

BRAIN Biotech AG

Creating a #BiobasedFuture

12M 2021/22 -- seat11a Presentation

Michael Schneiders, CFO

Zwingenberg, January 16th, 2023



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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BRAIN at a Glance

~ €50m

'21/'22 Revenues

> 29

Years of Experience

~ 330

Employees

> 350

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

BioScience

Incubator

Tailor Made Solutions

BioActive Compound Libraries

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

~ €5m-€7m Annual Investment

~ €12.1m Annual Revenues*
Profitable Cost-plus Contract Research,
Milestones, Technology & License Fees

BRAIN | **AnalytiCon discovery** | **SolasCure**

SolasCure
Spin-Out, 35.51% stake

Products

BioIndustrial

Enzymes

Microorganisms

Bioactives

Nutrition, Healthcare, Environment, Cosmetics
Large Scale Fermentation
Formulating/Blending
Production Scale-up
Cell Factories
Fermented Foods / Precise Fermentation

~ €37.5m Annual Revenues
~13% adj. EBITDA Margin*

Biocatalysts | **BREATEC** | **Weiss-Bio-Tech** | **Biosun** | **L.A. SCHMITT**

**€ ~2,2 mio sales deconsolidated
Net Cash inflow Q1, ~€2 mio**

*FY '21/'22



Highlights FY 21/22

delivering on strong topline growth and rising profitability

- **BRAIN Group:** Back to organic growth in both divisions. Breatec adds M&A based growth on top. Ongoing strong cost control, including harvesting group synergies. Significantly improved profitability and reduced operating cash-burn. First ESG report published
- **Breatec:** successful acquisition and integration. Set to become a future driver of organic growth
- **BioScience:** BRAIN Zwingenberg fully recovered to pre-pandemic revenue levels. Increasing level of TMS+ business. CRISPR remains a differentiator and USP
- **Biocatalysts:** strong underlying business growth. Large first 10m³ fermenter volume fully utilized. Second 10m³ fermenter in successful commissioning
- **Incubator Pipeline:** Salt Taste Enhancer 1.0 successfully launched to market. New partner found for the Urban Mining / Gold from Waste-Streams project. Akribion Genomics activates genome editing in mammalian cells and BEC considered as a patentable technology.
- **L.A. Schmitt:** disposal of business at favorable terms to a strong new owner. Exit of product related cosmetics activities. BioIndustrial now fully focused on science intensive product businesses

Lowlights FY 21/22

supply chain restraints limiting even more dynamic growth

- **Supply Chain Constraints:** and challenges in the logistics chain hindered even more dynamic organic growth especially in the BioIndustrial segment. Most negatively affected were Biosun and L.A. Schmitt
- **Incubator Pipeline:**
 - Natural Fermented Beverage (I): failed at consumer tests, no market introduction decision by customer → will exit the Incubator-Pipeline
 - Pharvaris: following a Type A Meeting with the U.S. FDA regarding the previously-announced clinical holds on PHA121, Pharvaris has submitted a protocol for a 26-week rodent toxicology study of PHA121, which is under review by the FDA. Positive top-line data from the RAPIDe-1 clinical study were announced in December 2022. The on-demand program of PHA121 is on partial hold in the U.S. and the prophylactic program remains on full clinical hold. Clinical studies of PHA121 outside the U.S. remain active. (Detailed information: <https://ir.pharvaris.com/news-releases/news-release-details/pharvaris-provides-regulatory-clinical-and-corporate-updates>)
- **WeissBioTech:** slow turnaround with sales back to slight growth but below budget. Losses reduced but still below break-even → additional measures initiated, turnaround in FY '22/'23

Akribion Genomics – Recent Ad-Hoc Announcement

to focus on therapeutic developments

Akribion Genomics business will prioritize the development of therapeutic applications within its CRISPR technology platform

- Mode of action suited for applications in oncology
 - guided toxicity of G-dase E™
 - targeted cell enrichment and depletion by selective disruption
 - targeted cell disruption based on RNA biomarkers
 - synergistic potential and will probably also be used to enrich editing efficiency of other more classical CRISPR nucleases

- Intention to form strong partnerships in the field of cell delivery systems

- We will continue to employ the Gediting™ (BEC/BMC) platform for the benefit of all of our customers also in industrial applications.

