

# 9 M 2023/24

## **QUARTERLY STATEMENT**

**as of 30 June 2024**

Significant events • Financial position and performance •  
Consolidated income statement • Condensed consolidated  
statement of the financial position (balance sheet) •  
Condensed consolidated cash flow statement • Selected  
notes to the consolidated financial statement • Contact •  
Financial calendar

# ABOUT BRAIN Biotech AG

BRAIN Biotech AG is a leading European supplier of biobased 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.

Through its own R&D activities, the 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 55.3 million in the fiscal year 2022/23.

# CONTENTS

## **4**      **Significant events**

1 April 2024 to 30 June 2024

---

## **5 – 7**      **Financial position and performance**

1 October 2023 to 30 June 2024  
and 1 April 2024 to 30 June 2024

---

## **8 - 9**      **Consolidated income statement [unaudited]**

1 October 2023 to 30 June 2024  
and 1 April 2024 to 30 June 2024

---

## **10**      **Condensed consolidated statement of the financial position (balance sheet) [unaudited]**

30 June 2024

## **Condensed consolidated cash flow statement [unaudited]**

1 October 2023 to 30 June 2024

---

## **11 – 12**      **Selected notes to the consolidated financial statement [unaudited]**

1 October 2023 to 30 June 2024

---

## **13**      **Contact, Financial calendar, Disclaimer**

# SIGNIFICANT EVENTS

1 April 2024 to 30 June 2024

## **AnalytiCon Discovery GmbH is merged with BRAIN Biotech AG to further optimize and simplify the group structure**

The Management Board of BRAIN Biotech AG has resolved, with the approval of the Supervisory Board, to merge AnalytiCon Discovery GmbH with BRAIN Biotech AG. AnalytiCon Discovery GmbH, based in Potsdam, is already a wholly owned subsidiary of the BRAIN Biotech AG. This legal reorganization will further optimize and simplify the structure of the BRAIN Biotech Group. The operating business of the two units remains unaffected and will continue unchanged at the respective locations.

## **BRAIN Biotech announces the appointment of Erik de Vries as Senior Director Business Development Enzymes**

BRAIN Biotech AG and Enzymicals AG announce that Dr. Erik de Vries will join BRAIN Biotech AG as Senior Business Development Director Enzymes as of June 1, 2024. De Vries will continue his current role as CEO of Enzymicals AG on a part time basis during a transition phase until the end of the year. During this transition phase, his activities will already focus on BRAIN Biotech at the Zwingenberg site.

# FINANCIAL POSITION AND PERFORMANCE

1 October 2023 to 30 June 2024

## GROUP BASIS AND GENERAL CONDITIONS

The remarks made in the consolidated financial statement for the financial year ending 30 September 2023 about the Group's basis and general conditions continue to be applicable.

### 1. Results of operations

In the first nine months of the 2023/2024 financial year, the BRAIN Biotech Group generated revenue of € 40.4 million, which is on a par with the previous year. In the third quarter of 2023/24, revenue amounted to € 13.2 million, in line with the previous year. Total operating performance (revenue, research and development funding, changes in inventories and other income) decreased by € 1.0 million or 2.3% from € 41.8 million to € 40.8 million in the first nine months of the financial year. This was primarily due to negative changes in inventories and lower other income compared to the same period of the previous year.

Adjusted Group EBITDA in the first nine months of the 2023/24 financial year declined from € -0.9 million in the previous year to € -1.2 million. This was primarily due to a change in the product mix and, in particular, higher personnel costs, mainly as a result of higher salaries and the recruitment of new production staff for future growth.

The overall net financial result amounted to € -2.0 million after € -1.5 million in the same period of the previous year. Within the financial result, the result of companies accounted for using the equity method improved. By contrast, financial expenses increased from € -0.6 million to € -1.5 million due to higher financial liabilities.

Basic and diluted earnings per share in the first nine months of the financial year amounted to € -0.33 compared to € -0.30 in the same period of the previous year.

The individual business segments developed as follows:

Revenues in the **BioProducts** segment increased slightly from € 30.3 million to € 30.4 million in the reporting period. Total operating performance amounted to € 30.1 million and was therefore 2.0% lower than in the same period of the previous year. Revenues in the third quarter amounted to € 10.5 million, representing a dynamic increase of 11.1% compared to the same period of the previous year (€ 9.5 million). Adjusted EBITDA in the BioProducts segment fell from € 3.3 million to € 3.0 million. This is mainly due to higher personnel costs resulting from the recruitment of new production staff for future growth and operating start-up costs for the commissioning of the second large-scale fermenter.

