Presentation of 9M Figures BRAIN AG

BRAIN – Key Enabler for a Biobased Economy

"The Bioeconomy presents huge opportunities. The enormous progress made in the life sciences combined with the introduction of digital and other technologies is providing us with new tools which we would never have dreamt of only a few decades ago."

Anja Karliczek, MdB, Federal Minister of Education and Research, April 2018

Zwingenberg, August 31, 2018
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Speakers/Management

Dr. Jürgen Eck  
(CEO)
- Micro- & Molecular Biologist
- 56 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**.
Strengthening the product-based BioIndustrial business

- **Organic & inorganic growth**
  
a) Strategy update and portfolio-management to focus on strongest R&D programs in key markets for speeding up production & marketing of BRAIN Group’s products

b) Ongoing integration of Biocatalysts Ltd., UK, to scale up global specialty enzyme business; Biocatalysts about to significantly expand its production facilities

c) Internationalisation and expansion of BRAIN’s business development activities e.g. through BRAIN US LLC; e.g. addressing new industry partnerships

d) M&A strategy continued for enabling growth with scalable product revenues

- **Growth through speeding up business development process**
  
a) Product-specific SolasCure spin-off for BRAIN’s advanced ‘Aurase’ program

b) Reshaping of DOLCE partnership program for new non-exclusive members
Statement

Statement of the CEO Dr. Jürgen Eck:

“The focus of our growth strategy is on the product business of the BRAIN Group. We have made some encouraging progress in this area in the current financial year so far. We want to continue this positive development in the future. To this end, we will continue to systematically expand our industry partnerships and our own development pipeline as well as our M&A strategy to strengthen production and marketing of products via the BRAIN Group.

We focus on our key development programs in market segments such as nutrition and health. It is our ambition to bring innovative products of the BRAIN Group to market as fast as possible. We expect the BRAIN Group to achieve double-digit growth in total operating performance for the financial year 2017/18 as a result from organic and inorganic growth.”
Key Financials
Key Financials 9M 2017/18

- BRAIN Group **total operating performance (TOP)** in 9M 2017/18 **grew by 5.0%** to Euro 20.5m (9M 2016/17: Euro 19.6m). BRAIN Group revenues in 9M 2017/18 increased to Euro 18.1m (9M 2016/17: Euro 17.9m).

- TOP of the “**BioIndustrial**” segment **increased by 27.7%** to Euro 12.5m (9M 2016/17: Euro 9.8m). Adjusted EBITDA slightly decreased from Euro 0.4m (9M 2016/17) to Euro 0.2m.

- The “**BioScience**” segment **decreased its TOP by -17.6%** to Euro 8.1m (9M 2016/17: 9.9m) due to continuing delays in closings of contracts with R&D partners. Adjusted EBITDA declined from Euro -3.6m (9M 2016/17) to Euro -4.4m.

- The **adjusted Group EBITDA** decreased from Euro -3.3m (9M 2016/17) to -4.1m, adjusted for:
  - Euro 0.2m for personnel exp. (resulting from a share-based compensation scheme)
  - Euro 0.9m from acquisition and integration costs

- The increase of **long term liabilities** to Euro 34.4m from Euro 12.7m (30.09.2017) mainly reflects potential payment obligations to minority shareholders of Biocatalysts Ltd. (Put/Call) next to the consolidation of Biocatalysts' operational liabilities, as well as additional liabilities at BRAIN AG.
### Total Operating Performance by Segments

<table>
<thead>
<tr>
<th>Year</th>
<th>BioScience</th>
<th>BioIndustrial</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014/15</td>
<td>12.3</td>
<td>13.5</td>
</tr>
<tr>
<td>2015/16</td>
<td>12.4</td>
<td>13.9</td>
</tr>
<tr>
<td>2016/17</td>
<td>13.2</td>
<td>13.9</td>
</tr>
</tbody>
</table>

### Adjusted EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>BioScience</th>
<th>BioIndustrial</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014/15</td>
<td>-2.9</td>
<td>-2.9</td>
</tr>
<tr>
<td>2015/16</td>
<td>-6.1</td>
<td>-4.7</td>
</tr>
<tr>
<td>2016/17</td>
<td>-4.7</td>
<td>-4.7</td>
</tr>
</tbody>
</table>

1) Revenues + change in inventories + other income including R&D grants
2) For the adjusted EBITDA definition please refer to the next slide
### Key consolidated financials 9M 2017/18

<table>
<thead>
<tr>
<th>(in Euro million)</th>
<th>9M 17/18</th>
<th>9M 16/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>18.1</td>
<td>17.9</td>
</tr>
<tr>
<td><strong>Total operating performance</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td><strong>20.5</strong></td>
<td><strong>19.6</strong></td>
</tr>
<tr>
<td>BioScience</td>
<td>8.1</td>
<td>9.9</td>
</tr>
<tr>
<td>BioIndustrial</td>
<td>12.5</td>
<td>9.8</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share based employee compensation</td>
<td>-0.2</td>
<td>-0.6</td>
</tr>
<tr>
<td>AnalytiCon</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post IPO-Framework Agreement</td>
<td>0.0</td>
<td>-2.4</td>
</tr>
<tr>
<td>M&amp;A Costs</td>
<td>-0.9</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>-5.2</td>
<td>-6.2</td>
</tr>
<tr>
<td><strong>Operating CashFlow</strong></td>
<td>-6.2</td>
<td>-4.2</td>
</tr>
<tr>
<td><strong>Cash &amp; cash equivalents</strong></td>
<td>26.0</td>
<td>39.0</td>
</tr>
</tbody>
</table>

