

BRAIN Biotech AG

Creating a #BiobasedFuture



Analyst Call 9M, FY 2020/21

Adriaan Moelker, CEO

Lukas Linnig, CFO

Zwingenberg, August 30th, 2021



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.

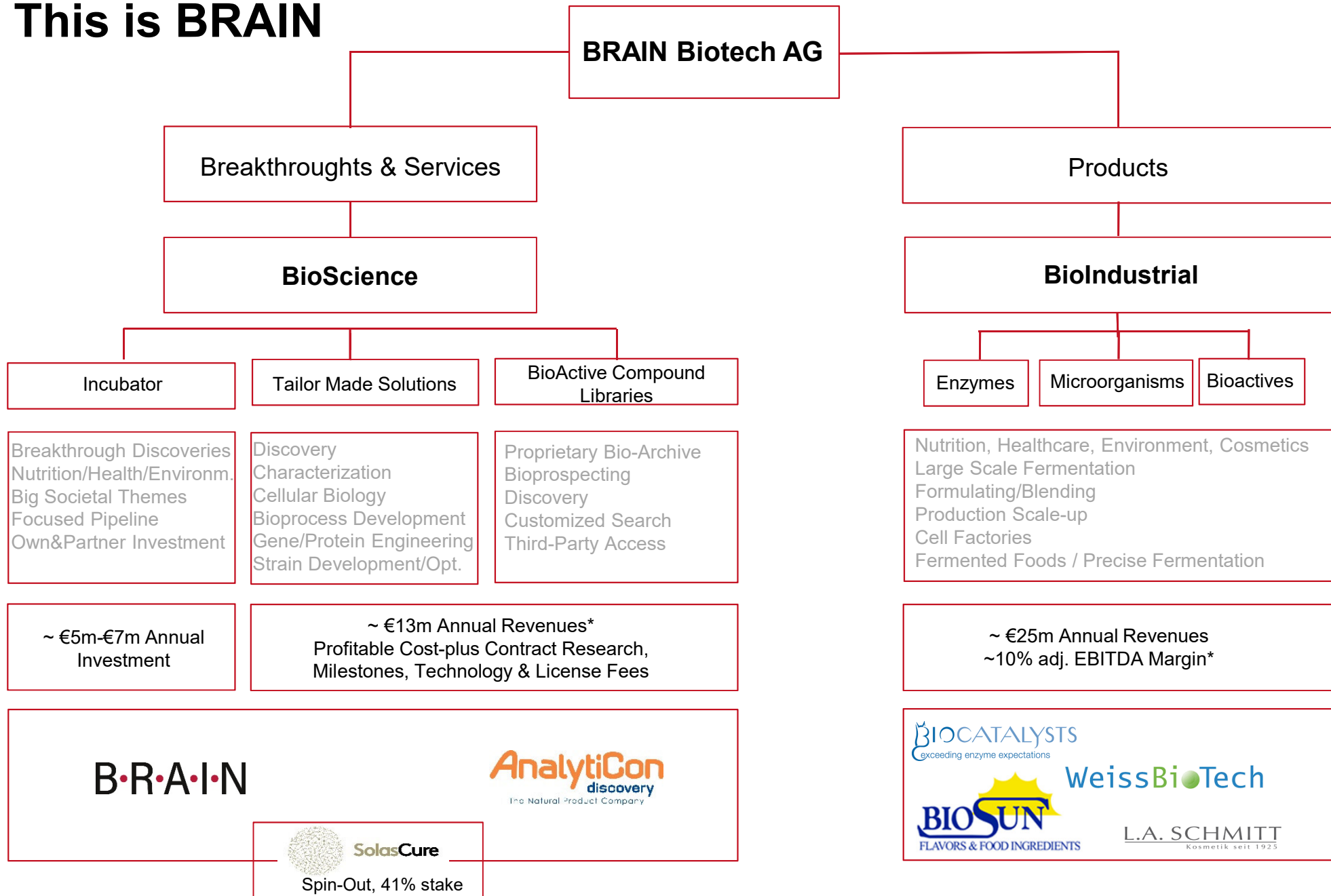
The Company assumes no obligation to update or revise any forward-looking statement contained herein or to adapt them to future events or developments. The information contained in this document has not been independently verified. No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinion contained herein. The Company or any of its shareholders, affiliates, advisors, employees or representatives shall have no liability whatsoever (in negligence or otherwise) for any loss arising from any use of this document or its content or otherwise arising in connection with this document.

By accepting this presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company's business.

This presentation speaks as of August 30th, 2021. Neither the delivery of this presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date. The term "BRAIN", as used in this presentation means Brain Biotech AG and its affiliates, if not otherwise specified.



