

BRAIN Biotech AG

Creating a #BiobasedFuture

Analyst Call 12M FY 2022/23

Adriaan Moelker, CEO

Michael Schneiders, CFO

Zwingenberg, January 17th, 2024

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.



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Business Highlights FY 22/23

delivered on targets, efficient corporate structure, progress on incubator projects

➤ One BioProducts

- successful completion of legal and operational merger, minorities acquired
- strong management team established
- ambitious 5-year growth plan including a tight integration of BRAIN Zwingenberg skills
- Breatec strong growth, WeissBioTech successful turnaround, Biocatalysts solid despite 2nd fermenter delay

➤ Deucricitibant (PHA121) with partner Pharvaris

- compelling Phase 2 clinical data in both on-demand and prophylactic programs, supporting ongoing clinical development
- Pharvaris, strong share price performance and successful capital raising, additional funding supports Phase 3 clinical trials

➤ Akribion Genomics

- first license sales in healthcare with strong partner
- ongoing USP for TMS and TMS+ business, vital role to create a portfolio of highly efficient producer strains
- EPA patent for G-dase E[®] granted; several high caliber prizes won
- data room for DD and external financing open

➤ Other Incubator

- SolasCure: successful 2a; strong data, new management team
- Urban mining, Gold from waste stream further developing on plan with partner
- Brazzein natural sweetener: strong partner interest – negotiations ongoing



Business **Lowlights** FY 22/23

slower large-scale fermenter commissioning, share price performance

➤ **Biocatalysts**

- delayed commissioning of second large-scale fermenter due to teething problems
- long lead-times for replacement parts
- reduced production flexibility

➤ **Biosun**

- ongoing weakness in the US flavors market, Biosun as reseller
- no growth outside enzyme customers

