

# 3<sup>rd</sup> M 2024/25

## **QUARTERLY STATEMENT**

**as of 31 December 2024**

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

# ABOUT BRAIN Biotech

The BRAIN Biotech Group is a leading company in the research, development and production of specialty enzymes with a focus on the food and life science industries. In addition, the Group develops microbial production organisms and scalable bioprocesses for the economic production of specialty enzymes and other proteins. Customized innovative biological solutions for more sustainable products and processes round off the portfolio.

The parent company of the BRAIN Biotech Group is BRAIN Biotech AG. The business activities of the integrated company are divided into the two segments BRAINBiocatalysts (development, production and distribution of specialty enzymes, microorganisms, ingredients) and BRAINBioIncubator (research-intensive development projects, pharmaceuticals). For production, the Group operates fermentation plants in the UK as well as production facilities in continental Europe and the USA.

BRAIN Biotech has been listed on the Frankfurt Stock Exchange since February 9, 2016 (Ticker: BNN; ISIN DE0005203947 / WKN 520394). The company employs around 300 people at several locations and generated revenues of EUR 54.6 million in the 2023/24 financial year. Further information can be found at: [www.brain-biotech-group.com](http://www.brain-biotech-group.com).

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# FINANCIAL POSITION AND PERFORMANCE

1 October 2024 to 31 December 2024

## **GROUP BASIS AND GENERAL CONDITIONS**

The remarks made in the consolidated financial statement for the financial year ending 30 September 2024 about the Group's basis and general conditions continue to be applicable.

## **1. Results of Operation**

In the first three months of the 2024/2025 financial year, the BRAIN Biotech Group generated revenues of €13.1 million compared to €12.7 million in the same period of the previous year, an increase of 3.0 %. This increase resulted from very encouraging growth in the core enzymes business, while the BioIncubator segment had a weaker start to the year. Total operating performance (revenue, research and development grants, changes in inventories and other income) decreased by 2.2% from €13.1 million to €12.8 million in the first three months of the financial year. This was mainly due to change in inventory as of the reporting date.

Overall, adjusted Group EBITDA in the first quarter of the 2024/25 financial year amounted to €-0.7 million, rounded in line with the previous year.

Basic and diluted earnings per share in the first three months of the financial year amounted to € -0.18, compared with € -0.12 in the same period of the previous year. This is due to a higher loss for the period, mainly caused by a lower financial result.

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

€ thousand	3M 2024/25	3M 2023/24
<b>EBITDA</b>	<b>-1,464</b>	<b>-890</b>
<i>Share-based employee compensation</i>	-247	-233
<i>Redundancy costs</i>	-508	0
<b>Adjusted EBITDA</b>	<b>-709</b>	<b>-657</b>

The business segments have developed as follows:

At the Capital Markets Day on 12 December 2024, BRAIN Biotech AG announced that it would be changing its previous reporting structure to two segments plus holding with the publication of the 3M quarterly figures. The following changes have been made to the segment reporting compared to the consolidated financial statements as of 30 September 2024. The 'BioScience' segment was split and the activities were allocated to the other segments as follows. BioScience Zwingenberg has been allocated to the former 'BioProducts' segment and renamed '**BRAINBiocatalysts**'. The BRAIN Biotech branch

AnalytiCon Discovery has been assigned to the '**BRAINBioIncubator**' segment. The previous year's figures have been adjusted accordingly.

By combining the previous segment 'BioProducts' and BioScience Zwingenberg, BRAIN Biotech is further sharpening its focus on the enzyme business and ensuring a more efficient integration of its research activities into the product business. The successfully initiated commercialisation of the activities of the BioIncubator segment will be continued, thereby further strengthening the company's liquidity position and profitability.

### Segment BRAINBiocatalysts

€ thousand	3M 2024/25	3M 2023/24
<b>Revenue</b>	<b>11,916</b>	<b>10,743</b>
EBITDA	182	433
<b>Adjusted EBITDA</b>	<b>769</b>	<b>523</b>

Revenues in the **BRAINBiocatalysts** segment increased by 10.9% from €10.7 million to €11.9 million in the reporting period. This increase is largely attributable to the dynamic business development at the production site in Cardiff. Business with baking enzymes and in the beverages industry also developed favourably. The adjusted EBITDA of the BRAIN Biocatalysts segment increased from € 0.5 million to € 0.8 million, mainly due to higher revenues.

