

BRAIN Biotech AG

Creating a #BiobasedFuture

Management Statement 6M, FY 2022/23

Adriaan Moelker, CEO

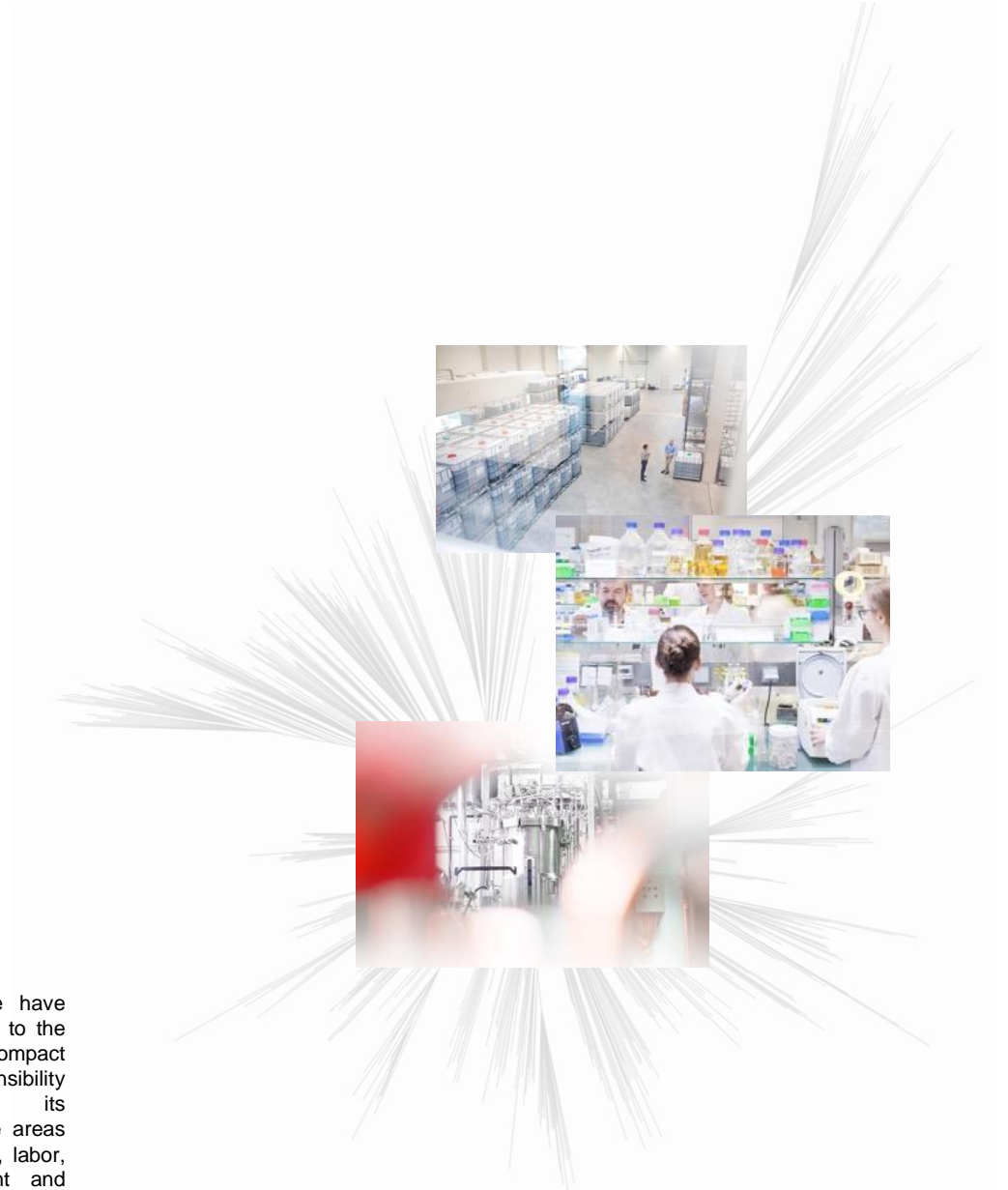
Michael Schneiders, CFO

Zwingenberg, May 25th, 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.



