

BRAIN Biotech AG

Creating a #BiobasedFuture

Capital Markets Day 2023

Zwingenberg, February 27, 2023

WE SUPPORT



Since 2021 we have been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, the environment and anti-corruption.



Quarterly Update: 3M Reporting & Guidance Update
Michael Schneiders, CFO

Business Highlights 3M 22/23

very dynamic start to the year

- Strong revenue growth continues
- Double digit organic growth in both divisions
- Breatec strong portfolio addition
- Biocatalysts keeps on delivering
- WeissBioTech back to growth
- Cash at EUR 10.8 Million

Financial Highlights 3M FY 2022/23 at a Glance

strong growth path continues

(in € thousand)	3M 2022/23	3M 2021/22	Growth	Organic Growth	Q1 2022/23	Q1 2021/22	Growth	Organic Growth	Comment
Revenues	13,694	10,177	34.5%	19.4%	13,694	10,177	34.5%	19.4%	
BioScience	3,066	2,775	10.5%	10.5%	3,066	2,775	10.5%	10.5%	Milestones 40K 3M 21/22 Milestones 0K 3M 22/23
BioIndustrial	10,636	7,414	43.5%	22.9%	10,636	7,414	43.5%	22.9%	strong organic growth & Breatec, minus LAS
Total operating performance (1)	13,497	10,436	29.3%	14.0%	13,497	10,436	29.3%	14.0%	
Adjusted EBITDA (2)	-388	-299	-29.6%	-76.9%	-388	-299	-29.6%	-76.9%	(-) 315K ESOP 3M
EBITDA	-703	-646	-8.8%	-34.3%	-703	-646	-8.8%	-34.3%	higher average personnel costs incl. bonus
EBIT	-1,811	-1,623	-11.6%	-19.6%	-1,811	-1,623	-11.6%	-19.6%	
Net Result	-2,456	-2,330	-5.4%	-10.3%	-2,456	-2,330	-5.4%	-10.3%	
Operating Cash Flow	-2,044	-193	-960.9%	-724.5%	-2,044	-193	-960.9%	-724.5%	
	31.12.2022	30.09.2022							
Cash	10,762	8,443	27.5%	44.9%					

	3M 22/23	3M 21/22	Growth	Organic Growth
Number of Employees (3)	307	293	4.8%	10.8%
Material Expense Ratio	43.4%	40.9%	2.5% PP.	- 2.0% PP.
Adj. Personnel Expense Ratio	39.4%	46.4%	- 7.0% PP.	- 2.0% PP.

➤ Akribion Genomics investments
@ 3M ~€0.7 million

Major Events 3M '22/'23:

- **BioIndustrial overall** strong organic growth; Breatec inclusion & L.A. Schmitt divestment
- **Breatec** with healthy contribution and strong order pipeline; **Biocatalysts** keeps delivering; **WeissBioTech** back on growth
- **BioScience** continues on its growth path despite high staff utilization levels especially at BRAIN Zwingenberg
- **Adjusted EBITDA** no special adjustments except for ESOP of EUR 315K

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

(2) The full reconciliation from adjusted to unadjusted EBITDA can be found in the annual report

(3) excluding Board members, managing directors, temporary staff, students and trainees

