Presentation of 3M Figures BRAIN AG

BRAIN – Key Enabler for a Biobased Economy

“Structural transformation towards greater sustainability across all spheres of industry can only succeed with the participation of the largest possible number of social actors. The bioeconomy is not a niche subject for experts, it affects us all.”

Professor Johanna Wanka, in “Bioökonomie in Deutschland, Chancen für eine biobasierte und nachhaltige Zukunft”, published by the German Federal Ministry of Education and Research and the German Federal Ministry of Food and Agriculture, May 2014.
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Speakers/Management

Dr. Jürgen Eck (CEO)
- Micro- & Molecular Biologist
- 55 years
- Co-founded BRAIN in 1993
- 25+ y of industry expertise
- Well connected in industry
- Management & Strategy
- R&D, IP and Technology

Frank Goebel (CFO)
- Master of Business Administration
- 48 years
- Joined BRAIN in Feb. 2015
- 17+ y structured/corporate finance expertise
- Well connected in finance community
- Asset management, M&A

Dr. Martin Langer (eVP Corporate Dev.)
- Molecular Biologist & Biochemist
- 52 years
- Joined BRAIN in 1995
- 20+ y of management expertise
- Well connected in industry
- Corporate & Business Development
- Marketing & Communication
Our mission: enabling BioEconomy

- We discover and produce novel biological ingredients on the basis of our proprietary BioArchive for the improvement of product applications in multiple B2B markets.

- We enable sustainable, efficient and bio-based products & processes in the specialty and consumer goods segments of the chemical industry.

- We are on our way to grow our business as a fully integrated bio-specialty company.
Statement of the CEO Dr. Jürgen Eck:

“In order to be able to increasingly realize the revenue potential of BRAIN innovations in the bioeconomy future markets we initiated a series of strategic measures since the beginning of the current financial year 2017/18. These include, for example, the intensification of our M&A strategy, the growing internationalization of BRAIN’s business activities and the execution of product-specific spin-offs. Thus, we aim at an accelerated marketing of our product and process innovations in the BioIndustrial segment. In spite of the unexpected decrease in revenues in the first quarter of the financial year 2017/18, we still forecast double-digit growth of BRAIN’s Group revenues for the full financial year, resulting from combined organic and inorganic growth. Concurrently, the BioScience segment remains the undisputed second pillar of BRAIN.”
Key Financials
Key Financials 3M 2017/18

- **BRAIN Group revenues** in 3M 2017/18 decreased by **13.1%** to Euro **5.3m** (3M 2016/17: Euro 6.1m)

- Group **total operating performance (TOP)** down by **8.7%** to Euro **6.0m** (3M 2016/17: Euro 6.6m)
  
  - TOP of the “**BioIndustrial**” segment decreased by **9.4%** to Euro **3.1m** (3M 2016/17: Euro 3.4m) mainly due to an unexpected delay in follow up orders of cosmetics B2B customers. Thus the adjusted EBIT slightly decreased from Euro 0,0m (3M 2016/17) to Euro -0,2m

  - The “**BioScience**” segment decreased its TOP by **8.5%** to Euro **2.9m** (3M 2016/17: 3.2m) due to a delay in closings of contracts with new and actual R&D partners. Adjusted EBIT improved from Euro -2.3m (3M 2016/17) to Euro -1.5m

- The **adjusted Group EBIT** improved from Euro **-2.3m** (3M 2016/17) to **-1.7m**, adjusted for:
  
  - Euro **0.1m** for personnel exp. resulting from a share-based compensation scheme at AnalytiCon
  - Euro **0.3m** from acquisition and integration costs

- **The operating cash-flow** improved significantly to Euro **1.4m** vs. Euro **-0.1m** (3M 2016/17)
Key consolidated financials 3M 2017/18

Total Operating Performance by Segments$^1$ [€m]

<table>
<thead>
<tr>
<th></th>
<th>2014/15</th>
<th>2015/16</th>
<th>2016/17</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>25.7</td>
<td>26.1</td>
<td>26.9</td>
</tr>
<tr>
<td>Revenues</td>
<td>13.5</td>
<td>13.9</td>
<td>13.9</td>
</tr>
<tr>
<td>BioScience</td>
<td>12.3</td>
<td>12.4</td>
<td>13.2</td>
</tr>
<tr>
<td>BioIndustrial</td>
<td>-3.9</td>
<td>-7.6</td>
<td>-6.4</td>
</tr>
</tbody>
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Adjusted EBIT$^2$ [€m]

<table>
<thead>
<tr>
<th></th>
<th>2014/15</th>
<th>2015/16</th>
<th>2016/17</th>
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<tbody>
<tr>
<td></td>
<td>-3.9</td>
<td>-7.6</td>
<td>-6.4</td>
</tr>
<tr>
<td>3M 2016/17</td>
<td>6.6</td>
<td>3.4</td>
<td>3.1</td>
</tr>
<tr>
<td>3M 2017/18</td>
<td>6.0</td>
<td>3.2</td>
<td>2.9</td>
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</tbody>
</table>

1) Revenues + change in inventories + other income including R&D grants  
2) For the adjusted EBIT definition please refer to the next slide
Key consolidated financials 3M 2017/18