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Business Highlights 6M 22/23

new organizational structure implemented with speed

- **Implemented new organizational structure** with improved transparency
 - Corporate reporting in three segments plus holding
 - External reporting now fully aligned with management model
- **Biocatalysts Ltd. now owned to 100%**
 - No more minority issues
 - One BioProducts creation started, completion over summer months
- **Akribion Genomics** good scientific progress and preparations for carve-out progressing, currently exploring all options for external partners
- Good H1 **organic topline growth** in both divisions
- **Cash** position at EUR 9.2 Million, solid
- FY and mid-term **targets remain unchanged**



SolasCure

- Phase 2a successfully completed as planned
- Final 2a data read-out (focus safety) in preparation
- Phase 2a data will be utilized to attract new strategic and financing partners for next phase of clinical development
- BRAIN will divest or dilute SolasCure (as stated at CMD '23)
- BRAIN has additional upside via production license of active ingredient Aurase

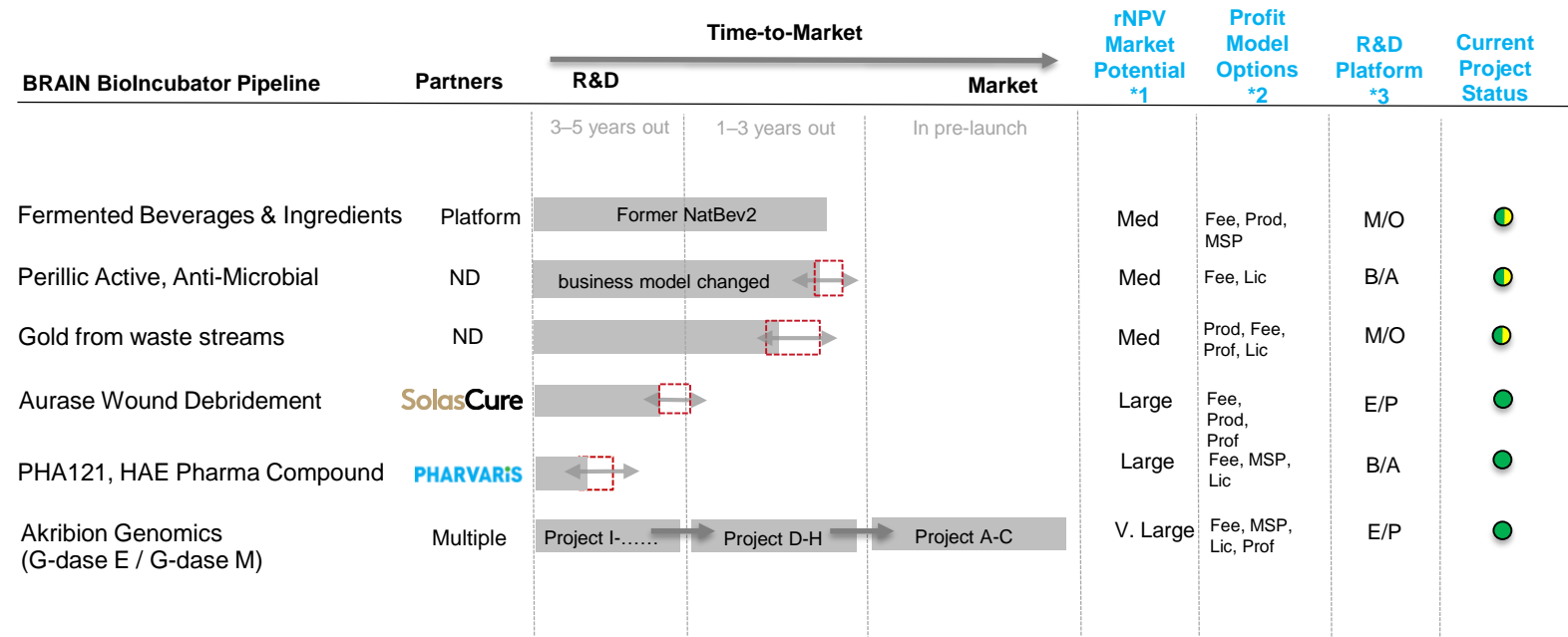
Deucricitibant (PHA121)

