

BRAIN Biotech AG

Creating a #BiobasedFuture



3M, FY 2021/22 for Seat11a

Michael Schneiders
Head IR & Sustainability

Zwingenberg, February 23rd, 2022



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BRAIN at a Glance

~ €38m

'20/'21 Revenues

> 28

Years of Experience

~ 320

Employees

> 230

Specialty B2B Products

> 150

Industrial Partnerships

2016

Listed, Frankfurt Prime Standard

Creating Breakthrough Bioproducts & Solutions for Nutrition, Health and Environment

Industrial Biotech
(white)



Three
Product Platforms



Enzymes



Microorganisms



Bioactive
Natural
Compounds

From Lab to Production

This is BRAIN

BRAIN Biotech AG

Breakthroughs & Services

Products

BioScience

BioIndustrial

Incubator	Tailor Made Solutions	BioActive Compound Libraries
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Enzymes	Microorganisms	Bioactives
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Breakthrough Discoveries
Nutrition/Health/Environm.
Big Societal Themes
Focused Pipeline
Own&Partner Investment

Discovery Characterization Cellular Biology Bioprocess Development Gene/Protein Engineering Strain Development/Opt.	Proprietary Bio-Archive Bioprospecting Discovery Customized Search Third-Party Access
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Nutrition, Healthcare, Environment, Cosmetics
Large Scale Fermentation
Formulating/Blending
Production Scale-up
Cell Factories
Fermented Foods / Precise Fermentation

~ €5m-€7m Annual Investment

~ €10.3m Annual Revenues*
Profitable Cost-plus Contract Research,
Milestones, Technology & License Fees

~ €28.2m Annual Revenues
~12% adj. EBITDA Margin*

Bretec will add
~ € 7 million +
annual revenues

B·R·A·I·N

SolasCure
Spin-Out, 41% stake

AnalytiCon discovery | A BRAIN Group company
Project extension Pharvaris

BIOCATALYSTS | A BRAIN Group company
Exceeding enzyme expectations

BREATEC | A BRAIN Group company
SCIENCE TO APPLICATION

CCMix | A BRAIN Group company

Weiss·Bio·Tech | A BRAIN Group company

Biosun | A BRAIN Group company

L.A. SCHMITT | A BRAIN Group company
Kosmetik seit 1925

Series B funding, stake maintained
pre-money valuation ~+50%

*FY '20/'21



Breatec Deal Summary

BRAIN BioIndustrial: gaining critical mass, adjacent business, geographical match

Breatec Business Facts

- Ingredients & concentrates for the milling and baking industry
- Sales CY 2021 ~ EUR 7 million; EBITDA margin ~ 7% (incl. some negative Covid impacts)
- Products: enzymes (60%), emulsifiers, glutathione yeast, vitamins (flour fortification)

Transaction Details

- 62% stake acquired for initial ~EUR 3.7 million, plus maximum EUR 0.5 million if certain EBITDA milestones for 2022 are reached
- Call/PUT option scheme to acquire remaining 38%
- Initial multiples paid: ~ 0.82x sales and ~ 12x EV/EBITDA (CY '21), pre-synergies
- Integration and M&A costs ~ EUR 400-450K
- Significant procurement and sales synergies expected : 1-2% potential of Breatec sales within a 3-4 year time period

- **Organic sales growth plus further bolt-on opportunities**
- **Good strategic fit within our communicated M&A strategy**
- **Synergy potential across BioIndustrial**
- **Margin today at ~7% has clear upside potential**

PHA 121

AnalytiCon Discovery: extended discovery project launched with Pharvaris

Pharvaris Contract Extension at AnalytiCon Discovery:

- 18 month extension of successful collaboration
- TMS business with upside
- R&D of new bradykinin-B2-receptor antagonist: initially characterization and development
- HAE treatment and additional indications (undisclosed)

AnalytiCon skills:

- Design & development of chiral compound libraries
 - Strong track record as a drug-discovery CRO
 - Expert in small molecule discovery & development
 - Successful cooperation on PHA 121
-
- **Perfect example that we can be successful in pharma development without conducting clinical studies ourselves**
 - **Extension of projects demonstrates AnalytiCon's competency in small molecule discovery**
 - **Additional projects in pharma and pharma related are evaluated**

