

BRAIN Biotech AG

Creating a #BiobasedFuture

Management Statement 3M, FY 2022/23

Adriaan Moelker, CEO

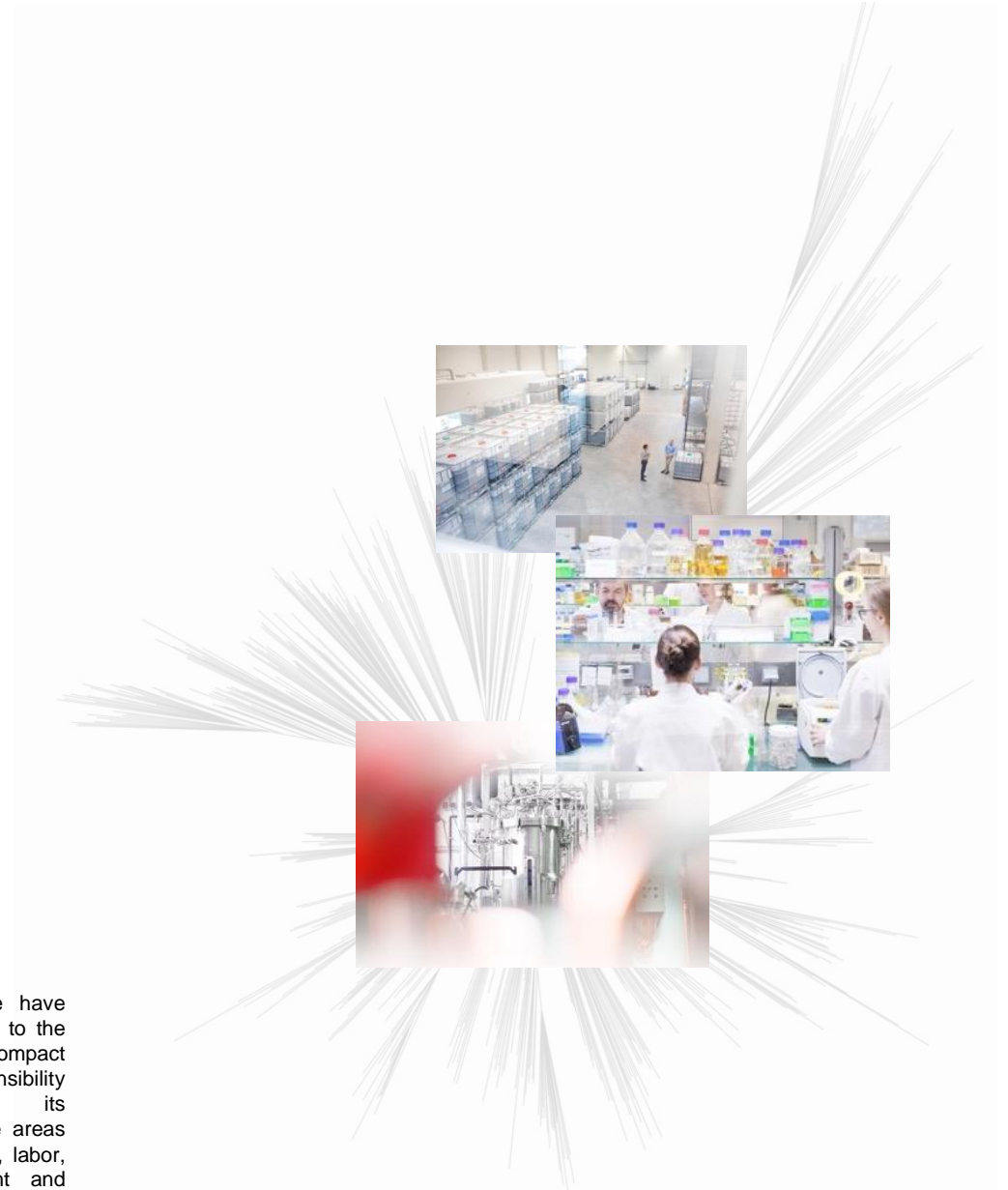
Michael Schneiders, CFO

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.



