Presentation of 6M Figures BRAIN AG

BRAIN – Key Enabler for a Biobased Economy

“[Besides an initiative towards a digital economy we may also need a “Biotechnology Agenda”.]

Peter Altmaier, Federal Minister for Economic Affairs and Energy, April 2018

Zwingenberg, May 30, 2018
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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**.

  ![Enzymes](image1) ![Microbial Strains](image2) ![BioActives](image3)

• 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**.
Strengthening the BioIndustrial Business of BRAIN

**Organic Growth**

Internationalisation and expansion of global marketing and Business Development
a) BRAIN US LLC, Maryland near Washington DC started operations in March 2018
b) Strengthening of BRAIN global sales force

**Inorganic Growth**

a) M&A – e.g. acquisition of majority stake of Biocatalysts Ltd., Cardiff, UK
b) Scale up specialty enzyme business and growth with scalable product revenues

**Growth through speeding up the development process**

a) Product-specific spin-offs of highly advanced BRAIN development programs
b) Value-creating commercialisation through participation of external industry experts
Statement

Statement of the CEO Dr. Jürgen Eck:

"After a weak first quarter, we see some growth momentum in the second quarter of fiscal 2017/18, particularly in the product-related BioIndustrial segment. On a quarterly basis Q1 to Q2 of the fiscal year 2017/18, the BioIndustrial segment grew by 17.2%. At Euro 6.3 million, the BRAIN Group’s total operating performance in the second quarter was 4.7% above the first quarter.

Thus, we continue to expect double-digit revenue growth for the BRAIN Group in the 2017/18 fiscal year as a whole, resulting from combined organic and inorganic growth.”
Key Financials
Key Financials 6M 2017/18

- BRAIN Group total operating performance (TOP) in 6M 2017/18 down by -7.2% to Euro 12.3 m (6M 2016/17: Euro 13.3m). BRAIN Group revenues in 6M 2017/18 decreased by 11.7% to Euro 10.7m (6M 2016/17: Euro 12.1m)

- BRAIN Group TOP in Q2 was up by 4.7% compared to Q1 2017/18; TOP of “BioIndustrial” in Q2 was up by 17.2% compared to Q1 2017/18.

- TOP of the “BioIndustrial” segment increased by 4.4% to Euro 6.8m (6M 2016/17: Euro 6.5m). Last 14 days of Biocatalysts March 2018 revenues included in the segment. The adjusted EBIT slightly decreased from Euro 0.2m (6M 2016/17) to Euro -0.2m.

- The “BioScience” segment decreased its TOP by -18.4% to Euro 5.6m (6M 2016/17: 6.9m) due to an ongoing delay in closings of contracts with new and actual R&D partners. Adjusted EBIT changed from Euro -3.0m (6M 2016/17) to Euro -3.4m

- The adjusted Group EBIT decreased from Euro -2.9m (6M 2016/17) to -3.6m, adjusted for:
  - Euro 0.1m for personnel exp. resulting from a share-based compensation scheme at AnalytiCon Discovery
  - Euro 0.8m from acquisition and integration costs

- The long term liabilities increased significantly to Euro 27.0m vs. Euro 12.7m (30.09.2017) due to Put/Call options for outstanding Biocatalysts shares (25.1% of 34.45%). Reduction of capital reserve of BRAIN AG by Euro 12.9m.
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>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>25,7</td>
<td>26,1</td>
<td>26,9</td>
</tr>
<tr>
<td>Adjusted EBIT(^2)</td>
<td>13,5</td>
<td>13,9</td>
<td>13,9</td>
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<tr>
<td>BioScience</td>
<td>12,3</td>
<td>12,4</td>
<td>13,2</td>
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Adjusted EBIT\(^2\) [€m]

<table>
<thead>
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<th>2014/15</th>
<th>2015/16</th>
<th>2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>-3,9</td>
<td>-7,6</td>
<td>-6,4</td>
</tr>
<tr>
<td>BioScience</td>
<td>-2,9</td>
<td>-3,6</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 6M 2017/18