SolasCure

Series B financing started

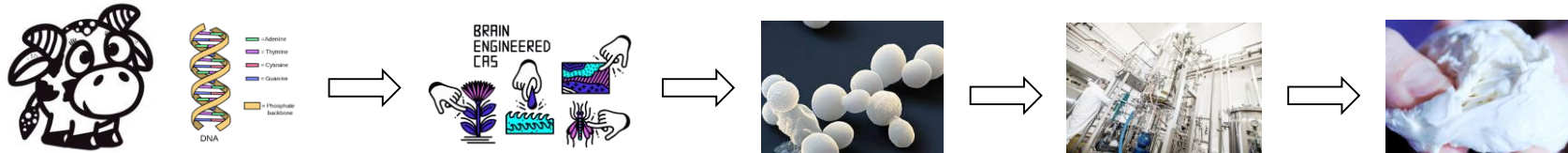


Latest Funding, Q1 FY '21/22

- GBP 3.7 million in initial Series B1 financing (final close end February)
 - Pre-Money valuation ~+50% versus last capital injection
 - Financing expected to last throughout Phase 2a
 - Innovative structure: Wealth Club UK, targeting HNW Investors
 - Investors: ~75% existing, ~25% new
 - BRAIN stake maintained at ~41%
 - BRAIN invested cash GBP 1.0 million (EUR 1.17 million)
-
- **Pre-money valuation keeps rising (~+50%)**
 - **Phase 2a running**
 - **Patient recruitment now started at multiple sites**
 - **Expected strong industry interest after successful Phase 2a, will evaluate all options**

BEC Partnership: Formo Bio GmbH

empowering alternative, animal-free, milk proteins via precision fermentation



Reduce: GHG emissions by 91-97%, water consumption 96-99%, energy consumption up to 60%* + animal welfare

BioScience:

- Target: animal free, nature identical milk protein via precise fermentation for cheese production
- BEC @ Work: “We CRISPR for You”– optimization of production microorganisms
- Aim: speed up time to market for commercial production
- TMS business with milestone & royalty upside
- Efficient, commercially viable producer strains
- Solutions provider: from genome engineering to protein expression and industrial scaling / production know how

- Good example how BEC is becoming a USP for BRAIN
- Potential to employ full value offering across the BRAIN Group
- Important step: **TMS +**, creating milestone & royalty upside

*Source: Formo FAQs

BEC – Patent Published

important milestone reached: EPO confirmed patentability

WRITTEN OPINION OF THE
INTERNATIONAL SEARCHING
AUTHORITY (SEPARATE SHEET)

International application No.

PCT/EP2021/000081

3 Re Item V

Reasoned statement with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement

3.1 **Subject-matter directed to the specific sequences (SEQ ID NOs: 1, 3 and 29)**

The subject-matter of claims limited to sequences encoding the tested endonucleases is considered **patentable**.

3.1.1 Firstly, the subject-matter of such claims is **novel** since none of the cited prior art documents discloses a sequence identical to SEQ ID NOs: 1, 3 or 29 of the application.

3.1.2 Furthermore, the subject-matter of such claims is **inventive**.

- **Important milestone achieved**
- **Additional applications running**

(12) INTERNATIONAL APPLICATION PUBLISHED UNDER THE PATENT COOPERATION TREATY (PCT)

(19) World Intellectual Property
Organization
International Bureau

(43) International Publication Date
27 January 2022 (27.01.2022)






