

## BRAIN Biotech AG reports solid 9M numbers despite ongoing high R&D investments and more challenging economic conditions

- **9M Group topline growth +12.3%, +7.9% organic**
- **BioScience 9M growth +12%, all organic**
- **OneBioProducts integration in full execution**

**Zwingenberg, Germany, August 30<sup>th</sup>, 2023** – BRAIN Biotech AG, a leading provider of integrated solutions for the biologization of industry, today published solid 9M results of FY2022/2023. Despite an increasingly challenging economic environment and ongoing high investments especially in its Akribion Genomics genome editing platform, BRAIN Biotech stays on track towards its stated fiscal year targets.

In the first nine months of the 2022/23 financial year, the BRAIN Biotech Group generated revenue of € 40.4 million compared to € 36.0 million in the same period of the previous year, which represents growth of 12.3%. 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 7.9%.

Revenue in the third quarter of 2022/23 amounted to € 13.2 million. This corresponds to an increase of 4.1% compared to the third quarter of the previous year. Total operating performance for the Group (revenue, research and development grant revenue, changes in inventories, and other income) in the first nine months of the financial year rose from € 37.2 million to € 41.8 million (+12.3%).

After the previously announced acquisition of the two remaining minority stakes in Biocatalysts Ltd., BRAIN Biotech has now fully entered the execution phase to organizationally unite all industrial assets within the segment BioProducts under the legal roof of Biocatalysts. This will form the basis for the BRAIN Biotech Group ambitious growth strategy with the aim to create a global multi-niche enzyme champion over the coming years.

### Development of segments

With the publication of the half-year figures, the company changed its reporting 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 reported growth of 10.2%, from € 27.5 million to € 30.3 million, in the reporting

period. In the third quarter of the financial year, revenue amounted to € 9.5 million. This corresponds to a decrease of € 0.5 million or 5.1%, compared to the same quarter of the previous year. Adjusted EBITDA deteriorated from € 3.7 million to € 3.3 million in the first nine months. The weaker operating momentum in the second and third quarter of the financial year is mainly due to production interruptions and operational pre-production costs related to the commissioning of the second large-scale fermenter at Biocatalysts Ltd. In addition, malfunctioning equipment has delayed the commissioning of the second large scale fermenter now unexpectedly further into the fourth quarter.

The **BioScience segment** that includes research-intensive custom solutions based on enzyme technology, strain development, bioprocess development and natural product screening reported strong all-organic growth of 12.0%, from € 8.5 million to € 9.6 million, in the reporting period. Adjusted EBITDA reported at € 0.43 million for 9M versus € 0.39 million in the previous period. BRAIN Biotech Zwingenberg research site and AnalytiCon Discovery, Potsdam, have both contributed to this strong performance.

Revenues of the **BioIncubator segment**, which covers revenues from own R&D projects or those initiated with partners' generated revenue of € 0.5 million in the reporting period. The company could realize first commercial license sales in a narrow field of application for its proprietary genome-editing technology demonstrating its commercial attractiveness and potential. The negative adjusted EBITDA is mainly driven by the ongoing investments into the CRISPR technology platform under the brand name Akribion Genomics and amounts to € -2.2 million in the first nine 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 € -2.4 million in line with the previous 9M period. Solid cost control has helped to offset inflationary pressures at the holding level.

**Michael Schneiders**, CFO of BRAIN Biotech AG summarizes: "We proactively have to manage the company in an environment of slowing economic growth in conjunction with persistent inflation. Our 9M topline growth remains very solid against this background. We could have grown even stronger and more profitably without the technical challenges in the commissioning of our second large scale fermenter. Akribion Genomics has generated pleasing license income in the quarter validating strong external interest in our proprietary genome-editing technology. The finalization of the One BioProducts integration will now establish the basis for strong future growth within our products division."

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

(in € million)	9M 2022/23	9M 2021/22
Revenues	40.4	36.0
BioScience	9.6	8.5
BioProducts	30.3	27.5
BioIncubator	0.5	0
Total operating performance <sup>1</sup>		
Adjusted EBITDA <sup>2</sup>	-0.9	-0.2
EBITDA	-1.6	-1.4
Operating cash flow	-4.5	-1.0
	30.06.2023	30.09.2022
Cash and cash equivalents	5.3	13.3

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

2 The reconciliation from adjusted to unadjusted EBITDA can be found in the 9M report for the period October 1, 2022 to June 30, 2023

**Further information**

BRAIN Biotech AG 9M Report 2022/23:

<https://www.brain-biotech.com/investors/financial-publications/2022-23>

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**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](#).

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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.