This is BRAIN



*FY '19/'20



Spotlight: BRAIN's USPs in TMS

our competitive strengths in BioScience

Our Customer Demand

- Discovery
- Strain development
- Protein expression
- Process optimization
- Cellular biology



BRAIN TMS

We are Solution Providers

- BioArchive
- Technology
- Know-How
- Processing
- Up-Scaling
- Production



Our Services

- Discover novel candidates
- Microbial strain improvement
- Enzyme & protein expression
- Optimize biological processes
- Application tests

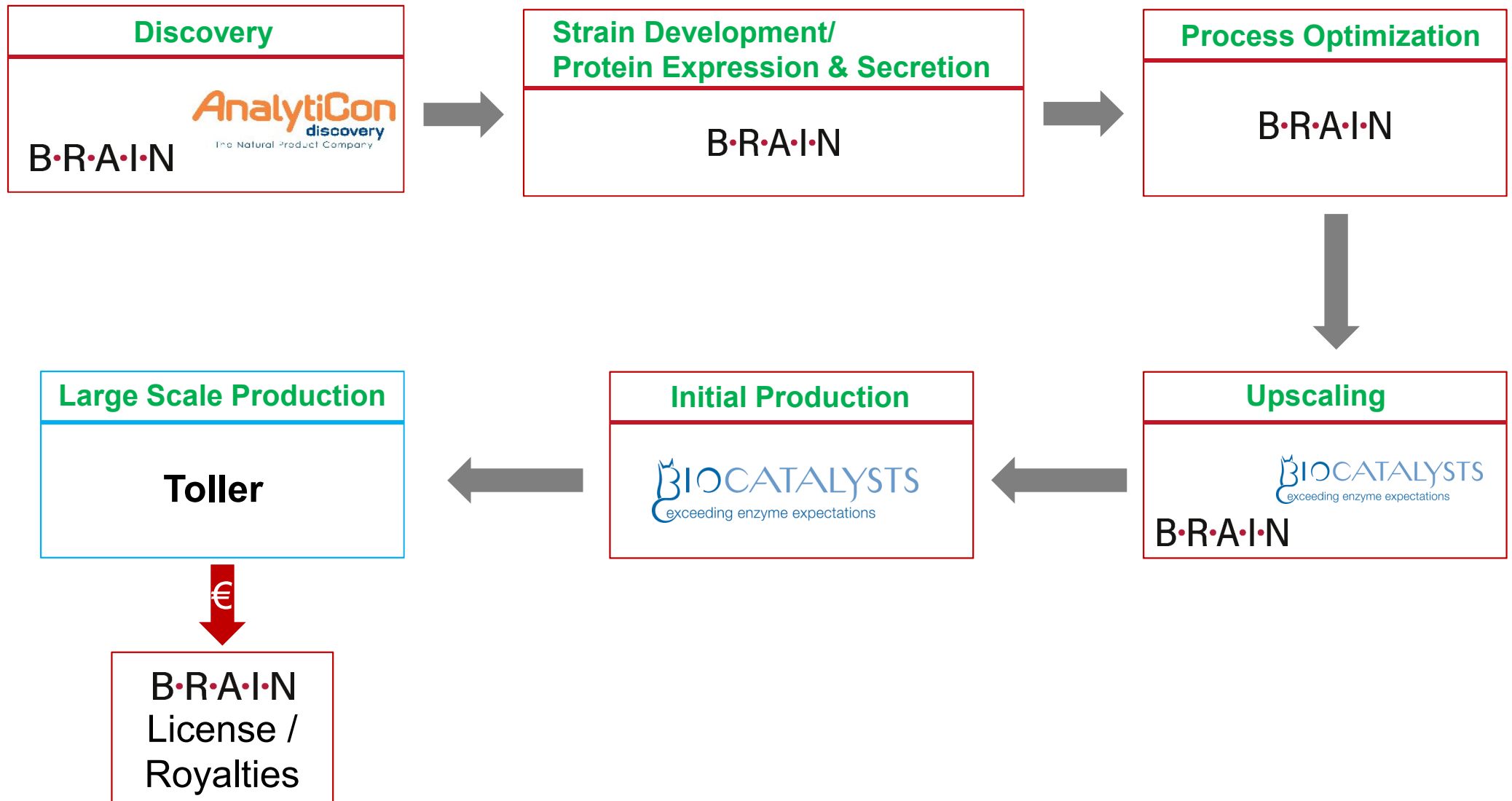
Our Solutions for

- Bio-based industrial production
- Precise fermentation/alternative proteins
- Genome engineering
- Novel enzymes
- Fermented food from side-streams
- Microbial CO₂ usage
- Natural aromas & preservatives
- Pharma/Healthcare



