

PRESS RELEASE

BRAIN AG achieves significant growth in the first half of the 2018/19 financial year

B.R.A.I.N. Biotechnology Research and Information Network AG (BRAIN AG, ISIN DE0005203947 / WKN 520394) today announced its results for the first half of financial year 2018/19. Accordingly, the BRAIN Group generated Group revenues of € 18.5 million in the reporting period from 1 October 2018 to 31 March 2019, compared with € 10.7 million in the same period of the previous year. Group revenues were thus 73% higher than in the previous year. At the same time, total operating performance improved by 60.7% from € 12.3 million to € 19.8 million.

Adjusted EBITDA in the first half of financial year 2018/19 improved by € 1.1 million year-on-year to € -1.7 million. In addition to the general business trend, this positive result was mainly influenced by two developments. In the first quarter of 2018/19, a number of milestone payments from collaboration projects were recorded, while in the second quarter of 2018/19, increased personnel costs related to the expansion of the three business units Nutrition & Health, Skin Care and Industrial BioSolutions took effect.

The BioIndustrial segment, which represents the product business and is key to achieving the growth targets of BRAIN Group, recorded a 102.1% increase in total revenues to € 13.7 million in the first half of 2018/19 compared to € 6.8 million in the previous year. In addition to organic growth, this was primarily due to the acquisition in March 2018 of a majority interest in the leading specialty enzyme producer Biocatalysts Ltd., United Kingdom. Adjusted EBITDA in the BioIndustrial segment improved from € 0.1 million in the previous year

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to € 1.4 million in the first half of financial year 2018/19.

The BioScience segment's total operating performance in the first half of 2018/19 grew by 10.4% from € 5.6 million in the prior-year period to € 6.2 million in the current financial year, primarily as a result of new contracts and follow-up projects. Adjusted EBITDA of the BioScience segment declined from € -2.9 million in the prior-year period to € -3.1 million, mainly due to the above-mentioned increase in personnel expenses.

"We are looking back on a successful first half of the 2018/19 financial year, with a significant 60.7% increase in total operating performance compared with the previous year. As in the first quarter of 2018/19, both business segments contributed to this growth. Our product scalable BioIndustrial segment again accounted for the lion's share of the increase in total operating performance. We see this as a clear confirmation of our strategy to realize our growth targets primarily by continuously increasing our product scalable business," says Dr Jürgen Eck, CEO of BRAIN AG.

"In view of the BRAIN Group's satisfactory financial figures for the first half of the year, we reiterate our aim of achieving a double-digit growth rate in total operating performance throughout the 2018/19 financial year," added Manfred Bender, CFO of BRAIN AG.

More detailed information on the quarterly financial results are available at www.brain-biotech.de/en/investor-relations/financial-publications as part of the half-year report for the period ended 31 March 2019.

Key financials (first half of financial year 2018/19)

(in € million)	6M 2018/19	6M 2017/18
Revenues	18.5	10.7
Total operating performance ¹	19.8	12.3
BioScience	6.2	5.6
BioIndustrial	13.7	6.8
Adjusted EBITDA ²	-1.7	-2.8
EBITDA	-1.8	-3.7
Operating cash flow	-2.9	-2.8
	31.03.2019	30.09.2018
Cash & cash equivalents	18.5	25.5

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

2 The reconciliation from adjusted to unadjusted EBITDA can be found in the half-year report for the period ended 31 March 2019.

About BRAIN

B.R.A.I.N. Biotechnology Research and Information Network AG (BRAIN AG; ISIN DE0005203947 / WKN 520394) 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. BRAIN's business model is based on two pillars. The BioScience segment comprises mainly of the research and development business with industrial partners (the "Tailor-Made Solutions" cooperation business), and the company's own research and development. The BioIndustrial segment consists mainly of the industrially scalable products business. Further information is available at 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.