

## BRAIN Biotech AG stays on solid growth path with H1 results and accelerates One-BioProducts strategy

- **H1 '22/23 growth +16.8%, +8.2% organic**
- **Cash position a solid € 9.2 million**
- **Full ownership of core asset Biocatalysts Ltd achieved**

**Zwingenberg, Germany, May 25<sup>th</sup>, 2023** – BRAIN Biotech AG, a leading provider of integrated solutions for the biologization of industry, today published its half year results, 6M 2022/2023. The company stays on track to deliver on its full year financial targets and has accelerated its One-BioProducts strategy by acquiring full ownership of its core production asset Biocatalysts Ltd, Wales.

BRAIN Biotech AG has recently bought the two remaining minority stakes in Biocatalysts Ltd. Biocatalysts is now fully owned by BRAIN Biotech AG and will form the nucleus of BRAIN Biotech Group's ambitious growth strategy to create a global multi-niche enzyme champion. In the coming months, BRAIN Biotech's subsidiaries Breatec B.V., Biosun Biochemicals Inc. and WeissBioTech GmbH will be transferred to Biocatalysts in order to complete the organizational setup of the BioProducts segment.

In the first six months of the 2022/23 financial year, the BRAIN Biotech Group generated revenue of € 27.2 million compared to € 23.3 million in the same period of the previous year, which represents growth of 16.8 %. On an organic basis (excluding Breatec B.V. for the first four months and L.A. Schmitt GmbH for the previous year), revenue rose by 8.2 %. Revenue in the second quarter of 2022/23 amounted to € 13.5 million. This corresponds to an increase of 3.0 % compared to the second quarter of the previous year. Other income decreased by € 0.1 million to € 0.4 million. Total operating performance (revenue, research and development grant revenue, changes in inventories, and other income) in the first six months of the financial year rose strongly by € 3.9 million (16.0 %) year-on-year, from € 24.2 million to € 28.1 million.

### Development of segments

With the publication of the half-year figures BRAIN Biotech AG's reporting has been changed to three operating business segments plus the management segment BRAIN Biotech Holding.

The **BioProducts segment**, which comprises the product business with specialty enzymes and other proteins remained unchanged, except for the sale of L.A. Schmitt effective September 30,

2022, and has been renamed from "BioIndustrial". Revenue generated by the BioProducts segment reported growth of 19.0 %, from € 17.5 million to € 20.9 million, in the reporting period. In the second quarter of the financial year, revenue amounted to € 10.2 million. This corresponds to an increase of € 0.1 million or 1.0 %, compared to the same quarter of the previous year. Adjusted EBITDA deteriorated from € 2.6 million to € 2.2 million in the first six months. The weaker operating momentum in the second quarter is mainly due to production interruptions and operational pre-production costs related to the commissioning of the second large-scale fermenter at Biocatalysts Ltd. These investments will accelerate the future growth path of the products segment.

The **BioScience segment** that includes research-intensive custom solutions based on enzyme technology, strain development, bioprocess development and natural product screening generated revenue of € 6.1 million in the reporting period, corresponding to an increase of € 0.3 million or 6.5 % over the prior-year period. This growth mainly reflected a higher number of contracts signed for Tailor-Made Solutions projects. The adjusted EBITDA deteriorated from € 0.4 million in the same period of the previous year to € -0.0 million. The main drivers for this are increasing investments in personnel and higher other expenses such as increased marketing and sales expenses.

Revenues of the **BioIncubator segment**, which covers revenues from own R&D projects or those initiated with partners generated revenue of € 0.2 million in the reporting period. R&D grant revenue, generated by research funding from the German Federal Ministry of Education and Research, was slightly higher than the previous year's figure of € 0.1 million at € 0.2 million. The adjusted EBITDA is mainly driven by the ongoing investments into the CRISPR technology platform under the brand name Akribion Genomics and amounts to € -1.5 million in the first six months of the financial year.

