

BRAIN Biotech AG

Creating a #BiobasedFuture

Management Statement 12M FY 2023/24

Adriaan Moelker, CEO

Michael Schneiders, CFO

Zwingenberg, January 15th, 2025

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 12M FY 2023/24: General

strong cash position, good cost control and capital markets day messages

➤ Cash on hand

- group cash position now at a very strong €27.2 million

➤ Maintaining strict cost discipline throughout the organization

- relative stable adjusted EBITDA versus sales development

➤ CMD 2024

- clearly identified growth drivers and markets
- total addressable market well over €2 billion
- well diversified customer base
- strong enzyme product growth pipeline with 10-year NPV >€25 million
- new simplified corporate structure with two core divisions
- upgraded mid-term targets with a focus on BRAINBiocatalysts

Business Highlights 12M FY 2023/24: BioScience & BioIncubator

strong BioIncubator; better BioScience project pipeline for 2024/25

➤ TMS

- business facing tougher market conditions; lack of demand as innovation budgets are reduced/postponed
- strong cost control including executed redundancy measures
- launch of expanded Metagenome capability - MetXtra
- recruited new TMS-Enzymes lead for business development - Dr. Erik de Vries

➤ Successfully closed Royalty Pharma Transaction

- upfront payment of €18.41 million received
- regulatory milestones of up to €18.42 million
- sales related milestones of up to €92.05 million

➤ Prepared transfer of G-dase E therapeutic genome-engineering activities to Akribion Therapeutics

- cost reductions from 2024/25
- significant milestone and royalty potential

➤ SolasCure

- competitive activity: further proof that the market is looking for and investing in enzymatic debridement
- preparation study for Phase 2b for improved efficacy data started

Business Highlights 12M FY 2023/24: BioProducts

flat YoY but with excellent starting positions for future growth

- **Baking Enzymes continues a very strong growth path – well ahead of market growth rate**
 - new key accounts
 - active mix management
 - moving to a new production site during 2025 to align capacity with growth ambitions

- **Beverages and starch processing enzymes fully turned around**
 - back on the growth path
 - improved product mix with strong margin generation
 - new key accounts

