

BRAIN Biotech AG

Creating a #BiobasedFuture

Baader Investment Conference 2024

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Michael Schneiders, CFO

Munich, September 23rd, 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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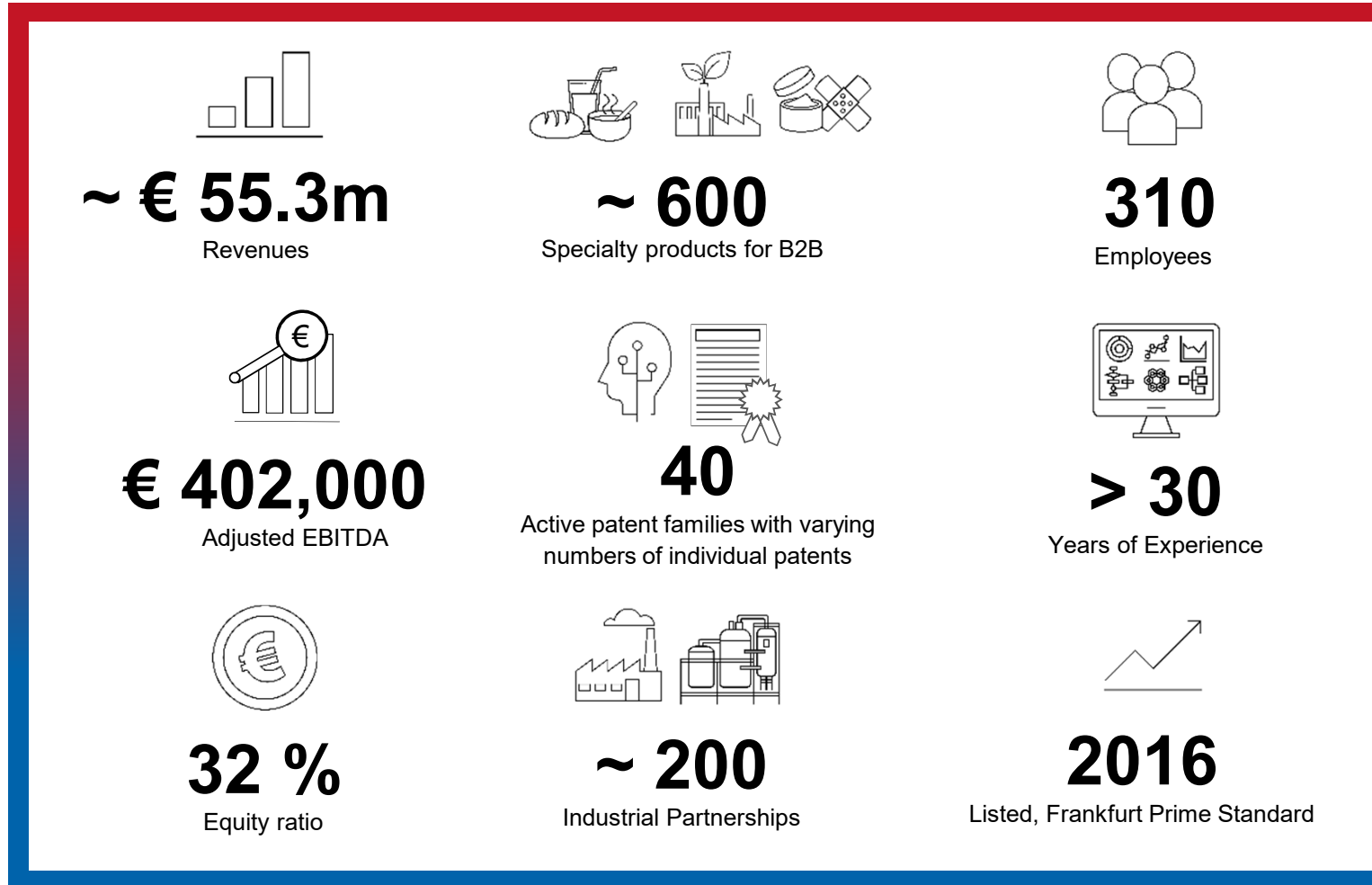
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Who is BRAIN Biotech?

