

BRAIN Biotech AG

Creating a #BiobasedFuture

Management Statement 9M, FY 2022/23

Adriaan Moelker, CEO

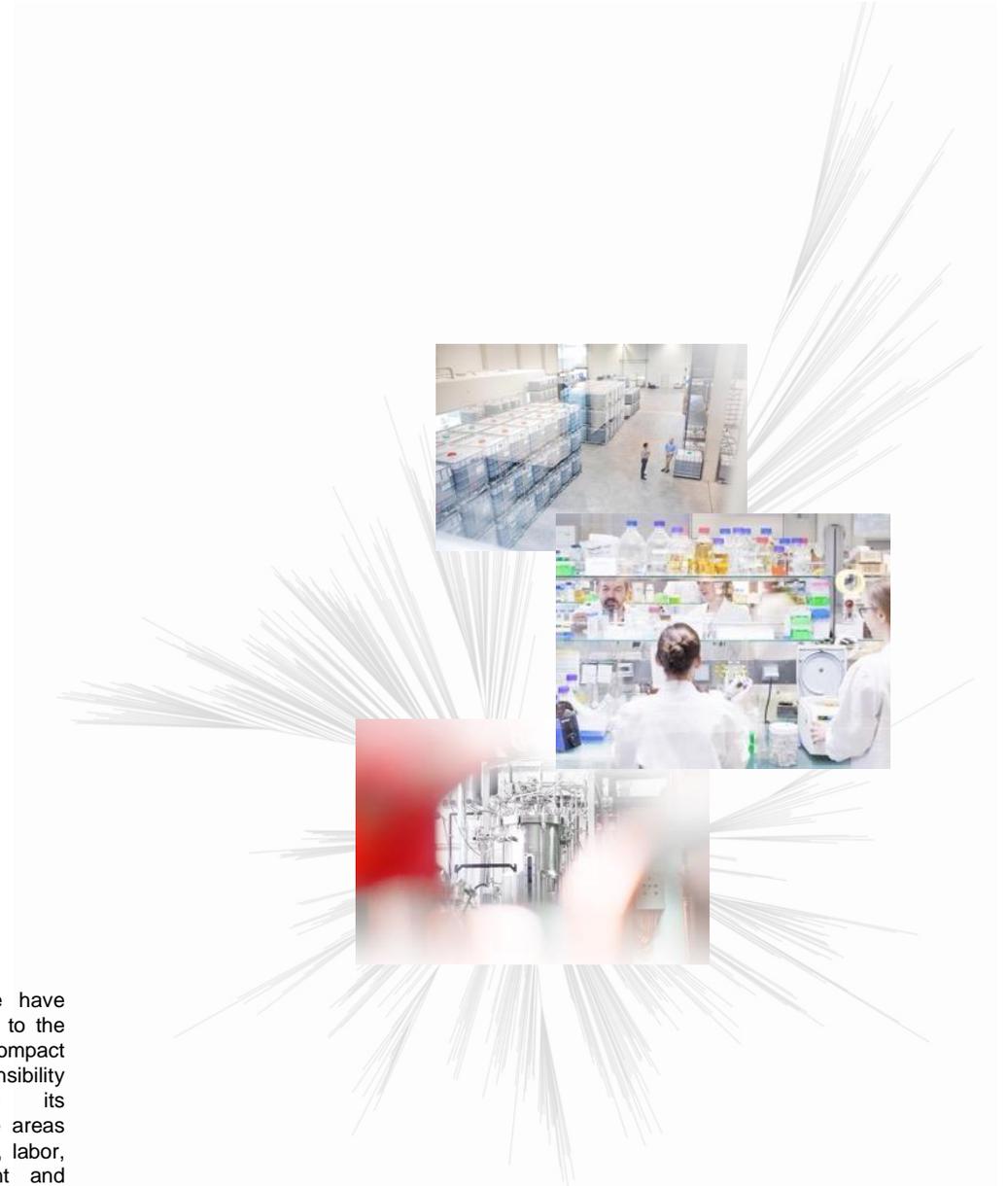
Michael Schneiders, CFO

Zwingenberg, August 30th, 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 9M 22/23

Staying on-track for the FY targets

➤ Akribion Genomics License Revenues

- first license sales in healthcare with strong partner
- additional license sale to BioProducts customers
- ongoing USP for TMS and TMS+ business

➤ Deucricitibant (PHA121)

