

BRAIN Biotech AG

Creating a #BiobasedFuture

Deutsches Eigenkapitalforum 2024

Adriaan Moelker, CEO

November, 25th 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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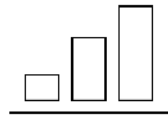
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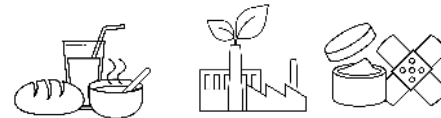
Who is BRAIN Biotech?

investing in the century of the bioeconomy



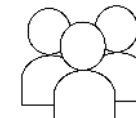
~ € 55.3m

Revenues



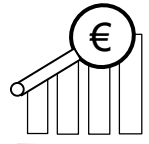
~ 600

Specialty products for B2B



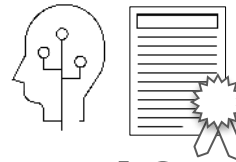
310

Employees



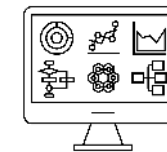
€ 402,000

Adjusted EBITDA



40

Active patent families with varying numbers of individual patents



> 30

Years of Experience



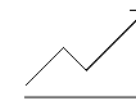
32 %

Equity ratio



~ 200

Industrial Partnerships



2016

Listed, Frankfurt Prime Standard

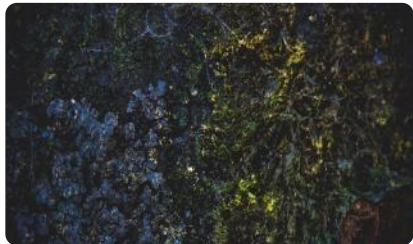
All figures FY 2022/23

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**

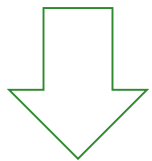


#BRAINimpact: Projects and enabling Technologies

solutions provider for the megatrends, sustainability embedded



Food security and improved nutrition

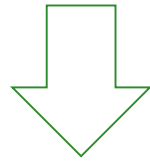


Food enzymes (beverage Baking, Dairy)

