BRAIN Biotech AG

Creating a #BiobasedFuture

Royalty Purchase Agreement deucrictibant

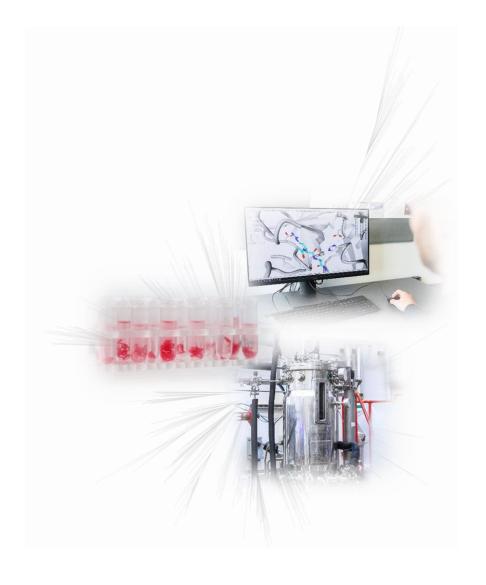
Adriaan Moelker, CEO **Michael Schneiders**, CFO

Zwingenberg, September 24th, 2024





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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Successfully Executed Royalty Purchase Agreement with Royalty Pharma on deucrictibant

major value creation from our BioIncubator pipeline

- Milestone Transaction: very strong value creation from our Biolncubator pipeline
- By far the largest deal in the corporate history of BRAIN Biotech AG
- > Non-dilutive financing with significant upfront cash; now moving into a strong cash position
- Significant additional cash proceeds within the next years expected
- Still participate on deucrictibant over the lifetime of the project
- Securing financing for our ambitious BioProducts growth strategy and reduce debt
- Cash and tax optimized structure; realization of P&L and tax effects in later years

Royalty Purchase Agreement with Royalty Pharma -- Summary

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

Existing deucrictibant license agreement with Pharvaris

- BRAIN retains additional potential milestone payments of up to €9.0 million
- Received and booked €1.5 million milestone already in Q2, 2023/24; highest ever in company history

Royalty Purchase Agreement with Royalty Pharma

- Royalty Pharma is the world's largest buyer of Biopharmaceutical royalties
- Selling the BRAIN Biotech royalties on deucrictibant for HAE in exchange for:
 - Very meaningful upfront payment
 - Regulatory milestone payments, short- to mid-term
 - Sales related milestone payments, mid- to long-term
- De-risking a very large BioIncubator program via upfront payment

BRAIN Biotech AG / AnalytiCon discovery merger

- Allows tax efficient structure
 - Netting with running net losses
 - Consume tax loss carried forward
 - Maximizing cash-in proceeds



Royalty Purchase Agreement with Royalty Pharma – Financial Terms

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

- > Total possible proceeds from deucrictibant of up to €137,88 million
- Deucrictibant 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

Royalty Purchase Agreement with Royalty Pharma – Initial Guidance Accounting

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

Initial Guidance for Pre-Payment and Regulatory Milestones

- Group accounting, IFRS
 - Treated as a financial transaction (IFRS 9)
 - Initial measurement: Debit: Cash; Credit: Financial Liability
- > AG accounting, HGB
 - Treated as a true sale
 - Initial measurement: Debit: Cash; Credit: Deferred Income (PRAP)

No Initial recognition on the P&L, no initial tax payments; P&L and tax realization starts with potential market introduction of deucrictibant, following the flow of royalty payments



CMD 2024 - December 12th in Zwingenberg

additional live stream or video recording will be available

Strategic Focus:

- Growth initiatives BioProducts, On our way to a Top 10 player
- R&D integration Zwingenberg with BioProducts
- Our edge on technology
- The importance of high efficiency producer strains throughout the group.
- > BioIncubator developments and further monetization initiatives
- Use of proceeds guidance
- Workshop on long-term accounting / tax effects of royalty monetization deal

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-group.com

Your contacts:

Adriaan Moelker, CEO

Michael Schneiders, CFO

Martina Schuster, IR +49 (0) 6251-9331-69 IR@brain-biotech.com