investing in the century of the bioeconomy



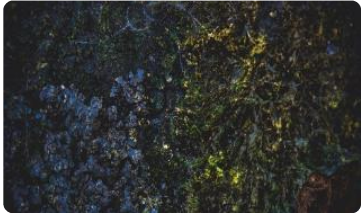
All figures FY 2022/23

Why Does Biotech Matter to You?

sustainability through biotechnology



Climate change & exceeding the **earth's limits**



Nature is our role model for **solving complex problems**



Comprehensive technology package: valuable for **various fields of application & markets**



We have the methods & skills to **seriously** counteract climate change towards a **biologized & sustainable industry**

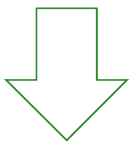


#BRAINImpact: Projects and enabling Technologies

solutions provider for the megatrends, sustainability embedded



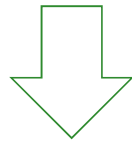
Food security and improved nutrition



Natural preservatives
Milk without the cow
Plant based proteins



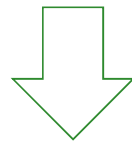
Improving health and well-being



Natural sweetener
Salt reduction
Drug API development
Enzymatic wound care



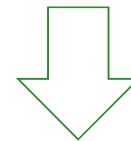
Minimizing pollutants in industrial processes



