

Zwingenberg, Germany, May 28<sup>th</sup>, 2021

## BRAIN Biotech AG H1 '20/'21 Results

- **CRISPR Associated Nuclease with large business potential**
- **New Pharma Compound PHA121 enters incubator**
- **Biocatalysts Ltd. producing soon close to capacity limit**

Today, BRAIN Biotech AG (BRAIN, ISIN DE0005203947 / WKN 520394) published its results for the period from October 1<sup>st</sup>, 2020 to March 31<sup>st</sup>, 2021. In the first six months of the 2020/2021 financial year, the BRAIN Group generated a revenue of € 18.0 million compared to € 19.9 million in the same period of the previous year, which represents a decline of 9.7 %. Revenues in the second quarter of 2020/21 amounted to € 9.9 million. This corresponds to an increase of 3.3% compared to the second quarter of the previous year. Adjusted Group EBITDA decreased by € 1.3 million from € -0.7 million in the previous year to € -2.0 million in the first six months of the 2020/21 financial year. Adjusted EBITDA in the second quarter decreased only slightly from € -0.5 million to € -0.6 million compared to the same quarter of the previous year. The cash position at the end of the quarter amounted to € 12.0 million.

### **Two Strong Additions to the Incubator: CRISPR Associated Nuclease and PHA121**

**Pharvaris (compound PHA121)** is a clinical-stage discovery and development company, founded in 2015 in Switzerland and listed at the NASDAQ. The company focuses on the treatment of hereditary angioedema (HAE), a medical disorder caused by gene mutation, which results in recurrent attacks of severe swelling. Pharvaris develops as a new treatment option a novel oral bradykinin B2-receptor antagonists (PHA121). BRAIN Group Company AnalytiCon Discovery performed for Pharvaris the PHA121 hit Identification, hit to lead and lead optimization. Milestone payments based on clinical development progress, regulatory events and sales development can reach up to € 11.4 million. In addition, there is a tiered royalty agreement in place with a low to medium-single digit royalty payment on direct and/or indirect net sales if the product will be successfully marketed.

BRAIN Biotech AG has completed the first development phase for a **novel genome editing system based on a Non-Cas9 nuclease**. The scientist have achieved this breakthrough by combining long standing experience and R&D skills in genome editing throughout the group. This novel CRISPR associated nuclease has been validated internally as well as with partners and it has demonstrated DNA targeting activity in selected bacteria, fungi and yeast. Activity in plants has been achieved but still needs to be validated. Genome editing tests for additional application fields such as mammalian cell lines have been initiated and a first IP application to protect BRAIN´s nuclease sequence is already submitted. It is expected that this novel genome

editing system will give BRAIN freedom to operate for internal as well as customer projects and that it promises significant economic upside if the next development steps prove to be successful and a patent is granted.

### **Business Development by Segment**

The **BioScience segment**, which includes the R&D business with industrial partners and the incubator business, generated revenue of € 4.7 million in the reporting period, down 31.6 % from the prior-year period. This decline is mainly due to some larger projects reaching their planned end phase and delays in the completion of new/follow-up projects in the Tailor-Made-Solutions business. In the second quarter, revenue decreased slightly from € 2.8 million to € 2.7 million compared to the previous year. Compared to the first quarter of the 2020/2021 financial year, an increase in revenue of € 0.7 million from € 2.0 million to € 2.7 million was achieved. The adjusted EBITDA decreased from € -2.3 million to € -3.4 million.

The lower adjusted EBITDA is mainly due to the decline in sales in the BioScience segment mentioned above, however, because a large part of the costs in the BioScience segment can de-facto be classified as fixed, achieved cost savings were able to partially counteract this decline.