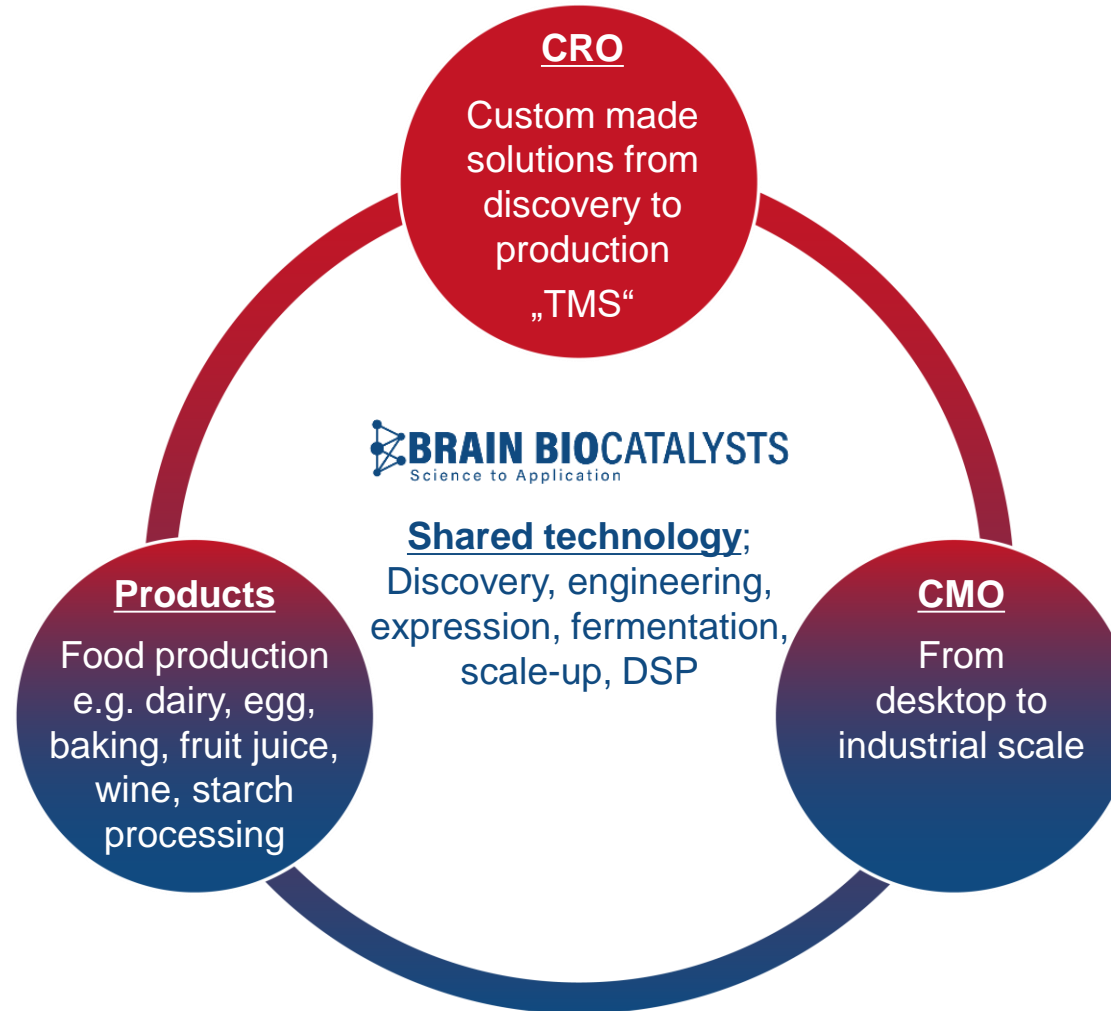
- **Food specialities and fermentation slightly down YOY**
 - second large-scale fermenter now fully commissioned
 - delay in commissioning negatively impacted sales development
 - weaker sales to selected key customers (de-stocking)

- **USA business**
 - new leader in place now; planning for substantial growth

- **Launch of BRAINBiocatalysts Life Sciences**

Our Unique Customer Offering: Enzyme Products, Contract Research and Manufacturing