- Scope of Akribion Genomics activity way beyond BRAIN-Core → From Separate Legal Entity

Our Incubator

review at CMD, February 27th

Pipeline	Partners	R&D	Time-to-Market →			rNPV Market Potential *1	Profit Model Options *2	R&D Platform *3	Current Project Status
			3-5 years out	1-3 years out	In pre-launch				
Natural fermented beverages 1	SUNTORY		3-5 years out	1-3 years out	In pre-launch	Small	Prod, Fee, MSP	M/O	
Salt taste enhancer 1.0	US-CPGC					Small	Fee, MSP	B/A	
Natural fermented beverages 2	JP.Bev							M/O	
Perillic Active, Anti-Microbial	ND					Med	Prod, Prof	B/A	
Gold from waste streams	ND					Med	Prod, Fee, Prof	M/O	
Brazzein Natural Sweet Solutions						Large	Fee, MSP, Prof, Lic, Prod	E/P	
Aurase Wound Debride						Large	Fee, Prod, Prof	E/P	
PHA121, HAE Pharma Compound	Pharvaris					Med	Fee, MSP, Lic	B/A	
BRAIN Engineered / Metagenome CAS (BEC/BMC)	Several		Project I-...	Project D-H	Project A-C	Large	Fee, MSP, Lic, Prof	E/P	

Incubator Pipeline Update @ CMD, February 27th

Progress since CMD '20, update '08/21

*1: BRAIN-Group rNPV FCF+TV: **Small** < €5M, **Medium** €5M - €15M, **Large**: €15M+
 *2: **Prod**: Product sales. **Fee**: Research fee income. **MSP**: Milestone payments. **Lic**: License/royalty payments **Tec**: Tech fees **Prof**: Entity formation or profit participation
 *3: **B/A**: BioActives, **E/P**: Enzymes and proteins, **M/O**: Microorganisms/starter cultures
 ND: not disclosed



Financial Highlights 12M FY 2021/22 at a Glance

strong execution and delivery on guidance

(in € thousand)	12M 2021/22	12M 2020/21	Growth	Organic Growth	Q4 2021/22	Q4 2020/21	Growth	Organic Growth	Comment
Revenues	49,509	38,389	29.0%	14.5%	13,534	10,545	28.4%	13.7%	
BioScience	12,079	10,313	17.1%	17.1%	3,536	2,897	22.1%	22.1%	recovery to pre-pandemic Milestones 188K 12M 21/22 Milestones 679fullk 12M 20/21
BioIndustrial	37,548	28,236	33.0%	13.4%	10,018	7,670	30.6%	10.5%	solid organic growth + Breatec
Total operating performance (1)	53,072	40,731	30.3%	15.6%	15,884	10,766	47.5%	29.1%	
Adjusted EBITDA (2)	-98	-2,089	95.3%	88.2%	94	148	-36.6%	-78.8%	(-) EUR 1,384K ESOP 12M (-) EUR 476K M&A Cost 12M (+) EUR 650K LAS Sale
EBITDA	-1,309	-2,533	48.3%	42.4%	134	-472	128.3%	126.4%	
EBIT	-5,648	-6,548	13.7%	14.6%	-1,008	-1,539	34.5%	58.0%	
Net Result	-6,341	-4,680	-35.5%	-33.7%	-136	-1,738	92.1%	105.5%	
Operating Cash Flow	-1,485	-3,906	62.0%	72.5%	-453	-907	50.0%	18.7%	
	30.09.2022	30.09.2021							
Cash	8,443	24,545	-65.6%	-66.1%					

	12M 21/22	12M 20/21	Growth	Organic Growth
Number of Employees	309	288	7.3%	3.8%
Material Expense Ratio	46.4%	43.9%	2.6% PP.	- 1.3% PP.
Adj. Personnel Expense Ratio	41.0%	48.2%	- 7.3% PP.	- 3.9% PP.