- Top-line data from CHAPTER-1, a global Phase 2 study of PHVS416 (immediate-release deucricitibant capsules) for the **prophylactic treatment** of HAE attacks, anticipated by **YE2023**
- CHAPTER-1 is currently on hold in the U.S. All CHAPTER-1 sites outside of the U.S. continue to recruit participants in the study
- Based on Pharvaris' current assessment of the ex-U.S. regulatory status and enrollment rates, Pharvaris anticipates announcing top-line data by the end of 2023
- Non-clinical toxicology study ongoing. A 26-week rodent toxicology study, which is intended to provide additional data to address the clinical holds in the U.S., is ongoing; the results from which Pharvaris anticipates submitting to the U.S. Food and Drug Administration (FDA) by the end of 2023

For further insights please refer to <https://ir.pharvaris.com/>

BRAIN BioIncubator

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



Efficient & Transparent Organization – H1 22/23

aligning external reporting with business accountability

BRAIN Biotech AG
 Creating a #BiobasedFuture
 H1 Holding Costs -€1.6m

BioProducts
 Application Based Fermentation & Formulation

Enzyme & Food Ingredients Specialist

Food & Beverage
 Healthcare
 Production Scale-up
 Large Scale Fermentation
 Cell Factories
 Precise Fermentation

€20.9m H1 Revenues
 ~10 % + adj. EBITDA Margin



BioScience
 Bespoke Customer Solutions

Solutions for Nutrition, Healthcare & Environment

Discovery
 In-Vivo Gene/Protein Engineering
 Bioprocess Development
 Strain Development & Licensing
 Bioactives
 Small Molecules for Pharma

€6.1m H1 Revenues
 0% adj. EBITDA Margin
 Create Additional Upside via TMS + *



BioIncubator
 Building the Future in Biotech

Incubator Pipeline Projects & Participations

Breakthrough Discoveries
 Proprietary Genome Editing
 Partnered Investments
 Pharma Spin-Outs
 Licensed-Out

€0.2m H1 Revenues
 €1.5m Total Investments
 thereof €1.3m Akribion Genomics



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

All numbers H1, FY '22/23



Financial Highlights 6M FY 2022/23 at a Glance

solid H1 topline growth

(in € thousand)	6M 2022/23	6M 2021/22	Growth	Organic Growth	Q2 2022/23	Q2 2021/22	Growth	Organic Growth	Comment
Revenues	27,170	23,267	16.8%	8.2%	13,476	13,090	3.0%	5.1%	Solid H1 growth
BioProducts	20,853	17,525	19.0%	7.6%	10,217	10,111	1.0%	3.7%	
BioScience	6,145	5,769	6.5%	6.5%	2,992	2,994	-0.1%	N/A	Milestones 148K 6M 21/22 Milestones 55K 6M 22/23
BioIncubator	175	0	N/A		87.5	0	N/A		
Total operating performance (1)	28,093	24,213	16.0%		14,596	13,778	5.9%		
Adjusted EBITDA (2)	-915	220	-516.3%		-528	519	-201.7%		(-) 434K ESOP 6M
EBITDA	-1,349	-725	-86.1%		-646	-79	-719.4%		
EBIT	-3,565	-2,783	-28.1%		-1,754	-1,160	-51.2%		
Net Result	-4,608	-3,748	-22.9%		-2,152	-1,418	-51.8%		
Operating Cash Flow	-5,557	-1,062	-423.5%		-3,513	-869	-304.3%		
	31.03.2023	30.09.2022							
Cash	9,156	8,443	8.4%	21.6%					

	6M 22/23	6M 21/22	Growth	Organic Growth
Number of Employees (3)	309	303	2.0%	11.6%
Material Expense Ratio	47.8%	43.5%	4.4% PP.	0.8% PP.
Adj. Personnel Expense Ratio	40.3%	42.3%	- 1.9% PP.	1.1% PP.

➤ Akribion Genomics investments
@ 6M ~€1.3 million (LY ~€1.0 million)

Major Events 6M '22/'23:

- **BioIndustrial overall** solid organic growth; plus Breatec inclusion & L.A. Schmitt divestment; high base Q2 21/22
- **Breatec** good performance and strong order pipeline; **Biocatalysts** solid growth of base business, 2nd fermenter commissioning limits EBITDA contribution and fermentation growth; **WeissBioTech** ongoing recovery
- **BioScience** continues on its growth path, this quarter driven by AnalytiCon Discovery
- **Adjusted EBITDA** no special adjustments except for ESOP of EUR 434K