The **BioScience** segment generated revenues of € 8.5 million in the reporting period, which corresponds to a decline of 10.9% compared to the same period of the previous year (€ 9.6 million). This was due to project delays in the cooperation business in a weakening

economic environment in contract research. Adjusted EBITDA decreased from € 0.4 million to € -0.3 million, mainly due to the lower revenues. Continued stringent project controlling and good general cost control supported to counteract these effects to some extent.

Revenues in the **BioIncubator** segment increased significantly in the reporting period from € 0.5 million to € 1.6 million compared to the same period of the previous year. In the second quarter of the financial year, a milestone was successfully achieved in the deucricitibant project (formerly PHA 121), making a significant contribution to revenue growth. The strong sales growth is also reflected in the segment's adjusted EBITDA, which improved from € - 2.2 million in the previous year to € -1.4 million. The segment continues to be characterized by high investments totalling € 2.3 million in the area of genome editing under the brand name Akribion Genomics.

The **BRAIN Biotech Holding** segment mainly comprises personnel expenses and other expenses for Group administration, the further development of the BRAIN Biotech Group, stock exchange listing and M&A activities. The segment's adjusted EBITDA amounted to € -2.5 million, only slightly down € 0.1 million on the prior year period.

The following table shows the reconciliation of unadjusted EBITDA to adjusted EBITDA.

€ thousand	9M 2023/24	9M 2022/23
<b>EBITDA</b>	<b>-1,888</b>	<b>-1,609</b>
<i>Share-based employee compensation</i>	-694	-557
<i>Acquisition and integration costs incurred in the expansion of the BRAIN Biotech Group</i>	-	-132
<b>Adjusted EBITDA</b>	<b>-1,193</b>	<b>-920</b>

## **2. Net assets**

Non-current assets decreased from € 45.5 million as at 30 September 2023 to € 43.5 million as at 30 June 2024, which is mainly driven by depreciation of fixed assets and amortization of intangible assets.

Current assets increased from € 25.5 million to € 30.6 million. This increase is mainly due to an increase in cash and cash equivalents.

Equity decreased from € 23.0 million as at September 30, 2023 to € 17.6 million as at June 30, 2024, mainly attributable to the negative net result for the period (€ -7.2 million). On the other hand, there was an increase in the Capital reserve due to the issuing of convertible bonds from conditional capital in the amount of € 5.0 million (of which the allocated equity share is € 0.6 million) and the periodic recognition of the current employee participation programmes (€ 0.7 million).

The increase in non-current liabilities from € 30.4 million to € 44.7 million is due to an increase in non-current financial liabilities. These include the addition of the discounted financial liability component of the convertible bonds issued in the amount of € 4.4 million.

Current liabilities, on the other hand, fell from € 17.5 million to € 11.9 million. This was mainly due to lower financial liabilities as a result of scheduled repayments and lower trade payables as at the reporting date.

### **3. Financial position**

The Group's gross cash flow amounted to € -6.2 million in the reporting period compared to € -4.0 million in the same period of the previous year. This is due to the negative result for the period and changes relating to deferred income recognised in the current period.

Cash flow from operating activities improved from € -4.5 million to € -2.7 million. This was mainly due to a reduction in inventories and the collection of trade receivables.

Cash flow from investing activities in the first nine months of the current financial year amounted to € -1.3 million compared to € 1.1 million in the same period of the previous year. The cash flow from investing activities mainly reflects investments in property, plant and equipment. The previous year was positively influenced by the receipt of the purchase price of the sale of L. A. Schmitt GmbH (€ +3.0 million).

Cash flow from financing activities amounted to € 11.6 million in the first nine months of the financial year and reflects the cash inflow from increasing financial liabilities (€ 10.3 million) and the payment received from the convertible bonds issued (€ 5.0 million). This is offset by ongoing scheduled repayments (€ 3.7 million).

Overall, cash and cash equivalents increased from € 5.4 million to € 13.0 million compared to September 30, 2023, which is attributable to the combined aforementioned effects.