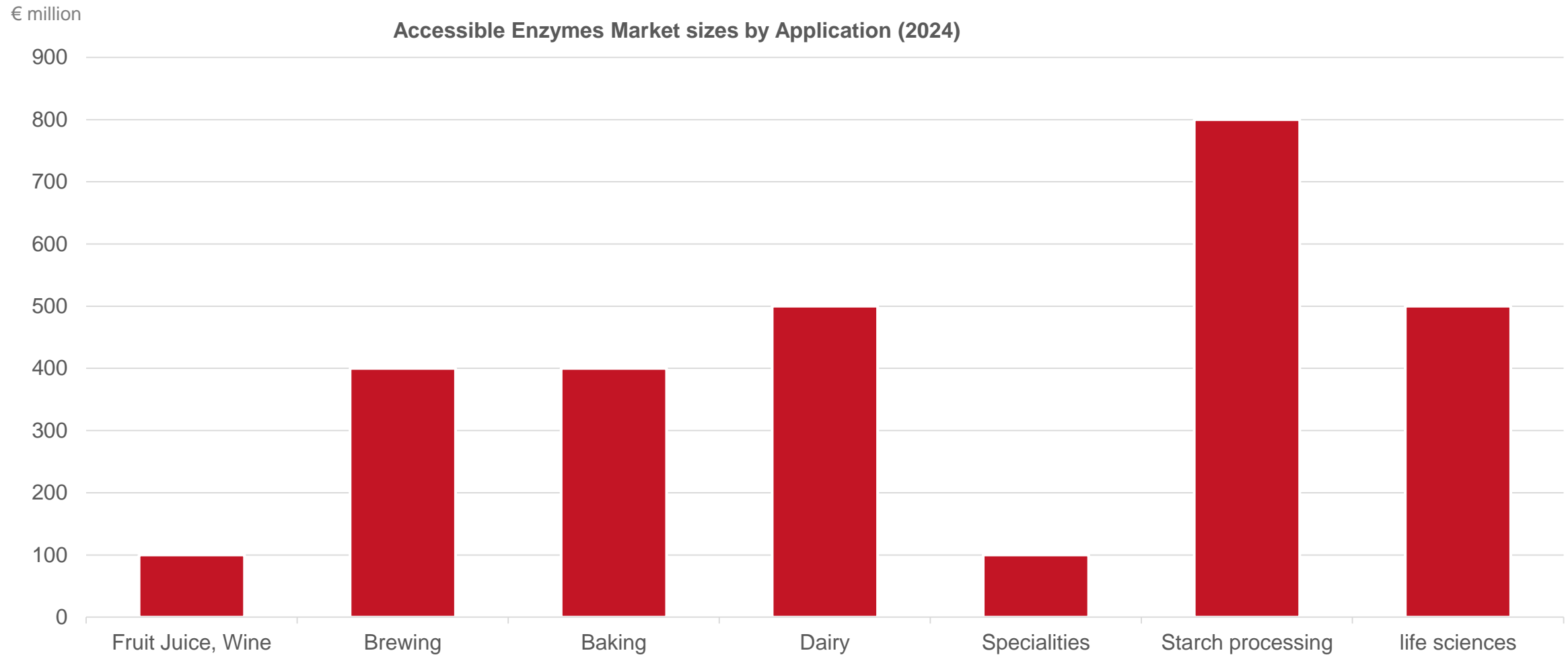
we are the “Swiss army knife” solutions provider for specialized “White Biotech” challenges – Partnerships are key