➤ **Persistent input cost inflation**

- pass on with delay
- ongoing labor cost pressure
- high service cost inflation

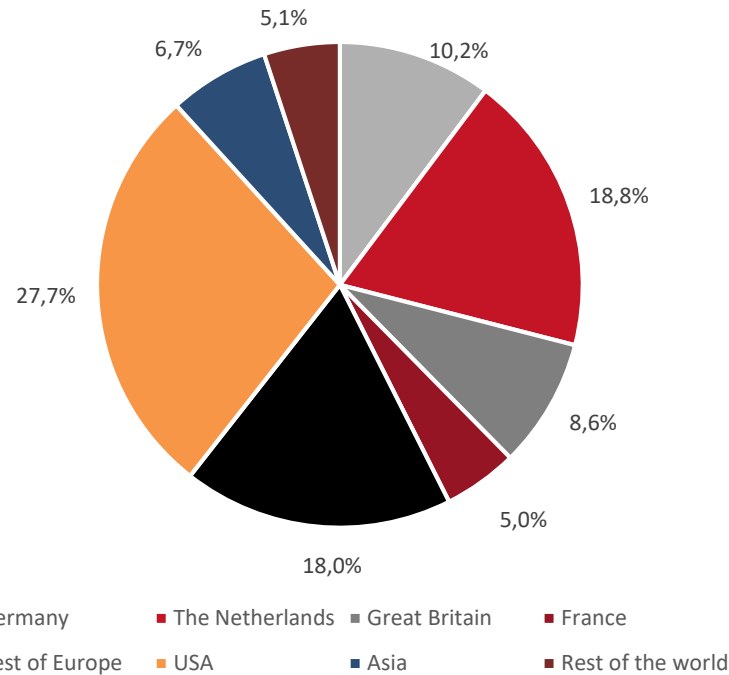
➤ **Negative share-price performance**



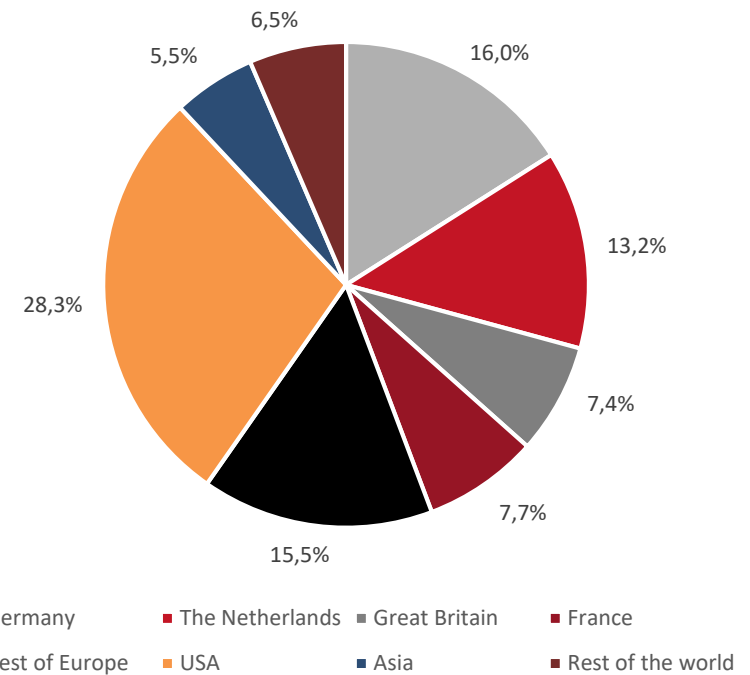
BRAIN Revenue by Geographic Region

truly international and well diversified

Revenues per Region 12M 22/23



Revenues per Region 12M 21/22



- Majority of sales continues to come from outside of Germany, internationalization ongoing
- Growth focus remains on Europe and US
- Sales in the USA mainly driven by Biocatalysts, AnalytiCon and BioSun



The BRAIN Biotech Strategy Summarized

our strategic imperatives

1. Establish Biocatalysts / BioProducts as a Top 10 Enzyme Business

- Multi-Enzyme-Specialist: baking, dairy, beverages, food processing, life-sciences
- value-added bolt-on acquisitions
- addressable market: EUR 1.4bln +
- mid-term goal: double revenues and drive adj. EBITDA margin to 20%+
- significant value creation potential

2. BioScience as the Engine for BioProducts & BioIncubator

- technology development through solid science business model: contract research (TMS)
- Focus on TMS+ (tech access, royalties) to increase economic attractiveness of model
- strong link to BioProducts for enzyme discovery, bio-process, strain optimization, proprietary production host organisms

3. Commercialize and Financially De-Risk the BioIncubator

- ongoing focus on most promising projects only
- de-risk financially and increase likelihood for launch: strong partners mandatory
- establish Akribion Genomics as recognized player in therapeutics
 - spin-out from BRAIN, external growth financing
- harvest on ongoing success of Deucricitibant (PHA121), commercialized via Pharvaris
- SolasCure: divest or dilute the clinical development; BRAIN remains TMS and production partner for the enzyme Aurase
- Brazzein: continue project with a new partner (BioIncubator or TMS+)



The BRAIN Biotech USPs

driving our competitive edge

BioSolutions provider across the enzymes and microorganisms value chain

- proven industry collaboration models and strong track record of delivery
- broad range of commercially available and established products
- full value chain from laboratory to production
- state of the art Biotech-Tools: bioinformatics, AI, metagenome mining, scale-up, expression technologies, secretion
- world class source of diversity: BioArchives of strains and bioactive compounds
- proprietary genome engineering tools with FTO (internal use, external commercialization)
- CMO for specialized fermentations, includes life-sciences
- strong partner network (scientific & applied technology)
- Plug & Produce production strains: bacterial, fungal, yeast
- high flexibility, short communication lines and fast delivery