# CONSOLIDATED INCOME STATEMENT [UNAUDITED]

1 October 2023 to 30 June 2024 and 1 April 2024 to 30 June 2024

€ thousand	9M 2023/24	9M 2022/23	Q3 2023/24	Q3 2022/23
Revenue	40,394	40,393	13,190	13,223
Research and development grant revenue	676	639	279	250
Change in inventories of unfinished and finished goods and work in progress	-592	69	-117	-67
Other income	357	676	125	277
<b>Total operating performance</b>	<b>40,834</b>	<b>41,777</b>	<b>13,477</b>	<b>13,683</b>
<b>Cost of materials</b>				
Costs of raw materials, consumables and supplies, and purchased merchandise	-16,520	-17,820	-5,677	-5,365
Cost of purchased services	-638	-828	-328	-288
	<b>-17,158</b>	<b>-18,649</b>	<b>-6,005</b>	<b>-5,654</b>
<b>Personnel expenses</b>				
Wages and salaries	-14,565	-13,884	-4,751	-4,652
Share-based employee compensation	-694	-557	-263	-124
Social security and post-employment benefit costs	-2,784	-2,600	-926	-869
	<b>-18,044</b>	<b>-17,041</b>	<b>-5,939</b>	<b>-5,645</b>
Other expenses	-7,520	-7,697	-2,507	-2,645
<b>EBITDA</b>	<b>-1,888</b>	<b>-1,609</b>	<b>-974</b>	<b>-260</b>
Depreciation, amortization and impairment	-3,515	-3,349	-1,175	-1,133
<b>Operating result (EBIT)</b>	<b>-5,402</b>	<b>-4,958</b>	<b>-2,149</b>	<b>-1,394</b>
Share of profit or loss from equity-accounted investments	-521	-1,485	-172	-488
Finance income	18	548	7	-3
Finance costs	-1,468	-570	-621	40
<b>Net financial result</b>	<b>-1,971</b>	<b>-1,508</b>	<b>-786</b>	<b>-451</b>
<b>Pre-tax loss for the reporting period</b>	<b>-7,373</b>	<b>-6,466</b>	<b>-2,935</b>	<b>-1,844</b>



€ thousand	9M 2023/24	9M 2022/23	Q3 2023/24	Q3 2022/23
<b>Pre-tax loss for the reporting period</b>	<b>-7,373</b>	<b>-6,466</b>	<b>-2,935</b>	<b>-1,844</b>
<b>Income tax expense / income</b>				
a) Current tax expense (-) / income (+)	-31	-246	298	-80
b) Deferred tax expense (-) / income(+)	236	268	75	88
	<b>205</b>	<b>22</b>	<b>372</b>	<b>8</b>
<b>Net loss for the reporting period</b>	<b>-7,168</b>	<b>-6,445</b>	<b>-2,563</b>	<b>-1,836</b>
of which attributable to:				
Non-controlling interests	-35	196	8	7
Shareholders of BRAIN Biotech AG	<b>-7,133</b>	-6,640	-2,571	-1,844
Earnings per share, basic undiluted (in €)	-0.33	-0.30	-0.12	-0.08
Number of shares taken as basis	21,847,495	21,847,495	21,847,495	21,847,495
Earnings per share, diluted (in €)	-0.33	-0.30	-0.12	-0.08
Number of shares taken as basis	21,847,495	21,847,495	21,847,495	21,847,495

# CONDENSED CONSOLIDATED STATEMENTS OF THE FINANCIAL POSITION (BALANCE SHEET) [UNAUDITED]

30 June 2024

€ thousand	30.06.2024	30.09.2023
Non-current assets	43,539	45,462
Current assets	30,610	25,476
<b>ASSETS</b>	<b>74,149</b>	<b>70,937</b>
Equity (Interests of shareholders of BRAIN Biotech AG)	16,354	21,771
Non-controlling interests	1,208	1,243
<b>Total equity</b>	<b>17,562</b>	<b>23,013</b>
Non-current liabilities	44,693	30,445
Current liabilities	11,894	17,479
<b>EQUITY AND LIABILITIES</b>	<b>74,149</b>	<b>70,937</b>

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT [UNAUDITED]

1 October 2023 to 30 June 2024

€ thousand	9M 2023/24	9M 2022/23
Gross cash flow	-6,179	-4,026
Cash flow from operating activities	-2,670	-4,480
Cash flow from investing activities	-1,338	1,070
Cash flow from financing activities	11,574	203
Net change in cash and cash equivalents	7,566	-3,207
Cash and cash equivalents at start of period	5,352	8,443
Cash and cash equivalents at end of period <sup>1</sup>	12,966	5,321

<sup>1</sup> An € +48 thousand change in the cash position arose as at 30 June 2024, reflecting changes in currency exchange rates

# SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [UNAUDITED]

1 October 2023 to 30 June 2024

## ACCOUNTING POLICIES

The accounting policies on which the consolidated financial statements as at 30 September 2023 were based were also applied for the first nine months of 2023/24.