CRO = Contract Research Organization
CMO = Contract Manufacturing Organization

BRAINBiocatalysts Accessible Market for Enzymes Alone is Well Over €2bn

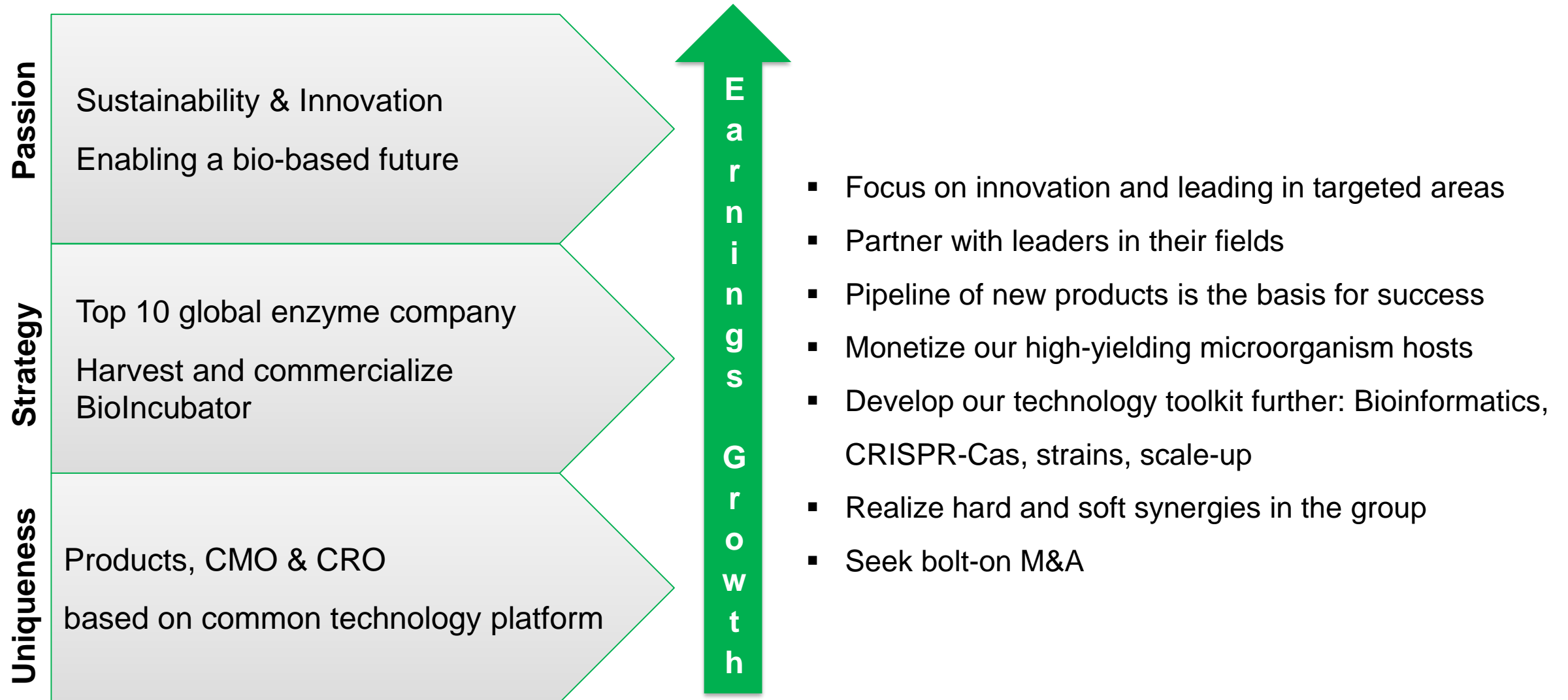
our target markets are large and our market share is still low single digit



Source: BRAIN research

Summary

BRAIN Biotech is well positioned for earnings growth



Financial Highlights 12M FY 2023/24 at a Glance

major milestone income in BioIncubator – BioScience with weakening momentum since Q1

(in € thousand)	12M 2023/24	12M 2022/23	Growth	Organic Growth	Q4 2023/24	Q4 2022/23	Growth	Organic Growth	Comment
Revenues	54,631	55,335	-1.3%	-1.3%	14,238	14,942	-4.7%	-4.7%	
BioProducts	42,567	42,492	0.2%	0.2%	12,198	12,146	0.4%	0.4%	
BioScience	10,694	12,306	-13.1%	-13.1%	2,168	2,741	-20.9%	N/A	Milestones €335k 12M 23/24 Milestones €89k 12M 22/23
BioIncubator	1,657	576	187.7%	N/A	27	81.0	-67.1%	N/A	Pharvaris Milestone (€1,500k), Akribion Licenses
Total operating performance (1)	55,520	57,140	-2.8%	N/A	14,687	15,364	-4.4%	N/A	
Adjusted EBITDA (2)	-420	402	-204.5%	N/A	773	1,322	-41.5%	N/A	(-) €2,467k RP Gratification (-) €894k ESOP (-) €248k RP Transaction Costs
EBITDA	-4,029	-826	-387.8%	N/A	-2,142	783	-373.4%	N/A	
EBIT	-8,852	-5,480	-61.5%	N/A	-3,450	-521	-561.9%	N/A	
Net Result	-11,100	-8,114	-36.8%	N/A	-3,932	-1,670	-135.5%	N/A	
Operating Cash Flow	-3,583	-4,218	15.0%	N/A	-913	262	-448.5%	N/A	
	30.09.2024	30.09.2023							
Cash	27,171	5,352	407.7%	407.7%					

	12M 23/24	12M 22/23	Growth	Organic Growth
Number of Employees (3)	307	309	-0.6%	-0.6%
Material Expense Ratio	43.7%	45.8%	- 2.1% PP.	- 2.1% PP.
Adj. Personnel Expense Ratio	39.8%	38.5%	1.3% PP.	1.3% PP.

