

BRAIN Biotech AG

Creating a #BiobasedFuture

Management Statement 9M FY 2023/24

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Michael Schneiders, CFO

Zwingenberg, August 29th, 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 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

Business Highlights 9M FY 2023/24: General

strong cash position and good cost control

- **Cash on hand**
 - Group cash position now at a strong EUR 13 million
- **Maintaining strict cost discipline throughout the organization**
- **Launch of expanded Metagenome capability - MetXtra**
- **CMD 2024: envisioned for November/December**

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

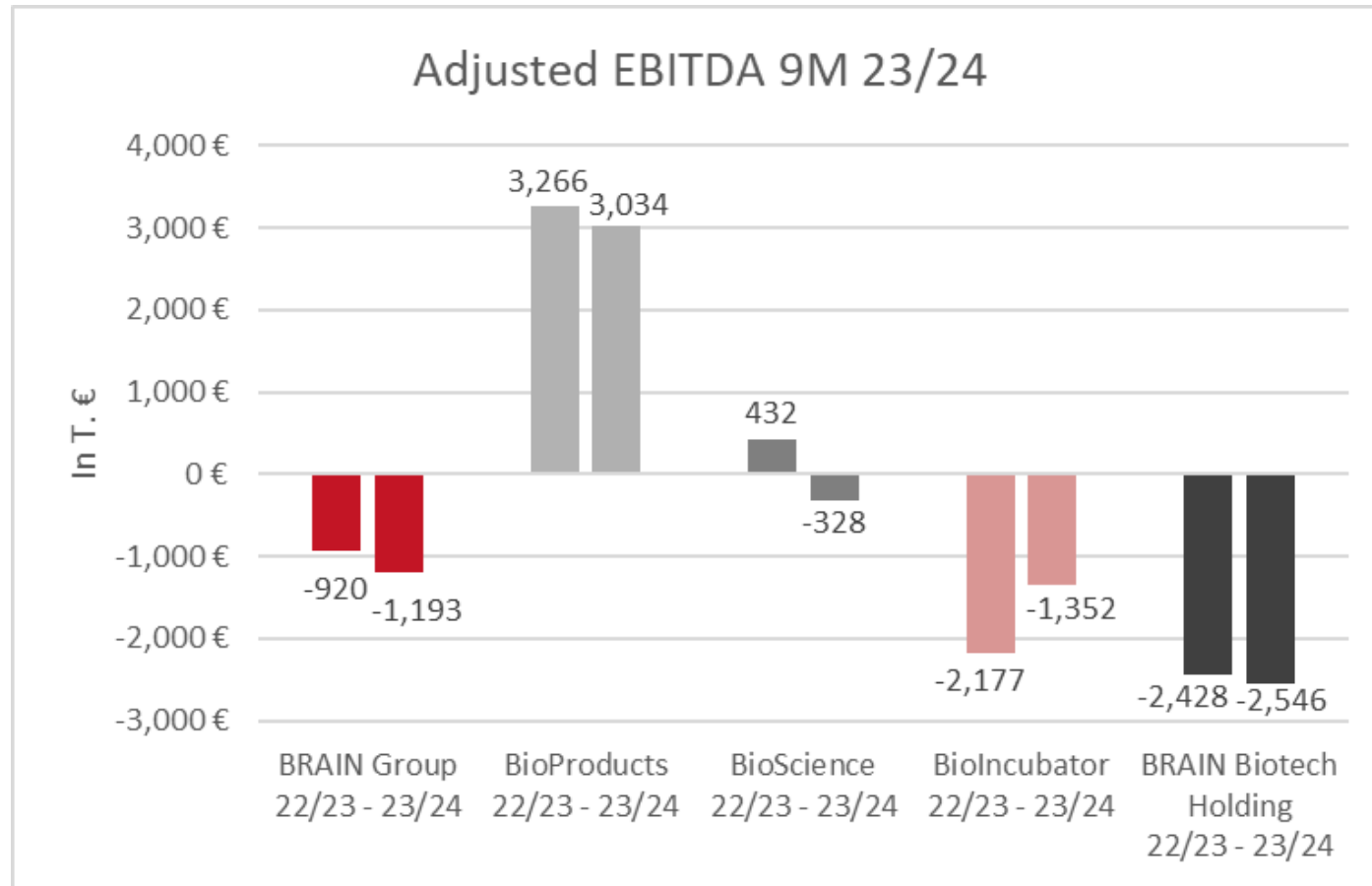
cash position significantly strengthened; all financing measures successfully executed

(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

Adjusted EBITDA

good cost discipline maintained



Milestones and strong cost discipline

- **BioScience:** weaker Q2 and Q3 after strong Q1; high ongoing cost discipline reflected in adjusted EBITDA
- **BioProducts:** lower adj. EBITDA driven by low Q1 sales, re-stocking at slower pace, negative mix effects and second large-scale fermenter teething problems throughout H1
- **BioIncubator:** strong milestone income, expensed investments for Akribion Genomics as guided for full year
- **Holding:** mild cost increase despite high service cost inflation, strong overall cost control maintained

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

General Risk Factor Update

ongoing business risk monitoring

Summary:

BRAIN Group: overall business remains solid despite an increasingly challenging overall macroeconomic environment. Inflationary pressures still present and require ongoing monitoring. Geopolitical risks remain high. Second large-scale fermenter ramped in FY Q2, adding production flexibility and growth potential.