Safe Harbor Statement

This document may contain forward-looking statements. These forward-looking statements are subject to risks and uncertainties, as they relate to future events and are based on current assumptions of the Company, which may not occur at all in the future or may not occur as assumed. They do not represent a guarantee for future results or performance of the Company, and the development of economic and legal conditions may materially differ from the information expressed or implied in the forward-looking statements.

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Business Highlights 3M 22/23

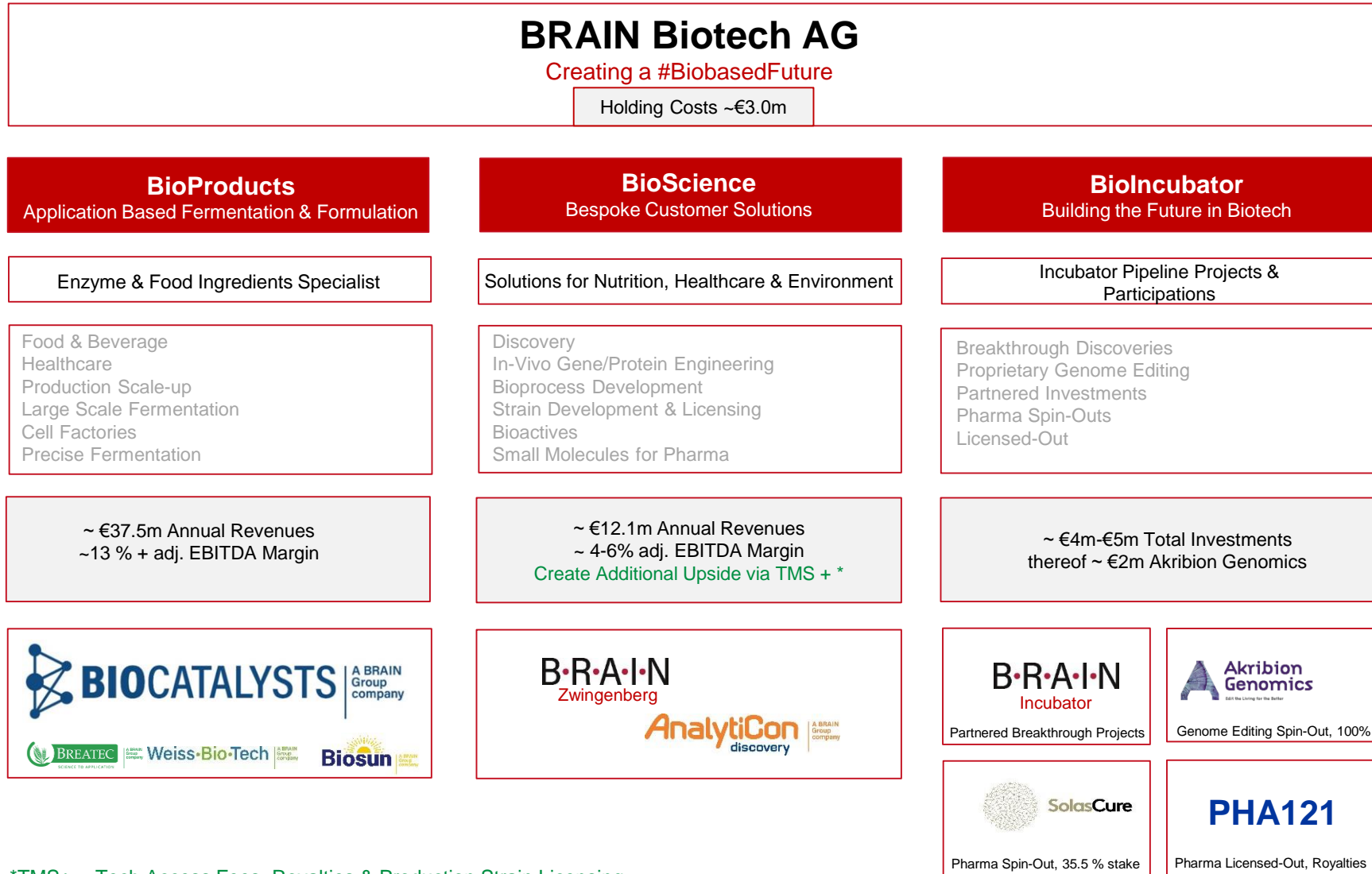
very dynamic start to the year

- New organizational structure with improved transparency
- Incubator pipeline update
- Strong revenue growth continues
- Double digit organic growth in both divisions
- Cash at EUR 10.8 Million
- Upgraded ambitious mid-term targets



Efficient & Transparent Organization

aligning external reporting with business accountability



*TMS+ = Tech Access Fees, Royalties & Production Strain Licensing

All numbers FY '21/22



Efficient & Transparent Organization

harvesting clearly defined synergies within the group, sustainability embedded

BRAIN Biotech AG
Creating a #BiobasedFuture

BioProducts
Application Based Fermentation & Formulation

BioScience
Bespoke Customer Solutions

BioIncubator
Building the Future in Biotech

Focused Activities: Food & Beverage, Healthcare, Environment