➤ Akribion Genomics gross investments
@ 12M ~ € 3.0 million (12M LY ~ € 3.3 million)

(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 12M '23/'24:

- **BioProducts:** strong Q4 but not strong enough to overcompensate weaker 9M; high growth momentum at Breatec maintained
- **BioScience:** strong Q1; thereafter delays in project intake and lower library sales to pharma reflecting weaker general economic conditions
- **BioIncubator:** € 1.5 million gross deucricitibant milestone from Pharvaris in Q2; additional license revenue from Akribion Genomics activities
- **Adjusted EBITDA:** adjustments for ESOP and Royalty Pharma (RP) related transaction costs

Cash & Cash Flow

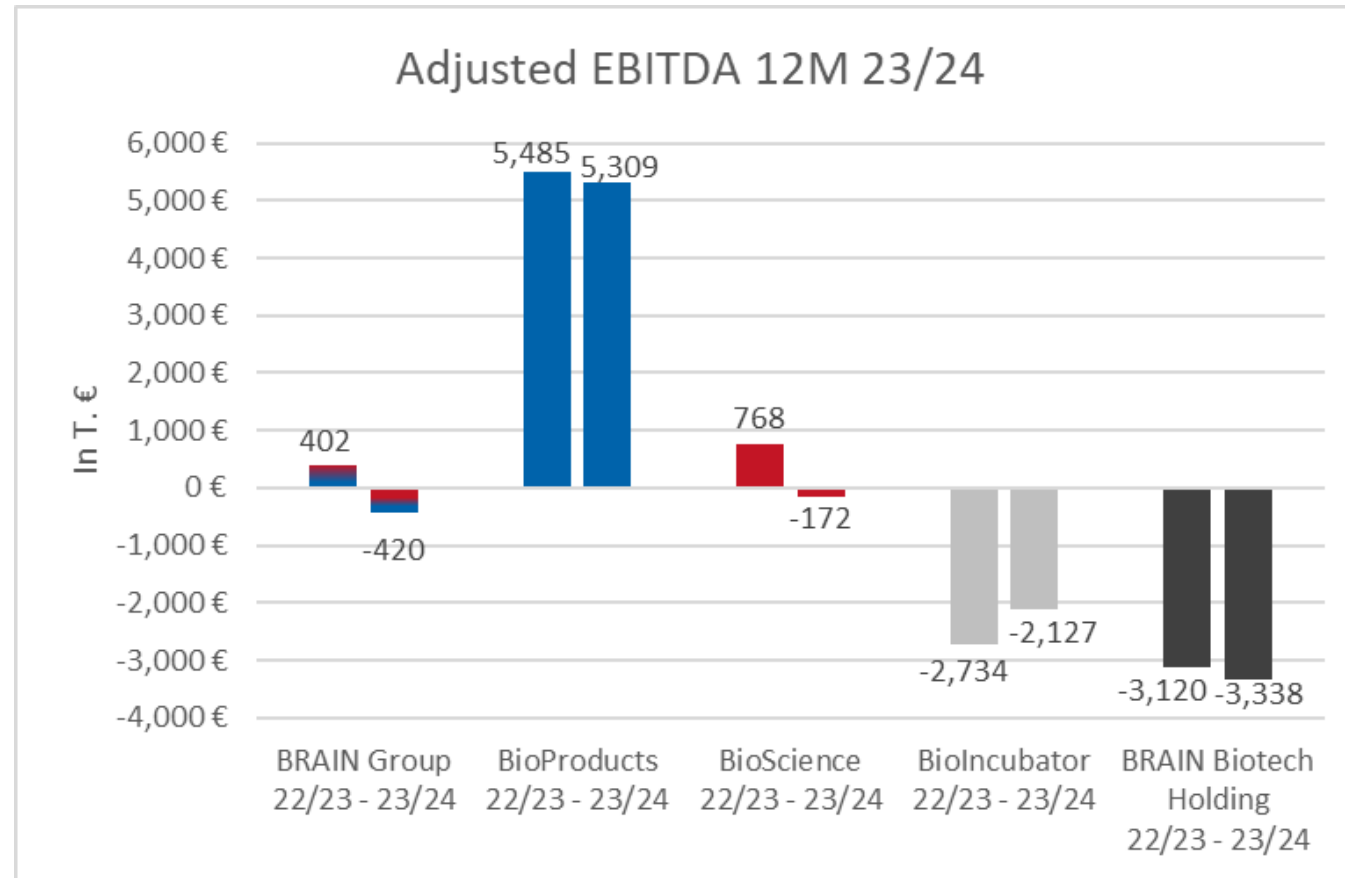
strong cash position; all financing initiatives successfully executed