- strong progress by Pharvaris

➤ One BioProducts strategy now on the finishing line

- after successful buyout of Biocatalysts Ltd. minorities all industrial assets will be bundled under the legal roof of Biocatalysts as of the end of this FY
 - efficient organization
 - creating a Multi-Specialist Enzyme Champion
 - financing at the level of Biocatalysts
 - strong future integration with Zwingenberg R&D capabilities and proprietary genome-editing technology

➤ Group Cash position at EUR 5.3 million despite Biocatalysts minority purchase , solid

➤ FY and mid-term **targets remain unchanged** within guidance range



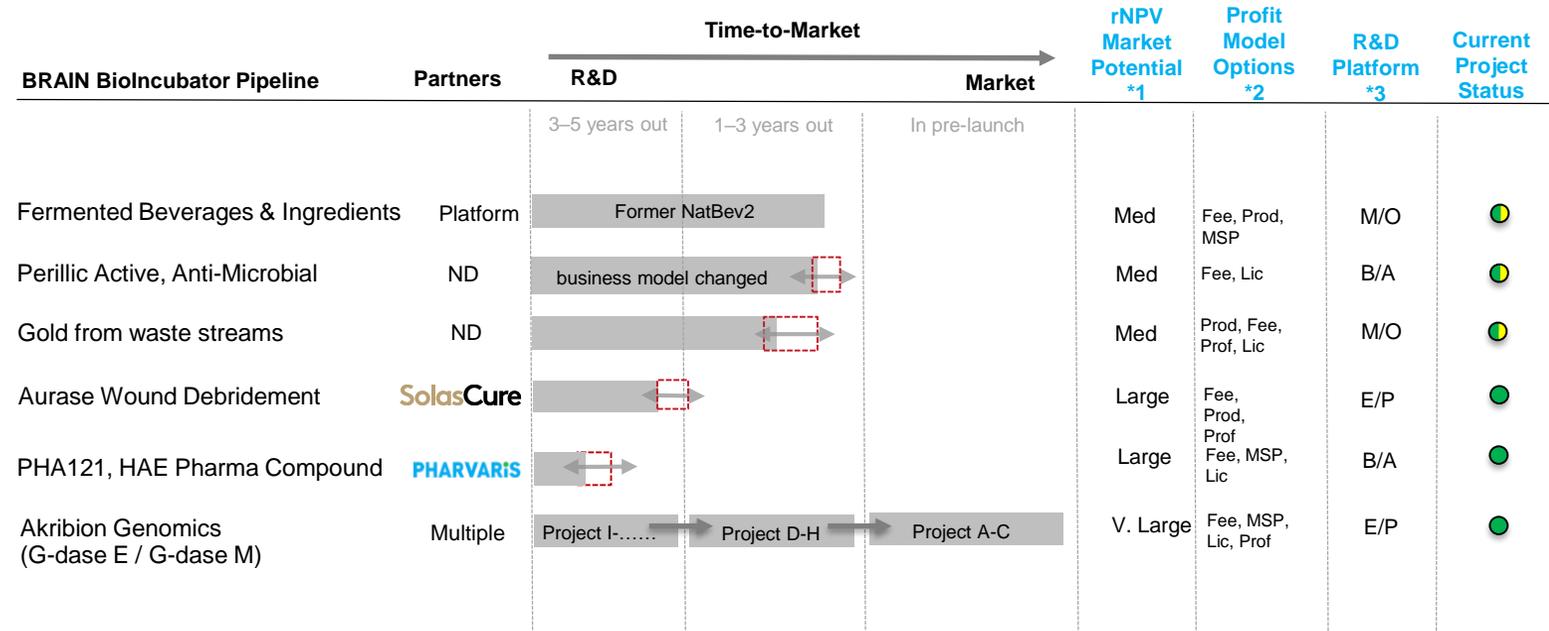
Deucrictibant (PHA121)

- Pharvaris completed \$70 million private placement; cash and cash equivalents of €179 million as of June 30th, 2023
- Clinical hold lifted on Deucrictibant for the on-demand treatment of HAE; initiation of global **Phase 3 clinical study** (RAPIDe-3) anticipated by YE2023. The resolution of the hold has enabled Pharvaris to resume RAPIDe-2 in the U.S., an open-label extension study of RAPIDe-1 evaluating PHVS416 for the on-demand treatment of HAE attacks.
- Enrollment completed in Phase 2 CHAPTER-1 prophylactic study; top-line data anticipated by YE2023
- Two main clinical research programs:
 - PHVS416 (immediate-release deucrictibant capsules) is an investigational drug intended to treat acute attacks of hereditary angioedema (HAE)
 - PHVS719 (extended-release deucrictibant tablets) is an investigational drug intended to prevent attacks of hereditary angioedema (HAE)