Financial Highlights 12M FY 2022/23 at a Glance

strong execution on target, profitable growth path continued

(in € thousand)	12M 2022/23	12M 2021/22	Growth	Organic Growth	Q4 2022/23	Q4 2021/22	Growth	Organic Growth	Comment
Revenues	55,335	49,509	11.8%	9.8%	14,942	13,534	10.4%	15.8%	
BioProducts	42,492	37,548	13.2%	10.6%	12,146	10,018	21.2%	29.5%	
BioScience	12,306	12,079	1.9%	1.9%	2,740	3,536	-22.5%	N/A	Milestones 89K 12M 22/23
BioIncubator	576	0	N/A	N/A	81	0	N/A	N/A	Milestones 188K 12M 21/22
Total operating performance (1)	57,140	53,072	7.7%		15,364	15,884	-3.3%		Akribion License Sales
Adjusted EBITDA (2)	402	-98	509.6%		1,322	94	1305.8%		(-) 714K ESOP 12M
EBITDA	-826	-1,309	36.9%		783	134	486.8%		(-) 513K One BioProducts 12M
EBIT	-5,480	-5,648	3.0%		-521	-1,008	48.3%		
Net Result	-8,114	-6,341	-28.0%		-1,670	-136	-1123.5%		
Operating Cash Flow	-4,218	-1,485	-184.0%		262	-453	157.9%		
	30.09.2023	30.09.2022							
Cash	5,352	8,443	-36.6%	-27.4%					

	12M 22/23	12M 21/22	Growth	Organic Growth
Number of Employees (3)	309	309	0.0%	8.7%
Material Expense Ratio	45.8%	46.4%	0.6% PP.	2.7% PP.
Adj. Personnel Expense Ratio	38.5%	41.0%	2.5% PP.	0.9% PP.

➤ Akribion Genomics gross investments
@ 12M ~€ 3.3million (LY ~€ 2.0million)

Major Events 12M '22/'23:

- **BioProducts** very strong QIV finish to the year with a record month in September; all daughter companies except Biosun delivering
- **BioScience** very strong growth 9M, QIV slippage of orders into the new year
- **BioIncubator** pleasing Akribion Genomics license income versus increased investments
- **Personnel growth** rate significantly below organic growth driving down the adj. personnel expense ratio
- **Adjusted EBITDA**, adjustments for ESOP of EUR 714K and One BioProducts integration costs of EUR 513K, includes management change

(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

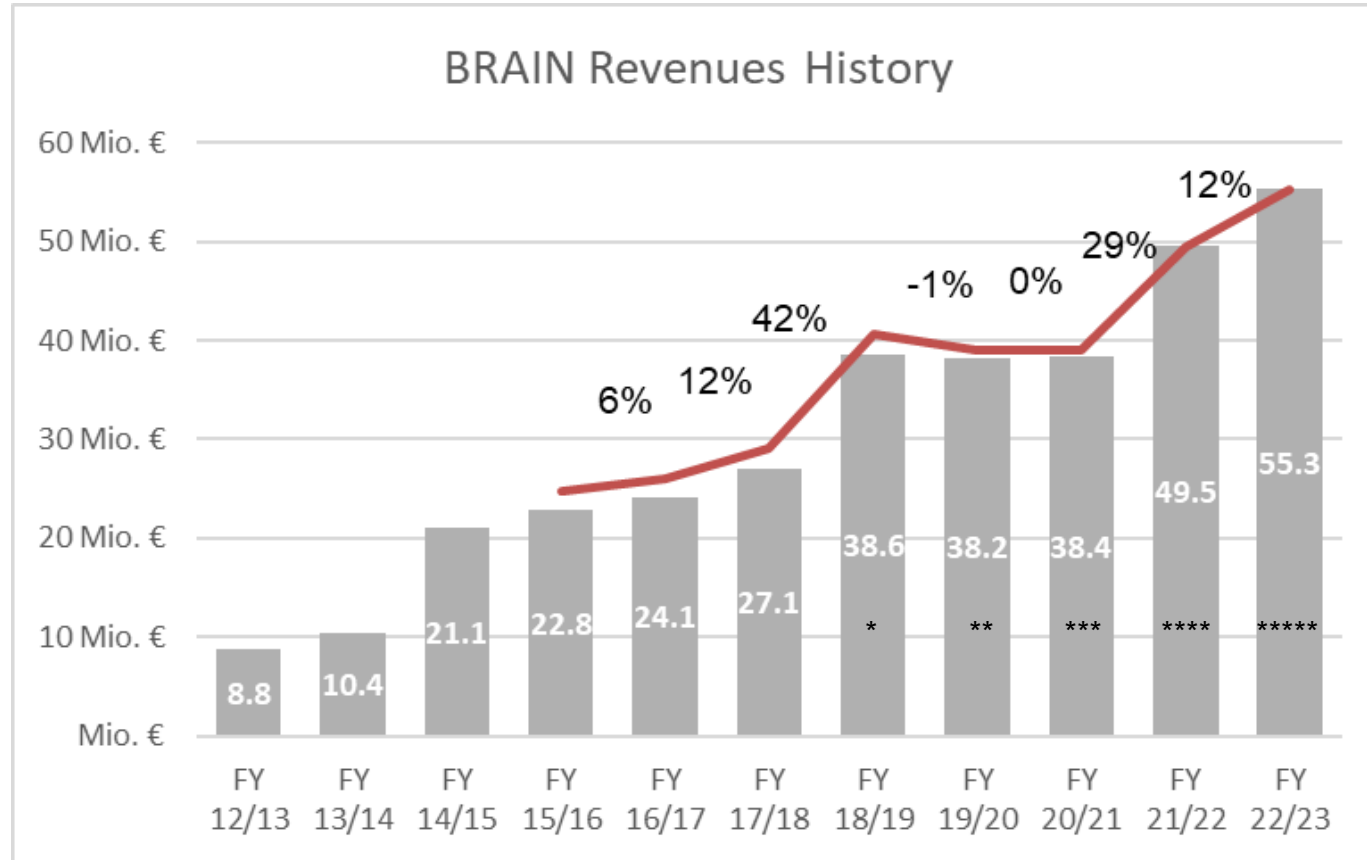
overall cash position remains solid, additional financing measures successfully initiated