<table>
<thead>
<tr>
<th>(in Euro million)</th>
<th>3M 17/18</th>
<th>3M 16/17</th>
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</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>5,3</td>
<td>6,1</td>
</tr>
<tr>
<td><strong>Total operating performance</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>6,0</td>
<td>6,6</td>
</tr>
<tr>
<td>BioScience</td>
<td>2,9</td>
<td>3,2</td>
</tr>
<tr>
<td>BioIndustrial</td>
<td>3,1</td>
<td>3,4</td>
</tr>
<tr>
<td>Adjustments (consolidation effects)</td>
<td>0,0</td>
<td>0,0</td>
</tr>
<tr>
<td><strong>Adjusted EBIT</strong></td>
<td>-1,7</td>
<td>-2,3</td>
</tr>
<tr>
<td>Acquisition and Integration costs</td>
<td>-0,3</td>
<td>0,0</td>
</tr>
<tr>
<td>Share based employee compensation AnalytiCon</td>
<td>-0,1</td>
<td>-0,4</td>
</tr>
<tr>
<td>Post IPO-Framework</td>
<td>0,0</td>
<td>-1,8</td>
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<tr>
<td><strong>EBIT</strong></td>
<td>-2,1</td>
<td>-4,4</td>
</tr>
<tr>
<td><strong>Operating CashFlow</strong></td>
<td>1,4</td>
<td>-0,1</td>
</tr>
<tr>
<td><strong>Cash &amp; cash equivalents</strong></td>
<td>39,5</td>
<td>39,0</td>
</tr>
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</table>

1) Revenues + change in inventories + other income including R&D grants
Business Highlights
**Significant events in first quarter of FY 2017/18**

- **Research project EcoMetals paves the way for low-impact copper production**
  A French-German research team has succeeded in extracting nearly the entire copper content from shale deposits. BRAIN contributed capabilities to identify carbonate-dissolving, metal-resistant micro-organisms from its BioArchive. The project underscores the significance of BRAIN’s Green & Urban Mining program.

- **M²Aind project to develop 3D skin models for health care and cosmetics**
  BRAIN is partner in the M²Aind project (Multimodal Analytics and Intelligent Sensorics for the Health Industries) led by Mannheim University. Joint projects include the development of a 3D skin model for better understanding of skin physiology. The aim is to provide new insights for industrial health care and cosmetic applications.

- **Patent protection for biological antiperspirants and deodorants development**
  BRAIN has been granted US patent protection for novel screening systems which help find compounds that reduce the production of sweat. The patent for Europe is expected to be granted in 2018. BRAIN’s protected technology offers efficient and reliable solutions to meet the growing demand in biological deodorants and antiperspirants.
Significant events after first quarter of FY 2017/18

• **BRAIN publishes annual report for financial year 2016/17**
  The BRAIN Group increased its revenues by 5.8% from € 22.8 million to € 24.1 million. Total operating performance grew by 3.0% year-on-year, from € 26.1 million to € 26.9 million. Adjusted EBIT for the financial year 2016/17 improved from € -7.6 million in the previous year to € -6.4 million. Cash flow from operating activities improved to € -5.8 million compared with € -8.7 million in the same period of the previous year.

• **BRAIN AG starts the financial year 2017/18 with a weak first quarter**
  In the course of preparing key figures for Q1 of fiscal year 2017/2018 it turned out that the expected increase in revenues cannot be achieved. Accordingly, Group revenues of BRAIN AG in the first quarter of 2017/18 are expected to reach a total of € 5.3 million and thus will be 13.1% below the previous year’s figure (€ 6.1 million).

• **BRAIN expands Patent Protection for unique Taste Cell Technology to Europe**
  BRAIN has been granted European patent protection for novel taste cell technologies. BRAIN now holds the patents for its highly innovative screening technologies for Europe and the US. The technology has already been successfully applied in strategic industrial partnership programs such as the DOLCE program for novel sweetening solutions.
Shareholder structure & proceeds

**IPO BRAIN AG**

- BRAIN shares started trading on February 9, 2016 (issue price € 9.00, first price € 9.15)
- The public offer consisted of 3,500,000 primary shares and 108,054 secondary shares
- Total issue volume of € 32.5m
- Proceeds: R&D (60%), M&A (20%), Working Capital (20%)

**Capital increase**

- A total of 1,641,434 new registered no-par-value shares were subscribed by the DAH Beteiligungs GmbH on September 07, 2017
- DAH is long term investor with a clear focus on sustainability companies and programmes
- Net proceeds for BRAIN of € 28 m from the capital increase

**Shareholder structure of BRAIN AG**

- DAH Beteiligungs GmbH: 34.7%
- MP Beteiligungs GmbH: 48.5%
- Founders/Management: 7.7%
- Free Float: 9.1%

**Notes**

- Current number of shares: 18,055,782
- Strong long term investor base
- Free float of 48.5%
- >6,000 Shareholders (Retail)
Financial Calendar 2017/18

February 28, 2018  
Publication of the quarterly report for the period ending 31 December 2017 (3M)

March 08, 2018  
Annual General Meeting in Zwingenberg, Germany

May 30, 2018  
Publication of the interim report for the period ending 31 March 2018 (6M)

August 31, 2018  
Publication of the quarterly report for the period ending 30 June 2018 (9M)
Thank you for your interest.

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