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



Financial Highlights 9M FY 2022/23 at a Glance

Strong BioScience, BioProducts growth held back by technical commissioning issues

| (in € thousand) | 9M 2022/23 | 9M 2021/22 | Growth | Organic Growth | Q3 2022/23 | Q3 2021/22 | Growth | Organic Growth | Comment |
|---------------------------------|---------------|---------------|---------|-------------------|---------------|---------------|---------|-------------------|---|
| Revenues | 40,393 | 35,974 | 12.3% | 7.9% | 13,223 | 12,707 | 4.1% | 6.5% | Solid organic 9M growth |
| BioProducts | 30,346 | 27,530 | 10.2% | 3.9% | 9,493 | 10,005 | -5.1% | -2.4% | |
| BioScience | 9,564 | 8,543 | 12.0% | 12.0% | 3,244 | 2,774 | 17.0% | N/A | Milestones 89K 9M 22/23 Milestones 188K 9M 21/22 |
| BioIncubator | 495 | 0 | N/A | N/A | 320 | 0 | N/A | N/A | Akribion License Sales |
| Total operating performance (1) | 41,777 | 37,188 | 12.3% | | | 12,975 | 5.5% | | |
| Adjusted EBITDA (2) | -920 | -192 | -379.0% | | -5 | -412 | 98.8% | | (-) 557K ESOP 9M (-) 132K One BioProducts |
| EBITDA | -1,609 | -1,442 | -11.6% | | -260 | -717 | 63.7% | | |
| EBIT | -4,958 | -4,640 | -6.9% | | -1,394 | -1,857 | 25.0% | | |
| Net Result | -6,445 | -6,205 | -3.9% | | -1,836 | -2,456 | 25.2% | | |
| Operating Cash Flow | -4,480 | -1,032 | -334.1% | | 1,078 | 30 | 3546.2% | | |
| | 30.06.2023 | 30.09.2022 | | | | | | | |
| Cash | 5,321 | 8,443 | -37.0% | -27.1% | | | | | |

| | 9M 22/23 | 9M 21/22 | Growth | Organic Growth |
|------------------------------|----------|----------|------------|-------------------|
| Number of Employees (3) | 308 | 309 | -0.3% | 8.4% |
| Material Expense Ratio | 46.2% | 44.4% | 1.8% PP. | - 0.5% PP. |
| Adj. Personnel Expense Ratio | 40.8% | 42.5% | - 1.6% PP. | 1.0% PP. |

Major Events 9M '22/'23:

- **Biocatalysts** solid organic growth of base business; technical issues commissioning second large scale fermenter burdening growth & margin
- **Breatec** very good performance and strong order pipeline; **Biosun** flat flavors business; **WeissBioTech** ongoing recovery in revenue and EBITDA
- **BioScience** very strong growth, this quarter driven by AnalytiCon Discovery library sales, solid Zwingenberg
- **BioIncubator** pleasing Akribion Genomics license income
- **Adjusted EBITDA**, adjustments for ESOP of EUR 557K and One BioProducts EUR 132K integration costs

➤ Akribion Genomics gross investments
@ 9M ~€2.7 million (LY ~€1.4 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 annual report