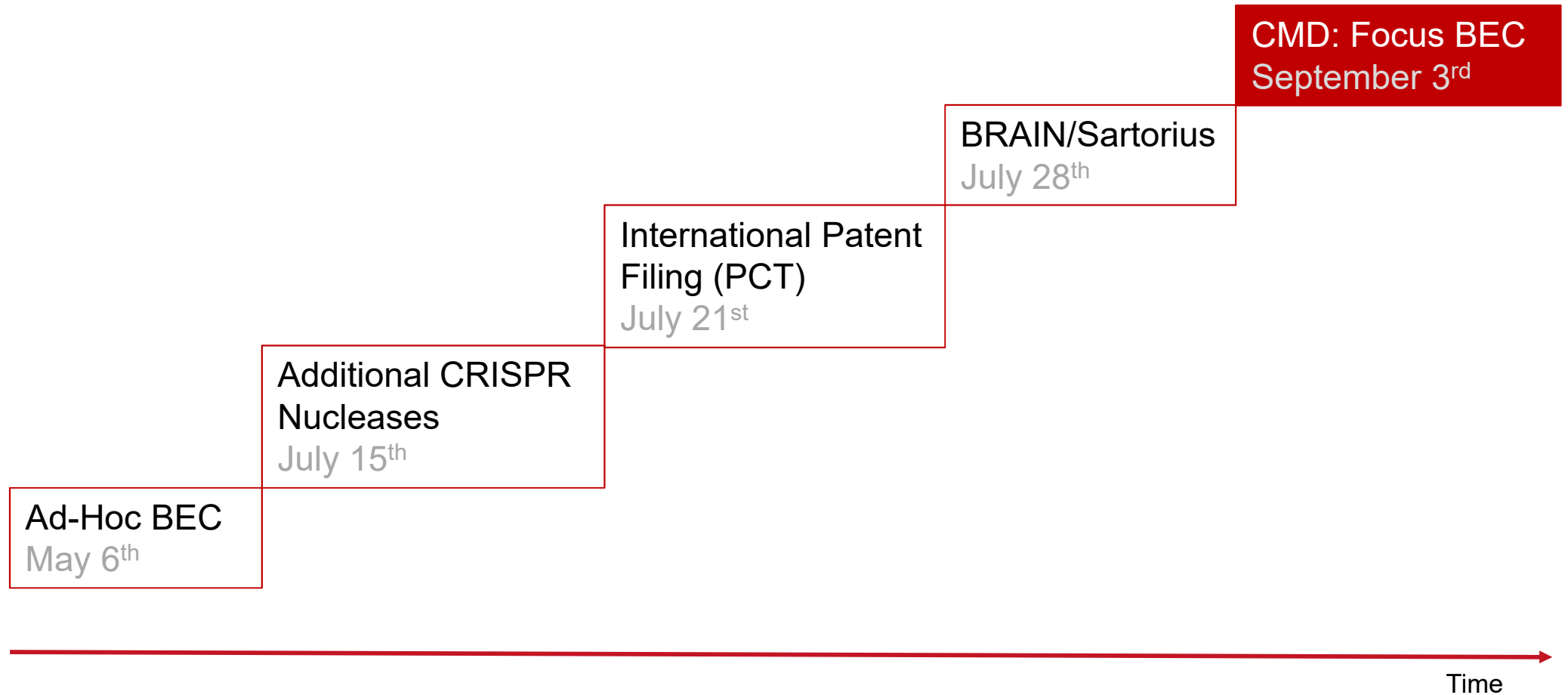
Spotlight: BRAIN Group's USPs

case study Brazzein



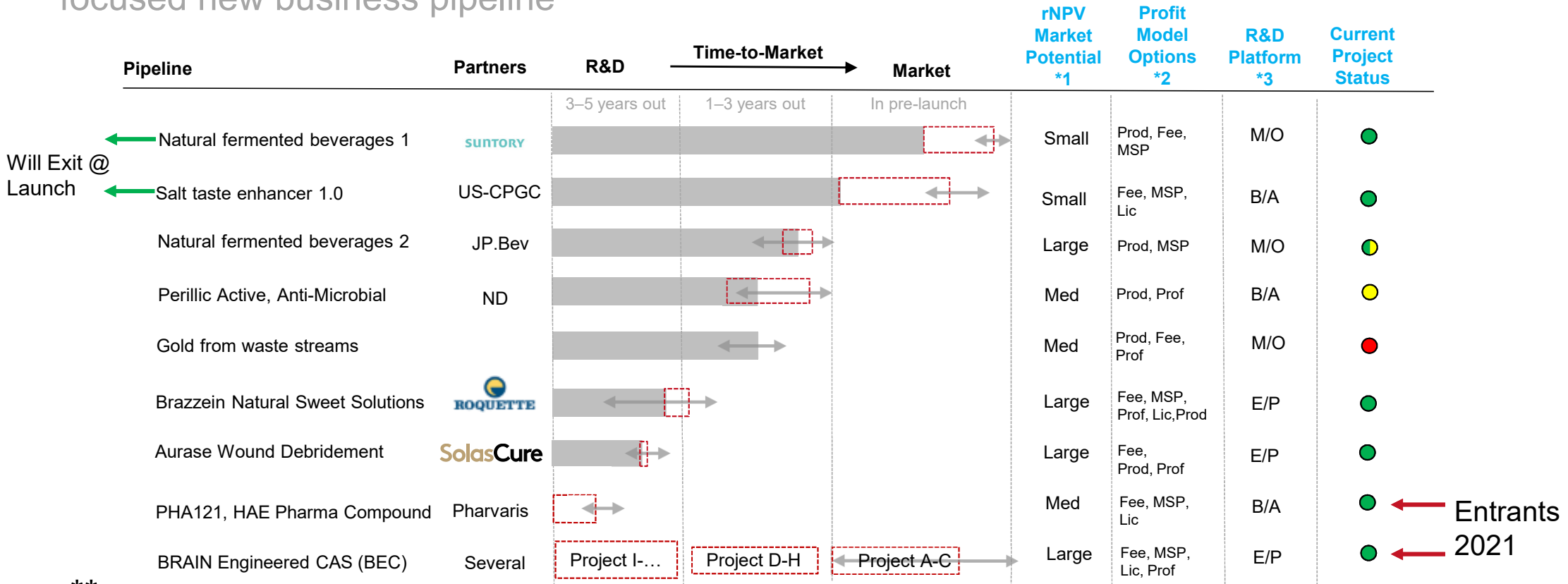
BRAIN Engineered Cas (BEC)

