

## PRESS RELEASE

### **BRAIN shows stable business performance in the first nine months 2015/16**

- Total operating performance at € 19.0 million
- BioScience segment slightly increased
- BioIndustrial revenues still below prior-year level due to oil price related decline in demand for bioethanol enzymes
- Results affected by one-off costs (IPO)

Zwingenberg, August 31, 2016: B.R.A.I.N. Biotechnology Research and Information Network AG ("BRAIN AG"; ISIN DE0005203947 / WKN 520394) today published its financial results for the first nine months of fiscal year 2015/16. Accordingly, during the reporting period from October 1, 2015 to June 30, 2016, BRAIN Group generated a total operating performance of € 19.0 million compared to € 19.8 million in the previous year. At the same time, revenues increased from € 16.1 million to € 16.5 million. While the collaboration business with globally active industrial partners in the "BioScience" segment continued to expand, the product related business of the "BioIndustrial" segment was affected by the reduced demand for enzymes used in the worldwide pressured bioethanol production.

In the "BioScience" segment, the collaboration business with globally active partners especially from the specialty chemicals as well as the food and nutrition industries could be further expanded. Supported by

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several achieved development milestones, the total operating performance in the first nine months of 2015/16 increased by 5 percent year-over-year from € 8.7 million to € 9.1 million, representing a 48 percent operating performance share for this segment.

The total operating performance of the “BioIndustrial” segment decreased to € 10.0 million in the first nine months of 2015/16, from € 11.2 million in the previous year. This development is mainly due to the reduced demand for bioethanol related enzymes that started in the first quarter 2015/16. Some customers have meanwhile ramped up their production again, although the previous production level has not yet been reached. Concurrently, BRAIN is pressing ahead with its strategy of giving a stronger emphasis to the higher-margin special enzymes business, such as enzymes to process wine and fruit juice beverages. In the cosmetics area, the launch of the new anti-ageing care treatment Monteil ProBeActive made a successful start in Q3 2015/16.

As a result, the share of the industrial product business, combined in the “BioIndustrial” segment, in BRAIN Group's total operating performance decreased from 57 percent to 52 percent.

*“In total, beyond the bioethanol activities, we are satisfied with our business development in the first nine months of 2015/16. This is also supported by the increase of our revenues. We expect further strengthening of our business from the new strategic industrial partnership “DOLCE”, which aims at developing a new generation of biological sugar substitutes from natural sources. New government initiatives such as sugar taxes in Mexico and the UK are evidence of the strong demand for such natural alternative sweeteners from consumer goods producers”,* comments Dr Jürgen Eck, CEO of BRAIN AG.

The Group operating result (EBIT) declined year-on-year from € -3.9 million to € -7.7 million. Adjusted for one-off IPO-costs of € 1.1 million and personnel expenses resulting from a share-based employee compensation scheme of € 1.3 million, the adjusted Group

EBIT amounted to € -5.2 million in the first nine months of fiscal year 2015/16. Thereof, € -0.3 million relate to the “BioIndustrial” segment and € -4.9 million to the “BioScience” segment.

## Key financials (first nine months of fiscal year 2015/16)

(in € million) <sup>1</sup>	9M 2015/16	9M 2014/15
Total operating performance <sup>2</sup>	18.993	19.755
BioScience	9.126	8.653
BioIndustrial	9.964	11.211
Adjustments (consolidation effects)	-0.097	-0.109
EBIT	-7.682	-3.861
Adjusted EBIT <sup>3</sup>	-5.244	-3.709
Group result	-8.656	-4.686
Result per share in €	-0.58	-0.36
Cash flows from operating activities	-6.944	-3.266
Cash flows from investing activities	-2.772	-0.427
Cash flows from financing activities	25.304	2.678

- 1) The financial figures of the first nine months of fiscal 2015/16 are comparable only to a limited extent to the values of the previous year, as for the first nine months of FY 2014/15 they include the financial figures of the WeissBioTech organisations only since November 2014 due to the acquisition
- 2) Revenues + change in inventories + other income including R&D grants, only comparable to a limited extent
- 3) Adjusted for one-off costs of the IPO and expenses resulting from share-based employee participation plans

More detailed information on the nine months and third quarter financial results are available at [www.brain-biotech.de/en/investor-relations/financial-publications](http://www.brain-biotech.de/en/investor-relations/financial-publications) as part of the quarterly statement for the period ending June 30, 2016.

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## **About BRAIN**

BRAIN 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. Today, BRAIN's business model is based on two pillars – "BioScience" and "BioIndustrial". The first pillar, "BioScience", comprises its – frequently exclusive – collaboration business with industrial partners. The second pillar "BioIndustrial" comprises the development and commercialisation of BRAIN's own products and active product components. Further information is available at [www.brain-biotech.de/en](http://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.