Urban mining
Battery recycling
Utilize food sidestreams



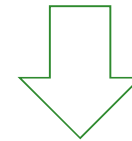
Promoting sustainable industrialization



CO₂ as feedstock
Enzymatic syntheses
Biolubricants



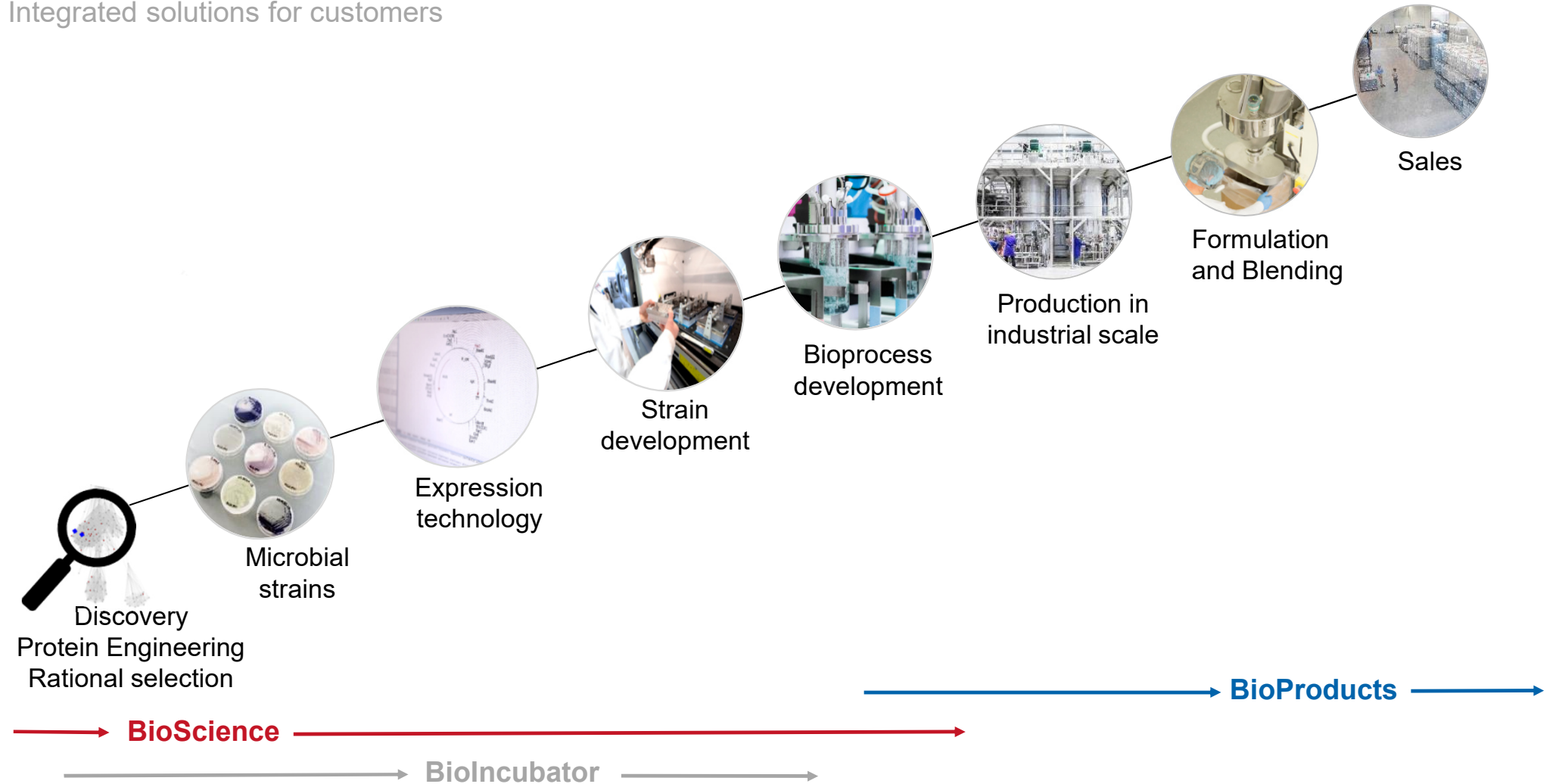
New techniques for precise gene editing



Enabling technology
Fast & precise
Novel mode of action

BRAIN Biotech as a solutions provider across the value chain

Integrated solutions for customers



Enabling Bio-Process Driven Production

from design to industrial scale production



Process design & development

- Process simulation
- Fermentation: 1 L – 200 L



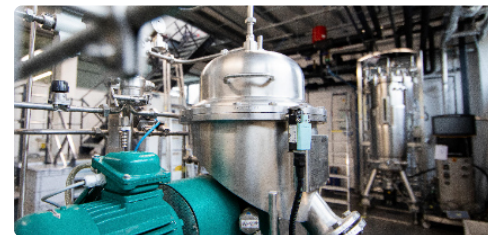
Scale up

- Fermentation: 70 L – 750 L
- DSP scale up



Industrial production

- Fermentation: 2 x 10m³
- Regulatory & Quality
- Manufacturing



Downstream processing (DSP)

- Product purification
- Analytics for product characterization

▶ **Seamless transition from production strain development to the finished enzyme product**

MetXtra – Find Your Unique Enzyme

over 30 years of experience combined with Bioinformatics, Machine Learning & AI



MetXtra™ Suite ▶ BRAIN Biotech's Enzyme Discovery Technology

- MetXtra™ db** ▶ Proprietary sequence database (99.8% novelty)
- MetXtra™ ai** ▶ AI predictions for enzyme selection
- MetXtra™ sb** ▶ Structural bioinformatics for enzyme selection
- MetXtra™ ds** ▶ Design of artificial enzymes via bioinformatics and AI

Efficient & transparent Organization

aligning external reporting with business accountability

B·R·A·I·N Biotech AG

BioProducts

Enzyme products, microorganisms & ingredients



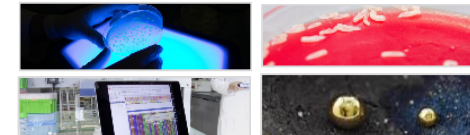
BioScience

R&D services for tailor-made solutions



BioIncubator

Projects & participations to create innovative solutions



UK – Germany – Netherlands - USA

B·R·A·I·N Biotech Zwingenberg

AnalytiCon discovery



~ €42.5m Annual Revenues
~ 13% + adj. EBITDA Margin

~ €12.3m Annual Revenues
~ 6% adj. EBITDA Margin

Create Additional Upside via TMS + *

~ €0.6m Annual Revenues
~ €4m Total Investments
thereof ~ €3.3m Akribion Genomics
Gross investment

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

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

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



- Further increased focus
- Risk sharing with partners
- IP driven / capital light
- Commercialize



- Spin-out
- Growth financing & focus
- Therapeutics Opportunity



- Evaluate all options post Phase 2a
- De-risk financially
- Keep royalty upside



- TMS / Milestones / Royalty
- Clinical fully partner driven
- Explore similar projects

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

Business Highlights 9M FY 2023/24: BioProducts

stable YoY but with excellent starting positions for future growth

➤ **BioProducts**

➤ **Baking Enzymes continues on a very strong growth path – well ahead of market growth rate**

- new key accounts
- active mix management

➤ **Beverages and Starch processing enzymes fully turned around**

- back on the growth path
- improved product mix
- strong margin generation – EBITDA positive
- new key accounts