(in € thousand)	12M 2023/24	12M 2022/23	Growth	Q4 2023/24	Q4 2022/23	Comment
Gross Cash Flow	-9,024	-4,356	-107.1%	-2,845	-331	
Operating Cash Flow	-3,583	-4,218	15.0%	-913	262	Active WC and receivables management
Investing Cash Flow	-1,689	562	-400.6%	-351	-508	Divestment of L.A.Schmitt €3.0 mln in FY22/23
Financing Cash Flow	26,991	459	5774.5%	15,417	256	Strong refinancing activities
Net change in Cash & Cash Equivalents	21,718	-3,196	779.5%	14,152	11	
	30.09.2024	30.09.2023				
Cash	27,171	5,352	407.7%			
Equity	13,886	23,013	-39.7%			

- Active working capital and receivables management improved operating CF
- Cash flow from financing activities reflects:
 - €18.4m Royalty Pharma
 - €5.0m convertible bond
 - €5.0m Hessen Kapital
 - €2.3m asset financing at Biocatalysts level
 - other smaller measures
 - minus €5.5 million scheduled debt repayments

Adjusted EBITDA

good cost discipline maintained



Milestones and strong cost discipline

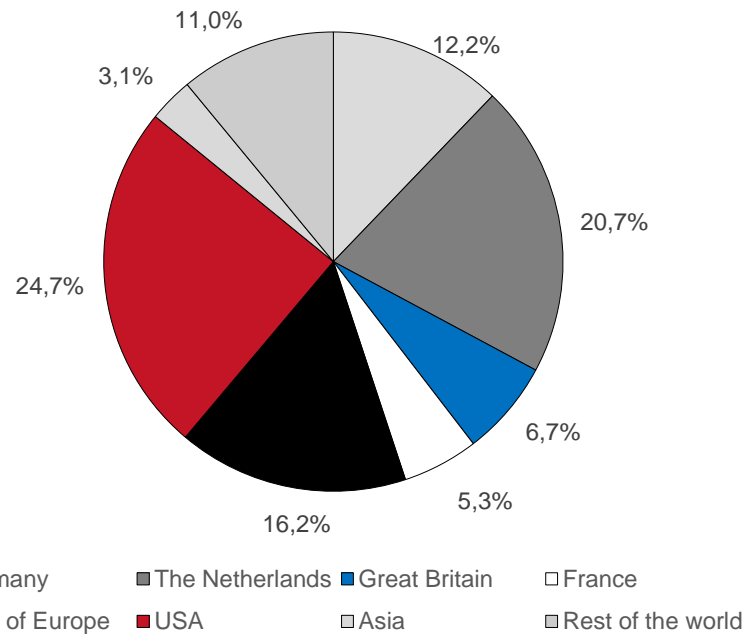
- **BioScience:** weaker Q2 to Q4 after strong Q1; weakening of general economic conditions lead to project delays; high ongoing cost discipline reflected in adjusted EBITDA
- **BioProducts:** lower adj. EBITDA driven by low Q1 sales, re-stocking at slower pace, negative mix effects and second large-scale fermenter teething problems throughout H1; Q4 strong revenues
- **BioIncubator:** strong milestone income, expensed investments for Akribion Genomics below original guidance for full year
- **Holding:** mild cost increase despite high service cost inflation and some transaction related costs, strong overall cost control maintained