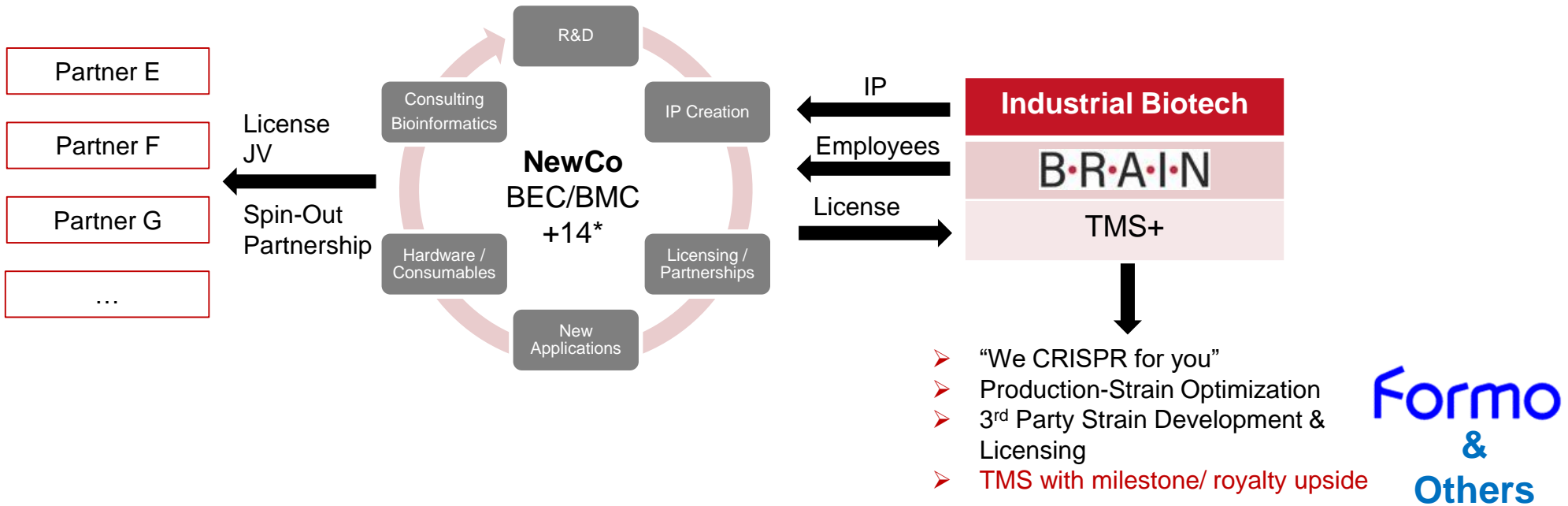
(10) International Publication Number
WO 2022/017633 A2



BRAIN Genome Editing: Platform Business

adding value across the group

Agriculture	Life Science Application	Marine Application	Producer Strains
Non-Disclosed Int.			
Exclusive License	Non-Exclusive License	Research License	Cooperation



*additional nucleases filed for IP protection



Financial Highlights 3M FY 2021/22 at a Glance

excellent start to the year in both divisions; solid adj. EBITDA improvement

(in € thousand)	3M 2021/22	3M 2020/21	Growth	Organic Growth	Q1 2021/22	Q1 2020/21	Growth	Organic Growth	Comment
Revenues	10,177	8,078	26.0%	18.6%	10,177	8,078	26.0%	18.6%	
BioScience	2,775	2,002	38.6%	38.6%	2,775	2,002	38.6%	38.6%	very dynamic start Milestones 35K 3M 21/22 Milestones 104K 3M20/21
BioIndustrial	7,414	6,134	20.9%	11.1%	7,414	6,134	20.9%	11.1%	WBT recovery continuous Solid BioCats
Total operating performance (1)	10,436	8,488	22.9%	15.9%	10,436	8,488	22.9%	15.9%	
Adjusted EBITDA (2)	-299	-1,428	79.1%	78.3%	-299	-1,428	79.1%	78.3%	(-) EUR 261K ESOP 3M (-) EUR 86K M&A Cost 3M
EBITDA	-646	-1,587	59.3%	58.6%	-646	-1,587	59.3%	58.6%	
EBIT	-1,623	-2,492	34.9%	35.0%	-1,623	-2,492	34.9%	35.0%	
Net Result	-2,330	-3,269	28.7%	28.8%	-2,330	-3,269	28.7%	28.8%	
Operating Cash Flow	-193	-2,132	91.0%	94.0%	-193	-2,132	91.0%	0.0%	stronger EBITDA & WC management
	31.12.2021	30.09.2021							
Cash	22,678	24,545	-7.6%	-8.6%					

	3M 21/22	3M 20/21	Growth	Organic Growth
Number of Employees	293	283	3.5%	-1.8%
Material Expense Ratio	40.9%	49.1%	- 8.2% PP.	- 10.1% PP.
Adj. Personnel Expense Ratio	46.4%	54.3%	- 8.0% PP.	- 6.4% PP.