(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

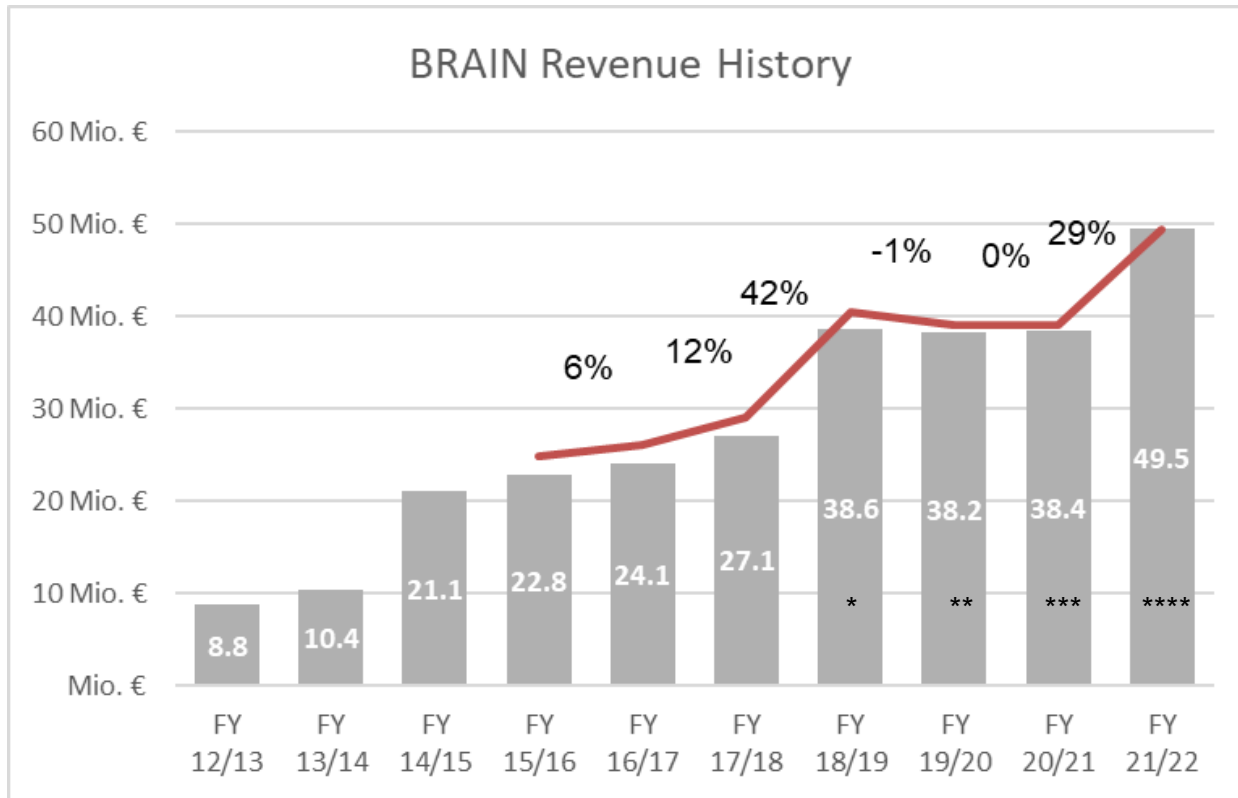
overall cash position stable

(in € thousand)	6M	6M	Growth	Q2	Q2	Growth	Comment
	2022/23	2021/22		2022/23	2021/22		
Gross Cash Flow	-2,798	-2,201	-27.1%	-1,228	-627	-95.8%	
Operating Cash Flow	-5,557	-1,062	-423.5%	-3,513	-869	-304.3%	mostly payables/receivables timing
Investing Cash Flow	1,693	-6,623	125.6%	-678	-5,067	86.6%	LAS divestment, lower CAPEX
Financing Cash Flow	4,607	-512	1000.5%	2,556	-264	1066.9%	refinancing activities
Net change in Cash & Cash Equivalents	743	-8,197	109.1%	-1,636	-6,201	73.6%	
	31.03.2023	30.09.2022					
Cash	9,156	8,443	8.4%				
Equity	29,866	34,248	-12.8%				