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

Cash & Cash Flow

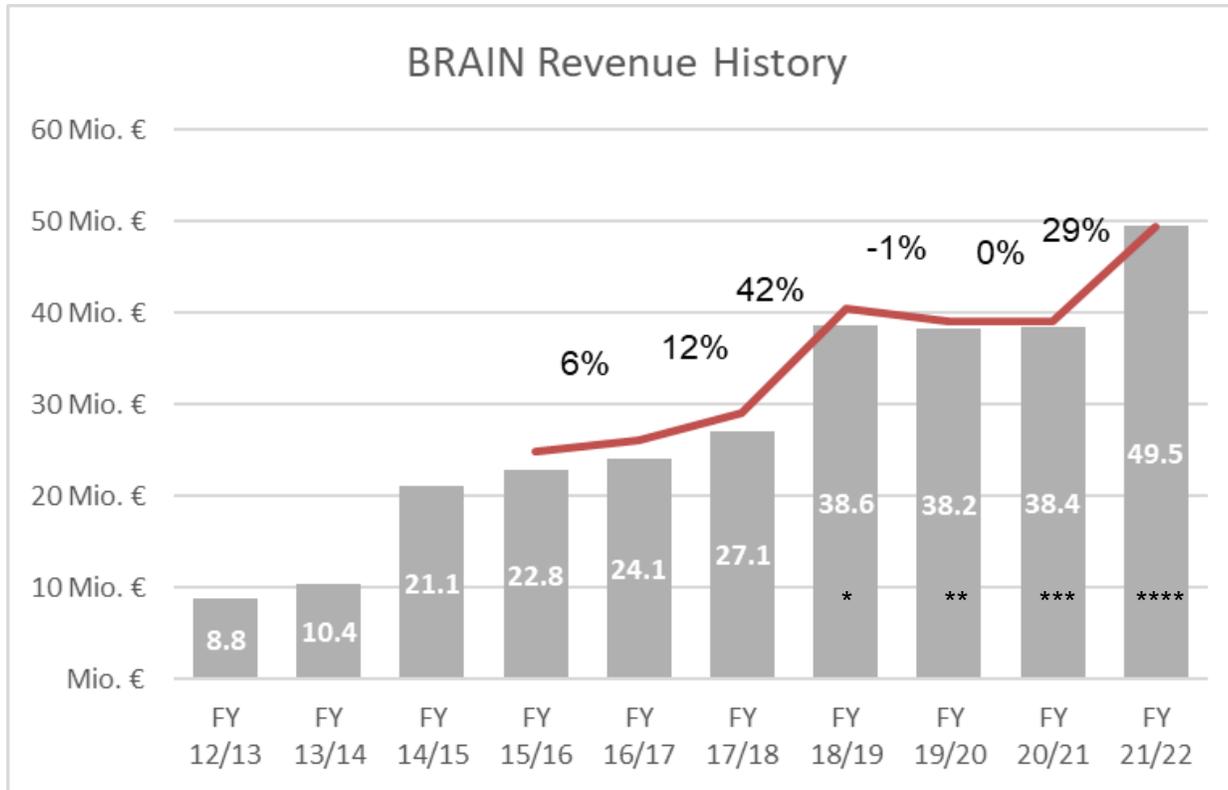
Overall cash position remains solid, additional financing measures in funnel

| (in € thousand) | 9M 2022/23 | 9M 2021/22 | Growth | Q3 2022/23 | Q3 2021/22 | Growth | Comment |
|--|---------------|---------------|---------|---------------|---------------|---------|---|
| Gross Cash Flow | -4,026 | -3,695 | -8.9% | -1,228 | -1,494 | 17.8% | |
| Operating Cash Flow | -4,480 | -1,032 | -334.1% | 1,078 | 30 | 3546.2% | mostly payables/receivables timing |
| Investing Cash Flow | 1,070 | -8,653 | 112.4% | -623 | -2,029 | 69.3% | LAS divestment, lower CAPEX |
| Financing Cash Flow | 203 | -1,584 | 112.8% | -4,404 | -1,073 | -310.6% | delta refinancing activities, minorities purchase |
| Net change in Cash & Cash Equivalents | -3,207 | -11,269 | 71.5% | -3,950 | -3,073 | -28.6% | |
| | 30.06.2023 | 30.09.2022 | | | | | |
| Cash | 5,321 | 8,443 | -37.0% | | | | |
| Equity | 24,595 | 34,248 | -28.2% | | | | |