Business Model: integrated solutions provider with technology USPs



Servicing the Megatrends of Tomorrow – #BRAINimpact – Sustainability Embedded in our Business Model

Food security and improved nutrition

Improving health and well-being

Minimizing pollutants in industrial processes

Promoting sustainable industrialization

New techniques for precise gene editing

Efficient & Transparent Organization

gaining financial flexibility via strategic reorganization

BRAIN Biotech AG Holding

- ❖ Active portfolio management
- ❖ Facilitate cross-divisional synergies
- ❖ Drive M&A
- ❖ Equity financing for strategic considerations

One BioProducts



- High organic growth
- Bolt-on M&A
- Solid cash flow
- Good debt capacity
- Dividend upstreaming to holding

BioScience



- Engine for One BioProducts & Incubator
- Enabling BRAIN as integrated solutions provider
- TMS+* driving future profitability

BioIncubator

<p>Partnered Breakthrough Projects</p>	<ul style="list-style-type: none"> • Further increased focus • Risk sharing with partners • IP driven / capital light
<p>Genome Editing Spin-Out, 100%</p>	<ul style="list-style-type: none"> • Spin-out • Growth financing & focus • Therapeutics Opportunity
<p>Pharma Spin-Out, 35.5 % stake</p>	<ul style="list-style-type: none"> • Evaluate all options post Phase 2a • De-risk financially • Keep royalty upside
<p>Pharma Licensed-Out, Royalties</p>	<ul style="list-style-type: none"> • TMS / Milestones / Royalty • Clinical fully partner driven • Explore similar projects