### Segment BRAINBioIncubator

€ thousand	3M 2024/25	3M 2023/24
<b>Revenue</b>	<b>1,192</b>	<b>2,049</b>
EBITDA	-652	-372
<b>Adjusted EBITDA</b>	<b>-652</b>	<b>-372</b>

Revenues in the **BRAINBioIncubator** segment decreased from €2.0 million to €1.2 million in the reporting period. The decline in revenues is due to delays in project business and lower product sales in the quarter at the AnalytiCon Discovery branch. Adjusted EBITDA amounted to €-0.7 million, compared with €-0.4 million in the same period of the previous year. This decrease is mainly attributable to the lower revenues. The segment's quarterly results are also still strongly influenced by investments in the area of genome editing under the brand name Akribion Genomics. The business activity of genome editing in the therapeutic area was transferred to Akribion Therapeutics GmbH as of the 1<sup>st</sup> of December 2024. Akribion Therapeutics is an independent company and has entered into a licence agreement with BRAIN Biotech AG for the application of G-dase E® technology.

The **BRAIN Biotech Holding** segment mainly comprises personnel expenses and other expenses for Group administration, group financing, the further development of the BRAIN Biotech Group, stock exchange listing and M&A activities. The adjusted EBITDA for the segment remained constant at € -0.8 million.

## **2. Net assets**

At €43.2 million, non-current assets were in line with 30 September 2024.

Current assets decreased from €45.7 million to €37.1 million. This is mainly due to the decline in cash and cash equivalents. Among other things, a shareholder loan of €5.0 million was repaid in the past quarter.

Equity decreased from €13.9 million as of 30 September 2024 to €10.3 million as of 31 December 2024. This is due to the negative result for the period. No capital measures were implemented at Group level in the reporting period.

Non-current liabilities increased from €49.8 million to €50.2 million. This is mainly due to increased long-term financial liabilities on the one hand and lower deferred income on the other. The long-term financial liabilities increased mainly due to periodic amortisation effects of the financial liability from the Royalty Pharma transaction. The change in long-term deferred income is due to a time-related reclassification to short-term deferred income.

On the other hand, current liabilities decreased significantly from €25.0 million to €19.8 million. This was mainly due to lower financial liabilities as a result of scheduled repayments and the repayment of a shareholder loan in the amount of €5.0 million. This is offset by an increase in deferred income from the reclassification of non-current liabilities, as mentioned above.

## **3. Financial position**

The group's gross cash flow totalled € -2.4 million in the reporting period, compared to € -3.2 million in the same period of the previous year.

Cash flow from operating activities decreased slightly from € -2.6 million to € -3.3 million. This change is due to the negative result for the period and timing effects of payments.

Cash flow from investing activities in the first three months of the current financial year amounted to € -0.3 million compared to € -0.4 million in the same period of the previous year. Cash flow from investing activities mainly reflects investments in property, plant and equipment.

Cash flow from financing activities reflects the repayment of a shareholder loan in the amount of €5.0 million as well as scheduled repayments in the reporting period and amounts to €-5.9 million compared to €2.2 million in the same period of the previous year. The previous year was positively influenced by the cash inflow from a shareholder loan (€3.0 million).

Cash and cash equivalents decreased from €27.2 million as of 30 September 2024 to €17.8 million as of 31 December 2024, which is attributable to the negative result for the period and the effect of cash flow from financing activities.

# SIGNIFICANT EVENTS

1 October 2024 to 31 December 2024

## **Prof. Dr. Wiltrud Treffenfeldt leaves Supervisory Board of BRAIN Biotech AG for personal reasons**

Prof. Dr. Wiltrud Treffenfeldt stepped down from her position as an ordinary member of the Supervisory Board of BRAIN Biotech AG for personal reasons with effect from 3 October 2024. Prof. Dr. Treffenfeldt has been a member of the Supervisory Board of BRAIN Biotech AG since October 2020.

## **BRAIN Biotech AG and Akribion Therapeutics GmbH sign exclusive pharma licensing agreement for G-dase E® CRISPR-Cas technology**

BRAIN Biotech AG has signed an exclusive technology license agreement with Akribion Therapeutics GmbH for the genome editing nuclease G-dase E® for the pharmaceutical sector. BRAIN Biotech can receive up to € 92.3 million in R&D and commercial milestone payments from Akribion for granting these exclusive rights for use in the pharmaceutical area. In addition, BRAIN Biotech is entitled to license fees from future net revenues. The payment structure is based on progress in clinical development and future commercialization successes. BRAIN staff who were assigned to the business unit managed as Akribion Genomics have been transferred to Akribion Therapeutics GmbH as part of a transfer of operations.

