

PRESS RELEASE

BRAIN AG achieves solid growth in the first half of the 2019/20 financial year

Zwingenberg, Germany
29 May 2020

- **Strong growth in the BioScience segment**
- **No significant Covid-19 effects**

B.R.A.I.N. Biotechnology Research and Information Network AG (BRAIN AG, ISIN DE0005203947 / WKN 520394) today published its results for the first half of the 2019/20 financial year. Accordingly, the BRAIN Group generated consolidated revenues of € 19.9 million in the reporting period from October 1, 2019 to March 31, 2020, compared to € 18.5 million in the same period last year. This represents a growth rate of 7.6%.

Organically, i.e. on a like for like basis without Monteil Cosmetics International GmbH, whose shares were sold in June of the previous year, revenues increased by 14.1%. Total operating performance also increased by € 0.4 million (1.9%) from € 19.8 million to € 20.2 million compared to the same period of the previous year. In organic terms, total operating performance increased by € 1.4 million or 7.5% from € 18.8 million to € 20.2 million.

Group EBITDA improved by 50.5% from € -1.8 million in the previous year to € -0.9 million in the first six months of the 2019/20 financial year.

Development of the "BioScience" Segment

The "BioScience" segment, which mainly comprises the R&D project business, generated revenues of € 6.8 million in the reporting period. Revenues were thus 31.9% higher than in the prior-year period. This

B.R.A.I.N.

Biotechnology Research
And Information Network AG
Darmstädter Str. 34-36
64673 Zwingenberg
Germany
www.brain-biotech.com

Contact Investor Relations

Michael Schneiders
Head of Investor Relations
Phone: +49-(0)-6251-9331-86
Email: mis@brain-biotech.com

Media Contact

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

B·R·A·I·N

increase is attributable to a larger business volume with existing customers and to the signing of new contracts for "tailor made solutions" projects.

EBITDA improved from € -3.2 million to € -2.4 million, mainly due to higher revenues and improved cost of materials, personnel expenses, and other expense ratios in the BioScience segment.

Development of the "BioIndustrial" segment

Revenues in the "BioIndustrial" segment fell slightly by 1.8% from € 13.3 million to € 13.1 million in the reporting period. This segment represents the product business of the BRAIN Group. Organically, i.e. without taking into account the disposal of shares in Monteil Cosmetics International GmbH, revenues increased by € 0.8 million or 6.5% from € 12.3 million to € 13.1 million. The total operating performance decreased by 6.0% from € 13.7 million to € 12.8 million. Organically, the total operating performance increased by € 0.2 million (1.7%) from € 12.6 million to € 12.8 million. EBITDA increased by 8.6% from € 1.4 million to € 1.5 million. Despite ramp-up costs for the start-up of new production facilities in Cardiff (UK) and Büttelborn, the EBITDA margin increased from 10.6% to 11.7%.

Manfred Bender, CFO of BRAIN AG, states: "I am very proud of our BRAIN Group's employees, who have managed to successfully develop our operating business during the difficult times of the pandemic outbreak".

Little impact from Corona pandemic

Brain AG has early and consistently implemented successful protective measures to prevent Covid-19-related absences from work. There were also no serious supply bottlenecks. Despite the forecasted significantly negative effects of the Corona pandemic on global economic growth, BRAIN AG is confident that it will be able to continue its significant growth within the forecasted range.

Adriaan Moelker, CEO of BRAIN AG, says: "At BRAIN, the long-term R&D project business plays an important role and we generate a substantial part

B·R·A·I·N

of our revenues from long-term deals. This is a benefit to us in the current Corona crisis. The industries and challenges for which we develop and sell biotech products and solutions, most notably the food industry, also appear to be less affected by the corona crisis. In addition, our solutions for more sustainable products and industrial processes are gaining importance. On the journey to sustainability and the bio-economy, many industrial companies are looking for innovative technologies so that they can make their contribution to the UN goals, the SDGs”.

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

(in EUR million)	6M 2019/20	6M 2018/19
Revenues	19.9	18.5
BioScience	6.8	5.2
BioIndustrial	13.1	13.3
Total operating performance ¹	20.2	19.8
Adjusted EBITDA ²	-0.7	-1.7
EBITDA	-0.9	-1.8
Operating cash flow	-4.1	-2.9
	31.03.2020	30.09.2019
Cash & cash equivalents	6.4	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 March 2020.

Additional information

BRAIN AG 6M-Report 2019/20:

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

Financial calendar

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

B·R·A·I·N

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 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.

Follow BRAIN AG on Twitter (Twitter@BRAINbiotech) and LinkedIn (@BRAIN AG)