*TMS+ = Tech Access Fees, Royalties & Production Strain Licensing

Efficient & Transparent Organization

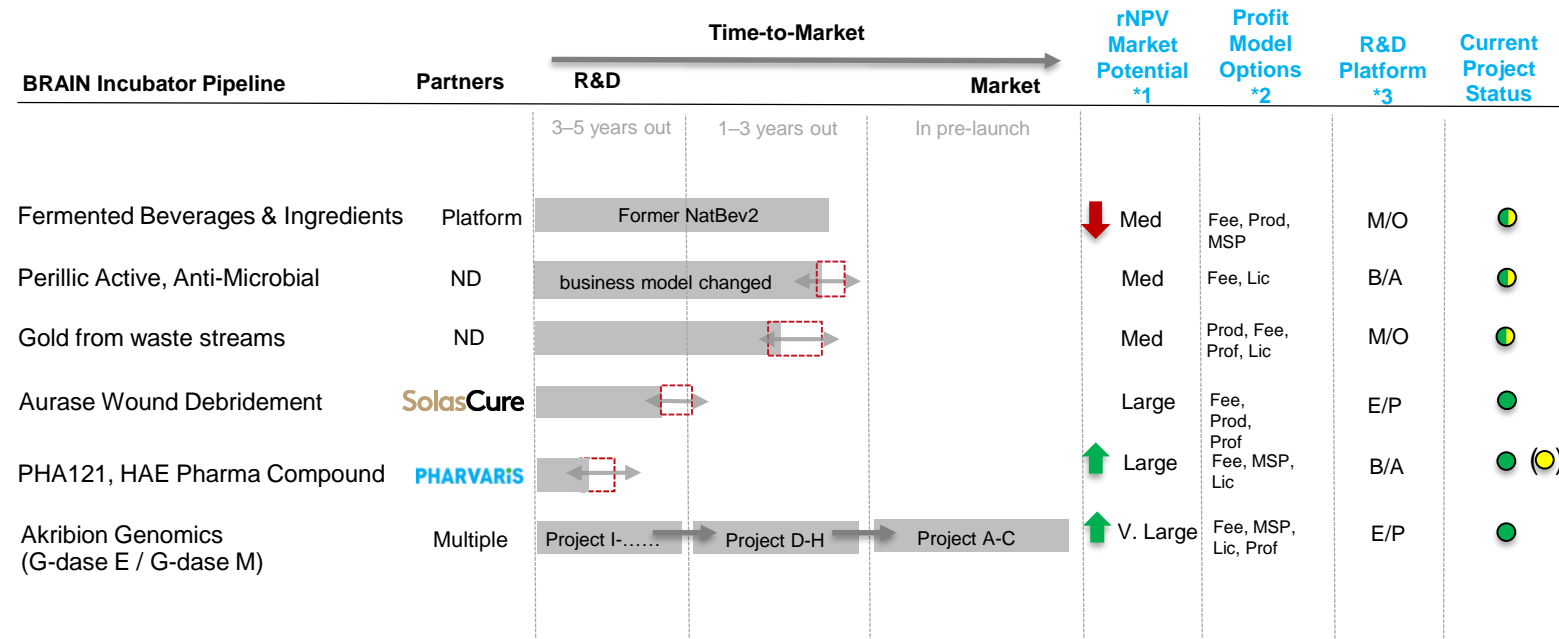
key takeaways strategic reorganization

- ✓ **Transparency:** improved reporting for all stakeholders
- ✓ **Alignment:** internal organization with external reporting
- ✓ **Operational business model:** BRAIN Biotech as integrated solutions provider with technology USPs
- ✓ **Focused:** very attractive multi niche-markets in F&B, Healthcare and Environment
- ✓ **BRAINimpact:** servicing the megatrends of tomorrow, sustainability as an enabler
- ✓ **Synergies:** clearly identified between all business segments
- ✓ **Complexity:** significantly reduced in the group
- ✓ **Financial flexibility:** increased throughout the group and at the AG level
- ✓ **Equity story:** simplified for new investors



BRAIN Incubator

significant value creation potential



- 🟢 On track
- 🔴 Program on hold or without a partner
- 🟡 Contractual, technology or registration hurdles still need attention
- 🟡 (🟢) Phase 1 has been successfully completed but contract negotiations for the next development phase are progressing but not yet finalized

Progress since CMD 09/21

*1: BRAIN-Group rNPV FCF+TV: **Small** < €5M, **Medium** €5M - €15M, **Large**: €15M+
 *2: **Prod**: Product sales. **Fee**: Research fee income. **MSP**: Milestone payments. **Lic**: License/royalty payments **Tec**: Tech fees **Prof**: Entity formation or profit participation
 *3: **B/A**: BioActives, **E/P**: Enzymes and proteins, **M/O**: Microorganisms/starter cultures
 ND: not disclosed

Salt 1: successful market launch in 2022
 Brazzein shelved for new partners



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 OK 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

