

Zwingenberg, Germany, 17 January 2022

## BRAIN Biotech AG publishes Annual Report for FY 2020/21

- **Strong fourth quarter throughout all divisions**
- **BRAIN Group revenues increased in the financial year 2020/21**
- **EBITDA loss and net loss significantly reduced**
- **Incubator pipeline value increases significantly**

BRAIN Biotech AG today published its Annual Report for the fiscal year 2020/21. As far as the Group's financial position and operating performance is concerned, the Management Board is of the opinion that the overall picture is positive, as the Group achieved a stable revenue level, as well as improved, albeit still negative, EBITDA, despite the generally weak economic environment. The group was able to close the year with a strong sequential sales growth as well as EBITDA improvements throughout both BioScience and BioIndustrial segments in the last quarter.

Adriaan Moelker, CEO BRAIN Biotech AG said: "We completed the 2020/21 financial year in September 2021 satisfactorily and in line with our earnings and revenue forecast. Thanks to stringent cost control, we improved our EBITDA as planned, despite continuing our high level of investment in our incubator pipeline and infrastructure. These investments build the pillars for our future growth."

The revenue of the BRAIN Group grew to € 38.4 million in the 2020/21 financial year. Compared with the previous year (€ 38.2 million), this represents an increase of 0.4 %. On an organic basis – in other words, excluding the acquisition of Biosun Biochemicals Inc., Tampa, USA – revenue decreased by 5.2 %. This revenue decline in organic terms has also been driven by negative effects from the pandemic with a lower level of project business in the first quarters in the BioScience segment, and lower turnover at the BioIndustrial segment daughter company WeissBiotech GmbH.

At € 40.7 million, the total operating performance was 3.8 % up on the previous year (€ 39.2 million). In the 2020/21 financial year, a total of ten important milestones were achieved as planned. BRAIN's reported EBITDA significantly improved from € -3.9 million to € -2.5 million.

### Development of segments

The **BioIndustrial segment** consists mainly of the group's industry scale product business. Revenue in the BioIndustrial segment grew from € 25.1 million to € 28.2 million. On an organic

basis – excluding the Biosun Biochemicals acquisition – revenue also increased by € 1.0 million, or 3.9 %. In line with revenue growth, the segment's total operating performance also reported growth of 15.8 %, from € 25.4 million in the previous year to € 29.4 million. Adjusted EBITDA for the segment grew from € 2.5 million to € 3.3 million mainly due to the higher level of turnover.

The **BioScience segment** includes the research and development business with industrial partners and the company's own incubator pipeline. Revenue in the BioScience segment was down by 22.1 %, from € 13.2 million to € 10.3 million. This sales decrease is mainly attributable to some larger projects reaching their planned end-phase as well as delays in the completion of new and follow-up projects in the Tailor-Made Solutions area due to the pandemic in the first quarters.

Lukas Linnig, CFO at BRAIN Biotech AG, takes an optimistic view into the future: "In fiscal year 2020/21 we have added two projects with significant economic value to our incubator pipeline. The BRAIN-Engineered-Cas project which is based on a proprietary CRISPR-Cas9-independent nuclease has made significant progress and already started to become a driver for new business generation in the BioScience segment. In addition, the active pharma compound PHA121 to treat the orphan disease HAE promises significant milestone payments and royalties."

BRAIN Biotech continues to expand its proprietary toolset and scientific footprint in genome editing by researching and patenting further nucleases as well as broadening the areas of application. On January 11 the company published that it had reached a milestone in the regular patent filing process confirming the management's view, that the proprietary BRAIN-Engineered-Cas (BEC) technology is a novel and clearly differentiated genome-editing tool and is considered as patentable by the European patent authorities.

### **Transformation in progress**

In 2020 the new executive management team at BRAIN Biotech AG had initiated a crucial transformation process at Germany's industrial biotech pioneer. The BRAIN Group is now successfully developing from a previously research focused organization to a solutions provider for industrial customers. This is based on two pillars: leading biotechnology expertise in the service business as well as operational excellence as an independent producer of specialty B2B products like enzymes, microorganisms or bioactive natural products. This transformation process will continue in the next years and is accompanied by BRAINway: a dedicated program to build corporate identity, enhance collaboration and economic performance among group entities as well as develop individual skills.

### **Further information:**

**BRAIN Biotech AG Annual Report 2020/21:**

<https://www.brain-biotech.com/investors/financial-publications/2020-21>



**Cover BRAIN Biotech AG Annual Report 2020/21**

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### **About BRAIN**

BRAIN Biotech AG (“BRAIN”) is a leading European industrial biotechnology specialist with a focus on nutrition, health and the environment. As a technology and solutions provider the company supports the biologization of industries with bio-based products and processes. From contract R&D with industrial partners to advancing own disruptive incubator projects and customized enzyme products– BRAIN’s broad cutting-edge biotech expertise and its agile teams are key to success.

BRAIN Biotech AG, Germany, is the parent company of the international BRAIN Group, distributing specialty B2B products like enzymes or bioactive natural products. The BRAIN Group has its own fermentation or production facilities in Germany, UK and the US, which together with the associated biotechnological solution competency complete the value chain within the group.

As a Participant of the United Nations Global Compact, BRAIN Biotech AG is committed to aligning strategies and operations with universal principles on human rights, labour, environment and anti-corruption and to actively advance common societal goals. Our products and services target at least five of the UN SDGs directly.

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

### **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.

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