1) Revenues + change in inventories + other income including R&D grants

**Engineering Biology.**
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Business Highlights
Significant events in third quarter of FY 2017/18

- **BRAIN AG and CyPlus GmbH develop disruptive technologies for biological processing of precious metal ores**

  On June 20, 2018, BRAIN AG and CyPlus GmbH announce the development of an initial range of market-relevant products for the global mining industry. This work has been carried out as part of a multi-year collaboration between the companies in the area of biological ore processing to extract gold and silver. The method is now being further improved for industrial application.
Significant events after end of third quarter of FY 2017/18

• **BRAIN AG announces creation of SolasCure Ltd. to continue Aurase® development**
  BRAIN AG announces on August 22, 2018, its participation in the creation of SolasCure Ltd. based in Cardiff, Wales, UK. SolasCure will be responsible for the development, CE certification and marketing of medical products based on Aurase®, a new enzymatic active ingredient developed by BRAIN for the biological cleaning of chronic wounds. Investors including BRAIN participated in SolasCure’s successful Series A financing round.

• **DOLCE core team announces membership changes in programme for natural-based sweeteners**
  BRAIN AG, AnalytiCon Discovery GmbH and Roquette – together the DOLCE core team – announce on August 30, 2018, that a CPGC member (Consumer Product Goods Company) of the DOLCE partnership for natural-based sweetening solutions has left the program for company-internal strategic reasons. Additionally, the business model was reshaped to enable new non-exclusive members an easier access to the program.
DOLCE program - next generation natural based sweeteners

DOLCE core team has reshaped business options for new members

- Easier access to the program for non-exclusive partnerships
- Exclusive partnership only for category “non-alcoholic beverages”

Global sugar market

- 2017: >61 bn US$, 185 Mio tons¹
- Big potential for natural sweet solutions with currently only 1% market share³

Sources: ¹USDA 2017, ²Finanzen.net 01/2018, ³LMI-Report 2015 & nutriceuticals-world.com 2017
Aurase® Enzyme for advanced wound management

Chronic wounds are a growing global problem with imperfect solutions

- Chronic wounds: growing in incidence (diabetes and ageing)
- Global wound care market 2016: 17.7 bn US$¹ and at 22 bn US$ by 2022; CAGR of 3.7% (2017-2022)¹
- In 2012 worldwide 40.5 mio patients², 2.7 mio in Germany³
- Costs per patient in Germany: 9.570 € p.a., ~20% for medication⁴


- Aurase® is an innovative gel-based product that is part of a medical device for efficiently and gently clean chronic wounds
- Aurase® is a new enzymatic active ingredient developed by BRAIN with patent protection for key markets (WO 2010/099955)
SolasCure® Ltd. - Revolutionising Wound Care

The Spin-off of the Aurase® program is part of BRAIN’s strategy to strengthen its business growth

- SolasCure’s mission is to support healthcare professionals with wound care products that significantly improve health and wellbeing of patients
- Investors including BRAIN participated in SolasCure’s Ltd. successful Series A financing round
- BRAIN has licensed IP for the commercialization of future Aurase®-based products
- BRAIN intends to supply the novel enzymatic ingredient to SolasCure for further integration into medical devices once the product becomes available to the markets

SolasCure team combines deep expertise in wound care with seasoned operators with successful track records in bringing products to market

- **Dr Sam Bakri** (Executive Chairman), healthcare entrepreneur, co-founder of SolasCure and other medical technology companies
- **Dr David Goldsmith** (Chief Medical Officer), several academic positions in London and Europe
- **Prof Keith Harding** (Chairman of the Medical Advisory Board), Director of the ‘Welsh Wound Innovation Centre’ at Cardiff University
Biocatalysts Ltd. - Exceeding Enzyme Expectations

BRAIN Group integration of a key player in the global specialty enzyme business

- Headquarter in Cardiff; US subsidiary in Illinois; global distributor network e.g. Korea, Australia, NZ
- Strong existing fermentation capacity incl. full downstream processing to scalable products
- Combination with BRAIN leads to unique range of capabilities from enzyme discovery to production
- Established enzyme portfolio with currently >50 existing product offers focusing on global food industry
- Major extension program ongoing combining a new building with cutting-edge equipment, expanding fermentation capacity, down-stream processing and final product formulation

Existing own fermentation and production capacities.

Sizeable production capacity extension.
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

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

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>Event Date</th>
<th>Event Description</th>
</tr>
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<tbody>
<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 Zwingenberg, Germany</td>
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Thank you for your interest.

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