strong project newsflow maps progress



Our Incubator

focused new business pipeline**



**

- Projects Green Metal Mining, Sweet Taste Enhancer and CO₂ moved to TMS business, fully funded programs
- Projects Salt-E, Fresco shelved, searching for partners
- New enzymes now part of BioIndustrial regular product development, see page 13

Progress since CMD '20, update '08/21

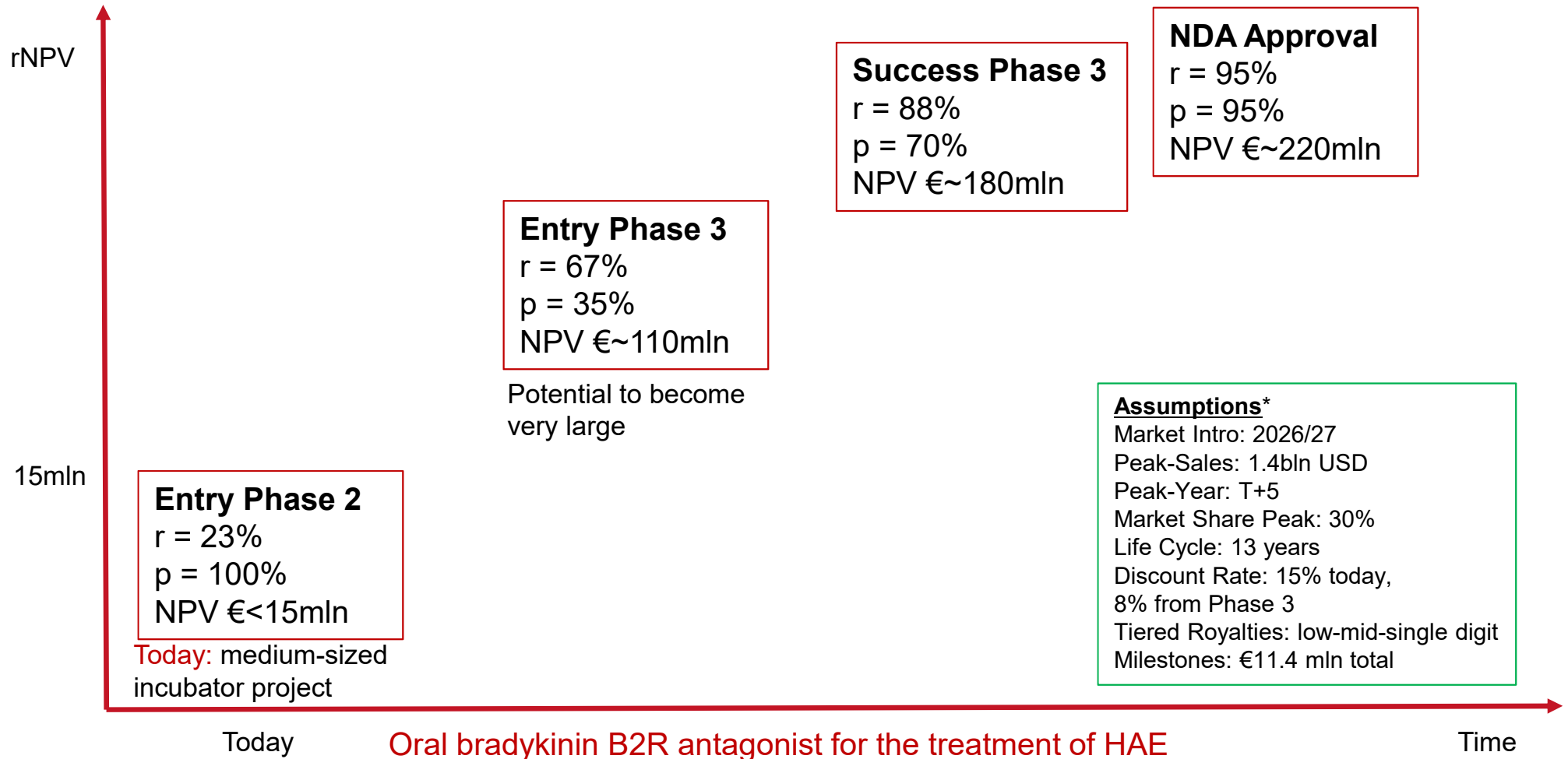
- Programs without contractually bound partners are marked red by default
- Contractual, technology or registration hurdles still need attention
- Phase 1 has been successfully completed but contract negotiations for the next development phase are progressing but not yet finalized

