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Zwingenberg, Germany, 14 January, 2021

## BRAIN AG publishes its Annual Report for the Financial Year 2019/20

**Today, B.R.A.I.N. Biotechnology Research and Information Network AG ("BRAIN AG") published its annual report 2019/20 including the detailed consolidated financial statements for the financial year 2019/20.**

The BRAIN Group reported 3.4% organic revenue growth despite the challenging economic environment leading to consolidated revenues of EUR 38.2 million in the past financial year. Total operating performance in the reporting period from October 1st, 2019 to September 30th, 2020 has been at EUR 39.2 million. Adjusted EBITDA slightly improved from EUR -2.2 million in the previous year to EUR -2.0 million due to an improved material expense ratio.

The BioScience business has demonstrated a strong year-on-year organic growth of +8.5%. The BioIndustrial segment could still show an organic growth of +1% despite some Covid-19 related lower sales volumes in selected enzyme products and phasing as well as relocation issues.

The new executive board has prepared the organization for future growth by the realignment of the overall organizational structure, the assignment of clear project responsibilities within the organization and a focused new business development pipeline. With liquid funds of EUR 18.9 million, BRAIN AG maintains a strong capital base for the expected future growth of the company.

The annual report 2019/20 of BRAIN AG is available at <https://www.brain-biotech.com/investors/financial-publications/2019-20>.

Due to the uncertainties related to the further development of the Covid-19 pandemic and the associated economic effects, the management board of BRAIN AG has decided to only issue a qualitative guidance at the current point in time. For the 2020/21 financial year, the company targets solid growth in the BioIndustrial segment, a year-on-year improvement of the adjusted EBITDA as well as operating cash flow and a significantly lower amount of one-off charges for the group. In addition, the recent bolt-on acquisition of BioSun Biochemicals Inc, will add significantly to the top-line growth of the BioIndustrial segment. A quantitative guidance will be issued latest with the Q2 results.

An important step for the mid-term growth ambitions of BRAIN AG has been the successful completion of the R&D phase for the development of Brazzein, a protein sweetener which is naturally found in berries from the African plant *Pentadiplandra brazzeana Baillon*. This high intensity sweetener displays an outstanding sweetening potency, untainted taste profile and

sugar free functionality. As part of a Joint Development Agreement (JDA), Roquette and BRAIN, will now progress with the approval and industrial scale-up of the protein sweetener in the food and beverage sectors. The sweetener, which BRAIN will be jointly approving and producing, was developed especially for the beverage industry, which today utilizes approximately 70% of the sugar consumed worldwide in its products. This illustrates the sales potential that this novel sweetener offers.



*Cover of the BRAIN Annual Report 2019/20*  
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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 area of industrial biotechnology, the core discipline of the bioeconomy. As such, BRAIN identifies previously untapped efficient enzymes, microbial producer organisms and natural substances from complex biological systems, in order to make them utilizable in an industrial context. 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 stands on on two pillars. The BioScience segment comprises mainly research and development business with industrial partners, and the company's own research and development. The BioIndustrial segment consists mainly of business with industrially scalable products. As part of a growth-oriented industrialization strategy, in February 2016 BRAIN AG became the first bioeconomy company to be listed on the Prime Standard of the Frankfurt Stock Exchange.

### **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 entail both known and unknown risks as well as uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Numerous factors exist that could influence the future performance by, and future developments at, BRAIN AG and the BRAIN Group. 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, as well as other factors. BRAIN AG does not undertake any obligation to update or revise any forward-looking statements.

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