➤ **Food specialities and Fermentation stable YOY**

- commissioning 2nd fermenter delayed expansion

➤ **Overall sales acceleration still expected in Q IV**

➤ **USA business – new leader in place now; planning for substantial growth**

➤ **Relatively heavy investment in people to drive and sustain also future sales growth**

➤ **Accelerated synergy capture in Biocatalysts: shared services and best practices**

Business Highlights 9M FY 2023/24: BioScience

strong project pipeline for 2024/25

➤ **TMS**

- business facing tougher market conditions; lack of demand as innovation budgets are reduced/postponed
- recruited new TMS-Enzymes lead for business development - Dr. Erik de Vries

➤ **Strong progress on Akribion**

- continued substantial investment
- excellent scientific results in using G-dase enzymes for both therapeutics and industrial purposes
- spin out remains our target for Therapeutics whilst retaining all industrial use rights at BRAIN

➤ **Unnamed partner for Brazzein**

- focus on cost-in-use reduction; improve/expand market reach

➤ **BioGold: Transfer of BioXtractor to partner completed**

- business model expansion currently being negotiated with partner

➤ **Perillic Active**

- new partner negotiations
- market potential limited given competitive technologies on the market

➤ **SolasCure**

- competitive activity: further proof that the market is looking for and investing in enzymatic debridement
- preparing Phase 2b

Royalty Purchase Agreement with Royalty Pharma – Financial Terms

forwarding cash receipts, de-risking this very large BioIncubator program

- **Total possible proceeds from deucricitibant of up to €137,88 million**

- **Deucricitibant licensed to Pharvaris**
 - Potential milestone payments of up to **€9.0** million stay with BRAIN

- **Royalty Purchase Agreement with Royalty Pharma, up to €128.88 million**
 - **€18.41** million upfront payment
 - Up to **€18.42** million nearer-term regulatory milestones
 - Up to **€92.05** million mid- to long-term sales related milestones

Financial Highlights 9M FY 2023/24 at a Glance

major milestone income in BioIncubator –BioScience with weakening momentum since Q1

| (in € thousand) | 9M 2023/24 | 9M 2022/23 | Growth | Organic Growth | Q3 2023/24 | Q3 2022/23 | Growth | Organic Growth | Comment |
|---------------------------------|---------------|---------------|--------|-------------------|---------------|---------------|--------|-------------------|---|
| Revenues | 40,394 | 40,393 | 0.0% | 0.0% | 13,190 | 13,223 | -0.2% | -0.2% | |
| BioProducts | 30,369 | 30,346 | 0.1% | 0.1% | 10,550 | 9,493 | 11.1% | 11.1% | |
| BioScience | 8,526 | 9,564 | -10.9% | -10.9% | 2,704 | 3,244 | -16.7% | N/A | Milestones €210k 9M 23/24 Milestones €89k 9M 22/23 |
| BioIncubator | 1,630 | 495 | 229.4% | N/A | 29 | 320 | N/A | N/A | Pharvaris Milestone (€1,500k), Akribion License & TMS Sales |
| Total operating performance (1) | 40,834 | 41,777 | -2.3% | N/A | 13,477 | 13,683 | -1.5% | N/A | |
| Adjusted EBITDA (2) | -1,193 | -920 | -29.6% | N/A | -712 | -5 | N/A | N/A | (-) €694K ESOP 9M FY23/24 (-) €557K ESOP 9M FY22/23 |
| EBITDA | -1,888 | -1,609 | -17.3% | N/A | -974 | -260 | N/A | N/A | |
| EBIT | -5,402 | -4,958 | -9.0% | N/A | -2,149 | -1,394 | -54.2% | N/A | |
| Net Result | -7,168 | -6,445 | -11.2% | N/A | -2,563 | -1,836 | -39.6% | N/A | |
| Operating Cash Flow | -2,670 | -4,480 | 40.4% | N/A | 516 | 1,078 | -52.1% | N/A | |
| | 30.06.2024 | 30.09.2023 | | | | | | | |
| Cash | 12,966 | 5,352 | 142.3% | 142.3% | | | | | |

| | 9M 23/24 | 9M 22/23 | Growth | Organic Growth |
|------------------------------|----------|----------|------------|-------------------|
| Number of Employees (3) | 309 | 309 | 0.0% | 0.0% |
| Material Expense Ratio | 42.5% | 46.2% | - 3.7% PP. | - 3.7% PP. |
| Adj. Personnel Expense Ratio | 43.0% | 40.8% | 2.1% PP. | 2.1% PP. |