*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



BRAIN rNPV Explained

example PHA121*: strongly rising valuation potential along clinical progress



r = overall probability of project to succeed
 p = success probability to reach next milestone

*Source: BRAIN calculation and research



Financial Highlights 9M FY 2020/21 at a Glance

strong BioIndustrial (ex WBT), sequentially improving BioScience

(in € thousand)	9M 2020/21	9M 2019/20	Growth	Organic Growth	Q3 2020/21	Q3 2019/20	Growth	Organic Growth	Comment
Revenues	27,845	29,554	-5.8%	-11.2%	9,844	9,625	2.3%	-5.5%	
BioScience	7,416	10,476	-29.2%	-29.2%	2,742	3,642	-24.7%	-24.7%	Milestones 655K 9M 20/21
BioIndustrial	20,566	19,127	7.5%	-0.9%	7,158	6,025	18.8%	6.4%	Milestones 1.17Mio 9M 19/20
Total operating performance (1)	29,966	30,310	-1.1%	-9.5%	10,167	10,121	0.5%	-16.1%	all solid growth, except WBT
Adjusted EBITDA (2)	-2,238	-553	-304.7%	-337.3%	-223	161	-238.7%	-304.9%	(-) EUR 511K ESOP 9M (-) EUR 170K M&A Cost 9M (+) EUR 858K Badwill
EBITDA	-2,061	-907	-127.3%	-241.8%	-495	-38	-1194.7%	-3718.1%	
EBIT	-5,008	-3,511	-42.7%	-72.2%	-1,556	-902	-72.5%	-179.4%	
Net Result	-2,942	-6,108	51.8%	34.8%	-1,902	-1,555	-22.3%	-84.4%	
Operating Cash Flow	-3,000	-5,734	47.7%	41.7%	1,157	-1,593	172.6%	165.1%	
	30.06.2021	30.09.2020							
Cash	7,249	18,943	-61.7%	-64.4%					

	9M 20/21	9M 19/20	Growth	Organic Growth
Number of Employees	289	283	2.1%	0.0%
Material Expense Ratio	44.6%	41.4%	3.2% PP	1.7% PP
Adj. Personnel Expense Ratio	50.7%	45.6%	5.1% PP	7.2% PP

Major Events 9M '20/'21:

- **BioSun** now consolidated for two quarters, happy with development; growth ~+13%YoY
- **BioIndustrial total** solid double digit growth excl. WBT
- **WBT** remains in restructuring, 9M sales ~ (-) 30%
- **BioScience** sequential growth Q2 on Q1 and Q3 on Q2 but still suffering from very weak Q1 20/21 and high base Q1 19/20; lower milestones; order book keeps improving
- Costs of BioSun purchase/ integration EUR 170K

