

PRESS RELEASE

BRAIN AG publishes annual report for financial year 2018/19

Zwingenberg, Germany
14 January 2020

Today, B.R.A.I.N. Biotechnology Research and Information Network AG ("BRAIN AG") published its annual report 2018/19 including the detailed consolidated financial statements for the financial year 2018/19.

In total, the BRAIN Group increased its consolidated revenue by 42.5 percent from EUR 27.1 million to EUR 38.6 million in the past financial year. The revenue growth is equally attributable to the acquisition of the Biocatalysts Group in March 2018 and organic revenue growth. Total operating performance in the reporting period from October 1, 2018 to September 30, 2019 increased by 35.3% from EUR 30.5 million to EUR 41.2 million compared with the prior-year period.

Adjusted EBITDA improved from EUR -5.3 million in the previous year to EUR -2.1 million due to economies of scale and the associated disproportionately lower cost development. A contributing factor to this improvement was the increasing expansion of the product business in the BioIndustrial segment, which contributed EUR 2.8 million to adjusted EBITDA. The improvement in EBIT from EUR -9.6 million in the previous year to EUR -7.2 million was a little less pronounced due to the additional amortization of goodwill following the sale of Monteil Cosmetics International GmbH. The net result for the year after non-cash-relevant accounting effects in the financial result amounted to EUR -10.5 million compared to EUR -8.1 million in the previous year. Due to a correction following the preparation of the preliminary figures, the above-mentioned

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earnings figures are each slightly better than those published on 12 December 2019. The positive business development is also reflected in the cash flow from operating activities, which increased from EUR -5.4 million in the previous year to EUR -3.4 million. With liquid funds of EUR 15.2 million, BRAIN AG maintains a strong capital base for the expected future growth of the company.

The annual report 2018/19 of BRAIN AG titled "Pioneering Bioproducts" is available at

<https://www.brain-biotech.com/investors/financial-publications/2018-19>

For the 2019/20 financial year, the Management Board expects a positive business development with substantial organic revenue growth in both segments and a considerably improved, but still negative adjusted EBITDA. With a significantly improved earnings situation in both segments, the BioIndustrial segment is expected to post a further increasing positive adjusted EBITDA and the BioScience segment a continued negative adjusted EBITDA.

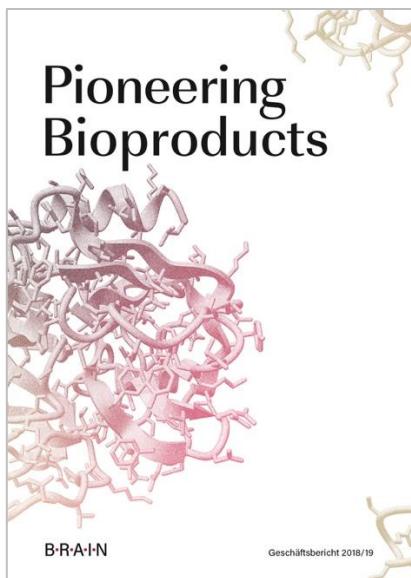


Further Information

BRAIN AG Annual Report 2018/19:

<https://www.brain-biotech.com/investors/financial-publications/2018-19>

Upon request, a printed copy of the annual report can be sent by mail.



Cover of the BRAIN Annual Report 2018/19
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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.com.

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.