The **BRAIN Biotech Holding segment** mainly includes personnel expenses and other expenses for Group administration, further development of the BRAIN Biotech Group, stock exchange listing and M&A activities. The adjusted EBITDA of the segment amounted to € -1.6 million and is constant at the previous year's level.

**Adriaan Moelker**, CEO of BRAIN Biotech AG: "We are well on the way to execute on our ambitious fiscal year targets. Having gained full control of Biocatalysts Ltd builds the prerequisite to successfully execute our stated One-BioProducts strategy. We will now bundle our products businesses under one strong management team to drive organic growth and successfully integrate additional bolt-on acquisitions in the coming years."

**Key financials** (first six months of the financial year 2022/23)

(in € million)	6M 2022/23	6M 2021/22
Revenues	27.1	23.3
BioScience	6.1	5.8
BioProducts	20.9	17.5
BioIncubator	0.2	0
Total operating performance <sup>1</sup>	28.1	24.2
Adjusted EBITDA <sup>2</sup>	-0.9	0.2
EBITDA	-1.3	-0.7
Operating cash flow	-5.6	-1.1
	31.03.2023	30.09.2022
Cash and cash equivalents	9.2	8.4

1 Revenues + change in inventories + other income including R&D grants

2 The reconciliation from adjusted to unadjusted EBITDA can be found in the 6M report for the period September 1, 2022 to March 31, 2023

**Further information**

BRAIN Biotech AG 6M Report 2022/23:

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

+++

**About BRAIN Biotech**

BRAIN Biotech AG is a leading European supplier of bio-based products and solutions such as enzymes and proteins, microbial production strains, natural compounds and biotechnological solutions for more sustainable industrial processes. The company focuses on the fields of nutrition, health and environment.

BRAIN Biotech AG is the parent company of the international BRAIN Biotech Group. The Group's business activities are divided into three segments: The BioProducts segment comprises the product business with specialty enzymes and other proteins, for which the Group operates fermentation facilities in the United Kingdom and production facilities in continental Europe and the United States. The BioScience segment offers research-intensive custom solutions based on enzyme technology, strain development, bioprocess development and natural product screening. The BioIncubator segment conducts its own R&D projects or those initiated with partners with high value-added potential. A particularly promising incubator project is the development of the Company's own CRISPR-based gene editing technology platform, which is currently being established and expanded by Akribion Genomics (in foundation planning).

Through its own R&D activities, BRAIN Biotech Group is continuously expanding its product portfolio in the field of specialty enzymes and small molecules. The latter are the starting point for screenings, e.g. for novel drug candidates for pharmaceutical applications.

BRAIN Biotech AG has been listed on the Prime Standard of the Frankfurt Stock Exchange since February 9, 2016 (ticker symbol: BNN; securities identification number: ISIN DE0005203947 / WKN 520394). The company employs approximately 330 people and generated revenues of EUR 49.5 million in the fiscal year 2021/22.

For more information, please visit: <https://www.brain-biotech.com>, [LinkedIn](#), [Twitter](#) and [YouTube](#).

### Contact Investor Relations

Martina Schuster  
Investor Relations  
Phone: +49 6251 9331-69  
Email: [ms@brain-biotech.com](mailto:ms@brain-biotech.com)

### Contact Media

Dr. Stephanie Konle  
PR & Corporate Communications  
Phone: +49 6251 9331-70  
Email: [stk@brain-biotech.com](mailto:stk@brain-biotech.com)

---

Follow @BRAINbiotech on Twitter (<https://twitter.com/BRAINbiotech>) and @BRAIN Biotech AG on LinkedIn (<https://www.linkedin.com/company/brainbiotech>)

### **Disclaimer**

This press release contains forward-looking statements. These statements reflect the current views, expectations, and assumptions of the management of BRAIN Biotech 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 of and future developments at BRAIN Biotech AG and the BRAIN Biotech 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 Biotech AG does not undertake any obligation to update or revise any forward-looking statements.