Cash & Cash Flow

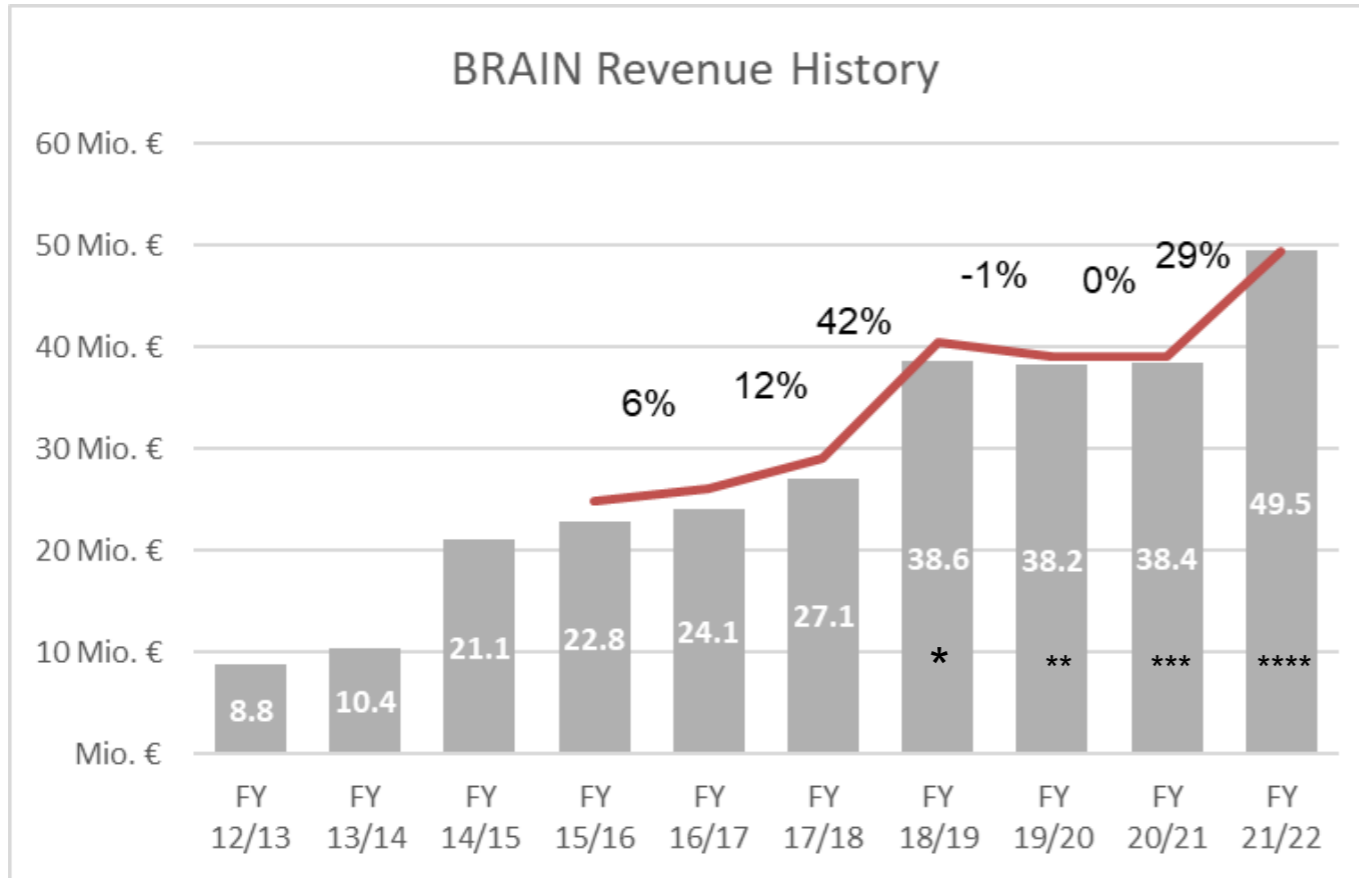
cash position increased

	3M	3M	Growth	Q1	Q1	Growth	
(in € thousand)	2022/23	2021/22		2022/23	2021/22		Comment
Gross Cash Flow	-1,569	-1,573	0.3%	-1,569	-1,573	0.3%	
Operating Cash Flow	-2,044	-193	-960.9%	-2,044	-193	-960.9%	mostly payables/receivables timing
Investing Cash Flow	2,371	-1,556	252.4%	2,371	-1,556	252.4%	~€ 2.58 Mio LAS divestment
Financing Cash Flow	2,052	-247	929.6%	2,052	-247	929.6%	delta paybacks and new mortgages
Net change in Cash & Cash Equivalents	2,379	-1,996	219.2%	2,379	-1,996	219.2%	
	31.12.2022	30.09.2022					
Cash	10,762	8,443	27.5%				
Equity	31,694	34,248	-7.5%				

