

PRESS RELEASE

BRAIN AG starts the 2018/19 financial year with a strong first quarter

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B.R.A.I.N. Biotechnology Research and Information Network AG (BRAIN AG, ISIN DE0005203947 / WKN 520394) today announced its results for the first quarter of the financial year 2018/19. Accordingly, the BRAIN Group's total operating performance was € 9.9 million in the reporting period from 1 October 2018 to 31 December 2018, compared with € 6.0 million in the same period of the previous year. The total operating performance is thus 63.7% above the previous year's level. At the same time, Group revenues rose by 78.7% from € 5.3 million to € 9.4 million. Adjusted EBITDA also improved significantly by € 1.3 million to € 0.0 million.

In the first quarter of 2018/19, the BioIndustrial segment, which represents the product business and is key to the achievement of the BRAIN Group's growth targets, recorded significant growth in total operating performance of 108.9% to € 6.5 million compared with € 3.1 million in the previous year. In addition to organic growth, this was primarily due to the acquisition of a majority interest in the leading specialty enzyme producer Biocatalysts Ltd. in the United Kingdom in March 2018. As a result of this growth in total operating performance and a reduced cost of materials ratio, adjusted EBITDA in the BioIndustrial segment improved from € -0.1 million in the previous year to € 0.8 million in the first quarter of the 2018/19 financial year.

In the BioScience segment, primarily the signing of new contracts and follow-up projects led to a 15.3% increase in total operating performance to € 3.4 million, compared with € 2.9 million in the prior-year quarter. Adjusted

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EBITDA of the BioScience segment improved to € -0.9 million from € -1.2 million in the prior-year quarter. Success and milestone payments also contributed to this first quarter development.

At € 33.7 million as at 31 December 2018, non-current assets remained virtually unchanged compared with 30 September 2018. Current assets decreased by € 2.1 million to € 38.9 million. Total equity amounted to € 29.3 million as at 31 December 2018, compared with € 30.6 million as at 30 September 2018. At € 32.7 million as at 31 December 2018, non-current liabilities remained at the same level as at 30 September 2018. Current liabilities decreased slightly from € 11.0 million to € 10.5 million in this period.

"We are very satisfied with the performance of the BRAIN Group in the first quarter of the financial year 2018/19 showing a growth in total operating performance compared to the previous year. It is pleasing to note that both business segments contributed to this strong start in the year. Strategically important for the achievement of our growth targets is the product-scalable BioIndustrial segment. Here we were also able to increase our total operating performance organically, i.e. without the contribution from the acquired Biocatalysts Ltd. The establishment of the three business units Nutrition & Health, Skin Care and Industrial BioSolutions, focusing on the most promising fields of application, has contributed to this development," says Dr. Jürgen Eck, CEO of BRAIN AG.

"In the 2018/19 financial year, the main focus of the BRAIN Group is on organic growth. In view of the positive figures for the first quarter, we are confident that we will achieve our goal of a double-digit increase in total operating performance in the 2018/19 financial year," added Manfred Bender, CFO of BRAIN AG.

Key financials (first three months of fiscal year 2018/19)

(in € million)	3M 2018/19	3M 2017/18
Revenues	9.4	5.3
Total operating performance ¹	9.9	6.0
BioScience	3.4	2.9
BioIndustrial	6.5	3.1
Adjusted EBITDA ²	0.0	-1.3
EBITDA	-0.1	-1.7
Operating cash flow	-0.1	1.4
	31.12.2018	30.09.2018
Cash & cash equivalents	23.8	25.5

- 1 Revenues + change in inventories + other income including R&D grants
- 2 The reconciliation from adjusted to unadjusted EBITDA can be found in the quarterly statement for the period ended 31 December 2018.

More detailed information on the quarterly financial results are available at www.brain-biotech.de/en/investor-relations/financial-publications as part of the quarterly statement for the period ended 31 December 2018.

About BRAIN

B.R.A.I.N. Biotechnology Research and Information Network AG (BRAIN AG; ISIN DE0005203947 / WKN 520394) is one of Europe's leading technology companies in the field of industrial biotechnology, the core discipline of Bioeconomy. As such, BRAIN identifies previously untapped, efficient enzymes, microbial producer organisms or natural substances from complex biological systems that can be put to industrial use. The innovative solutions and products developed by help of this "Toolbox of Nature" are successfully applied in the chemistry, the cosmetics and the food industries. BRAIN's business model is based on two pillars. The BioScience segment comprises mainly of the research and development business with industrial partners (the "Tailor-Made Solutions" cooperation business), and the company's own research and development. The BioIndustrial segment consists mainly of the industrially scalable products business. Further information is available at www.brain-biotech.de/en.

Disclaimer

This press release contains forward-looking statements. These statements reflect the current views, expectations, and assumptions of the management of BRAIN AG and are based on information currently available to the management. Forward-looking statements are not guarantees of future performance and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. There are numerous factors which could influence the future performance by and future developments at BRAIN AG and the BRAIN group of companies. Such factors include, but are not limited to, changes in the general economic and competitive environment, risks associated with capital markets, currency exchange rate fluctuations, changes in international and national laws and regulations, in particular with respect to tax laws and regulations, and other factors. BRAIN AG does not undertake any obligation to update or revise any forward-looking statements.