The genome editing nuclease G-dase E® forms part the proprietary CRISPR-Cas genome editing nuclease portfolio of BRAIN Biotech AG and was developed as part of the company's BioIncubator pipeline for highly innovative projects. BRAIN Biotech will continue to develop this portfolio of nucleases outside the pharmaceutical sector on its own initiative, and harness it as a technological differentiator in customer projects as well as offer it to external parties for licensing.

## **Fifth BRAIN Biotech AG Capital Markets Day, December 12<sup>th</sup>, 2024**

BRAIN Biotech AG is creating the new growth segment BRAINBiocatalysts in the new financial year 2024/2025. The company announced this at Fifth Capital Markets Day in Zwingenberg. By combining the previous segment 'BioProducts' and BioScience Zwingenberg, BRAIN Biotech is further sharpening its focus on the enzyme business and ensuring a more efficient integration of its research activities. The successful commercialization of the BioIncubator programs will be continued, thereby further strengthening the company's liquidity position and profitability.

The company is updating its medium-term forecast and now expects revenue of EUR 100 million in five years for the BRAINBiocatalysts segment alone. This corresponds to forecast growth of over 80 % in total compared to the 2022/23 financial year (comparable figure for the Group: EUR 55.3 million). The adjusted EBITDA margin in the segment is

expected to grow to 15 %. The planning is based on a continued high Group R&D ratio of 7 – 10 %. Growth is expected to be predominantly organic. Strategically bolt-on acquisitions can add product expertise and accelerate the growth trajectory.

The BRAINBioIncubator represents the second segment of BRAIN Biotech AG. The company expects the ongoing commercialization of the pipeline to have significant additional positive effects on BRAIN-Group sales and adjusted EBITDA over the next five years.



# CONSOLIDATED INCOME STATEMENT [UNAUDITED]

1 October 2024 to 31 December 2024

€ thousand	3M 2024/25	3M 2023/24
Revenue	13,108	12,729
Research and development grant revenue	148	208
Change in inventories of unfinished and finished goods and work in progress	-588	23
Other income	120	117
<b>Total operating performance</b>	<b>12,787</b>	<b>13,077</b>
<b>Cost of materials</b>		
Costs of raw materials, consumables and supplies, and purchased merchandise	-5,191	-5,489
Cost of purchased services	-104	-125
	<b>-5,295</b>	<b>-5,614</b>
<b>Personnel expenses</b>		
Wages and salaries	-5,008	-4,705
Share-based employee compensation	-247	-233
Social security and post-employment benefit costs	-938	-930
	<b>-6,193</b>	<b>-5,867</b>
Other expenses	-2,763	-2,486
<b>EBITDA</b>	<b>-1,464</b>	<b>-890</b>
Depreciation, amortization and impairment	-1,212	-1,179
<b>Operating result (EBIT)</b>	<b>-2,676</b>	<b>-2,069</b>
Share of profit or loss from equity-accounted investments	-162	-148
Finance income	70	6
Finance costs	-1,330	-389
<i>Of which related to the Royalty Pharma liability</i>	-803	0
<b>Net financial result</b>	<b>-1,422</b>	<b>-531</b>
<b>Pretax loss for the reporting period</b>	<b>-4,099</b>	<b>-2,601</b>

€ thousand

3M 2024/25

3M 2023/24

**Income tax expense / income**

<i>a) Current tax expense (-) / income (+)</i>	-19	-125
<i>b) Deferred tax expense (-) / income(+)</i>	82	94
	<b>63</b>	<b>-31</b>

**Net loss for the reporting period****-4,036****-2,631**

of which attributable to:

<i>Non-controlling interests</i>	-2	13
<i>Shareholders of BRAIN Biotech AG</i>	-4,034	-2,645

Earnings per share, basic undiluted (in €)

-0.18

-0.12

Number of shares taken as basis

21,847,495

21,847,495

Earnings per share, diluted (in €)

-0.18

-0.12

Number of shares taken as basis

21,847,495

21,847,495

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

31 December 2024

€ thousand	31.12.2024	30.09.2024
Non-current assets	43,219	43,078
Current assets	37,105	45,658
<b>ASSETS</b>	<b>80,325</b>	<b>88,737</b>
<b>Equity</b>	<b>10,306</b>	<b>13,886</b>
Non-current liabilities	50,221	49,845
<i>Of which Royalty Pharma liability</i>	19,208	18,406
Current liabilities	19,798	25,006
<b>EQUITY AND LIABILITIES</b>	<b>80,325</b>	<b>88,737</b>

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT [UNAUDITED]

1 October 2024 to 31 December 2024

€ thousand	3M 2024/25	3M 2023/24
Gross cash flow	-2,405	-3,236
Cash flow from operating activities	-3,333	-2,647
Cash flow from investing activities	-257	-385
Cash flow from financing activities	-5,852	2,167
Net change in cash and cash equivalents	-9,442	-866
Cash and cash equivalents at start of period	27,171	5,352
Cash and cash equivalents at end of period <sup>1</sup>	17,821	4,554

<sup>1</sup> An € +92 thousand change in the cash position arose as of 31 December 2024, reflecting changes in currency exchange rates

# SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [UNAUDITED]

1 October 2024 to 31 December 2024

## Accounting policies

The accounting policies on which the consolidated financial statements as of 30 September 2024 were based, were also applied for the first three months of 2024/25.