➤ Akribion Genomics gross investments
@ 9M ~ € 2.3 million (9M LY ~ € 2.7 million, timing)

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

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

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

Major Events 9M '23/'24:

- **BioProducts:** Q3 on Q2 level but not strong enough to overcompensate weak Q1, still acceleration in Q4 expected; high growth momentum especially at Breatec maintained; WeissBioTech keeps improving
- **BioScience:** strong Q1; business weakened over the quarters: delay in project intake and lower library sales to pharma
- **BioIncubator:** with EUR 1.5 million gross deucricitibant milestone from Pharvaris in Q2; additional license revenue from Akribion Genomics activities
- **Adjusted EBITDA:** only adjustments for ESOP of € -694k

Cash & Cash Flow

cash position significantly strengthened; all financing measures successfully executed

| (in € thousand) | 9M 2023/24 | 9M 2022/23 | Growth | Q3 2023/24 | Q3 2022/23 | Growth | Comment |
|--|---------------|---------------|---------|---------------|---------------|--------|---|
| Gross Cash Flow | -6,179 | -4,026 | -53.5% | -1,809 | -1,228 | -47.3% | |
| Operating Cash Flow | -2,670 | -4,480 | 40.4% | 516 | 1,078 | -52.1% | Active WC and receivables management |
| Investing Cash Flow | -1,338 | 1,070 | -225.1% | -609 | -623 | 2.3% | Divestment of L.A.Schmitt €3mio in 3M 22/23 |
| Financing Cash Flow | 11,574 | 203 | 5600.7% | 2,870 | -4,404 | 165.2% | Strong refinancing activities |
| Net change in Cash & Cash Equivalents | 7,566 | -3,207 | 335.9% | 2,777 | -3,950 | 170.3% | |
| | 30.06.2024 | 30.09.2023 | | | | | |
| Cash | 12,966 | 5,352 | 142.3% | | | | |
| Equity | 17,562 | 23,013 | -23.7% | | | | |

- Overall strong cash position now at € 13 million (up from € 10 million at 6M)
- Additional financing recorded since 6M:
 - € 5 million non-dilutive financing: silent participation Hessen Kapital, € 4.1 million net cash-in after repayment Hessen Kapital I
 - additional non-dilutive measures with reach beyond 23/24 in negotiations
- Active working capital and receivables management improved operating CF

Our Targets

FY Guidance and Mid-Term Targets

Updated FY Guidance: lower end of initial sales guidance

Quantitative Guidance

Group sales: € 58 to 62 million

- BioProducts and BioScience both contributing

Adj. EBITDA

- to improve at least in-line with revenue development

Akribion Genomics

- associated expensed investments: ~ € 3.3 million (flat YoY)

Group CAPEX

- € 3 - 4 million

(as far as this guidance is concerned any changes in the consolidation scope are considered separately and do not form part of this forecast)

Mid-Term Targets - Unchanged

(issued 02/23; 4-6 year targets)

(excluding Akribion Genomics)

€ 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)

