

Zwingenberg, Germany, February 23rd, 2022

BRAIN Biotech AG: Very Dynamic Start into the Fiscal Year 2021/22, 3M Reporting

- **Strong growth in Q1 confirms positive Q4 trend**
- **BioScience growth also accelerated by “We CRISPR for You” business**
- **Positive full fiscal year guidance issued**

BRAIN Biotech AG today published its first quarter results, 3M 2021/22. The group had a very strong start into the fiscal year with dynamic revenue growth in both divisions, positive operating leverage and a solid financial position. Excluding the recently announced acquisition of Breteac B.V. and excluding ongoing strong investments into the proprietary CRISPR Genome-Editing platform the management now guides sales for the fiscal year in the range of € 43 – 45 million and an adjusted EBITDA around break-even. CRISPR investments are expected to be around € 2.5 – 3.5 million. With the 6M release on May 30th, 2022, BRAIN will update its group guidance for the Breteac acquisition.

Adriaan Moelker, CEO BRAIN Biotech AG states: “The positive operating trend from the fourth quarter has strongly extended to the start of the new fiscal year. We have every reason to be confident that the BRAIN group has returned to solid organic growth which is fueled by both divisions and all group companies. During the last two years we have realigned and prepared the organization to return to growth, successfully steered the company through the pandemic and we stay on our path to profitability. The successful acquisition of Breteac will further add to our profitable growth trajectory.”

The revenue of the BRAIN Group grew to € 10.2 million in Q1 2021/22 fiscal year. Compared with the previous year (€ 8.1 million), this represents an increase of 26 %. On an organic basis – in other words, excluding the acquisition of Biosun Biochemicals Inc., Tampa, USA – revenue also increased by a strong 18.6 %. This revenue increase in organic terms has been driven by both segments.

At € 10.4 million, the total operating performance was up by 23 % on the previous year (€ 8.5 million). BRAIN’s adjusted EBITDA significantly improved from € -1.4 million to € -0.3 million in the first quarter.

Important Events

Genome-Editing-Toolbox: BRAIN had announced the successful expansion of its proprietary genome editing toolbox with the BRAIN-Metagenome-Cas 01 (BMC01) nuclease. The BMC01 nuclease complements BRAIN-Engineered Cas (BEC), which was introduced to the public in

May 2021. BMC01 and BEC are different types of class 2 nucleases that differ in their overall protein structure and mode of action on DNA. This allows different markets and applications to be addressed more effectively. In addition, a research collaboration between BRAIN Biotech and the SAMS Marine Research Institute will use the BEC genome editing tool to find new ways to produce essential fatty acids more sustainably and cost-effectively. The collaboration partners will initially focus on marine sources of omega-3 fatty acids. One of the main goals of the research strategy is to find new ways to express existing marine compounds more efficiently without altering their genetic structure.

SolasCure Ltd.: BRAIN participated in a capital increase at SolasCure Ltd. The total capital increase amounted to GBP 3.7 million, in which BRAIN participated with GBP 1.3 million, with the cash-effective portion amounting to GBP 1.0 million. The shareholding ratio remained around 41 %. The company remains very confident about the successful development of its active ingredient Aurasense® for chronic wound care and therefore supported this new financing round of SolasCure Ltd. The financing took place with a further significant increase in the company's pre-money valuation of approximately plus 50 % since the last financing round.

Development of segments

The **BioIndustrial segment** consists mainly of the group's industrial scale product business. Revenue in the BioIndustrial segment grew from € 6.1 million to € 7.4 million. On an organic basis – excluding the Biosun Biochemicals acquisition – revenue also increased by € 0.7 million, or 11.1 %. Without selected supply chain restraints the organic growth could have been even more dynamic. Adjusted EBITDA for the segment grew from € 0.3 million to € 0.9 million mainly due to the higher level of turnover and daughter company WeissBioTech GmbH returning to EBITDA break-even.

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 up by a strong all organic 38.6 %, from € 2.0 million to € 2.8 million. This sales increase is mainly attributable to some larger new projects which started in the first quarter and also driven by the "We CRISPR for You" service which increasingly develops into a unique selling point for BRAIN's custom research business. The company's proprietary genome-editing platform around the BEC and BMC nucleases already today contributes to revenues and is expected to become a significant value driver for BRAIN's economic development over the next years.

Lukas Linnig, CFO at BRAIN Biotech AG, takes an optimistic view on recent developments: "The BRAIN-Engineered-Cas program is increasingly becoming a driver for new business generation in the BioScience segment. In addition, the recent positive comments from the European Patent Office on the patentability of our proprietary genome editing technology have confirmed our confidence to build a platform business with strong licensing potential around

genome-editing. We look confidently into the further development of this financial year and have expressed this by issuing a strong quantitative guidance with very solid revenue growth and improving underlying profitability.”

Key financials (first three months of the financial year 2021/22)

(in € million)	3M 2021/22	3M 2020/21
Revenues	10.2	8.1
BioScience	2.8	2.0
BioIndustrial	7.4	6.1
Total operating performance ¹	10.4	8.5
Adjusted EBITDA ²	-0.3	-1.4
EBITDA	-0.6	-1.6
Operating cash flow	-0.2	-2.1
	31.12.2021	30.09.2021
Cash and cash equivalents	22.7	24.5

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

2 The reconciliation from adjusted to unadjusted EBITDA can be found in the 3M report for the period ended December 31st, 2021

Further information:

BRAIN Biotech AG 3M Report 2021/22:

<https://www.brain-biotech.com/investors/financial-news>

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).

Contact Investor Relations

Michael Schneiders
Head of Investor Relations & Sustainability
Phone: +49 6251 9331-86
Email: mis@brain-biotech.com

Media Contact

Dr. Stephanie Konle
PR & Corporate Communications
Phone: +49 6251 9331-70
Email: stk@brain-biotech.com

Follow BRAIN Biotech on Twitter (@BRAINbiotech) and on LinkedIn (BRAIN Biotech AG)

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.