## SEGMENT REPORTING

Compared with the consolidated financial statements as of 30 September 2023, no changes have occurred in relation to segment reporting.

The segment results<sup>2</sup> are presented in the following overview.

	BioProducts 9M		BioScience 9M		BioIncubator 9M		Holding 9M		Reconciliation 9M		Group 9M	
	23/24	22/23	23/24	22/23	23/24	22/23	23/24	22/23	23/24	22/23	23/24	22/23
€ thousand												
<b>Total revenue</b>	<b>30,369</b>	<b>30,346</b>	<b>8,526</b>	<b>9,564</b>	<b>1,630</b>	<b>495</b>	<b>0</b>	<b>0</b>	<b>-132</b>	<b>-13</b>	<b>40,394</b>	<b>40,393</b>
<b>adjusted EBITDA</b>	<b>3,034</b>	<b>3,266</b>	<b>-328</b>	<b>432</b>	<b>-1,352</b>	<b>-2,177</b>	<b>-2,546</b>	<b>-2,428</b>	<b>-1</b>	<b>-13</b>	<b>-1,193</b>	<b>-920</b>

<sup>2</sup> After partial elimination within the segments

## NUMBER OF EMPLOYEES IN THE GROUP<sup>3</sup>

Average for the reporting period	9M 2023/24	Fiscal Year 2022/23
<b>Total employees, of which</b>	<b>309</b>	<b>309</b>
Salaried employees	302	301
Industrial employees	7	8

<sup>3</sup> Excluding the members of the parents company's Management Board (2) and the subsidiaries' managing director

Furthermore, BRAIN Biotech Group employs scholarship / grant holders (4, FY 22/23: 4), temporary employees (7, FY 22/23: 12) and trainees (6, FY 22/23: 5).

## **GENERAL BUSINESS RISKS**

The energy market situation proved to be relatively stable in the reporting period. However, there is still increased price volatility and renewed erratic price increases may occur at any time if the geopolitical situation becomes more tense. The supply chain situation has largely eased in the past period, but remains stretched for individual products. Logistics costs are currently very sensitive to geopolitical news, and delivery times have been extended in some cases due to changes in shipping routes. In addition, a general slowdown in economic momentum coupled with inflationary trends represents a further challenge for the corporate sector. The general financing situation and financing conditions remain challenging, particularly for growth companies, although initial signs of an easing are becoming visible.

There are no significant changes to the business outlook compared to the forecast report presented in the 2022/23 Annual Report (page 65). Despite the risks presented, BRAIN Biotech AG is largely on track to achieve the targets set for this financial year.

Zwingenberg, 29 August 2024

The Management Board

Adriaan Moelker

Chief Executive Officer (CEO)

Michael Schneiders

Chief Financial Officer (CFO)

# CONTACT

Investor Relations

ir@brain-biotech.com

+49 (0) 62 51 / 9331 – 0

# FINANCIAL CALENDAR

---

**15.01.2025**

Publication annual report  
as of 30.09.2024 (12M)

---

**26.02.2025**

Publication of the quarterly statement  
as of 31.12.2024 (3M)

---

**18.03.2025**

Annual General Meeting

---

**28.05.2025**

Publication of the half year report  
as of 31.03.2025 (6M)

---

## Disclaimer

This interim report might contain certain forward-looking statements that are based on current assumptions and forecasts made by the management of the BRAIN Biotech AG and other currently available information. Various known and unknown risks and uncertainties as well as other factors can cause the company's actual results, financial position, development or performance to diverge significantly from the estimates provided here. BRAIN Biotech AG does not intend and assumes no obligation of any kind to update such forward-looking statements and adapt them to future events or developments. The interim report can include information that does not form part of accounting regulations. Such information is to be regarded as a supplement to, but not a substitute for, information prepared according to IFRS. Due to rounding, it is possible that some figures in this and other documents do not add up precisely to the stated sum, and that stated percentages do not reflect the absolute figures to which they relate.

This document is a translation of a document prepared originally in German. Where differences occur, preference shall be given to the original German version.

Publication date: 29 August 2024



Published by:

**BRAIN Biotech AG**  
**Darmstädter Str. 34 – 36**  
**64673 Zwingenberg, Germany**

Telefon: +49 (0) 6251 / 9331 – 0  
Fax: +49 (0) 6251 / 9331 – 11  
E-Mail: [public@brain-biotech.com](mailto:public@brain-biotech.com)  
Web: [www.brain-biotech.com](http://www.brain-biotech.com)