➤ Akribion Genomics gross investments @ 12M ~ € 3.0 million (€ 3.3 million LY)

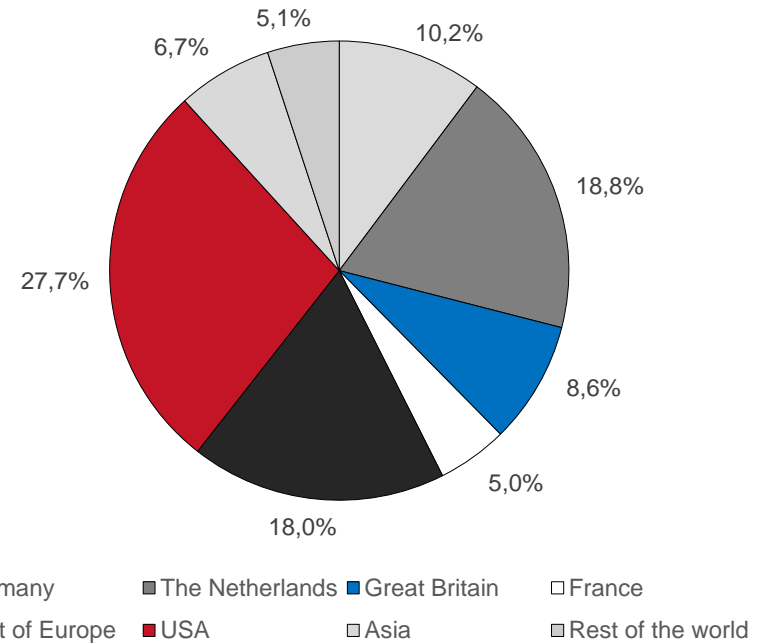
Revenues per Region 12M 23/24 versus 12M 22/23

increasingly international, well-balanced sales mix

Revenues per Region 12M 23/24



Revenues per Region 12M 22/23



Majority of sales continues to come from outside of Germany and is centered on Europe and the US

General Risk Factor Update

ongoing business risk monitoring

Summary:

BRAIN Biotech Group: Increasingly challenging overall macroeconomic environment. Inflationary pressures still present and require ongoing monitoring. Geopolitical risks remain high. Second large-scale fermenter fully ramped 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. Project intake delays in BioScience. Tight labor market conditions across all geographies: War for talent.

Future Challenges: General business cycle risk with stagflation or recession as a possible scenario. General consumption weakness due to inflation. Geopolitical stress and risk remains high. Refinancing conditions for start-ups and Biotech sector somewhat easing but still challenging. Potential risk on US-tariffs for imported goods from Europe and China.

Our Targets

FY Guidance and Mid-Term Targets

FY Guidance: Qualitative*

- Reacceleration of organic growth towards the mid-term growth trajectory at BRAINBiocatalysts division
- Exploring M&A opportunities to add additional growth momentum
- Positive operating leverage on adjusted group EBITDA from Q2 with Akribion costs dropping off
- Quantitative guidance issues with 3M reporting on February 26th

* forecast is based on EUR/USD, EUR/GBP, USD/GBP exchange rates at constant rates, moderate global GDP growth, stable energy prices and an unchanged group consolidation scope

Mid-Term Targets from CMD 2024*

(issued 12/24; 5 year targets)

