Presentation of 12M Figures FY 2017/18

BRAIN – Key Enabler for a Biobased Economy

[Our exceptional research-driven innovative strength continues to form the core of BRAIN’s success. We continue to see ourselves well positioned with our current development pipeline and disruptive product ideas.]

Dr Jürgen Eck, CEO BRAIN, Annual Report BRAIN 10.01.2019

Zwingenberg, January 10, 2019
Disclaimer

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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

Manfred Bender
(CFO)
- Master of Business Administration
- 53 years
- Joined BRAIN in 2018
- 20+ y of finance leadership experience as CFO and CEO in listed companies
- Successful in market cap & Revenue Growth
- Asset management, M&A

Ludger Roedder
(CBO)
- Master of Business Administration
- 53 years
- Joined BRAIN in 2018
- 20+ y international industry expertise
- Product Development & Industrial Transactions
- Strategy & Portfolio Management

Dr. Martin Langer
(eVP Corporate Dev.)
- Molecular Biologist & Biochemist
- 53 years
- Joined BRAIN in 1995
- 20+ y of management expertise
- Well connected in industry
- Corporate & Business Development
- Marketing & Communication
Our ambition:
To make products more efficient and healthy as well as industrial processes more sustainable.
BRAIN is a key enabler of a bio-based economy

• Our Mission

We discover and produce **novel biological ingredients** on the basis of our **proprietary BioArchive** for the attractive B2B markets **Nutrition & Health, Skin Care and Industrial BioSolutions**

- Enzymes
- Performance Microorganisms
- BioActive Natural Compounds

• Our Commitment

To grow as a **fully integrated bio-specialty company** providing novel bio-based products and efficient processes
Three business units within BRAIN Group

- **BU Industrial BioSolutions**
  - Starter Cultures and Performance Microorganisms for Green Mining
  - CO₂-to Bioplastics

- **BU Nutrition & Health**
  - Enzymes
  - Strains
  - BioActives
  - Enzymes Starter Cultures
  - Natural Ingredients for Food, Feed, Pet food, Beverages

- **BU Skin Care**
  - Active Ingredients
  - Formulated Ingredients and White Label Systems for biological skin care

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Engineering Biology. © BRAIN Aktiengesellschaft Zwingenberg Germany www.brain-biotech.de +49 (0) 6251-9331-0
Business models & growth pillars

Tailor Made Solutions

Programs for Industry
- BRAIN has a long track record with dedicated contract R&D programs
- Business: tech-access, fees and milestone payments or royalties

Products

New Product Development
- Pipeline of 12 R&D programs fuelling product business
- Businesses: a) product sales b) product scalable royalties via industrial partnerships

Growing Product Sales
- Product sales account for more than 60% of the BRAIN revenues
- Portfolio of >100 specialty B2B products
- Business: product sales
## New product development pipeline

<table>
<thead>
<tr>
<th>Pipeline</th>
<th>Partner</th>
<th>R&amp;D</th>
<th>Market</th>
<th>Own Production</th>
</tr>
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<tbody>
<tr>
<td>BU Nutrition &amp; Health</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salt taste enhancer 1.0</td>
<td>US-CPGC</td>
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<tr>
<td>Salt taste enhancer 2.0</td>
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<tr>
<td>DOLCE Natural Sweet Solutions</td>
<td>Roquette</td>
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<td></td>
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<tr>
<td>DOLCE Natural Sweet Enhancers</td>
<td>Roquette</td>
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<tr>
<td>Specialty Enzymes Beverages</td>
<td>WBT</td>
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<tr>
<td>Natural beverages</td>
<td>Suntory UK</td>
<td></td>
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<td>FRESCO Natural antimicrobials</td>
<td>Jap. Bev-Co.</td>
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<td></td>
<td>No</td>
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<tr>
<td>Specialty Enzymes Food</td>
<td>Biocatalysts</td>
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<td></td>
<td>Yes</td>
</tr>
<tr>
<td>BU Skin Care</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aurase</td>
<td>SolasCure</td>
<td></td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>BU Industrial BioSolutions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold from Waste Streams</td>
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<td></td>
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<td>Yes</td>
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<tr>
<td>Green Metal Mining</td>
<td>Evonik/ CyPlus</td>
<td></td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>CO2 for value chemicals</td>
<td>Südzucker</td>
<td></td>
<td></td>
<td>No</td>
</tr>
</tbody>
</table>

- Further product revenues from new product development in 2018/19
- BRAIN Group plans to be supplier of active ingredient in 7 out of 12 programs
Statement

Statement of the CEO Dr. Jürgen Eck:

„BRAIN continues to grow and we are proud to have achieved double-digit growth in financial year 2017/18. We have further sharpened our strategy by establishing the three business units Nutrition & Health, Skin Care and Industrial BioSolutions in order to focus on the most attractive application areas of industrial biotechnology. We also created the new position of Chief Business Officer (CBO) to the management board as well as an accelerated internationalization strategy.