**Natural preservatives
Milk without the cow
Plant based proteins**



Improving health and well-being

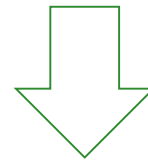


Life Science solutions

**Novel sweetener
Salt reduction
Drug API development
Enzymatic wound care**



Minimizing pollutants in industrial processes

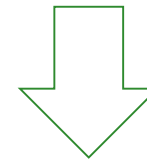


Starch processing Enzymes

**Urban mining
Battery recycling
Utilize food sidestreams**



Promoting sustainable industrialization

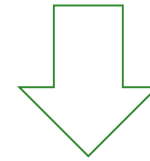


Dairy replacing proteins

**CO₂ as feedstock
Enzymatic syntheses
Biolubricants**



New techniques for precise gene editing

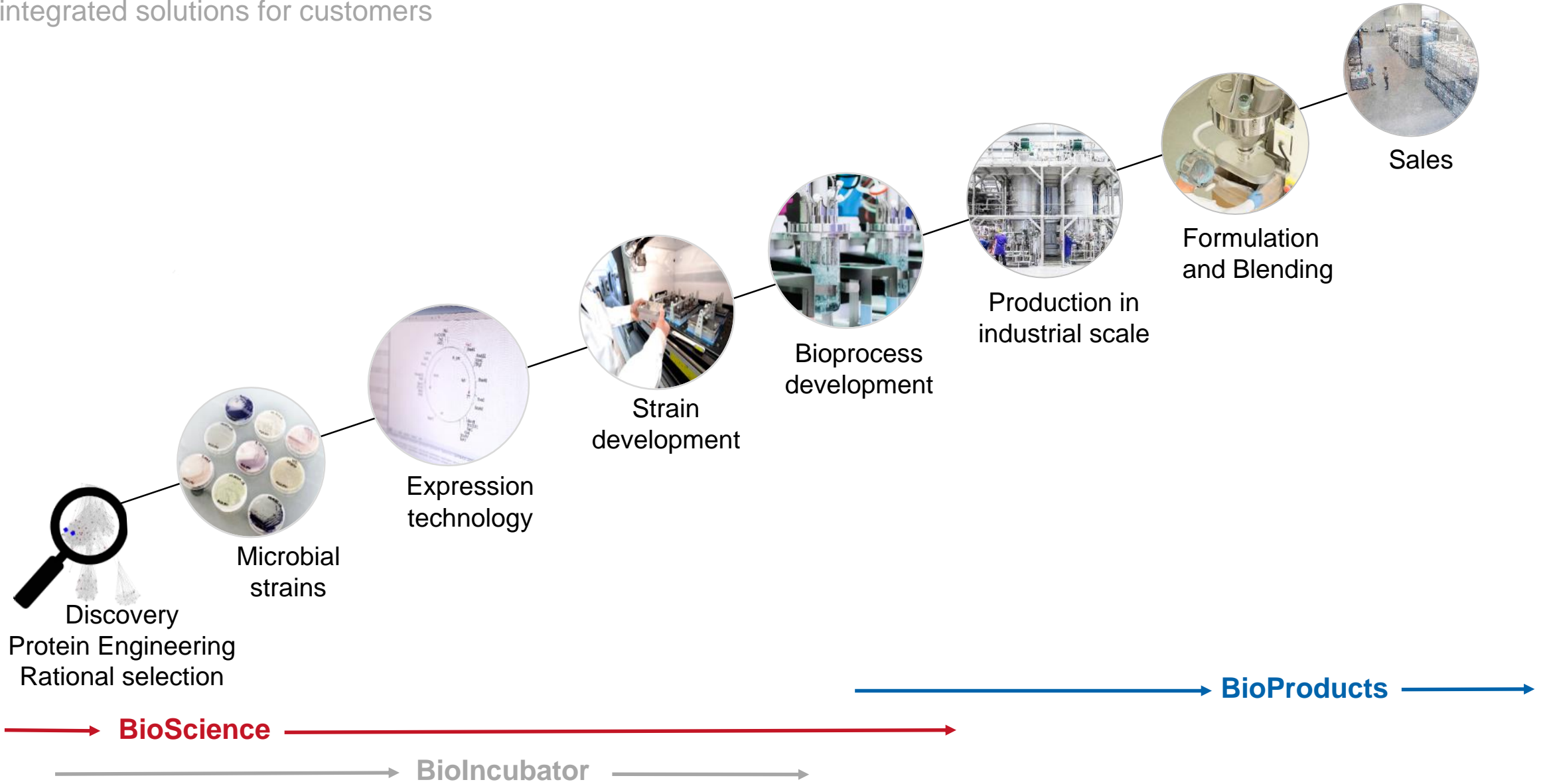


High-yield industrial Production microbes

**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



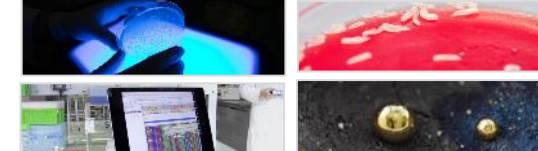
BioScience

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

B·R·A·I·N Incubator Akribion Genomics



SolasCure

PHA121

~ €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

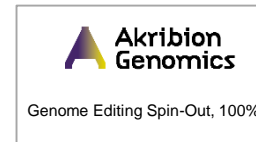


- Engine for One BioProducts & Incubator
- Enabling BRAIN as integrated solutions provider
- TMS+* driving future profitability

BioIncubator



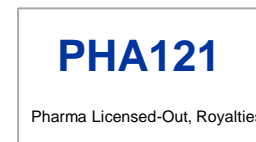
- Further increased focus
- Risk sharing with partners
- IP driven / capital light
- Commercialize



- 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 on a strong growth path
- Beverages and Starch processing enzymes back to growth after turn-around
- Food specialities and Fermentation very strong EBITDA
- USA businesses consolidation under one leader – key area for growth

➤ M&A strategy

- Opportunity pipeline

Business Highlights 9M FY 2023/24: BioScience

strong project pipeline for 2024/25

- **Pharvaris/Royalty Pharma deal concluded:** Up to €129m + €9m = €138m potential cash
- **Tailor Made Solutions:** Tougher market conditions as budgets are reduced
- **Akribion Therapeutics:** Venture Capital Consortium engaged for the next phase
- **Unnamed partner for Brazzein:** Focus on cost-in-use reduction and full-scale production trials
- **Unnamed partner for BioGold:** Transfer of BioXtractor to partner completed – model being expanded
- **Perillic Active:** New partner negotiations. Food, Cosmetics
- **SolasCure Wound cleaning enzyme:** Preparing 2025 phase 2b study

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)