➤ CRISPR investments @ 3M € 0.6 million

Major Events 3M '21/'22:

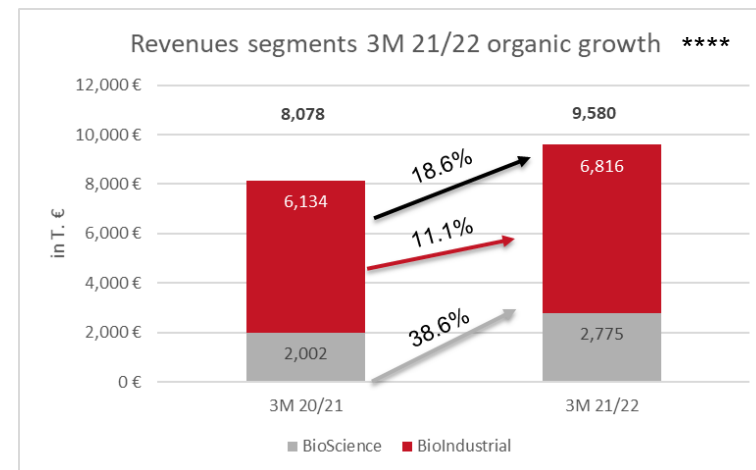
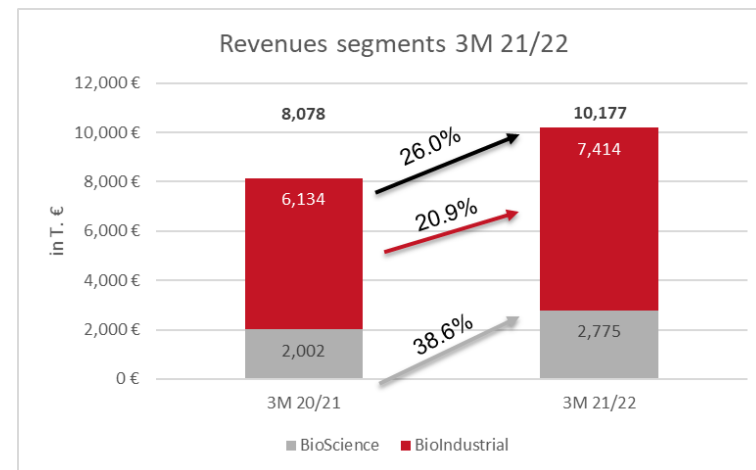
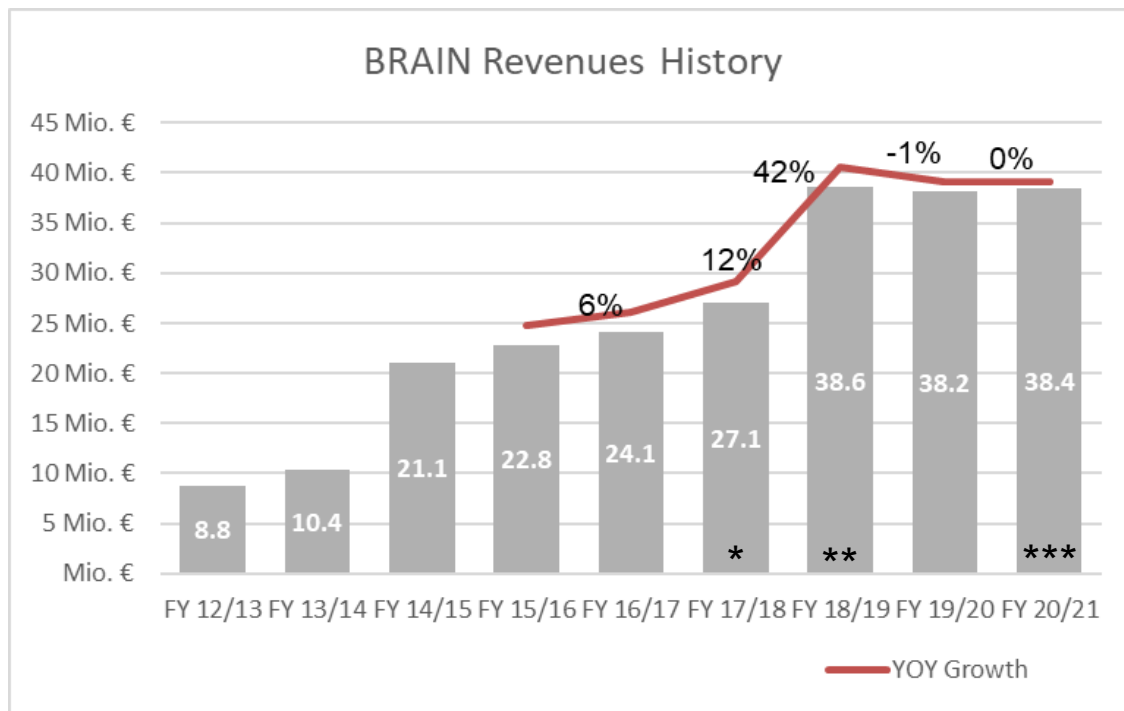
- **BioScience** strong Q1 '21/'22 after weak start '20/'21; strong growth trend of Q4 confirmed, lower milestones; solid order book also driven by “We CRISPR for You” business
- **BioIndustrial**: solid single digit growth in each group company plus WBT recovery leads to double digit divisional growth
- **WBT** 20% + growth, around EBITDA breakeven
- **Bretec**: will add to inorganic growth from Q2, consolidation for 8 Months