<table>
<thead>
<tr>
<th>(in Euro million)</th>
<th>6M 17/18</th>
<th>6M 16/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>10.7</td>
<td>12.1</td>
</tr>
<tr>
<td><strong>Total operating performance</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td><strong>12.3</strong></td>
<td><strong>13.3</strong></td>
</tr>
<tr>
<td>BioScience</td>
<td>5.6</td>
<td>6.9</td>
</tr>
<tr>
<td>BioIndustrial</td>
<td>6.8</td>
<td>6.5</td>
</tr>
<tr>
<td>Adjustments (consolidation effects)</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Adjusted EBIT</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td>-3.6</td>
<td>-2.9</td>
</tr>
<tr>
<td>IPO one-off costs</td>
<td>0.0</td>
<td>0.0</td>
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<tr>
<td>Share based employee compensation</td>
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<tr>
<td>AnalytiCon</td>
<td>-0.1</td>
<td>-0.5</td>
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<tr>
<td>Post IPO-Framework</td>
<td>0.0</td>
<td>-2.3</td>
</tr>
<tr>
<td>M&amp;A Costs</td>
<td>-0.8</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>-4.5</td>
<td>-5.6</td>
</tr>
<tr>
<td><strong>Operating CashFlow</strong></td>
<td>-2.8</td>
<td>-2.3</td>
</tr>
<tr>
<td><strong>Cash &amp; cash equivalents</strong></td>
<td><strong>31.03.2018 30.09.2017</strong></td>
<td><strong>24.7 39.0</strong></td>
</tr>
</tbody>
</table>

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

• BRAIN AG founds US subsidiary to strengthen North America business
  In order to more effectively address the North American markets – which are important markets for the BRAIN Group – BRAIN has formed the US subsidiary B.R.A.I.N. Biotechnology Research and Information Network US LLC (referred to in brief as: BRAIN LLC). With this strategic step, announced on 6 March 2018, the internationalisation of the business of BRAIN is being advanced, proximity to customers is being improved, and the business development of the BRAIN Group is being intensified with a US presence (see also the expansion notes below).

• BRAIN AG acquires majority interest in special enzyme producer Biocatalysts Ltd
  On 17 March 2018, BRAIN AG announced that a share purchase agreement had been signed between BRAIN and special enzymes company Biocatalysts Ltd, based in Cardiff, UK. The transaction serves to strengthen the BioIndustrial operating segment of BRAIN through improved access to attractive markets for special enzymes as well as state-of-the-art enzyme production facilities (see also the explanatory notes below).
Biocatalysts Ltd. - Exceeding Enzyme Expectations

Key player in the speciality enzyme business

- Founded in 1983
- Staff: 65 highly qualified people
- Headquarter based in Cardiff, Wales, UK
- US subsidiary Biocatalysts Inc. based in Illinois
- Global distributor network e.g. Korea, Australia, NZ

- Production: fermentation capacity incl. full downstream processing to scalable products
- Global shipment and regulatory capabilities
- Management certifications: ISO 22000 (food safety), ISO 14001 (environment), OHSAS18001 (health & safety), ISO 9001 (quality)

- Revenues of Biocatalysts in FY 2016/17: 9.55 Mio. GBP (ca. 10.9 Mio. Euro)
- EBITDA: 1.37 Mio GBP (1.56 Mio. Euro)
- EBIT: 1.04 Mio. GBP (1.19 Mio. Euro)
BRAIN Group members along the enzyme value chain

Discovery
- Market Research & Feasibility
- Enzyme Discovery & Host Selection

Development
- Process Development, Optimization
- Fermentation Scale-up

Production & Marketing
- Regulatory QA/QC
- Manufacturing, Commercialization
- Marketing Sales Distribution

BRAIN Group

WeissBioTech

BIA·N

B·R·A·I·N

Group
BRAIN Group global enzyme market access
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: 7.7%
- Founders/Management: 34.7%
- Free Float: 48.5%
- MP Beteiligungs GmbH: 9.1%

**Notes**

- Current number of shares: 18,055,782
- Strong long term investor base
- Free float of 48.5%
- >6,000 Shareholders (Retail)
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 30, 2018</td>
<td>Publication of the interim report for the period ending 31 March 2018 (6M)</td>
</tr>
<tr>
<td>August 31, 2018</td>
<td>Publication of the quarterly report for the period ending 30 June 2018 (9M)</td>
</tr>
<tr>
<td>January 10, 2019</td>
<td>Publication of the annual report for the period ending 30 September 2018 (12M)</td>
</tr>
<tr>
<td>February 28, 2019</td>
<td>Publication of the quarterly report for the period ending 31 December 2018 (3M)</td>
</tr>
<tr>
<td>March 07, 2019</td>
<td>Annual General Meeting in Zwingenborn, Germany</td>
</tr>
</tbody>
</table>
Thank you for your interest.

BRAIN Aktiengesellschaft
Darmstädtter Straße 34-36
64673 Zwingenberg

+49 (0) 6251-9331-0
www.brain-biotech.de

Your Contact:
Investor Relations
Dr Martin Langer

ir@brain-biotech.de
+49 (0) 6251-9331-16