.

SigNature® DNA describes the core technology ingredient that is at the heart of a family of uncopyable, security and authentication solutions such as SigNature®T and fiberTyping®, targeted towards textiles and apparel, BackTrac® and DNAnet®, for anti-theft and loss prevention, and digitalDNA®, providing powerful track-and-trace. All provide a forensic chain of evidence, and can be used to prosecute perpetrators. Applied DNA Sciences is also engaged in the large-scale production of specific DNA sequences using the polymerase chain reaction.

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### **About ACG**

The ACG group is the only supplier in the world offering integrated manufacturing solutions for the pharmaceutical industry. The company's diverse product range of Capsules, Films & Foils, Engineering and Inspection systems don't just meet, but exceeds the demands of international regulatory requirements. ACG is committed to just one goal: to offer everything needed for efficient capsule and tablet manufacturing. ACG has over 5 decades of experience and is present in over 100 countries, with over 4,500 employees around the world. Our customer-centric approach has won us many loyal, satisfied customers and partners by nurturing relationships with dignity and transparency.

### **Forward-Looking Statements**

The statements made by Applied DNA in this press release may be "forward-looking" in nature within the meaning of the Private Securities Litigation Act of 1995. Forward-looking statements describe Applied DNA's future plans, projections, strategies and expectations, and are based on assumptions and involve a number of risks and uncertainties, many of which are beyond the control of Applied DNA. Actual results could differ

materially from those projected due to our lack of significant revenues, limited financial resources, limited market acceptance, history of net losses, market competition and various other factors detailed from time to time in Applied DNA's SEC reports and filings, including our Annual Report on Form 10-K filed on December 28, 2017 and our subsequent quarterly report on Form 10-Q filed on February 8, 2018, which are available at [www.sec.gov](http://www.sec.gov). Applied DNA undertakes no obligation to update publicly any forward-looking statements to reflect new information, events or circumstances after the date hereof to reflect the occurrence of unanticipated events, unless otherwise required by law.

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