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

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

Long-Term Revenue Growth Trajectory

Strong BioScience recovery, also driven by „We CRISPR for You“



- As stated: we expect to go back on the growth track in FY 21/22 – very strong start in Q1
- Breatec will add to growth from Q2

*purchase BioCatalysts Ltd.

**divestment Monteil Cosmetics

***purchase BioSun

****BioSun integration from Q2 20/21



Covid, Rising Supply Chain Risks & Cost Inflation

pandemic effects vanishing, selected supply chain restraints

Summary:

BRAIN Group: negative Covid-19 effects from FY 20/21, especially on BioScience, are vanishing. Selected supply chain restraints hinder even more dynamic growth in BioIndustrial. Trying to pass on inflationary pressures.

Potential Challenges:

- Omicron: virus varieties might temporarily impose new economic insecurity and travel restrictions making deal making in BioScience again more challenging
- **Supply Chain**: managing supply chain shortages is becoming increasingly a larger risk factor starting from raw materials, logistics costs, over laboratory consumables to packing materials. All units are affected to different degrees and hindering an even more dynamic organic growth
- Cost Inflation: trying to pass on product cost inflation to customers. Still limited wage inflation but second round labor effects cannot be ruled out

Covid

Secure:

- Health aspects
- Supply chain
- Operating business
- Future pipeline

Targets:

- Safety of employees
- Business continuity
- Minimize disruptions
- Fulfill customer contracts

Measures:

- Vaccination @ work
- Booster @ work
- Covid-19 task force
- Hygiene concept
- Corona quick testing
- Masks on premises
- Air Filters
- Personal safety supplies
- Physical distancing
- Home office
- Travel restrictions
- Flex work
- Digitalize workflow

Our Targets

Guidance and Mid-Term Targets

FY 21/22 Guidance (ex Breatec)

(issued 3M, February 23rd, 2022)

Group sales: EUR 43-45 million

- BS: growth 15-25%
- BI: growth 10-15%

Adj. EBITDA

- around break-even (ex CRISPR)

CRISPR

- associated expensed investments: EUR 2.5-3.5 million

Group CAPEX

- 7.0-8.0 EUR million

Breatec, first indication*: CY 2022 Revenues ~ EUR 7.5 million, adj. EBITDA ~ EUR 0.55 million, integration and M&A costs ~ 400-450K EUR

Mid-Term Targets, Unchanged

(issued 09/'20, 4-5 year targets)

(excluding CRISPR)

Double group revenue from base '18/19

- Double digit topline product CAGR
- Accretive M&A
- Contract research "TMS" proportionally reduced (excl. milestones)

Group adj. EBITDA margin 15% (+/- 5PP)

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

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

- Continuous innovation pipeline management

*consolidation for 8 months

Financial Calendar

AGM
2020/21

ANNUAL GENERAL MEETING (Virtual)
Annual General Meeting (FY 2020/21)
March 9th, 2022

6^M
2021/22

HALFYEAR STATEMENT
Publication of the half year report as of March 31st, 2022 (6M)
May 30th, 2022

9^M
2021/22

QUARTERLY STATEMENT
Publication of the quarterly statement as of June 30th, 2022 (9M)
August 29th, 2022

Thank you for your attention.

BRAIN Biotech AG

Darmstädter Straße 34–36
64673 Zwingenberg, Germany

+49 (0) 6251-9331-0
www.brain-biotech.com

Your contacts:

Michael Schneiders, Head of IR & Sustainability

+49 (0) 6251-9331-86
MiS@brain-biotech.com

Martina Schuster, IR

+49 (0) 6251-9331-69
MS@brain-biotech.com



@BRAINbiotech



BRAIN Biotech AG