➤ Akribion Genomics investments @ 12M ~€2.0 million

Major Events 12M '21/'22:

- **BioIndustrial overall** solid organic growth, margin up +by 140 BSP
- **Breatec** consolidated for eight months, happy with revenue development; EBITDA still suppressed by first year integration costs
- **BioScience** strong sequential growth Y on Y thanks to Zwingenberg recovery to pre-crisis levels, keeps also be driven by “We CRISPR for You” and TMS+ business
- **M&A cost** of Breatec purchase/ integration and other M&A cost EUR 476K

(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

Cash & Cash Flow

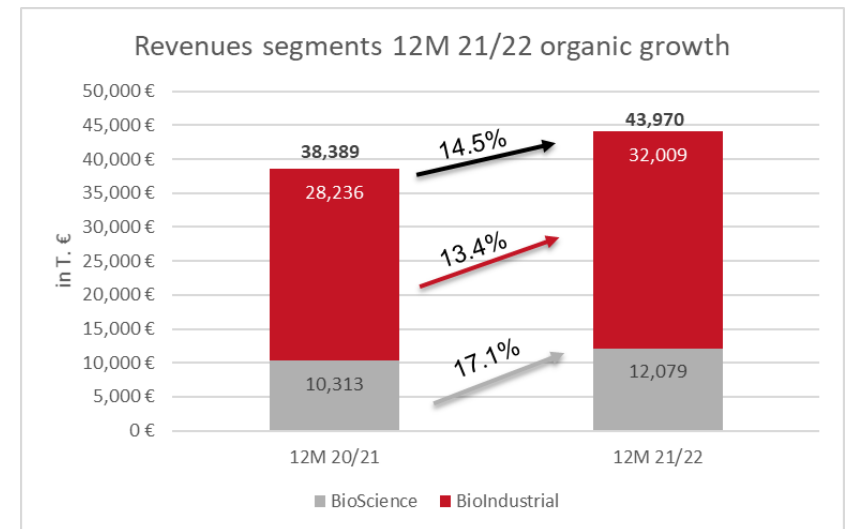
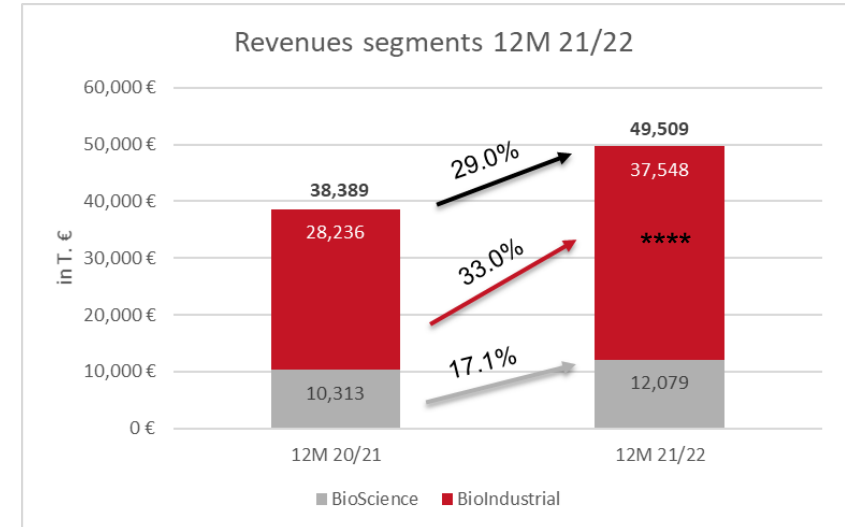
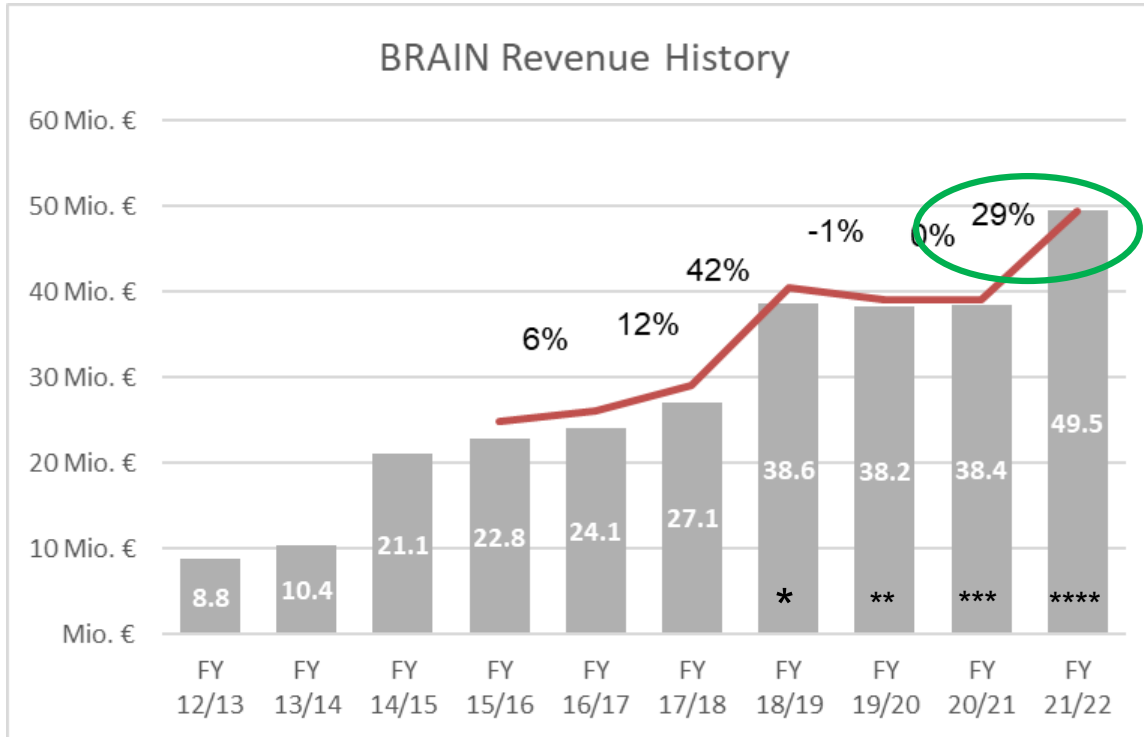
improving OCF, high investments, adequate cash position