Current Situation: ongoing and volatile inflationary pressures on material, energy and especially labor costs with potential time-lag to pass-on. Stocking and de-stocking effects add to volatility. **Re-stocking at a lower pace than originally anticipated. Project intake delays in BioScience, slippage into FY 24/25.** 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 slow recovery. Hence, European main export markets challenged. General consumption weakness due to inflation. Geopolitical stress and risk remains high. Higher interest rate levels diminish general interest in growth assets. Refinancing conditions for start-ups and Biotech sector somewhat easing but still challenging.

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)

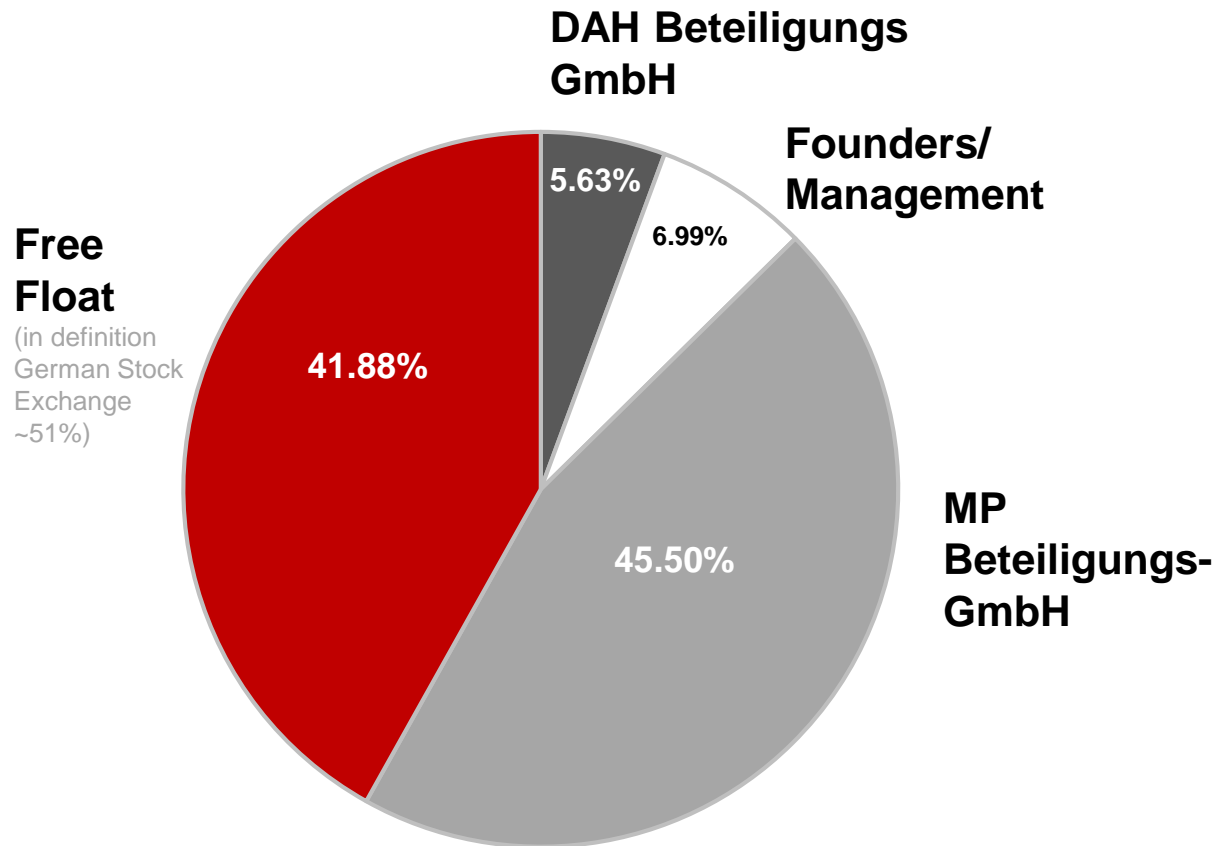
- Double digit fermentation production volume of customized novel enzymes
- Mid-single digit annual productivity improvements & synergies

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

- Continuous innovation pipeline management

BRAIN Biotech AG Share Ownership*

largely unchanged over the last quarters, slightly rising share of retail investors



- Number of shares: 21,847,495
- Free float of ~ 42 %
- Strong long term investor base
- ~ 7,850 shareholders

WKN 520394 / ISIN DE0005203947

Symbol BNN

Prime Standard; Frankfurt/M

* June 30, 2024

Financial Calendar

2024/2025



QUARTERLY STATEMENT

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

August 29th, 2024



ANNUAL REPORT

Publication of the annual year report as of September 30th, 2024 (12M)

January 15th, 2025



QUARTERLY STATEMENT

Publication of the quarterly statement as of December 31st, 2024 (3M)

February 26th, 2025



ANNUAL GENERAL MEETING

Annual General Meeting (FY 2023/24)

March 18th, 2025



HALFYEAR STATEMENT

Publication of the half year report as of March 31st, 2025 (6M)

May 28th, 2025

Thank you very much for your interest.



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