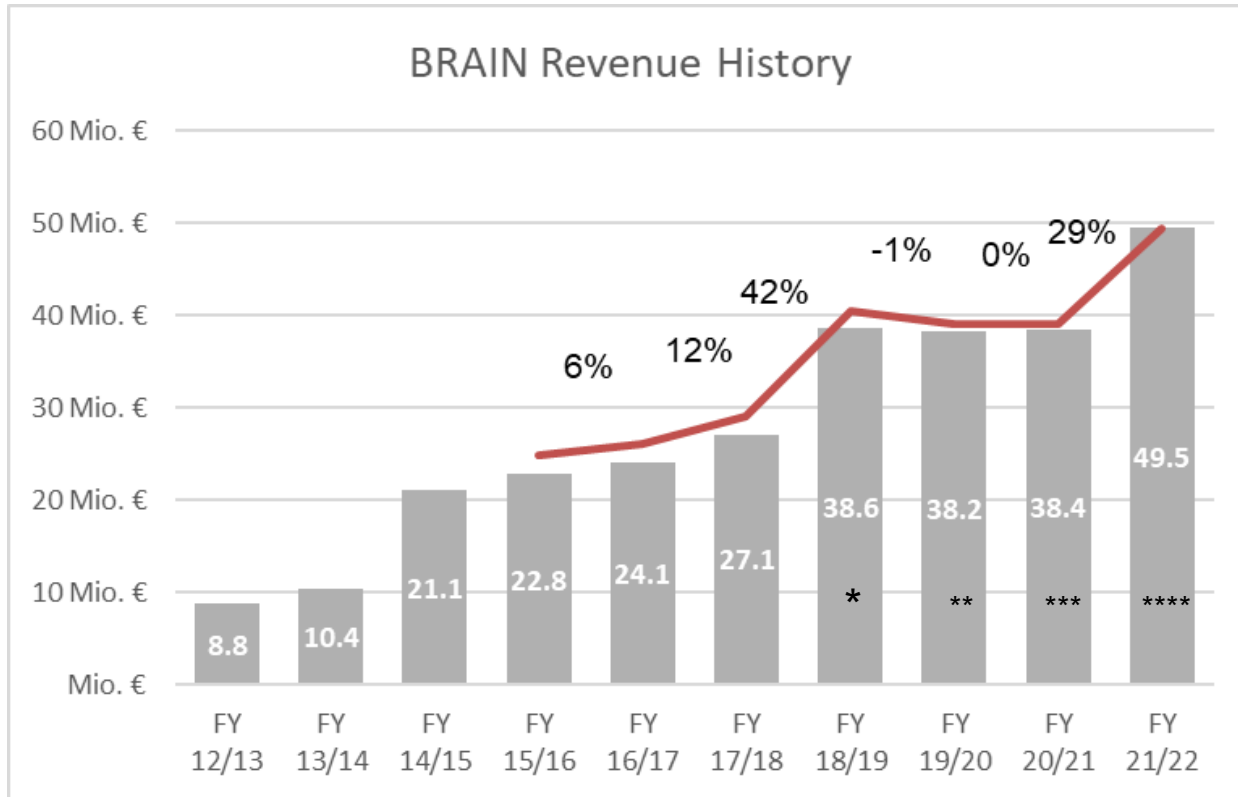
cash position increased

	3M	3M	Growth	Q1	Q1	Growth	Comment
(in € thousand)	2022/23	2021/22		2022/23	2021/22		
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%				