	12M	12M	Growth	Q4	Q4	Growth	Comment
(in € thousand)	2022/23	2021/22		2022/23	2021/22		
Gross Cash Flow	-4,356	-5,120	14.9%	-331	-1,425	76.8%	
Operating Cash Flow	-4,218	-1,485	-184.0%	262	-453	157.9%	
Investing Cash Flow	562	-12,686	104.4%	-508	-4,033	87.4%	
Financing Cash Flow	459	-1,966	123.4%	256	-382	167.2%	
Net change in Cash & Cash Equivalents	-3,196	-16,137	80.2%	11	-4,868	100.2%	
	30.09.2023	30.09.2022					
Cash	5,352	8,443	-36.6%				
Equity	23,013	34,248	-32.8%				

- Cash on hand stable versus 9M
- Undrawn credit lines available at 12M
- New financing initiatives for FY 23/24:
 - EUR 5 million non-dilutive financing: additional silent participation Hessen Kapital, pending AGM approval
 - advanced negotiation EUR 3 million additional credit line for holding
 - further external financing on the level of BioProducts, single-million Euro
 - additional non-dilutive measures with reach beyond 23/24 planned

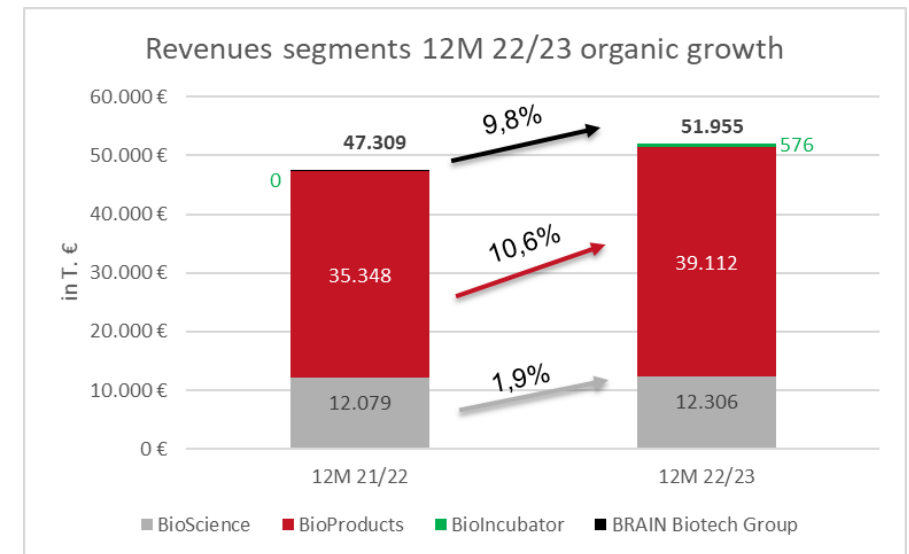
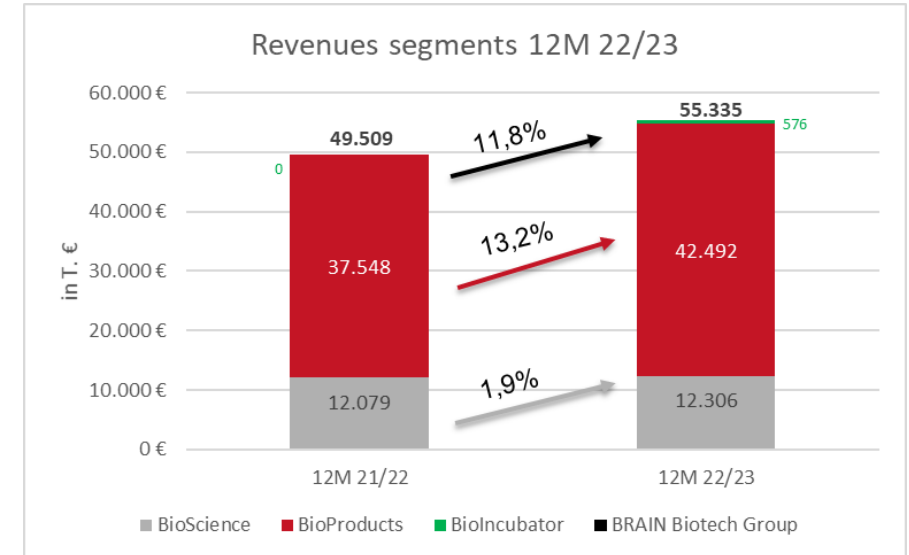
Long-Term Revenue Growth Trajectory

growth path ongoing, BioProducts remains the growth engine



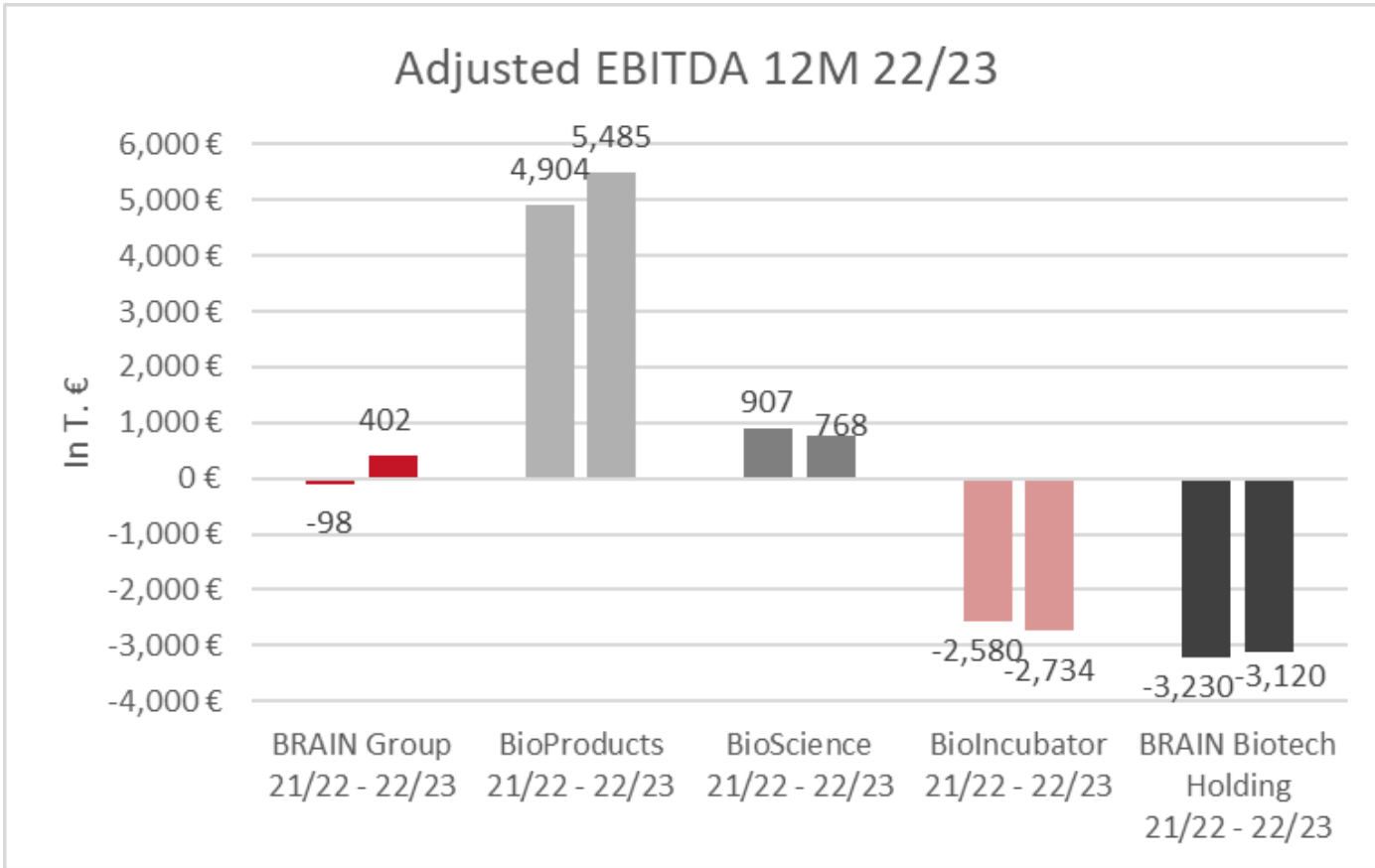
- Staying on growth trajectory from last year
- Growth: solid organic, especially versus market
- All segments contribute

