

PRESS RELEASE

BRAIN AG publishes annual report for financial year 2017/18

Zwingenberg, Germany
10 January 2019

The bioeconomy company BRAIN AG today published its annual report 2017/18 including the detailed consolidated financial statements for the financial year 2017/18. Key figures about the business development were previously published by BRAIN on 14 December 2018.

Accordingly, the BRAIN Group increased its revenues by 12.2% from € 24.1 million to € 27.1 million. Total operating performance in the reporting period from 01 October 2017 to 30 September 2018 grew by 13.1% year-on-year from € 26.9 million to € 30.5 million. This was mainly due to the business activities of Biocatalysts Ltd. acquired on 17 March 2018. Adjusted EBITDA for the financial year 2017/18 decreased from € -4.7 million in the previous year to € -5.4 million against the backdrop of lower fixed cost depression. The BioIndustrial segment, which is decisive for the achievement of the growth targets of the BRAIN Group and for the illustration of product business, made a positive adjusted EBITDA contribution of € 0.9 million. Cash flow from operating activities increased to € -5.4 million compared with € -5.8 million in the same period of the previous year.

The annual report 2017/18 of BRAIN entitled „Living Networks“ can be accessed at <https://www.brain-biotech.de/en/investor-relations/financial-publications>. In addition to the audited group financials and management discussion, the report also provides insights into the competences of

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BRAIN Group and into selected research and development activities as well as into BRAIN's self-conception.

The 2017/18 financial year was the second full reporting cycle as a listed company, following BRAIN's IPO in February 2016. Regarding the development of the financial year 2017/18, Dr. Jürgen Eck, CEO of BRAIN AG says:

“BRAIN continues to grow and we are proud to have achieved in financial year 2017/18 a double-digit growth in total operating performance and revenues. Having established the three business units Nutrition & Health, Skin Care and Industrial BioSolutions in order to focus on the most promising application areas of industrial biotechnology and having created the new position of Chief Business Officer (CBO) to the management board supports the sustained growth of BRAIN, especially in the product business.”

The main focus in the financial year 2018/19 continues to be on the BRAIN Group's growth, driven by both organic and inorganic growth. For the 2018/19 financial year the Management Board expects a positive business trend with a double-digit increase in total operating performance.

Further Information

BRAIN AG Annual Report 2017/18: <https://www.brain-biotech.de/en/investor-relations/financial-publications/>

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

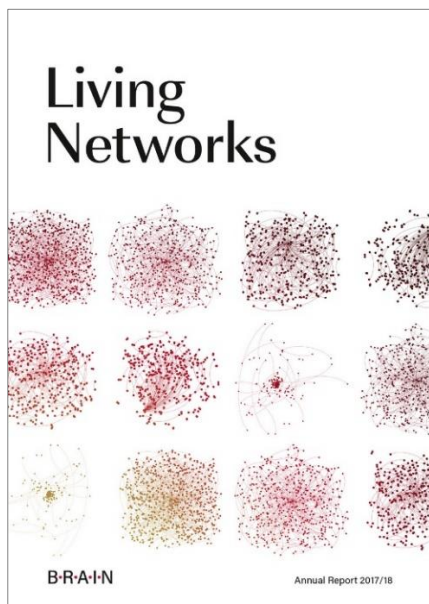


Image: BRAIN AG, Germany

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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 - 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.

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.