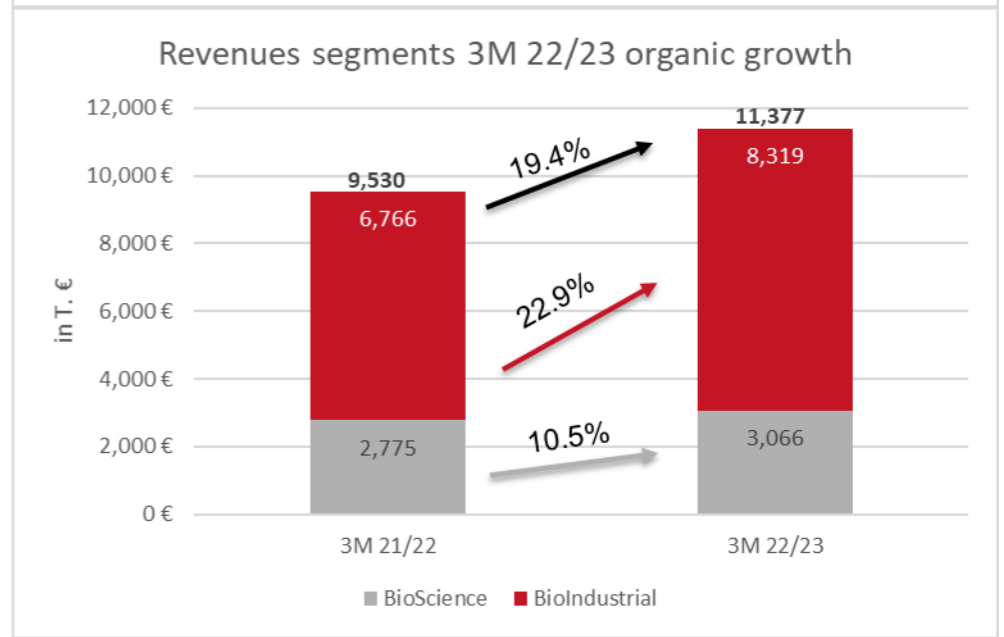
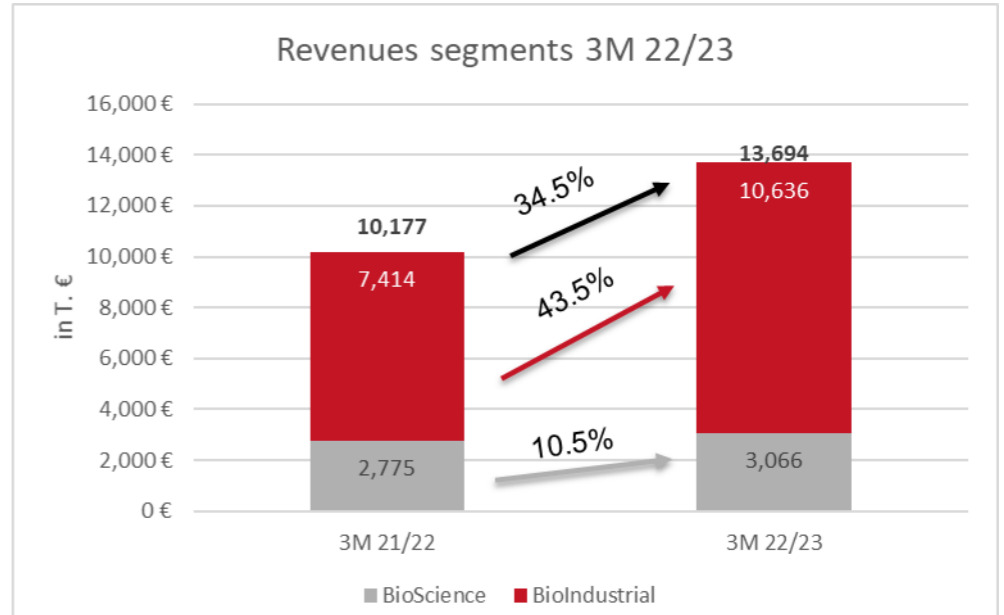
- Majority of cash from L.A. Schmitt portfolio divestment booked in the quarter
- Positive net financing cash inflow from re-mortgage activities
- Operating cash flow to normalize over the next quarter

