

BRAIN Biotech AG receives major milestone payment and stays on-track to achieve year end targets

- **Major milestone payment from pharma-project of € 1.5 million received**
- **BioProducts business growth accelerated in Q2, further acceleration expected throughout H2**
- **On-track to meet fiscal year end targets**
- **Significantly strengthened cash position**

Zwingenberg, Germany, May 28th, 2024 – BRAIN Biotech AG, a leading provider of integrated solutions for the biologization of industry, today published its half year results, 6M 2023/2024. BRAIN received a significant milestone payment of € 1.5 million in its second quarter for the successful development progress in the out-licensed active pharmaceutical ingredient program with deucricitibant (formerly PHA121). Overall cash on hand almost doubled to € 10.2 million compared to September 30, 2023. The company stays fully on track to meet its business year targets for FY 2023/24.

In the first six months of the 2023/2024 financial year, BRAIN Biotech Group generated revenues of € 27.2 million, which is at the same level as the previous year. In the second quarter of 2023/24, revenue increased by € 1.0 million or 7.4 % to € 14.5 million. Total operating performance decreased by 2.6 % from € 28.1 million to € 27.4 million in the first six months of the financial year. This was primarily due to negative changes in inventories and lower other income compared to the same period of the previous year. The adjusted Group EBITDA in the first half of the 2023/24 financial year improved by € 0.4 million from € -0.9 million in the previous year to € -0.5 million.

Adriaan Moelker, CEO of BRAIN Biotech AG says: "The significant € 1.5 million milestone payment from our licensee Pharvaris clearly demonstrates that we are starting to harvest the fruits of our past investments and that our BioIncubator pipeline increasingly creates value. We continue to aim for accelerated commercialization of our many BioIncubator projects." Moelker adds, "I am also very pleased that the growth in the BioProducts segment has accelerated in the second quarter as forecasted and I remain confident that the second half in our products business will be even stronger."

Development of segments

In the **BioProducts segment**, which comprises the product business with specialty enzymes and other proteins, revenues decreased by 5.0 % from € 20.9 million to € 19.8 million in the

reporting period. Total operating performance amounted to € 19.7 million, down 6.5 % on the same quarter of the previous year. Revenues in the second quarter totaled € 10.5 million, an encouraging increase compared to € 9.3 million in the first quarter of the financial year. The cost of materials was reduced from € 11.5 million to € 10.2 million. This led to an improved cost of materials ratio compared to the same period of the previous year. Overall, the BioProducts segment's adjusted EBITDA fell from € 2.2 million to € 1.7 million, primarily due to the lower revenues.

The **BioScience segment** which includes research-intensive custom solutions based on enzyme technology, strain development, bioprocess development and natural product screening generated revenues of € 5.8 million in the reporting period, which corresponds to a decrease of 5.3 % compared to the same period of the previous year (€ 6.1 million). Thanks to stringent project controlling and good general cost control, the segment's adjusted EBITDA was maintained at the previous year's level of € 0.0 million.

Revenues of the **BioIncubator segment**, which covers revenues from own R&D projects or those initiated with partners increased significantly from € 0.2 million to € 1.6 million in the reporting period compared to the same period of the previous year. A large milestone in the deucricitbant project (PHA121) was successfully achieved in the reporting quarter, making a significant contribution to the growth in revenues. The strong revenue growth is also reflected in the segment's adjusted EBITDA, which improved from € -1.6 million in the previous year to € -0.5 million. Overall, the segment continues to be characterized by high investments of € 1.5 million in the area of genome editing under the brand name Akribion Genomics.

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 € -1.7 million and was therefore only slightly below the previous year's level (€ -1.6 million).

The financial year guidance remains unchanged to achieve revenues in a range of € 58 - 62 million with an adjusted EBITDA to rise, at least, in-line with the revenue growth.

Key financials (first six months of the financial year 2023/24)

(in € million)	6M 2023/24	6M 2022/23
Revenues	27.2	27.2
BioProducts	19.8	20.9
BioScience	5.8	6.1
BioIncubator	1.6	0.2
Total operating performance ¹	27.4	28.1
Adjusted EBITDA ²	-0.5	-0.9
EBITDA	-0.9	-1.3
Operating cash flow	-3.2	-5.6
	31.03.2024	30.09.2023
Cash and cash equivalents	10.2	5.4

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 October 1, 2023 to March 31, 2024

Further information

BRAIN Biotech AG 6M Report 2023/24:

<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 55.3 million in the fiscal year 2022/23.

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

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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.