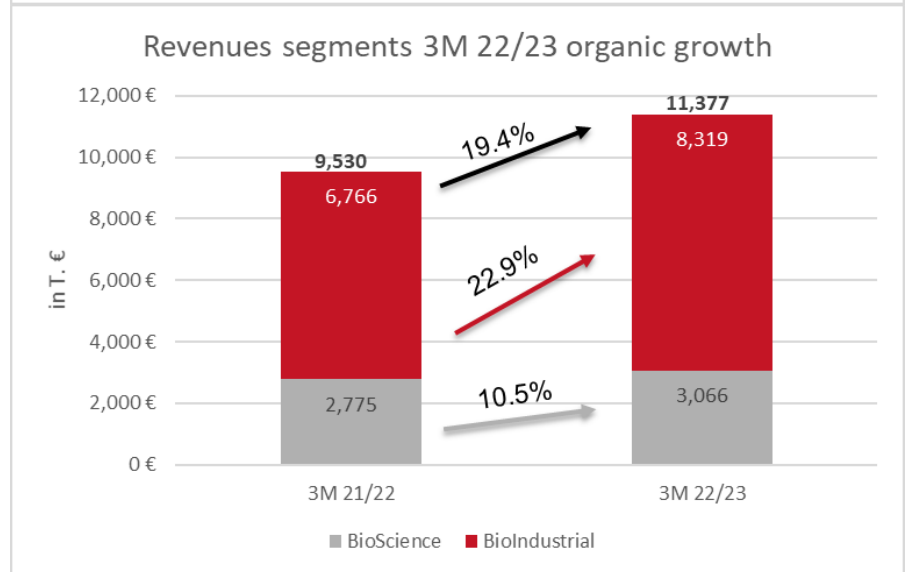
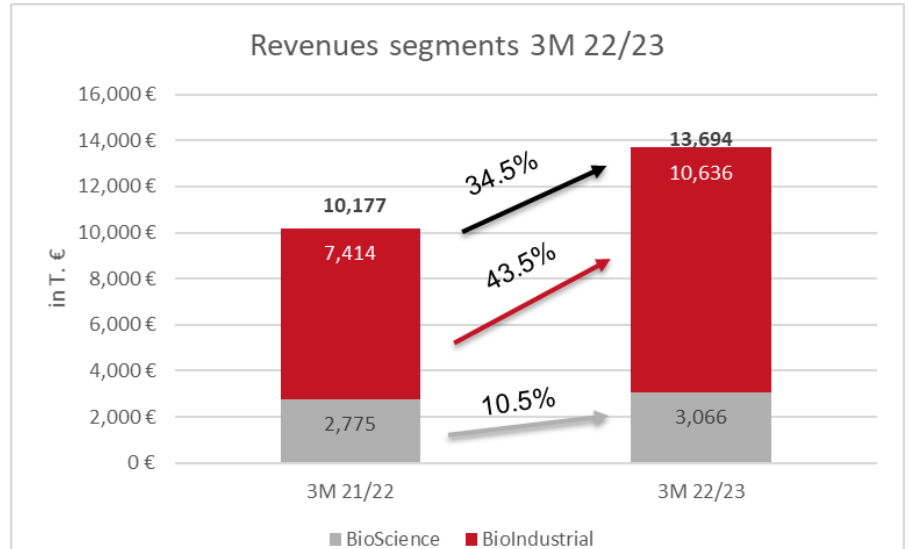
- Majority of cash from L.A. Schmitt portfolio divestment booked in the quarter
- Positive net financing cash inflow from re-mortgage activities
- Operating cash flow to normalize over the next quarter