On the basis of these strategic decisions, the main focus in the financial year 2018/19 remains on growth of the group, driven by organic and inorganic growth. For the financial year 2018/19 we anticipate a positive trend in business with a double-digit increase in total operating performance.”
Key Financials
Key Financials FY 2017/18

BRAIN Group revenues in FY 2017/18 increased by 12.2% to Euro 27.1m (FY 2016/17: Euro 24.1m)

BRAIN Group generated a total operating performance (TOP) of Euro 30.5m (FY 2016/17: Euro 26.9m)

- Revenues of the BioIndustrial segment increased by 39.0% to Euro 18.8 m (FY 2016/17: Euro 13.5m) and TOP increase by 40.2 % to Euro 19.4m (FY 2016/17: Euro 13.9m), including the successful integration of Biocatalysts Ltd
- The BioScience segment decreased its TOP by -16.2% to €11.1m (FY 2016/17: Euro 13.2m), mainly due to delays in the negotiation of new and follow-up projects

The adjusted BRAIN Group EBITDA decreased from Euro -4.7m (FY 2016/17) to -5.4m, mainly adjusted for:

- Euro 0.2m for personnel exp. resulting from share-based compensation scheme at AnalytiCon Discovery
- Euro 1.0m acquisition and integration costs for extension of the group
- BioIndustrial segment generated a stable positive adj. EBITDA of Euro 0.9m in FY 2017/18 vs. Euro 1.0m in FY 2016/17
- BioScience generated a negative adjusted EBITDA of -6.3m in FY 2017/18 vs. -5.6m in FY 2016/17

The operating cash-flow improved slightly to Euro -5.4m in FY 2017/18 vs. Euro -5.8m in FY 2016/17
### Key consolidated financials FY 2017/18

<table>
<thead>
<tr>
<th>(in € million)</th>
<th>12M</th>
<th>12M</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017/18</td>
<td>2016/17</td>
</tr>
<tr>
<td>Revenues</td>
<td>27.1</td>
<td>24.1</td>
</tr>
<tr>
<td>Total operating performance¹</td>
<td>30.5</td>
<td>26.9</td>
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<tr>
<td>BioScience</td>
<td>11.1</td>
<td>13.2</td>
</tr>
<tr>
<td>BioIndustrial</td>
<td>19.4</td>
<td>13.9</td>
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<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td><strong>-5.4</strong></td>
<td><strong>-4.7</strong></td>
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<tr>
<td>Acquisition and integration costs</td>
<td>-1.0</td>
<td>0.0</td>
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<tr>
<td>Employee participation program</td>
<td>-0.2</td>
<td>-0.6</td>
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<tr>
<td>AnalytiCon Discovery GmbH</td>
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<tr>
<td>Share based compensations</td>
<td>0.0</td>
<td>-2.4</td>
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<tr>
<td>EBITDA</td>
<td>-6.7</td>
<td>-7.7</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td><strong>-5.4</strong></td>
<td><strong>-5.8</strong></td>
</tr>
<tr>
<td><strong>Cash</strong></td>
<td><strong>25.5</strong></td>
<td><strong>39.0</strong></td>
</tr>
</tbody>
</table>

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

### Total Operating Performance by Segments [€m]

<table>
<thead>
<tr>
<th></th>
<th>2015/16</th>
<th>2016/17</th>
<th>2017/18</th>
</tr>
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<tbody>
<tr>
<td><strong>26.1</strong></td>
<td></td>
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<td><strong>30.5</strong></td>
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<td><strong>13.9</strong></td>
<td></td>
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<td><strong>19.4</strong></td>
</tr>
<tr>
<td><strong>12.4</strong></td>
<td></td>
<td></td>
<td><strong>11.1</strong></td>
</tr>
</tbody>
</table>

