

Annual Report 2022/23: BRAIN Biotech AG successfully executes growth strategy

- **Group sales grew by 11.8 %, 9.8 % all organic**
- **All divisions contribute to growth**
- **Successful execution of One-BioProducts strategy**
- **Strong progress on BioIncubator pharmaceutical project Deucricitibant**

Zwingenberg, Germany, 17 January 2024 – BRAIN Biotech AG, a leading provider of integrated solutions for the biologization of industry and parent company of the BRAIN Biotech Group, has published the Group's financial figures for the fiscal year 2022/23. The Group's consolidated revenue increased strongly to € 55.3 million in the 2022/23 financial year. Compared with the previous year, this represents growth of 11.8 %. In all organic terms, excluding Breatec B.V. sales in the first four months of the current financial year as well as L.A. Schmitt in the previous year, growth showed a dynamic plus 9.8 %. Expanding enzyme sales within the BioProducts segment demonstrated the main contribution to organic growth.

The acquisition of all outstanding minority interests in Biocatalysts Ltd. in the past financial year has enabled the full integration of the Group's product businesses. BRAIN Biotech's One-BioProducts strategy will deliver significant growth and cost synergies within the segment during the coming years. The strong integration of the product business with the scientific excellence in enzymes and microorganisms at the BRAIN Biotech Zwingenberg research site is a key cornerstone of the Groups' strategy to serve customers with innovative bio-solutions.

CEO Adriaan Moelker says: "I am very pleased that our growth strategy is developing in the targeted direction with a second consecutive year of sales expansion above market growth. We are now clearly positioned as a bio-solutions provider of choice across the enzymes and microorganisms value chain. In addition, BRAIN is increasingly developing into a focused product company with an emphasis on enzymes. With our outstanding enzyme expertise, our application know-how in various specialty markets and last year's production capacity expansion at Biocatalysts Ltd, we are well positioned to also meet future industry requirements."

BRAIN Biotech reported an improved adjusted EBITDA from € -98 thousand to € 0.4 million despite ongoing high investments into the Group's BioIncubator. **CFO Michael Schneiders** states: "It has been a strong achievement by the entire team to finish this challenging year full of economic and geo-political surprises comfortably within our guided range. The adjusted

EBITDA breakeven has been achieved despite higher year on year investments in our BioIncubator pipeline, especially Akribion Genomics. We will continue our journey of profitable growth at full speed. I am also very pleased with the strong clinical data from our pharmaceutical BioIncubator project “Deucricribant” on the rare disease Hereditary Angioedema by our partner Pharvaris. I see this project fully on track with very strong economic potential for BRAIN Biotech. “

Development of the segments

BRAIN Biotech’s business activities are structured into the BioProducts, BioScience and BioIncubator operating segments. The Company had changed its reporting structure to a three-pillar reporting structure during the first half of the calendar year 2023 to further increase transparency on the operating performance for its stakeholders.

The **BioProducts segment** mainly consists of its industrially scalable products business focusing on specialized enzymes and proteins. Revenue in this segment grew strongly from € 37.5 million to € 42.5 million. This 13.2 % turnover increase in the segment is mainly attributable to enzyme product sales. Especially Breatec B.V., acquired in the previous business year, is continuing to demonstrate very dynamic growth rates. The segment’s total operating performance reported growth of 7.5 %, from € 39.8 million in the previous year to € 42.8 million. The segment’s adjusted EBITDA grew from € 4.9 million to € 5.5 million. This positive performance is driven by higher revenue and an improved cost ratios.

The **BioScience** segment includes the research and development business with industrial partners. In this segment, revenue increased by 1.9 % from € 12.1 million to € 12.3 million. This is attributable to growth in the project business. New cooperation partners were acquired in the financial year under review and existing relationships with cooperation partners were successfully expanded. Research and development grant revenue decreased slightly by € 0.1 million, from € 0.5 million to € 0.4 million. As a consequence, total operating performance was only slightly up by € 0.1 million to € 13.4 million. The segment’s adjusted EBITDA decreased from € 0.9 million in the previous year to € 0.8 million.

The **BioIncubator segment** includes the external R&D project pipeline and the company’s own R&D projects offering high value-creation potential. The segment generated revenue of € 0.6 million in the reporting period. This revenue was generated primarily from license income in the genome editing area under the brand name of Akribion Genomics. Research and development grant revenue increased significantly from € 0.1 million to € 0.4 million. The segment’s adjusted EBITDA is mainly driven by investments in genome editing and amounted to € -2.7 million in the financial year (previous € -2.6 million). Gross investments into the

Akribion Genomics platform were increased to EUR 3.3 million versus EUR 2.0 million in the previous year.

Key financials from Financial Year 2022/23:

(in € million)	12M 2022/23	12M 2021/22
Revenues	55.3	49.5
BioProducts	42.5	37.5
BioScience	12.3	12.1
BioIncubator	0.6	0
Total operating performance ¹	57.1	53.1
Adjusted EBITDA ²	0.4	-0.1
EBITDA	-0.8	-1.3
Operating cash flow	-4.2	-1.5
	30.09.2023	30.09.2022
Cash and cash equivalents	5.4	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 Annual report 2022/23

Outlook for 2024

For the financial year 2023/24 BRAIN Biotech expects to continue its growth path from the last two years with an improvement in adjusted EBITDA which at least matches sales growth. In addition, the company expects to continue to achieve milestones in important projects during the next financial year. In this forecast, investments in the novel genome editing tool (Akribion Genomics) are reported separately and build no part of this forecast. It remains the company's intention to transfer the Akribion Genomics activities into a separate legal entity during fiscal year 2023/24 and therewith attract additional external sources of growth financing.

A quantitative guidance will be issued with the 3M reporting on February 28, 2024.

Link to BRAIN Biotech AG Annual Report 2022/23:

<https://reports.brain-biotech-group.com/report-2023/en/>

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About BRAIN Biotech

BRAIN Biotech AG is a leading European supplier of biobased 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](#), [Threads](#) and [YouTube](#).

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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.