

PRESS RELEASE

BRAIN is pleased with its results for the first nine months of the 2019/20 financial year

- **Organic growth of Group revenues +12.2%**
- **BioScience segment continues dynamic growth**
- **Full-year forecast confirmed**

Zwingenberg, Germany
31 August 2020

B.R.A.I.N. Biotechnology Research and Information Network AG (BRAIN AG, ISIN DE0005203947 / WKN 520394) today published its results for the first nine months of the 2019/20 financial year. Accordingly, the BRAIN Group reports revenues of € 29.6 million compared to € 27.9 million in the same period of the previous year. Taking into account the deconsolidation of Monteil Cosmetics GmbH, this corresponds to organic growth of 12.2%.

Third quarter revenues increased by 8.4% to € 9.6 million from € 8.9 million in the same period last year. This growth was purely organic, achieved in both the BioScience and BioIndustrial segments.

“Particularly considering the general economic situation, we have achieved very good growth,” says Manfred Bender, CFO of BRAIN AG. “The fact that this growth is more pronounced in our research-driven segment is again due to the higher business volume with existing customers as well as new contracts for tailormade solutions projects.”

Development by segments

The BioScience segment generated revenues of € 10.5 million in the reporting period, up 37.5% from the prior-year period. Adjusted EBITDA improved from € -4.4 million to € -3.1 million.

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Revenues of the BioIndustrial segment, which is related to product sales, decreased by 5.9% from € 20.3 million to € 19.1 million in the reporting period. Organically, revenues here increased by € 0.4 million or 2.1% from € 18.7 million to € 19.1 million. The adjusted EBITDA of the segment developed positively and increased by 9.2% from € 2.3 million to € 2.6 million. This corresponds to an adjusted EBITDA margin of 13.3% compared to 11.5% in the previous year.

The reasons for the weaker revenue growth in the product business are, in addition to the start of new production facilities in Cardiff (UK) and Büttelborn, the globally reduced demand for bioethanol and alcoholic beverages due to the Corona pandemic. The BRAIN subsidiary WeissBioTech supplies, among others, powerful enzymes to bioethanol producers and the wine industry.

Despite the ongoing Corona virus pandemic and the associated economic uncertainty, BRAIN AG is still confident to make further progress in the projected direction, albeit possibly at a slightly slower pace.

Key financials (first nine months of fiscal year 2019/20)

(in € million)	9M 2019/20	9M 2018/19	Change %
Revenues	29.6	27.9	5.8
Total operating performance ¹	30.3	29.7	2.0
BioScience	10.5	7.6	37.5
BioIndustrial	19.1	20.3	-5.9
Adjusted EBITDA ²	-0.55	-2.1	73.3
EBITDA	-0.91	-2.3	59.9
Operating cash flow	-5.7	-4.9	-17.2
	30.06.2020	30.09.2019	
Cash & cash equivalents	18.8	15.2	23.9

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 30 June 2020.

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More detailed information on the financial results are available at www.brain-biotech.com/investors/financial-publications as part of the quarterly statement for the period ended 30 June 2020.

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 the 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 means of "Nature's Toolbox" are successfully applied in the chemicals, cosmetics and food industries.

BRAIN's business model is based on two pillars. The BioScience segment mainly comprises research and development business with industrial partners ("Tailor-Made Solutions" cooperation business), and the company's own research and development. The BioIndustrial segment consists mainly of business with industrially scalable products.

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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