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



Adjusted EBITDA

positive, dampened by delayed commissioning and rising expensed investments for Akribion Genomics



Group adj. EBITDA positive despite high Akribion Genomics Investments

- **BioScience:** weak QIV with contract slippage into Q1/Q2, lower milestone payments
- **BioProducts:** very strong finish to the year; second large-scale fermenter start-up interruptions and commissioning issues burdening in FY
- **BioIncubator:** rising expensed investments Akribion Genomics and other investments netted by license income, Gross Investment rising strongly
- **Holding:** constant costs despite high service cost inflation, strong overall cost control maintained

- Akribion Genomics gross investments @ 12M ~€ 3.3million (LY ~€ 2.0million)
- Second large-scale fermenter full commissioning delayed to Q1 23/24



General Risk Factor Update

ongoing business risk monitoring

Summary:

BRAIN Group: overall business growth remains solid despite a weakening overall macroeconomic environment. Inflationary pressures still present and require ongoing monitoring. Geopolitical risks remain high. Second large-scale fermenter now ramping, adding production flexibility.

Current Situation: Limited supply chain constraints still persist. Ongoing and volatile inflationary pressures on material, energy and labor costs with time-lag to pass-on. Stocking and de-stocking effects add to volatility. Tight labor market conditions across all geographies: war for talent. Limited easing on energy costs.

Future Challenges: General business cycle risk with stagflation or recession as a possible scenario. US growth engine weakening. China little recovery. Hence, European main export markets challenged. General consumption weakness. Geopolitical stress and risk remains high. High interest rates diminish general interest in growth assets. Refinancing conditions for start-ups and Biotech sector remain challenging.



Our Targets

FY Guidance and Mid-Term Targets

This FY Guidance

Qualitative Guidance

- Ongoing solid organic revenue growth for the group above market continues
- All operating divisions contributing to growth
- Rising profitability in adjusted EBITDA at least in-line with revenue growth

As far as this guidance is concerned, investments in Akribion Genomics and/or changes in consolidation scope are considered separately and do not form part of this forecast

Quantitative Guidance @ 3M, February 28th

Mid-Term Targets, Unchanged

(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)