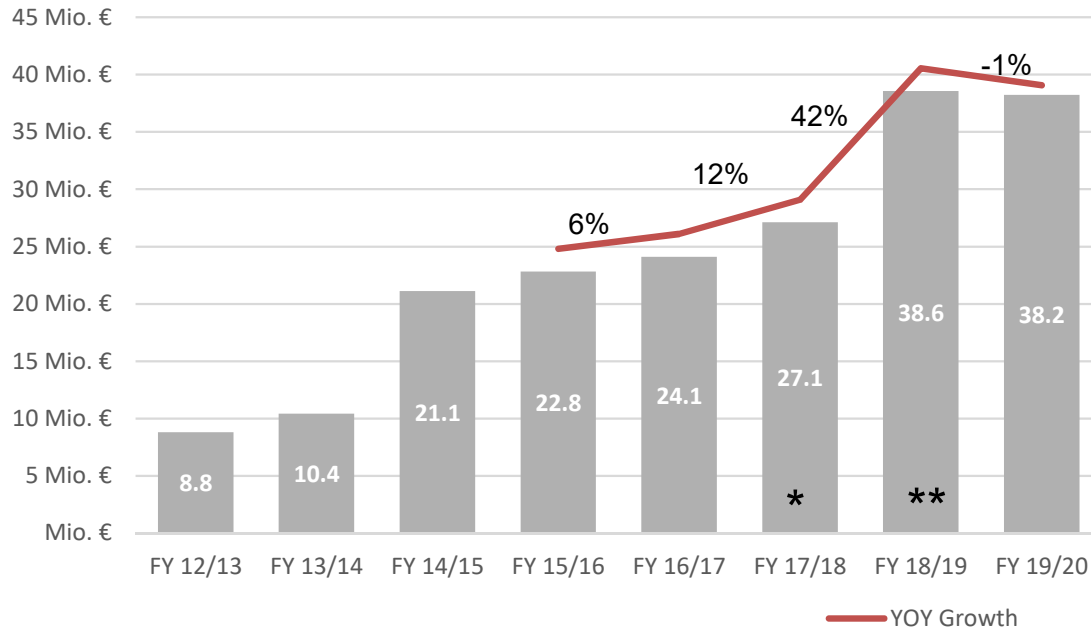
➤ CRISPR investments @ 9M ~€1 million

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

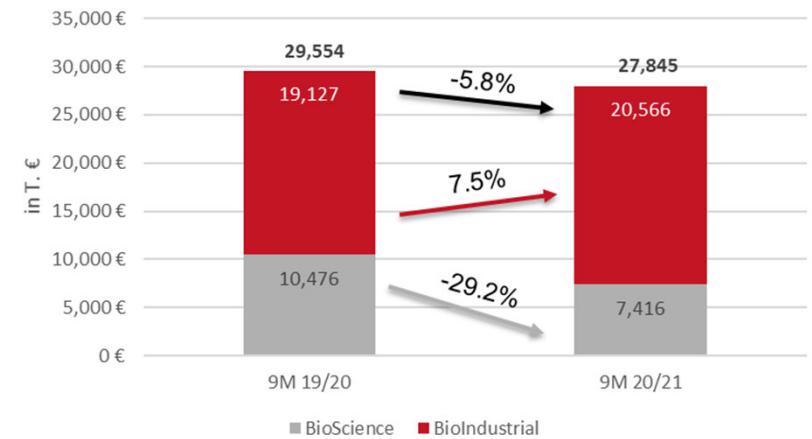
(2) The full reconciliation from adjusted to unadjusted EBITDA can be found in the appendix

Strong Long-Term Revenue Growth Trajectory

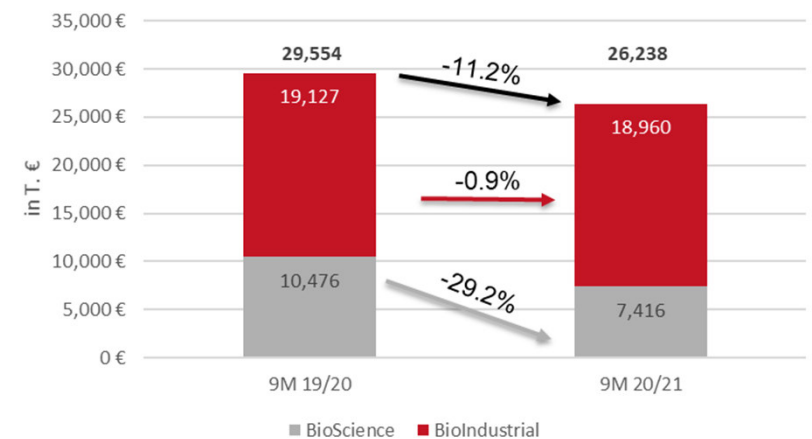
BRAIN Revenues History



Revenues segments 9M 20/21



Revenues segments 9M 20/21 organic growth ***



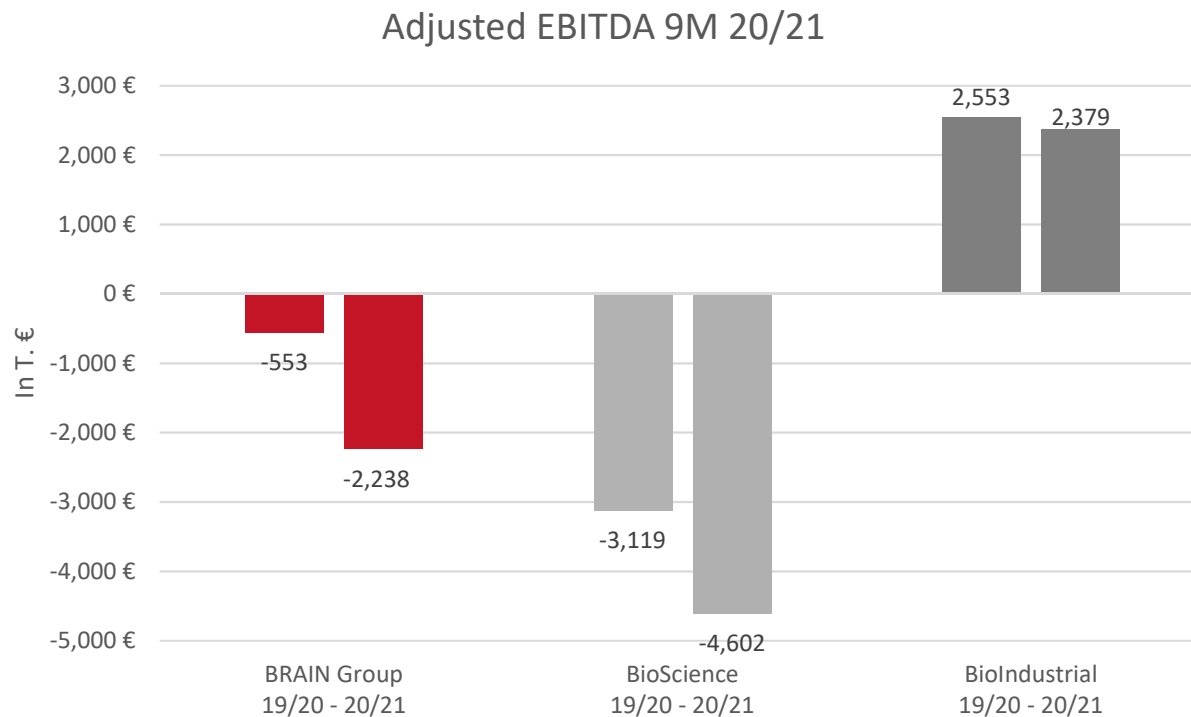
*purchase BioCatalysts Ltd.