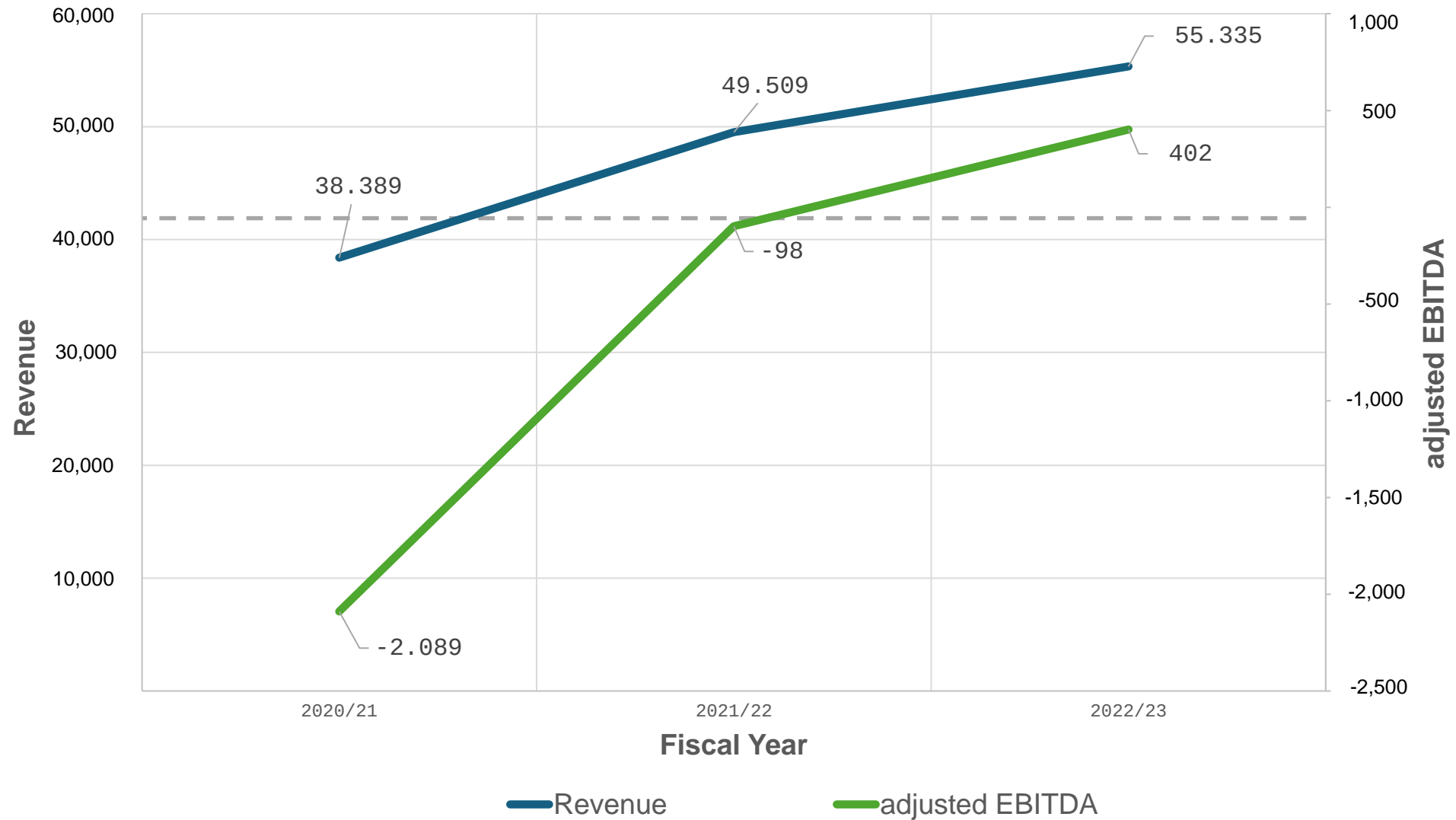
- Double digit fermentation production volume of customized novel enzymes
- Mid-single digit annual productivity improvements & synergies

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.

BRAIN Biotech CMD – December 12th in Zwingenberg

with an additional live stream

Planned Agenda:






1. BRAIN Biotech Group strategy and priorities. Our unique customer offering and 5-year outlook
Adriaan Moelker, CEO
2. BRAIN-Biocatalysts' unique technology and production platforms Andrew Ellis, VP Fermentation &
Andrew Ellis, VP Fermentation & Technology and Alexander Pelzer, Head of R&D
3. R&D spotlight: Enabling the circular economy by microbial upcycling Esther Gabor, Unit Head Microbial
Esther Gabor, Unit Head Microbial Strain Development
4. BioProducts: Growth initiatives and margin drivers
Daren Bryce, VP Food & Pharmaceuticals
5. Executing Vision 100
Michael Schneiders, CFO

For registration send an email to: ms@brain-biotech.com (Martina Schuster)

We are looking forward to welcoming you in Zwingenberg & Online

Our analyst ratings

BioProducts and BioIncubator as value drivers

Bank	Analyst	Price Target	Recommendation
	Konstantin Wiechert / Thomas Meyer	5.20 €	Buy
	Jan Koch	10.00 €	Buy
	Dr. Mohamad Vaseghi	6.50 €	Buy
	Nicolas Pauillac	7.70 €	Buy
	Dr. Christian Ehmann	5.90 €	Buy

Thank you very much for your interest.



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