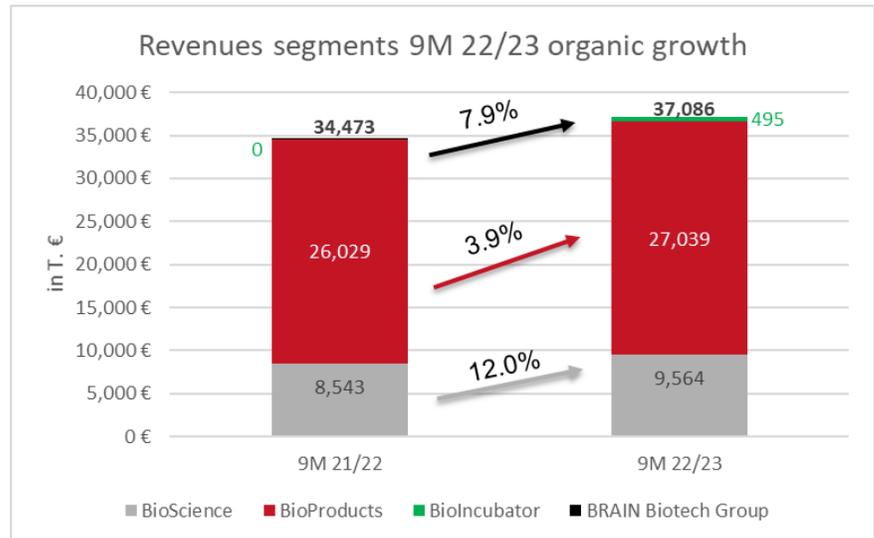
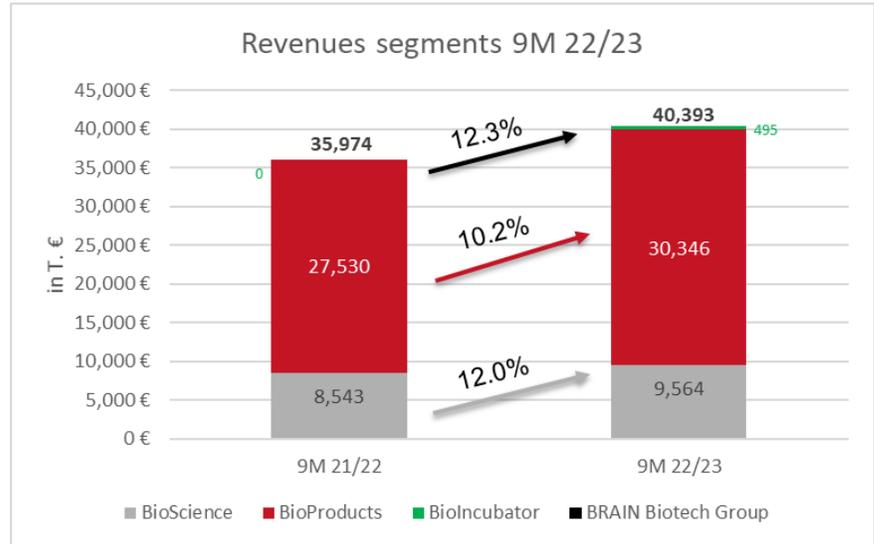
- Undrawn credit lines available and working on new financing options for FY 23/24
- Operating CF: lower trade payables and other liabilities, mostly timing (improved from 6M)
- Increased debt financing following Biocatalysts minority buyout, total purchase price of GBP 8.3 million for the two final 19.35% minority stakes

Long-Term Revenue Growth Trajectory

Solid growth versus weakening industrial environment



- Staying on growth trajectory from last year
- Growth: solid organic plus Breatec inclusion, especially versus market
- Both segments continue to contribute healthily