**divestment Monteil Cosmetics

***BioSun integration from Q2 20/21



Adjusted EBITDA



- **Group** adj. EBITDA down YoY; driven mainly by the segment BioScience which had a high YoY comparison base (especially in Q1) and lower milestone payments
- **BioScience:** further sequential improvement Q3 on Q2; last year large payments related to two projects in Q1; lower milestone payments 9M; TMS backlog keeps rising
- **BioIndustrial** all group companies strong except ongoing weakness at WeissBioTech

➤ CRISPR investments @ 9M ~€1 million

Cash & Cash Flow

improving OCF, lower investments as guided, Biocatalysts minority purchase

(in € thousand)	9M 2020/21	9M 2019/20	Growth	Q3 2020/21	Q3 2019/20	Growth	Comment
Gross Cash Flow	-4,061	-4,610	11.9%	-924	-1,145	19.3%	
Operating Cash Flow	-3,000	-5,734	47.7%	1,157	-1,593	172.6%	
Investing Cash Flow	-1,999	-4,548	56.0%	-574	-76	-651.9%	
Financing Cash Flow	-6,826	13,914	-149.1%	-5,291	14,091	-137.5%	purchase BioCats minority ~€4.6 Mio
Net change in Cash & Cash Equivalents	-11,824	3,632	-425.5%	-4,708	12,422	-137.9%	
	30.06.2021	30.09.2020		31.03.2021			
Cash	7,249	18,943	-61.7%	11,952			
Equity	24,142	26,143	-7.7%				

- EUR 7 million undrawn credit facility available
- Considering all financing options

Covid-19 Update

TMS backlog increasing, BioIndustrial strong (ex WBT)

Summary:

BRAIN Group: some negative Covid-19 effects materialized on FY 20/21. Now positive trend in the business development pipeline.

Current Disruptions: SolasCure is facing around 9 months delays in clinical trials as the relevant test centers have been closed for non Covid-19 patients. Phase 2a clinical trials (in human) started in May. Lower sales volumes of enzyme products to ethanol and beer/wine producers at WeissBioTech.

Future Challenge: travel restrictions and physical distancing make it more challenging to visit customers for new projects (BioScience). Our business development team is working here with creative solutions and trying its best to keep effects on the commercial project pipeline as low as possible. Managing operational challenges and the turnaround at WeissBioTech.

Secure:

- Health aspects
- Supply chain
- Operating business
- Future pipeline

Targets:

- Safety of employees
- Business continuity
- Minimize disruptions
- Fulfill customer contracts

Measures:

- Vaccination @ work
- Covid-19 task force
- Hygiene concept
- Corona quick testing
- Masks on premises
- Air Filters
- Personal safety supplies
- Physical distancing
- Home office
- Strict travel restrictions
- Flex work
- Digitalize workflow

Our Targets

Guidance and Mid-Term Targets

This FY Guidance, Unchanged

(excluding CRISPR investments)

- **CRISPR** associated nuclease investments will be detailed and separately reported from FY 2122
 - **Group Sales** EUR 37-40 million
 - **YoY EBITDA improvement**
 - **BioScience** below previous year as guided
 - **BioIndustrial** slower growth than expected due to COVID-19 impacts and operational challenges at WeissBioTech; other BioIndustrial companies performing to or above plan
-
- **CRISPR investments** in FY '20/'21 ~EUR 1.3-1.7 million

Mid-Term Targets, Unchanged

(issued 09/'20, 4-5 year targets)

(excluding CRISPR)

Double group revenue from base '18/19

- Double digit topline product CAGR
- Accretive M&A
- Contract research "TMS" proportionally reduced (excl. milestones)