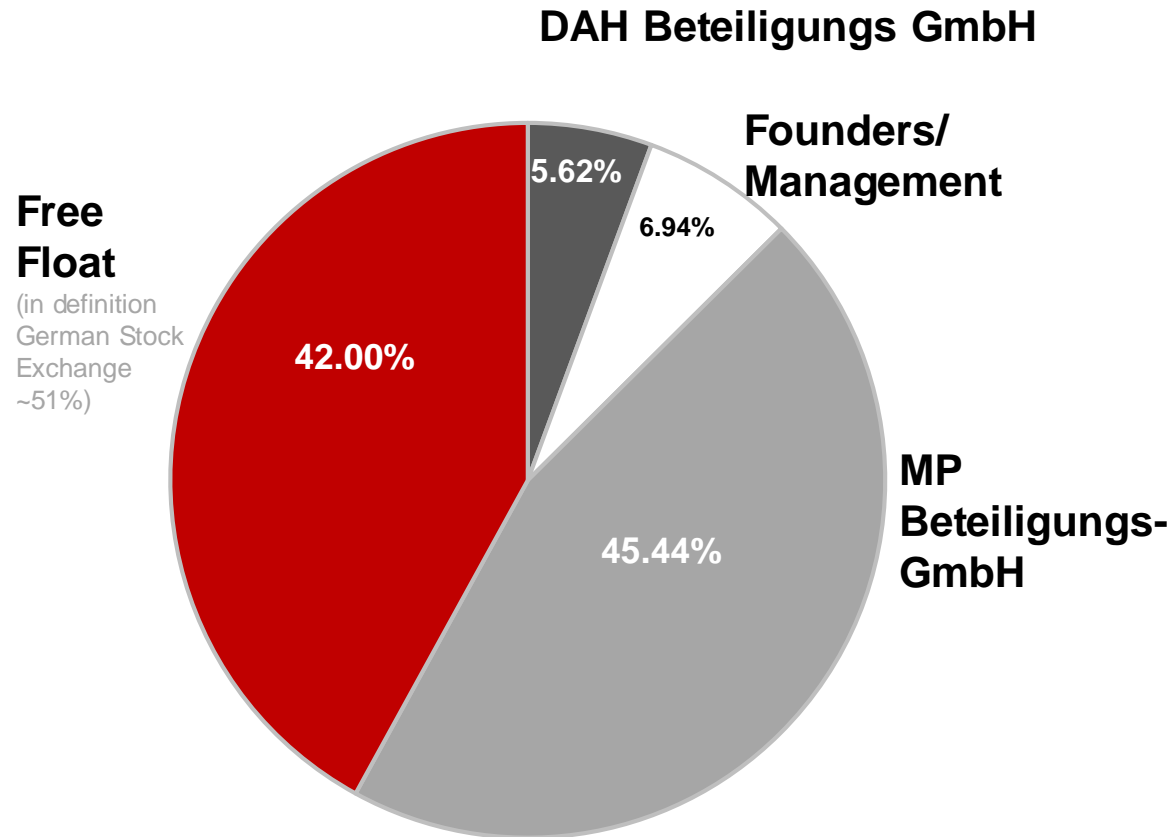
- Double digit fermentation production volume of customized novel enzymes
- Mid-single digit annual productivity improvements & synergies

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

- Continuous innovation pipeline management

BRAIN Biotech AG Share Ownership

September 30th, 2023



- Number of shares: 21,847,495
- Free float of 42%
- Strong long term investor base
- ~ 8,200 shareholders

WKN 520394 / ISIN DE0005203947

Symbol BNN

Prime Standard; Frankfurt/M

Financial Calendar

2023/24



QUARTERLY STATEMENT

Publication of the quarterly statement as of December 31st, 2023 (3M)

February 28th, 2024



ANNUAL GENERAL MEETING

Annual General Meeting (FY 2022/23)

March 12th, 2024



HALFYEAR STATEMENT

Publication of the half year report as of March 31st, 2024 (6M)

May 28th, 2024



QUARTERLY STATEMENT

Publication of the quarterly statement as of June 30th, 2024 (9M)

August 29th, 2024



Thank you very much for your interest.



BRAIN Biotech AG

Darmstädter Straße 34–36
64673 Zwingenberg, Germany

+49 (0) 6251-9331-0
www.brain-biotech.com

Your contacts:

Michael Schneiders, CFO

+49 (0) 6251-9331-86
MiS@brain-biotech.com

Martina Schuster, IR

+49 (0) 6251-9331-69
MS@brain-biotech.com

 @BRAINbiotechAG

 BRAIN AG