(in € thousand)	12M 2021/22	12M 2020/21	Growth	Q4 2021/22	Q4 2020/21	Growth	Comment
Gross Cash Flow	-5,120	5,250	2.5%	-1,425	-1,189	-19.8%	
Operating Cash Flow	-1,485	-3,906	62.0%	-453	-907	50.0%	significant improvement
Investing Cash Flow	-12,686	-2,180	-481.8%	-4,033	-181	-2124.4%	(-) ~3.1 Mio Breatec purchase (-) ~1.2 Mio SolasCure Series B (-) ~6.1 Mio Capex Biocatalysts
Financing Cash Flow	-1,966	11,572	-117.0%	-382	18,398	-102.1%	debt repayment
Net change in Cash & Cash Equiva	-16,137	5,485	-394.2%	-4,868	17,310	-128.1%	
	30.09.2022	30.09.2021					
Cash	8,443	24,545	-65.6%				
Equity	34,248	41,828	-18.1%				

- Significantly improved operating cash-flow
- Reduction in cash on hand mainly due to investment spending and M&A
- L.A. Schmitt GmbH cash-in from disposal will be recognized in Q1
- EUR 7 million undrawn credit facility remains available on top
- Additional debt capacity at subsidiaries available

Long-Term Revenue Growth Trajectory

strong growth driven by Biocatalysts, Breatec inclusion and BioScience recovery

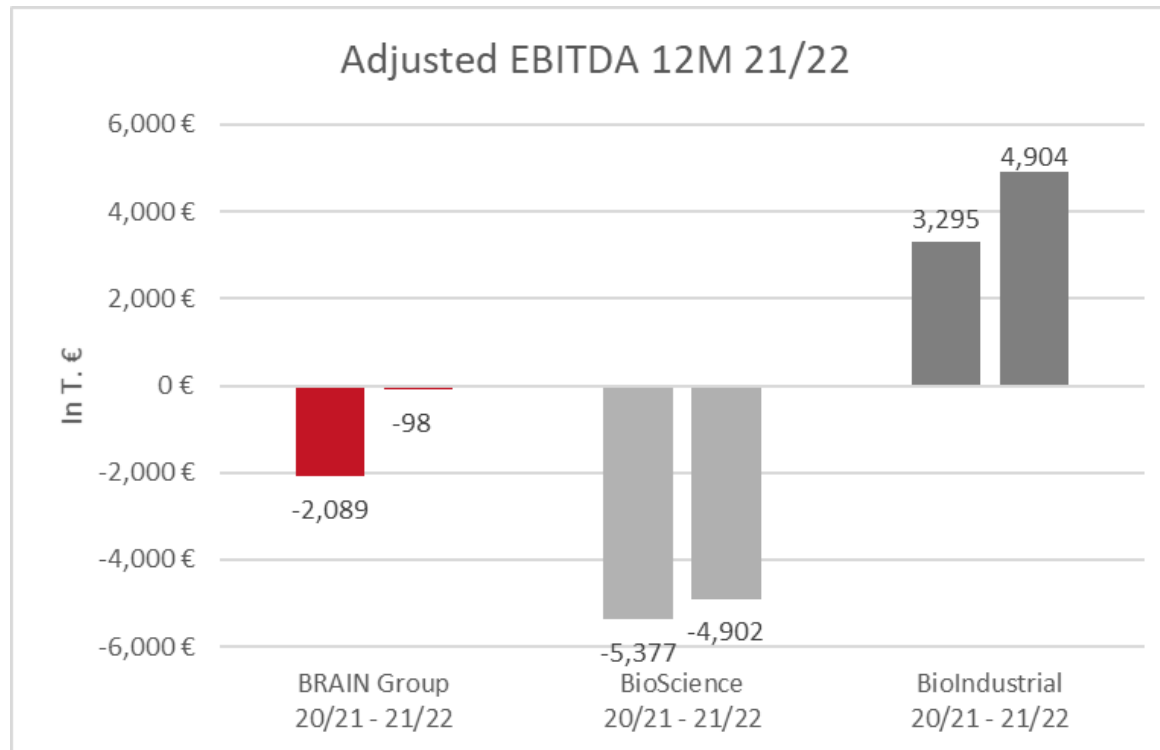


- As guided: back on the growth trajectory in FY 21/22
- Growth: strong organic plus Breatec inclusion
- Both segments are contributing

*purchase BioCatalysts Ltd. **divestment Monteil Cosmetics ***purchase BioSun ****Breatec integration for 8 months

Adjusted EBITDA

ongoing improvement of profitability despite high CRISPR expensed investments



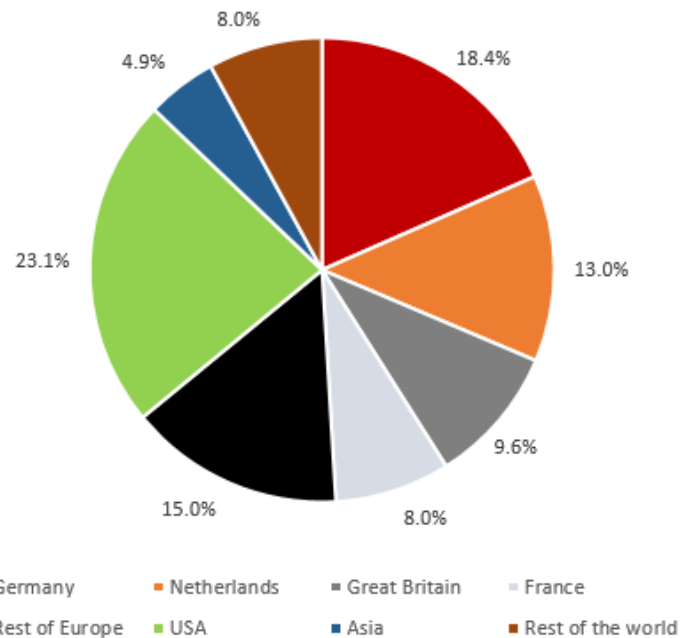
- **Group** adj. EBITDA strongly improved driven by both divisions
- **BioScience:** improved result despite higher investments into Akribion Genomics; good cost control
- **BioIndustrial** overall very strong improvement, even more dynamic development hindered by supply chain constraints