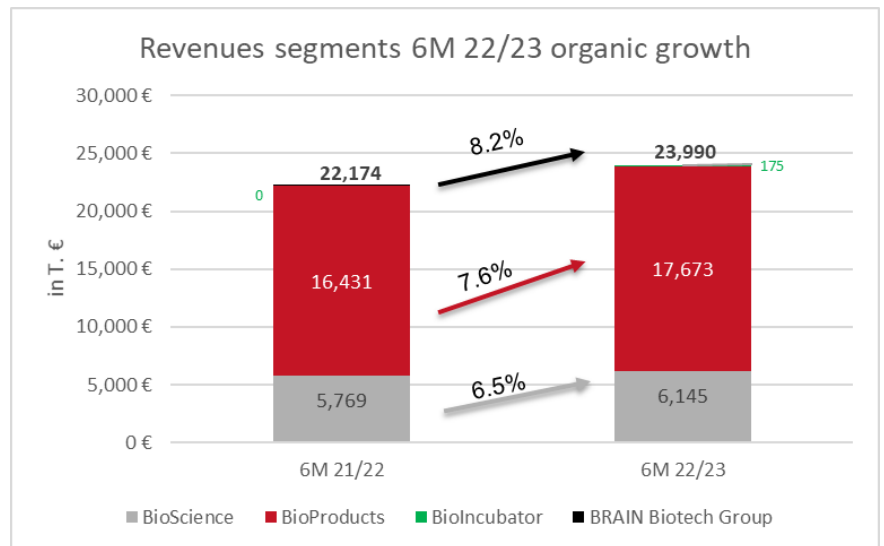
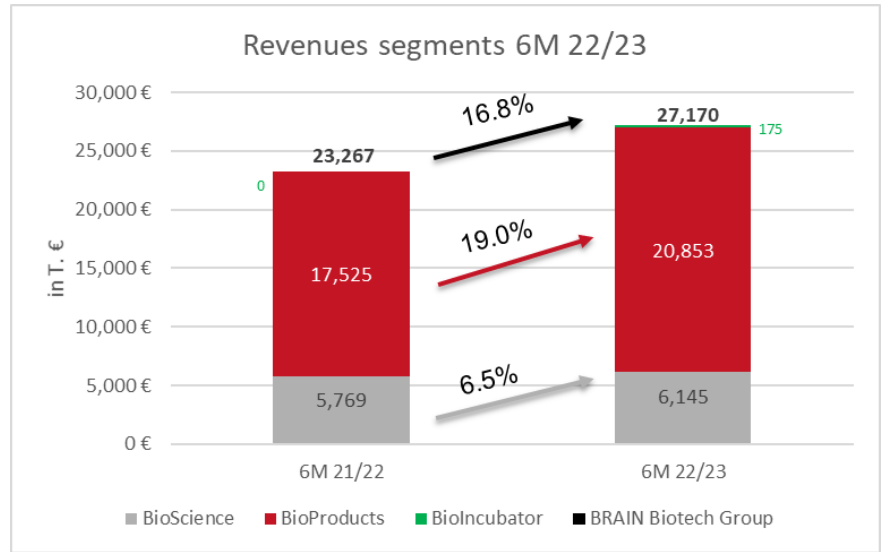
- Lower trade payables and other liabilities, mostly timing
- L.A. Schmitt GmbH divestment income
- Increased debt financing preparing for Biocatalysts minority buyout
- Limiting FY CAPEX to lower end of guidance