Long-Term Revenue Growth Trajectory

strong growth driven by Biocatalysts, Breatec inclusion



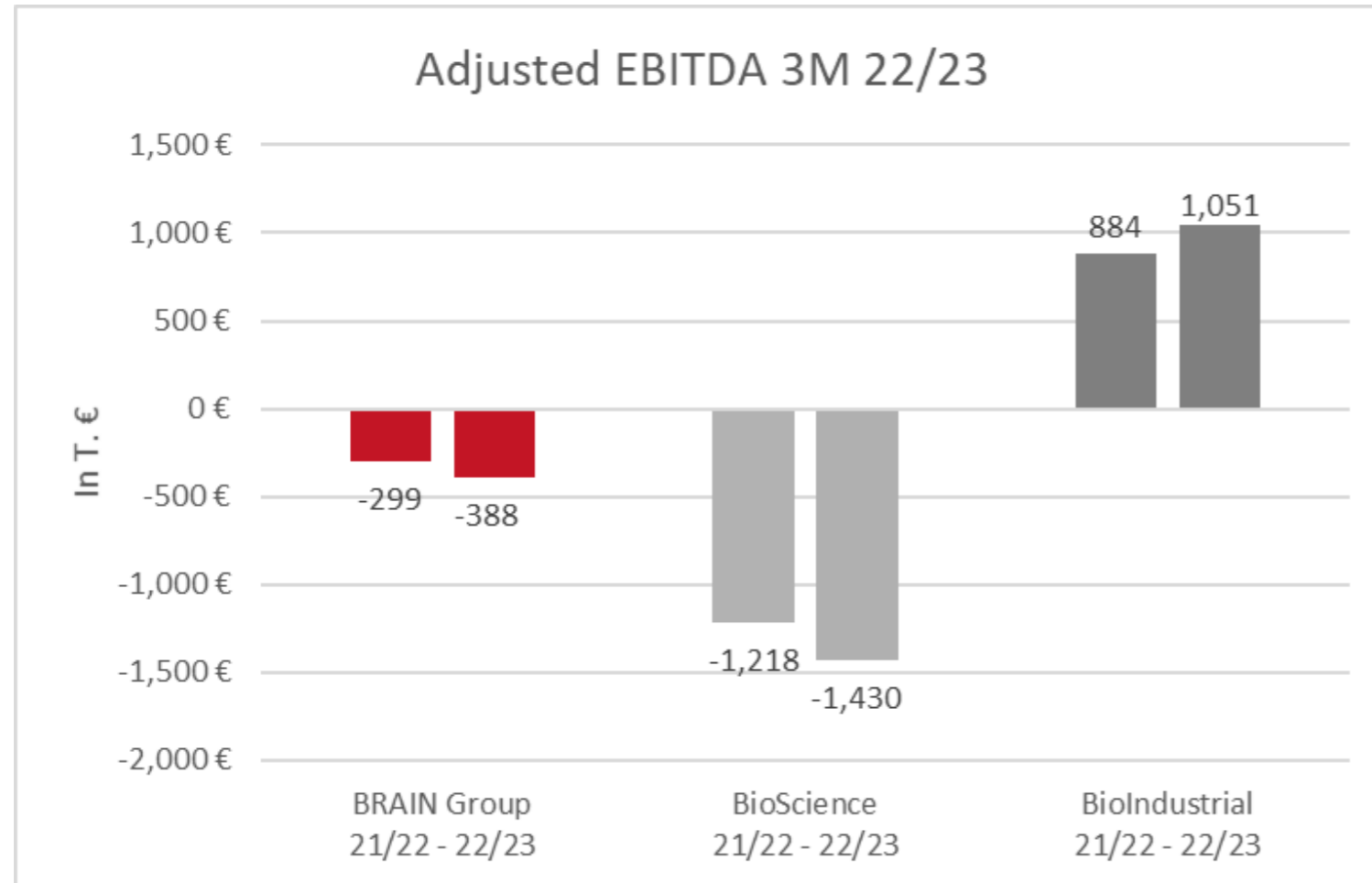
- Staying on growth trajectory from last year
- Growth: strong organic plus Breatec inclusion
- Both segments are contributing double digit



*purchase BioCatalysts Ltd. **divestment Monteil Cosmetics ***purchase BioSun ****Breatec integration for 8 months

Adjusted EBITDA

burdened by higher costs, weaker product mix & rising expensed investments



Group adj. EBITDA improvement lagging due to:

- **BioScience:** rising personnel costs, wage inflation & higher number of employees, lower milestones in quarter
- **BioIndustrial:** absolute rise but adverse mix effects, rising personnel numbers and personnel cost inflation
- **Akribion Genomics:** rising expensed investments

➤ Akribion Genomics investments @ 3M ~€0.7 million

General Risk Factor Update

ongoing business risk monitoring

Summary:

BRAIN Group: overall business remains solid. Supply chain still stretched but partially easing. Inflationary pressures remain high

Current Situation: Certain supply chain constraints still persist, mostly caused by consequential effects of the pandemic. High inflationary pressures on material, energy and labor costs. SolasCure now on track with Phase 2a clinical trials after ~9 months delays incurred due to the pandemic situation

Future Challenges: tight labor market conditions making it challenging to fill vacancies as well as to attract and retain talent. General business cycle risk with stagflation or recession as a likely scenario. Negative spill-over effects from Chinese departure of Zero-Covid policy especially on the supply chains possible

Our Targets

FY Guidance and Mid-Term Targets

This FY Guidance

Quantitative Guidance

Group sales: around EUR 54 to 57 million

- BioScience: high single digit
- BioProducts: low double digit

Adj. EBITDA

- low single digit million positive (ex Akribion Genomics)

Akribion Genomics

- associated expensed investments: ~ EUR 3.5 million

Group CAPEX

- 5-7 EUR million

Guidance issued under the assumption of no global recession and average exchange rates of EUR/USD at 1.02 & EUR/GBP at 0.87

Mid-Term Targets, Updated

(issued 02/23; 4-6 year targets)

(excluding Akribion Genomics)

EUR 100 million group revenues

- Double digit topline product CAGR on average
- Accretive bolt-on M&A
- Contract research, TMS, low single digit growth (excluding milestones and royalties)

Group adj. EBITDA margin 15% (+/- 5PP)

- Double digit fermentation production volume of customized novel enzymes
- Mid-single digit annual productivity improvements & synergies

Proportion of new product sales: ~30% of product revenues

- Continuous innovation pipeline management