Revenues of the **BioIndustrial segment**, which covers the scalable product business, reported a slight increase of 2.3 % from € 13.1 million to € 13.4 million in the reporting period. In organic terms, excluding BioSun Biochemicals, revenue decreased by € 0.6 million or 4.2 % from € 13.1 million to € 12.6 million. Adjusted EBITDA decreased slightly from € 1.5 million to € 1.4 million. Within the segment, Biocatalysts Ltd. showed a strong development at the level of turnover. WeissBioTech GmbH continued to record significant revenue declines in the bioethanol business and in wine enzymes. The latter is due, among other things, to effects in connection with the coronavirus. In addition, it remains challenging to win new customers due to the ongoing pandemic.

Lukas Linnig, CFO of BRAIN Biotech AG, says: "BRAIN is partially faced by late cyclical effects from the Covid-19 pandemic within the BioScience segment and its daughter company WeissBioTech. Other parts of the group, such as Biocatalysts, have been mastering the economic crisis remarkably well. The business performance at Biocatalysts is indeed so strong that we are currently discussing to accelerate the second phase of the planned capacity expansion. Very importantly, we have again demonstrated our strong innovation skills by achieving scientific breakthroughs with our novel CRISPR Associated Nuclease and the pharma compound PHA121. Both projects will now enter our incubator and promise significant economic benefits. I am really proud of the teams here at BRAIN in Zwingenberg and at AnalytiCon Discovery in Potsdam developing novel science into marketable solution."

Adriaan Moelker, CEO of BRAIN Biotech AG, comments: “The new business development projects which are part of the incubator are one of the major value drivers for our shareholders. We are tightly managing these projects for success and earliest possible commercialization. Mature projects will exit and new exciting projects such as CRISPR Associated Nuclease and PHA121 are increasing the value of our pipeline. We are actively promoting and challenging the progress on each project on a quarterly basis.”

**Key financials** (first six months of the financial year 2020/21)

(in € million)	6M 2020/21	6M 2019/20
Revenues	18.0	19.9
BioScience	4.7	6.8
BioIndustrial	13.4	13.1
Total operating performance <sup>1</sup>	19.8	20.2
Adjusted EBITDA <sup>2</sup>	-2.0	-0.7
EBITDA	-1.6	-0.9
Operating cash flow	-4.2	-4.1
	31.03.2021	30.09.2020
Cash and cash equivalents	12.0	18.9

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

2 The reconciliation from adjusted to unadjusted EBITDA can be found in the half year financial report for the period ended March 31<sup>st</sup>, 2021

More detailed information on the financial results are available at [www.brain-biotech.com/investors/financial-publications](http://www.brain-biotech.com/investors/financial-publications) as part of the half year financial report for the period ended March 31<sup>st</sup>, 2021.

**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 by, and future developments at, BRAIN Biotech AG and the BRAIN 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.

### Financial Calendar:

[www.brain-biotech.com/investors/financial-calendar](http://www.brain-biotech.com/investors/financial-calendar)

### About BRAIN

BRAIN Biotech AG (“BRAIN”) is a leading European specialist in industrial biotechnology. As a technology provider and developer of bio-based products and solutions for nutrition, health and the environment, the company supports the biologization of industry and contributes to a more sustainable economy. BRAIN is the parent company of the BRAIN Group. Two pillars form BRAIN Group’s business: The BioScience segment includes contract research for renowned industrial partners as well as an incubator for the development of the company’s own highly innovative products. In the BioIndustrial segment, the company focuses on specialty business in the production and refinement of enzymes, microorganisms and bioactive natural products and the respective distribution.

The BRAIN Group maintains its own diverse collection of natural resources: the BRAIN Bioarchive comprises microorganisms, genetic material and natural substances. Based on this collection and with a comprehensive technology portfolio, BRAIN addresses technological challenges and develops bio-based products and solutions that are already successfully employed in the industry. The BRAIN Group has its own production facilities in Germany, UK and the US, which together with the associated biotechnological production expertise, complete the value chain within the Group.

Since its IPO in 2016, BRAIN Biotech AG has been listed in the Prime Standard of the Frankfurt Stock Exchange (ISIN DE0005203947 / WKN 520394)

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