## Segment reporting

The following changes have been implemented in the segment reporting compared to the consolidated financial statements as of 30 September 2024. The 'BioScience' segment was split and the activities were reallocated to the other segments as follows. BioScience Zwingenberg has been allocated to the former 'BioProducts' segment and was renamed '**BRAINBiocatalysts**'. The BRAIN Biotech branch AnalytiCon Discovery has been assigned to the '**Biolncubator**' segment. The previous year's figures have been adjusted accordingly.

The segment results <sup>2</sup> are presented as follows.

	BRAINBiocatalysts 3M		BRAINBiolncubator 3M		Holding 3M		Reconciliation 3M		Group 3M	
	24/25	23/24	24/25	23/24	24/25	23/24	24/25	23/24	24/25	23/24
€ thousand										
Revenue	11,916	10,743	1,192	2,049	0	0	0	-63	13,108	12,729
Total operating performance	11,520	11,202	1,267	2,008	0	0	0	-133	12,787	13,077
EBITDA	182	433	-652	-372	-994	-941	0	-10	-1,464	-890
Adj. EBITDA	769	523	-652	-372	-827	-798	0	-10	-709	-657

<sup>2</sup> After partial elimination within the segment.

## **Number of employees in the Group**<sup>3</sup>

Average of the reporting period	3M 2024/25	FY 2023/24
<b>Total employees, of which</b>	<b>285</b>	<b>307</b>
<i>Salaried employees</i>	280	301
<i>Industrial employees</i>	5	6

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

In the first quarter of 2024/25, 15 employees of BRAIN Biotech AG (who were assigned to the business unit which operated under the name Akribion Genomics) were transferred to Akribion Therapeutics GmbH as part of a transfer of operations.

Furthermore, BRAIN Biotech Group employs scholarship / grant holders (3; FY 23/24: 4), temporary employees (3; FY 23/24: 7) and trainees (8; FY 23/24: 7).

## **General business risks**

Political bloc formation, potential isolation of individual markets and increased customs barriers pose a clearly visible risk to the further development of economic momentum. The energy market situation proved to be relatively stable in the reporting period. However, there is still increased price volatility for gas and electricity and renewed erratic price increases may occur at any time if the geopolitical situation becomes more tense.

The tense supply chain situation has largely eased in the past period, but remains unchanged 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. The general financing situation and financing conditions remain challenging, especially for growth companies.

No significant changes are identifiable concerning the business outlook compared to the outlook report presented in the 2023/24 Annual Report (page 66). Despite the risks presented, BRAIN Biotech AG is confident that it will be able to achieve the qualitative targets it has set for this financial year.

# EVENTS AFTER THE END OF THE QUARTER

## **BRAIN Biotech and PX Group expand their collaboration as part of the PX Urban Mining Initiative**

BRAIN Biotech and the PX Group, experts in the recovery of precious metals from various material streams, have announced their collaboration as part of the *PX Urban Mining Initiative*. The expansion of this partnership is the result of a successful collaboration between the two companies, which demonstrated the feasibility of biologically recovering gold from electronic waste and other gold-bearing side streams.

The expanded collaboration is a key component of the *PX Urban Mining Initiative*, a network of industry and academia focused on developing and implementing breakthrough, complementary technologies to supply the market with traceable and responsibly sourced metals from urban sources.

Zwingenberg, 26 February 2025

The Management Board

Adriaan Moelker  
Chief Executive Officer (CEO)

Michael Schneiders  
Chief Financial Officer (CFO)

# CONTACT

Investor Relations

[ir@brain-biotech.com](mailto:ir@brain-biotech.com)

+49 (0) 62 51 / 9331 - 0

# FINANCIAL CALENDAR

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**18.03.2025**

Annual General Meeting, Zwingenberg  
(Germany)

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**28.05.2025**

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

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**28.08.2025**

Publication of the quarterly statement  
as of 30.06.2025 (9M)

## Information

This report might contain certain forward-looking statements that are based on current assumptions and forecasts made by the management of the BRAIN Biotech Group 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 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.

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

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