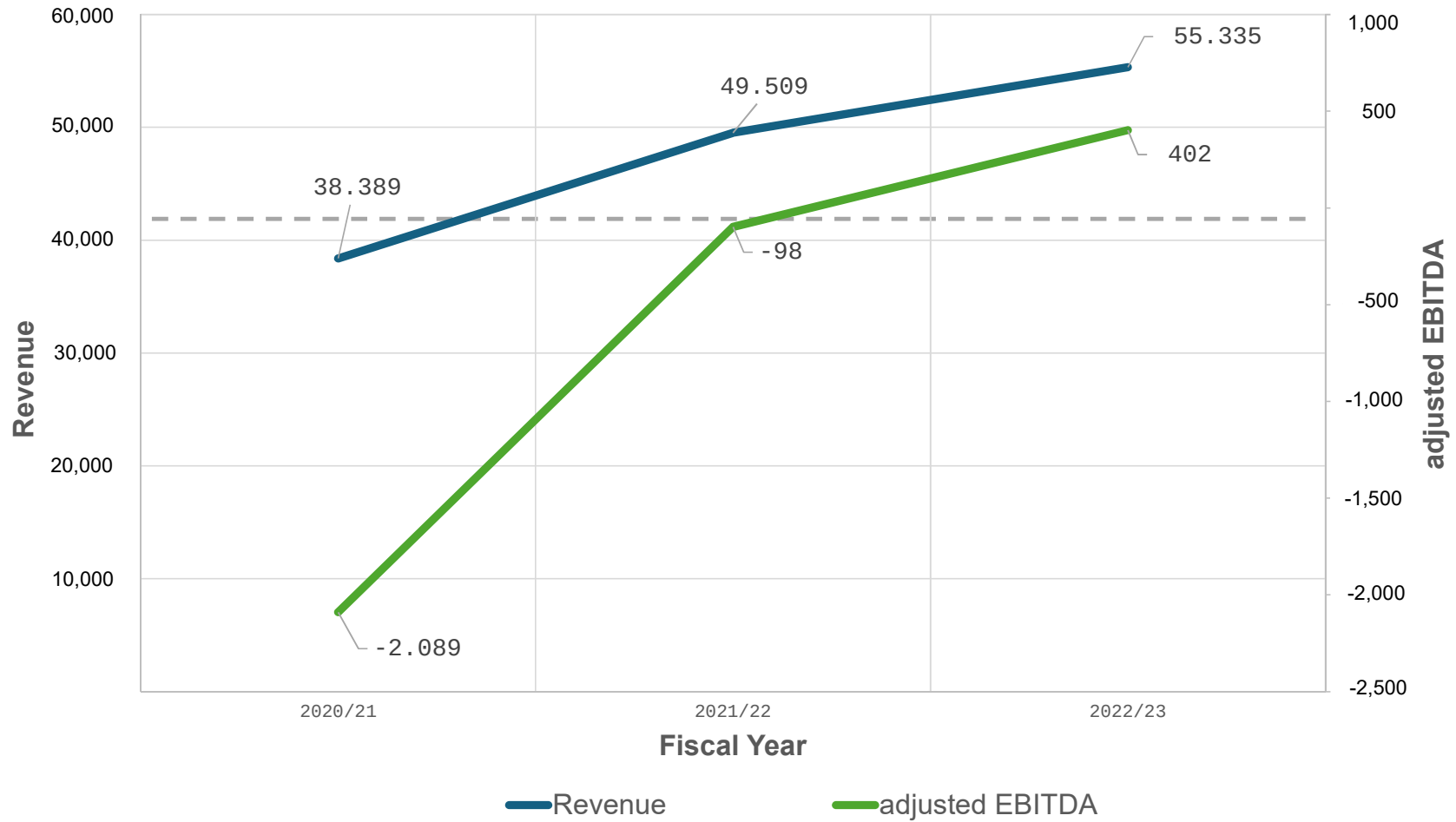
- Double digit fermentation production volume of customized novel enzymes
- Mid-single digit annual productivity improvements & synergies

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

- Continuous innovation pipeline management

Profitable sales growth is our objective

strong positive trend in our key performance indicators revenue & adjusted EBITDA



Why invest in BRAIN Biotech?

Five strong reasons



1. Clear strategy of profitable growth

Our goal is to be one of the world's top 10 enzyme companies.



2. Significant market opportunities

We have excellent market opportunities in our growth areas food, life sciences and environment



3. Growing demand for integrated solution providers

As an integrated provider of biotech solutions, we are a sought-after partner.



4. Enabler to advance the Bioeconomy

Industrial biotechnology is a cornerstone for a more sustainable, better future for the next generations.




5. Products and solutions directly address UN-SDGs

We develop products and solutions for our customers that directly address the following United Nations Sustainable Development Goals: 2, 3, 6, 9, 12 and 13.

Our analyst ratings

BioProducts and BioIncubator as value drivers

| Bank | Analyst | Price Target | Recommendation |
|---|----------------------|--------------|----------------|
|  | Leonildo Delgado | 15.00 € | Buy |
|  | Jan Koch | 10.00 € | Buy |
|  | Dr. Mohamad Vaseghi | 6.50 € | Buy |
|  | Nicolas Pauillac | 7.70 € | Buy |
|  | Dr. Christian Ehmann | 4.40 € | Buy |

Thank you very much for your interest.



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