➤ Akribion Genomics investments @ 12M ~€2.0 million

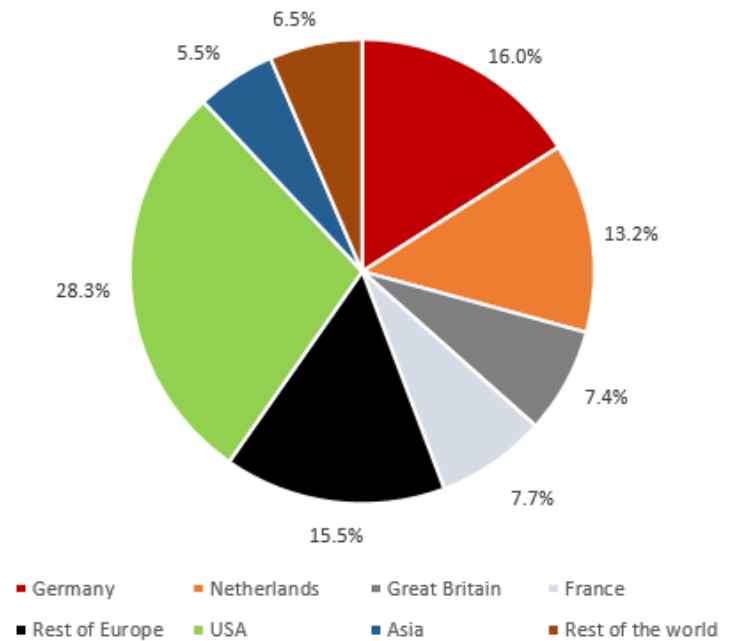
BRAIN Revenue by Geographic Region

well diversified sales split with high international share

Revenues per Region 12M 20/21



Revenues per Region 12M 21/22



General Risk Factor Update

ongoing business risk monitoring

Summary:

BRAIN Group: overall business remains solid. Supply chain still stretched but partially easing. Inflationary pressures remain high

Current Situation: Certain supply chain constraints still persist, mostly caused by consequential effects of the pandemic. High inflationary pressures on material, energy and labor costs. SolasCure now on track with Phase 2a clinical trials after ~9 months delays incurred due to the pandemic situation

Future Challenges: tight labor market conditions making it challenging to fill vacancies as well as to attract and retain talent. General business cycle risk with stagflation or recession as a likely scenario. Negative spill-over effects from Chinese departure of Zero-Covid policy especially on the supply chains possible



Our Targets

Guidance and Mid-Term Targets

This FY Guidance

Qualitative Guidance

- Solid organic revenue growth continues
- Rising profitability in adjusted EBITDA

As far as this guidance is concerned, investments in the novel genome editing tool (Akribion Genomics) are considered separately and do not form part of this forecast

Quantitative Guidance @ CMD, February 27th

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)

