

## PRESS RELEASE

### **BRAIN AG is starting the 2019/20 financial year with a successful quarter**

Zwingenberg, Germany  
28 January 2020

Today, B.R.A.I.N. Biotechnology Research and Information Network AG (BRAIN AG, ISIN DE0005203947 / WKN 520394) published its results for the first quarter of the financial year 2019/20. Accordingly, Group revenues in the reporting period from October 1, 2019 to December 31, 2019 increased by 9.4% from € 9.4 million to € 10.3 million. Organically, i.e. without the effect from selling the shares in the Moteil Cosmetics International GmbH, revenue increased by 15.9%. The Group EBITDA decreased slightly from € -0.1 million to € -0.3 million in the first three months of the 2019/20 financial year.

In the same period, the BRAIN Group generated a total operating performance of € 10.4 million compared to € 9.9 million in the same period of the previous year. The total operating performance was thus 5.4% higher than in the previous year.

#### **Business development by segments**

The BioScience segment, which includes the R&D business with industrial partners, achieved revenues of € 4.0 million in the first quarter of 2019/20, up 42.8% from the prior-year quarter. Adjusted EBITDA of this segment improved from € -0.9 million to € -0.6 million, mainly due to higher revenues and improved personnel expenses and other expense ratios in the BioScience segment.

Revenues of the BioIndustrial segment, which covers the scalable product business, declined in the reporting period from € 6.6 million to € 6.3 million.

#### **B·R·A·I·N**

Biotechnology Research  
And Information Network AG  
Darmstädter Str. 34-36  
64673 Zwingenberg  
Germany  
[www.brain-biotech.com](http://www.brain-biotech.com)

#### Contact Investor Relations

Martina Schuster  
Tel.: +49-6251-9331-69  
E-Mail IR: [ir@brain-biotech.com](mailto:ir@brain-biotech.com)

#### Media Contact

Dr. Stephanie Konle  
Managing Associate Corporate  
Communications  
Phone +49-(0)-6251-9331-70  
Email [stk@brain-biotech.com](mailto:stk@brain-biotech.com)

# B·R·A·I·N

On an organic basis, however, revenues increased by 3.4% from € 6.1 million to € 6.3 million. The total operating performance decreased slightly from € 6.5 million to € 6.2 million. Adjusted EBITDA fell accordingly from € 0.8 million to € 0.4 million in the first quarter of the financial year 2019/20. The changes in the segment are attributable to ramp-up costs for the start-up of the new production facilities in Cardiff (UK) and Büttelborn (Germany).

Adjusted Group EBITDA showed a slight decline from € -0.0 million in the previous year to € -0.2 million in the first three months of the financial year 2019/20.

## **Net assets**

As a result of the first-time adoption of the accounting standards of IFRS 16, the balance sheet total increased from € 66.1 million to € 70.4 million as of December 31, 2019. The increase in non-current assets compared with September 30, 2019 from € 35.2 million to € 42.3 million as of December 31, 2019 is also attributable to this. Equity decreased in the reporting period from € 17.1 million to € 15.2 million, due to the result for the period.

Non-current liabilities increased from € 34.2 million to € 40.7 million, which is also attributable to the first-time adoption of IFRS 16. Current liabilities fell slightly from € 14.9 million to € 14.5 million.

"I am pleased about this good start to the 2019/20 financial year", Adriaan Moelker, CEO of BRAIN AG says.

Manfred Bender, CFO of BRAIN AG, says: "The BRAIN Group achieved a double-digit organic growth in revenues in the first quarter of the financial year 2019/20 compared to the previous year. The strong increase in revenues in the BioScience segment is due to higher volumes with existing customers as well as the signing of contracts for so-called tailor-made solutions projects. This development confirms that tailor-made solutions for

our industrial partners are an important pillar of our business, along with our product business.”

## Key financials (first three months of the financial year 2019/20)

(in € million)	3M 2019/20	3M 2018/19
Revenues	10.3	9.4
BioScience	4.0	2.8
BioIndustrial	6.3	6.6
Total operating performance <sup>1</sup>	10.4	9.9
Adjusted EBITDA <sup>2</sup>	-0.2	-0.0
EBITDA	-0.3	-0.1
Operating cash flow	-0.6	-0.1
	31.12.2019	30.09.2019
Cash & cash equivalents	13.2	15.2

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

2 The reconciliation from adjusted to unadjusted EBITDA can be found in the quarterly statement for the period ended 31 December 2019

More detailed information on the financial results are available at [www.brain-biotech.com/investors/financial-publications](http://www.brain-biotech.com/investors/financial-publications) as part of the quarterly statement for the period ended 31 December 2019.

### Financial Calendar:

[www.brain-biotech.com/investors/financial-calendar](http://www.brain-biotech.com/investors/financial-calendar)

### 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](http://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 no 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.

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