

BRAIN Biotech AG concludes major pharma compound transaction valued up to EUR 128.88 million from its BioIncubator

- **Total transaction value up to EUR 128.88 million significantly exceeding current market capitalization of BRAIN Biotech**
- **Immediate upfront payment of EUR 18.41 million**
- **Royalty monetization of an investigational compound, deucrictibant, with market leading Royalty Pharma**
- **Contractual milestone payments of up to EUR 9.0 million for the nearer-term clinical progress stay with BRAIN Biotech**

Zwingenberg, Germany, 20 September 2024 – BRAIN Biotech AG (“Company”) concluded a royalty monetization deal on the royalty rights to an investigational compound, deucrictibant, with Royalty Pharma for up to EUR 128.88 million. The Company will receive an upfront payment of EUR 18.41 million, additional potential regulatory milestones of up to EUR 18.42 million and additional potential long-term sales related milestones of up to EUR 92.05 million.

Adriaan Moelker, CEO of BRAIN Biotech AG, states: "This is truly a milestone transaction in the history of BRAIN Biotech. We have always believed in the high value of our BioIncubator projects and are now starting to increasingly harvest the strong pipeline investments of the past. This transaction with market leader Royalty Pharma has not only confirmed our value assumptions of deucrictibant but also allowed us to significantly forward cash proceeds from this exciting project. With the proceeds we will accelerate the ongoing transformation of BRAIN Biotech to a global top ten player in the highly attractive market of industrial enzymes. We will continue to focus here on our core areas of Food, Beverage and Life Sciences with a very strong heritage in scientific excellence."

A result of the Company’s BioIncubator pipeline of highly innovative projects, deucrictibant is currently in clinical development by Pharvaris Netherlands NV (Nasdaq PHVS) for the treatment of Hereditary Angioedema. This project was initiated by group subsidiary AnalytiCon Discovery, which has been merged into the Company but will continue to work as an independent commercial unit of BRAIN Biotech AG. All existing commitments and licenses associated with the investigational compound will be transferred from BRAIN Biotech to Royalty Pharma. BRAIN Biotech intends to commercialize and monetize additional projects with high value from its BioIncubator pipeline during the next years.

Michael Schneiders, CFO of BRAIN Biotech AG, says: “Royalty monetization is a very interesting and innovative form of alternative non-dilutive financing for us in an environment of an ultra-low BRAIN Biotech share price. We have not only been able to raise significant immediate proceeds via the upfront payment but will also participate in the ongoing clinical success of the investigational compound by nearer term regulatory milestones and further long-term payments related to the potential sales development of deucricitibant. The value of this single transaction is more than four times the total market capitalization of BRAIN Biotech prior to the deal announcement.” Schneiders adds, “We are very confident that the strong operational and structural development which started in the last three years in conjunction with increasingly crystallizing value from our BioIncubator pipeline will bring BRAIN Biotech AG back to the agenda of equity investors. In this transaction we have only monetized the future royalties on deucricitibant. Additional contractual milestone payments of up to 9.0 million EUR for the nearer term clinical progress stay with BRAIN Biotech.”

The Company intends to use the net proceeds of this transaction to accelerate its ongoing transformation to a global top ten position in industrial enzymes, for future growth funding including potential M&A transactions and short-term loan repayments. This transaction remains subject to customary closing conditions.

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About BRAIN Biotech

BRAIN Biotech AG is a leading provider of integrated solutions and products in the field of industrial biotechnology. The company specializes in enzymes and proteins, microbial production strains and bioprocesses for biotechnological production methods. BRAIN Biotech focuses on the growth markets of nutrition and life sciences as well as on innovative solutions for environment issues. BRAIN Biotech AG is the parent company of the international BRAIN Biotech Group. Its business activities are divided into three segments: 1. BioProducts: Production and sale of specialty enzymes and proteins; 2. BioScience: Customized solutions based on enzyme engineering, production strain and bioprocess development, and screening for bioactive compounds; 3. BioIncubator: Pipeline of research-intensive development projects. For production, the Group operates fermentation plants in the UK and other production facilities in continental Europe and the USA. BRAIN Biotech has been listed on the Frankfurt Stock Exchange since February 9, 2016 (ticker: BNN; ISIN DE0005203947 / WKN 520394). The company employs around 310 people and generated revenues of EUR 55.3 million in the fiscal year 2022/23. For more information, please visit www.brain-biotech-group.com

About AnalytiCon Discovery

AnalytiCon Discovery is an independent commercial unit of BRAIN Biotech AG with many years of R&D expertise in natural product chemistry. The Potsdam-based operation site specializes in small molecule compounds and offers customers from the pharmaceutical, cosmetics, food and agricultural sectors the development of substance libraries, the identification of active ingredients and their synthetic optimization as well as the production of active ingredients on a commercial scale. AnalytiCon has been part of the BRAIN Biotech Group since 2013. Further information: www.ac-discovery.com

About Royalty Pharma

Founded in 1996, Royalty Pharma is the largest buyer of biopharmaceutical royalties and a leading funder of innovation across the biopharmaceutical industry, collaborating with innovators from academic institutions, research hospitals and non-profits through small and mid-cap biotechnology companies to leading global pharmaceutical companies. Royalty Pharma has assembled a portfolio of royalties which entitles it to payments based directly on the top-line sales of many of the industry's leading therapies. Royalty Pharma funds innovation in the biopharmaceutical industry both directly and indirectly – directly when it partners with companies to co-fund late-stage clinical trials and new product launches in exchange for future royalties, and indirectly when it acquires existing royalties from the original innovators. Royalty Pharma's current portfolio includes royalties on more than 35 commercial products. Further information: <https://www.royaltypharma.com/>

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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.