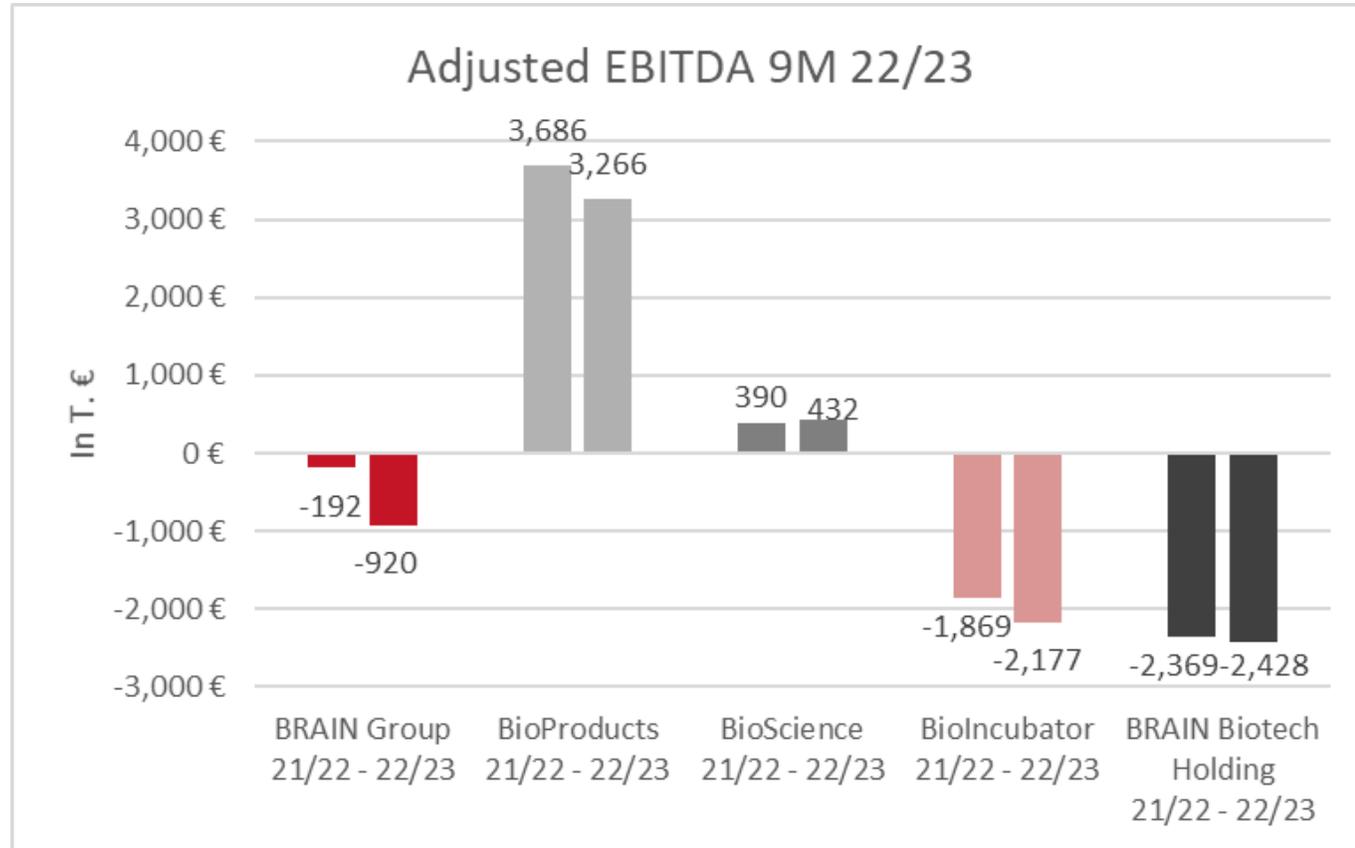


*purchase BioCatalysts Ltd. **divestment Monteil Cosmetics ***purchase BioSun ****Breatec integration for 8 months



Adjusted EBITDA

Burdened by commissioning, weaker product mix & rising expensed investments for Akribion Genomics



Group adj. EBITDA improvement lagging due to:

- **BioScience:** strong library sales but wage & material cost inflation roll-over with time lag, lower milestones YtD
- **BioProducts:** main effect worsening mix due to second fermenter start-up interruptions and commissioning issues; Biocatalysts lower sales and profit contribution; Breattec / WBT strong
- **Akribion Genomics:** rising expensed investments 9M versus license income Q3
- **Holding:** constant costs despite high service cost inflation, good overall cost control

- Akribion Genomics gross investments @ 9M ~€2.7 million (LY ~€1.4 million)
- Second large scale fermenter commissioning issues, delayed to FY QIV



General Risk Factor Update

Ongoing business risk monitoring

Summary:

BRAIN Group: overall business growth remains solid. Supply chain remains partially stretched but easing further. Inflationary pressures remain high and require tight monitoring. General business cycle risk increasing further. Second large scale fermenter commissioning delayed to FY Q4 due to technical issues

Current Situation: Certain supply chain constraints still persist. Ongoing high inflationary pressures on material, energy and labor costs with time-lag to pass-on. Some de-stocking effects. 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. Limited easing on energy costs.

Future Challenges: General business cycle risk with stagflation or recession as a possible scenario. US growth engine weakening. China no recovery. Hence, European main export markets challenged. Geopolitical stress and risk remains high. Rising interest rates diminish general interest in growth assets. Refinancing conditions for start-ups and Biotech sector increasingly stretched.



Our Targets – Confirmed within Range

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, 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

Financial Calendar



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



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

 @BRAINbiotech

 BRAIN AG