*Change yoy
Bioactive Compounds + Producer Strains & Designer Bugs + Enzymes & Biocatalysts

Business Events
Business events in fourth quarter of FY 2017/18

- **BRAIN AG announces creation of SolasCure Ltd. to continue Aurase® development**
  BRAIN AG announces on 22 August 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 30 August 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.
Aurase® for advanced wound management

Chronic wounds a growing global problem:

- Chronic wounds: growing in incidence (diabetes and ageing)
- In 2012 worldwide 40.5 mio patients\(^1\), 2.7 mio in Germany\(^2\)
- Costs per patient in Germany: 9.570 € p.a., ~20% for medication\(^3\)
- Global wound care market 2016: 17.7 bn US$\(^4\) and at 22 bn US$ by 2022; CAGR of 3.7% (2017-2022)\(^4\)

**Target indications**

- Aurase® is an enzyme for wound cleaning
- Aurase® IP is with BRAIN (WO 2010/099955)

Sources: \(^1\) Global Industry Analysis, Inc. 2016; \(^2\) PMV 2015; \(^3\) Stat. Bundesamt 2013; \(^4\) MarketsandMarkets, 2017
SolasCure® Ltd. – revolutionising wound care

SolasCure is part of BRAIN’s strategy to strengthen growth

- Mission SolasCure: support healthcare professionals with groundbreaking wound care products
- BRAIN has licensed IP for the commercialization of future Aurase®-based products to SolasCure
- BRAIN will supply the enzymatic ingredient Aurase® to SolasCure

SolasCure team with successful track records in wound business

- **Dr Sam Bakri** (*Executive Chairman*): healthcare entrepreneur, co-founder of SolasCure and other medical technology companies
- **Dr David Goldsmith** (*CMO*): several academic positions in Europe
- **Prof Keith Harding** (*Chairman of the Medical Advisory Board*): Director of the ‘Welsh Wound Innovation Centre’ at Cardiff University
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: >61bn US$\(^2\), 185 Mio tons\(^1\)
- Big potential for natural sweet solutions with currently only 1% market share\(^3\)

Sources: \(^1\)USDA 2017, \(^2\)Finanzen.net 01/2018, \(^3\)LMC-Report 2015 & nutraceuticalsworld.com 2017
Business events after end of fourth quarter of FY 2017/18

- **Suntory Beverage & Food Europe and BRAIN AG start Joint Development Program**
  BRAIN AG and Suntory Beverage & Food Europe (SBFE), the regional division of Suntory Beverage & Food operating in the non-alcoholic beverage business in EMEA through a broad variety of brands, announced on 26 November 2018 the start of a JDP to develop new natural beverage solutions for specified product categories of SBFE’s portfolio. The joint development activities will address growing demands for new varieties of natural ingredients in beverages.

- **Global beverage company joins BRAIN’s newly established FRESCO program for nature-based preservation ingredients**
  BRAIN AG, AnalytiCon Discovery GmbH and a leading consumer product market player with a highly diverse portfolio of beverage products, headquartered in Japan, announced on 11 December 2018 the start of a strategic partnership within the FRESCO program. Within this program, BRAIN Group is developing bioactive natural ingredients with preserving or preservation enhancing traits for diverse industrial applications. The program will also contribute to reducing product losses resulting from microbial decay.
Shareholders & Calendar
Shareholder structure of BRAIN

Notes

- WKN 520394 / ISIN DE0005203947 / Symbol BNN
- Prime Standard Frankfurt/M
- IPO on February 09, 2016
- Current number of shares: 18,055,782
- Free float of 45.5%
- Strong long term investor base
- ~ 7,000 shareholders

Status December 04, 2018
Financial Calendar FY 2018/19

28 February 2019  
Publication of the quarterly report for the period ending 31 December 2018 (3M)

07 March 2019  
Annual General Meeting in Zwingenberg, Germany

31 May 2019  
Publication of the mid-year financial statement for the period ending 31 March 2019 (6M)

30 August 2019  
Publication of the quarterly report for the period ending 30 June 2019 (9M)
Thank you for your interest.

BRAIN Aktiengesellschaft
Darmstädter Straße 34-36
64673 Zwingenberg, Germany

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

Your Contact:
Dr. Martin Langer
ml@brain-biotech.de

+49 (0) 6251-9331-16