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

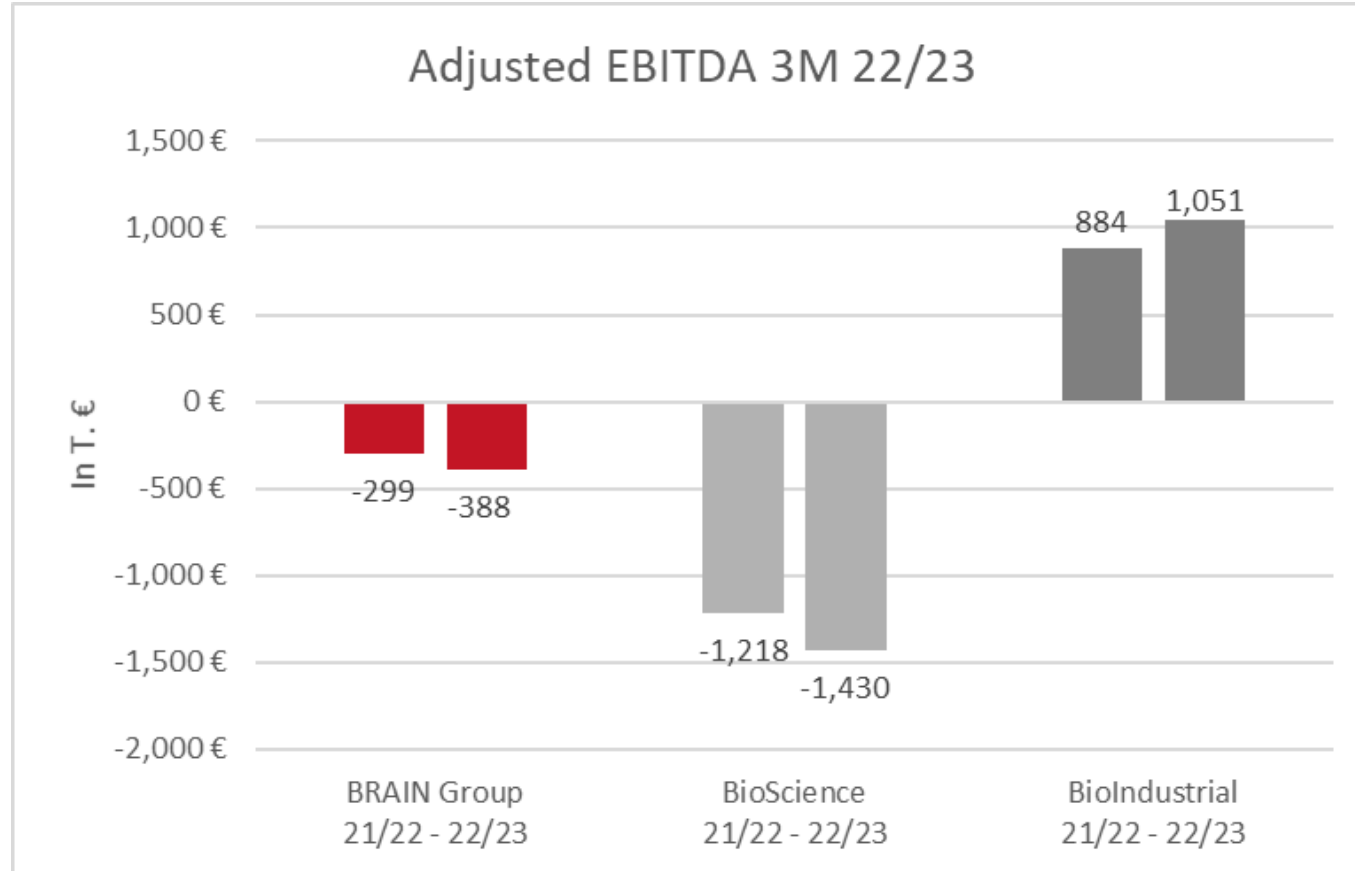


*purchase BioCatalysts Ltd. **divestment Monteil Cosmetics ***purchase BioSun ****Breatec integration for 8 months



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

Financial Calendar



QUARTERLY STATEMENT & **CMD BRAIN Biotech AG**
Publication of the quarterly statement as of December 31st, 2022 (3M)
February 27th, 2023



ANNUAL GENERAL MEETING
Annual General Meeting (FY 2021/22)
March 8th, 2023



HALFYEAR STATEMENT
Publication of the half year report as of March 31st, 2023 (6M)
May 25th, 2023



QUARTERLY STATEMENT
Publication of the quarterly statement as of June 30th, 2023 (9M)
August 30th, 2023



Thank you very much for your interest.

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