BRAINBiocatalysts

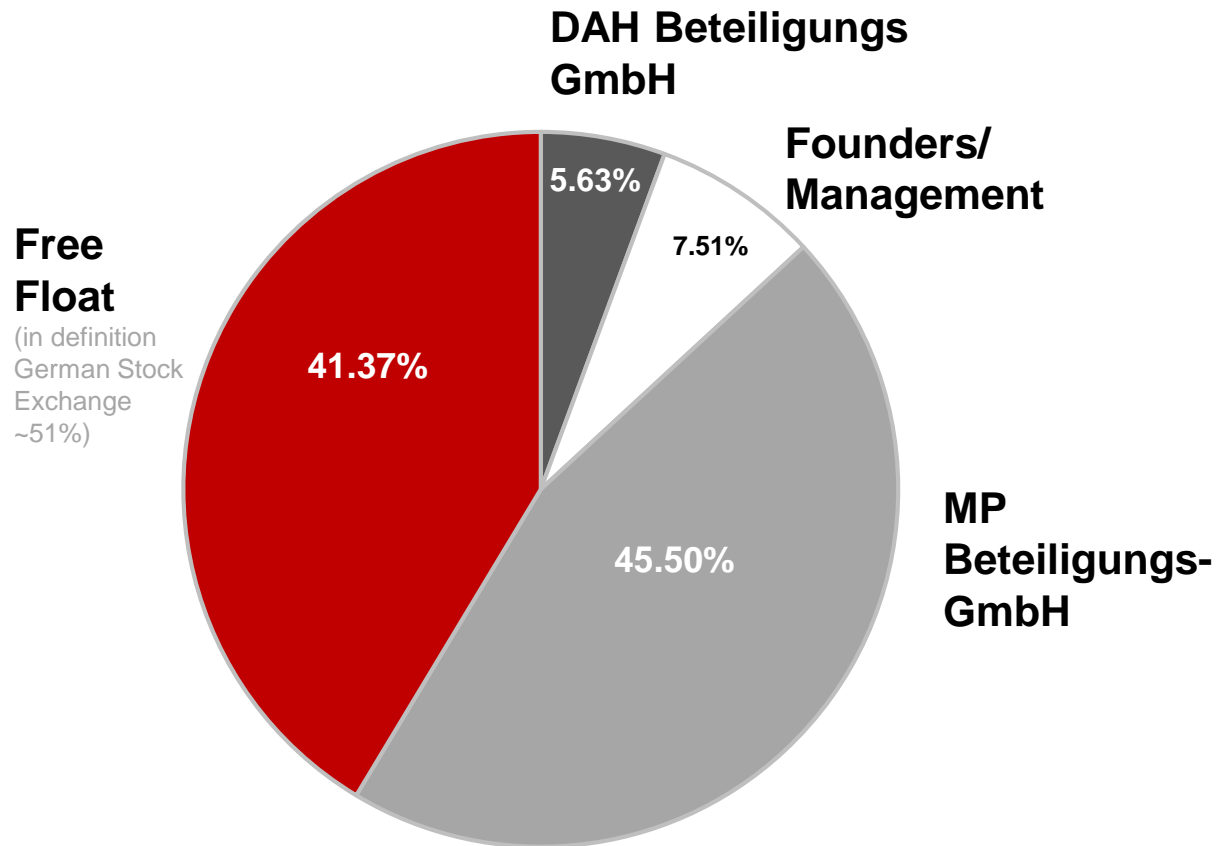
- Revenues: €100 million
- Margin: adj. EBITDA margin 15%
- R&D ratio: 4-6% of group sales
- CAPEX: average annual regular Capex ~ €3-4 million

BRAINBioIncubator

- Revenues/adj. EBITDA: significant additional upside from commercialization of projects
(guided annually due to timing)
- R&D ratio: 3-4% of group

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 ~ 41,4%
- Strong long term investor base
- 7,765 shareholders

WKN 520394 / ISIN DE0005203947

Symbol BNN

Prime Standard; Frankfurt/M

* September 30, 2024

Financial Calendar

2024/2025



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



QUARTERLY STATEMENT

Publication of the quarterly statement as of June 30th, 2025 (9M)

August 28th, 2025

Thank you very much for your interest.



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