Long-Term Revenue Growth Trajectory

strong growth driven by Biocatalysts operations, Breatec inclusion



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

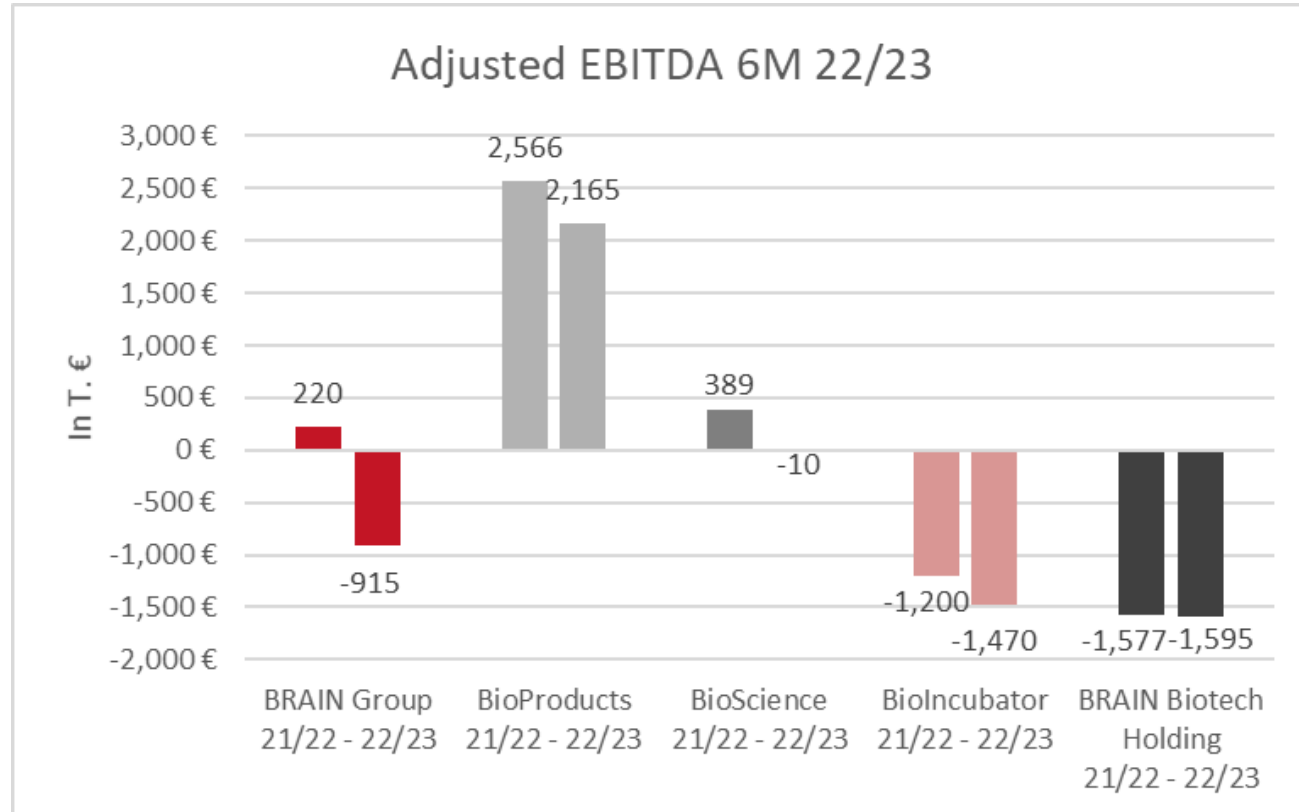


*purchase BioCatalysts Ltd. **divestment Monteil Cosmetics ***purchase BioSun ****Breatec integration for 8 months



Adjusted EBITDA

burdened by inflationary costs pass-on, weaker product mix & rising expensed investments for Akribion Genomics



Group adj. EBITDA improvement lagging due to:

- **BioScience:** rising personnel costs, wage inflation & higher number of employees, roll-over with time lag, lower milestones in quarter
- **BioIndustrial:** absolute rise but adverse mix effects, rising personnel numbers and personnel cost inflation, 2nd fermenter start-up interruptions and costs
- **Akribion Genomics:** rising expensed investments
- **Holding:** constant costs despite service cost inflation

Akribion Genomics investments @ 6M ~€1.3 million (LY ~€1.0 million)

➤ Second large scale fermenter commissioning



General Risk Factor Update

ongoing business risk monitoring

Summary:

BRAIN Group: overall business growth remains solid. Supply chain still partially stretched but easing. Inflationary pressures remain high and require tight monitoring. General business cycle risk increasing

Current Situation: Certain supply chain constraints still persist, mostly caused by consequential effects of the pandemic. Ongoing high inflationary pressures on material, energy and labor costs. SolasCure Phase 2a clinical trials now finalized (~9 months delays incurred due to the pandemic situation). Tight labor market conditions across all geographies: war for talent.

Future Challenges: General business cycle risk with stagflation or recession as a possible scenario. US growth engine weakening. China with slow recovery. Hence, European main export markets challenged. Geopolitical stress and risk remains high. Rising interest rates diminish general interest in growth assets.



Our Targets – Confirmed

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



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



ANNUAL REPORT
Publication of the annual report as of September 30th, 2023 (12M)
January 17th, 2024



QUARTERLY STATEMENT
Publication of the quarterly statement as of December 31st, 2023 (3M)
February 28st, 2024



ANNUAL GENERAL MEETING
Annual General Meeting (FY 2022/23)
March 12th, 2024



Thank you very much for your interest.

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