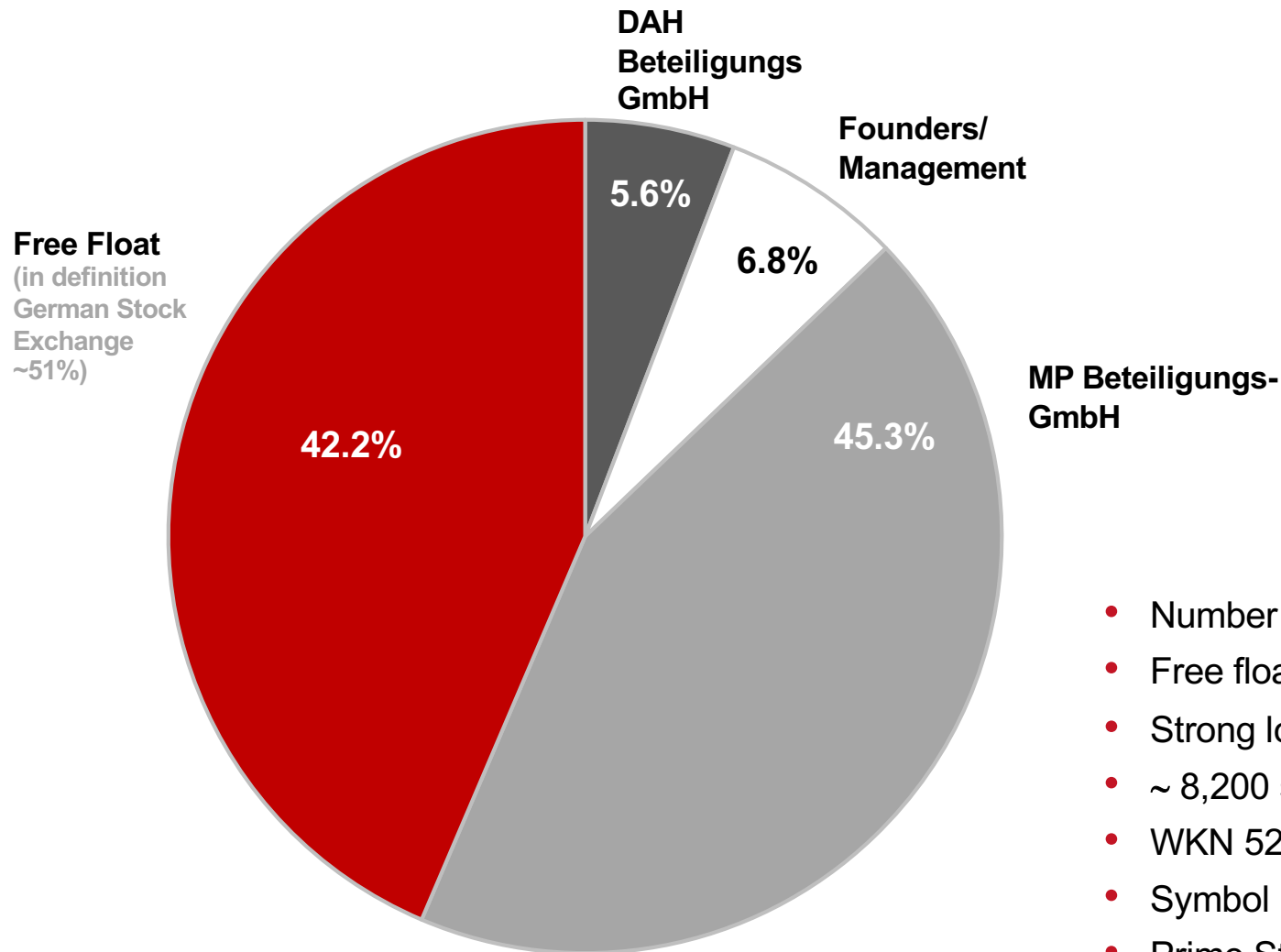
Group adj. EBITDA margin 15% (+/- 5PP)

- 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

BRAIN Biotech AG Share Ownership*



- Number of shares: 21,847,495
- Free float of ~ 42%
- Strong long-term investor base
- ~ 8,200 shareholders
- WKN 520394 / ISIN DE0005203947
- Symbol BNN
- Prime Standard; Frankfurt/M

*December 31st, 2022



Financial Calendar



QUARTERLY STATEMENT & **CMD BRAIN Biotech AG**
Publication of the quarterly statement as of December 31st, 2022 (3M)
February 27th, 2023



ANNUAL GENERAL MEETING
Annual General Meeting (FY 2021/22)
March 8th, 2023



HALFYEAR STATEMENT
Publication of the half year report as of March 31st, 2023 (6M)
May 25th, 2023



QUARTERLY STATEMENT
Publication of the quarterly statement as of June 30th, 2023 (9M)
August 30th, 2023

Thank you for your attention.

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