

PRESS RELEASE

Targeting speciality enzymes markets

BRAIN AG acquires majority stake of leading speciality enzyme producer Biocatalysts Ltd. to accelerate business in high-growth markets

- **Strengthening of BRAIN's BioIndustrial segment through expanding access to attractive speciality enzyme markets and cutting edge enzyme production facilities**
- **Widening of commercial opportunities through excellent complementary portfolio and technology fit including access to BRAIN's unique BioArchive and Biocatalyst's MetXtra metagenomic library**
- **More effective targeting of speciality enzymes markets and growth of the global distribution network**

The bio-economy company BRAIN AG (together with its subsidiaries the "BRAIN Group" or "BRAIN") announces the signing of a share purchase agreement between BRAIN and Biocatalysts Ltd. based in Cardiff, Great Britain, and active in the field of speciality enzymes. Therein the takeover of the majority stake of Biocatalysts's shares by BRAIN is governed. The transaction will be completed within the first quarter of 2018.

For over 35 years, Biocatalysts (and more recently Biocatalysts Inc, USA) has focused on the development, production and distribution of speciality enzymes for various industries such as food and fine chemicals. BRAIN is a leading technology company in the field of

Zwingenberg, Germany
Cardiff, United Kingdom
17 March 2018

B•R•A•I•N
Biotechnology Research
And Information Network AG
Darmstädter Str. 34-36
64673 Zwingenberg
Germany
www.brain-biotech.de

IR Contact
Dr. Martin Langer
Executive Vice President
Corporate Development
Tel.: +49-(0)-6251-9331-16
Fax: +49-(0)-6251-9331-11
E-Mail: ir@brain-biotech.de

Media Contact
Thomas Deichmann
Head of Public Relations
Tel.: +49-(0)-6251-9331-72
Fax: +49-(0)-6251-9331-11
E-Mail: td@brain-biotech.de

Follow us on [Twitter](#)
<https://twitter.com/BRAINbiotech>

industrial biotechnology, developing microorganisms, natural substances and enzymes for the industrial use.

The strategic acquisition of a majority stake in Biocatalysts is intended to accelerate product driven growth in the fast growing speciality enzyme market and broaden the portfolio of the enzyme business of BRAIN. This synergy, with respect to research and development as well as production and global distribution will hugely benefit both companies and their customers. After the completion of the transaction, Biocatalysts Ltd. will continue to operate under the current company name.

Biocatalysts Ltd. is profitable and generated revenues of approximately € 9.03 million* (£ 7.978 million) in the 2015/2016 financial year and. The revenue for the financial year 2016/17 is € 10.81 million* (£ 9,546 Mio.), which corresponds to a growth rate of 19.7% compared to the previous year. Biocatalysts Ltd.'s turnover has grown by an compound annual growth rate (CAGR) of 12% between 2014/15 and 2016/17.

Complementary portfolio and technology fit

The strategic partnership between BRAIN and Biocatalysts will widen the commercial opportunities based on a strong complementary product portfolio and a perfect technology fit. Dr. Jürgen Eck, CEO of BRAIN AG, commented: "The new strategic partnership with Biocatalysts is aimed at accelerating product development, production and marketing of innovations in a growing bioeconomy which includes the field of speciality enzymes. Biocatalysts is one of the leading players in this field with proven production expertise as well as access to global markets. Together we can fuel our complementary enzyme businesses, increase growth margins and strengthen BRAIN Group's BioIndustrial segment which aims at marketing own product candidates."

Stuart West, Managing Director of Biocatalysts Ltd., commented: "Becoming a member of the BRAIN Group is an exciting opportunity

to broaden our business in the rapidly growing speciality enzymes markets. Jointly we can more effectively develop innovative products for various industry sectors and bring them to market. BRAIN and Biocatalysts have a complementary product portfolio and also an excellent fit in terms of our vision to actively shape the future bioeconomy.”

Andrew Ellis, Technical and Compliance Director of Biocatalysts Ltd., added: “Merging the scientific and technological competencies of Biocatalysts and BRAIN offers great new technological possibilities. At Biocatalysts we have strong expertise and capabilities in speciality enzyme development and production at various scales, especially in the food, fine chemical and pharma sectors. We are currently expanding our state-of-the-art production facilities aligned to our continued success in enzyme development. BRAIN is a highly innovative biotechnology pioneer possessing a strong and complementary technology portfolio. Getting direct access to BRAIN’s BioArchive which encompasses a huge variety of enzymes and entire metabolic pathways will fuel our joint activities.”

Growing BRAIN BioIndustrial Segment

Frank Goebel, CFO of BRAIN AG, commented: “BRAIN has taken a number of strategic steps in recent months to grow its future business. Few weeks ago we founded our US subsidiary BRAIN LLC to internationalize our business operations and improve customer relations in the US. Direct market access and flexible production capacities are also of great importance. Therefore, we have taken a new milestone in our M&A strategy for strengthening our product-driven business segment BioIndustrial. Biocatalysts is a perfect partner to accelerate the work from labs to products and participate in the growth of the speciality enzyme markets.”

In 2016, the global speciality enzymes market was worth US\$ 1,782 mn. The turnover is expected to grow to US\$ 3,726 mn until 2025 (Transparency Market Research [TMR], 2018). TMR analysts project that the global market for speciality enzymes is likely

to rise at a compound annual growth rate (CAGR) of 8.7 per cent between 2017 and 2025. North America and Europe are expected to further lead the global speciality enzymes markets with Europe clearly increasing market shares over the coming years (The Freedonia Group).

* Average Exchange Rate of February 2018: 1 GBP = 1.132 EUR (Source: Oanda)



The Headquarter of Biocatalysts Ltd. based in Cardiff, Great Britain, a new member of the BRAIN Group.

Photo: Biocatalysts Ltd., United Kingdom

Photo Download via Press Release online: <https://www.brain-biotech.de/en/press/>

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 - BioScience and BioIndustrial. The BioScience comprises its frequently exclusive collaboration business with industrial partners. BioIndustrial comprises the development and commercialization of BRAIN's own products and active product components. Further information is available at www.brain-biotech.de/en.

About Biocatalysts

Biocatalysts Ltd. is one of Europe's leading companies in speciality enzyme production. Their strategy is to be able to satisfy any customer's enzyme requirement either through standard, customised or novel enzyme products. Their focus is on using new technology to drive down the cost of novel enzyme production to make it more widely available across multiple sectors. The development of their own metagenomic library, MetXtra gives access to over 300 million unique sequences offering customers a huge choice of potential enzymatic solutions.



Biocatalysts enjoys strategic relationships with many of the world's top blue chip companies. More information can be found at www.biocatalysts.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.