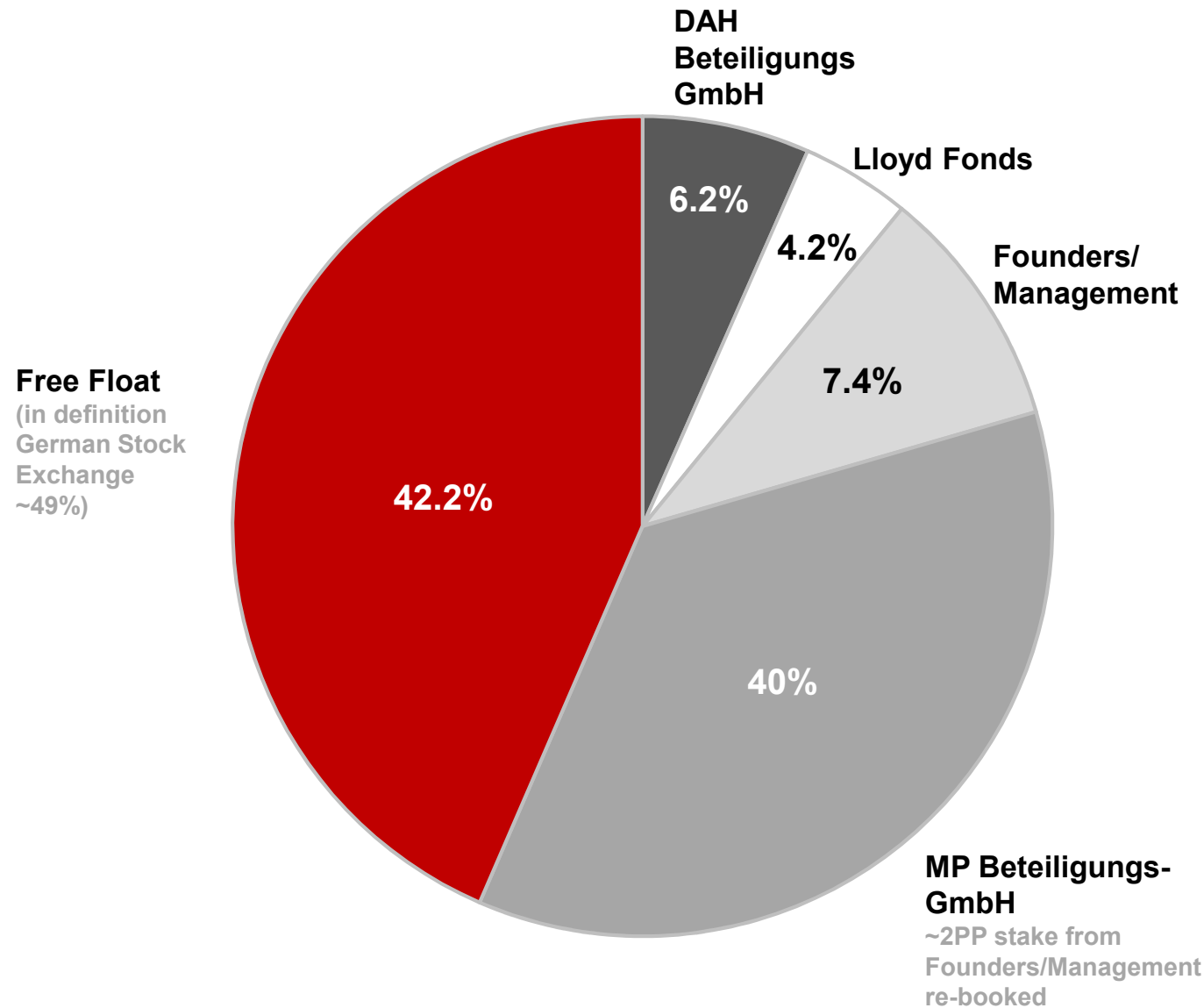
Group adj. EBITDA margin 15% (+/- 5PP)

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

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

- Continuous innovation pipeline management

Our Share Ownership*



- Number of shares: 19,861,360
- Free float of ~ 42%
- Strong long-term investor base
- ~ 8,400 shareholders
- WKN 520394 / ISIN DE0005203947
- Symbol BNN
- Prime Standard; Frankfurt/M

* June 30th, 2021



Financial Calendar



Capital Markets Day 2021
Focus Brain Engineered Cas
September 3rd, 2021



FISCAL YEAR STATEMENT
Publication of the annual report as of September 30th, 2021 (12M)
January 17th, 2022



QUARTERLY STATEMENT
Publication of the quarterly statement as of December 31st, 2021 (3M)
February 23rd, 2022



ANNUAL GENERAL MEETING
Annual General Meeting (FY 2020/21)
March 9th, 2022

Thank you for your attention.

BRAIN Biotech AG

Darmstädter Straße 34–36

64673 Zwingenberg, Germany

+49 (0) 6251-9331-0

www.brain-biotech.com

Your contacts:

Michael Schneiders, Head of IR & Sustainability

+49 (0) 6251-9331-86

MiS@brain-biotech.com

Martina Schuster, IR

+49 (0) 6251-9331-69

MS@brain-biotech.com



@BRAINbiotech



BRAIN Biotech AG

