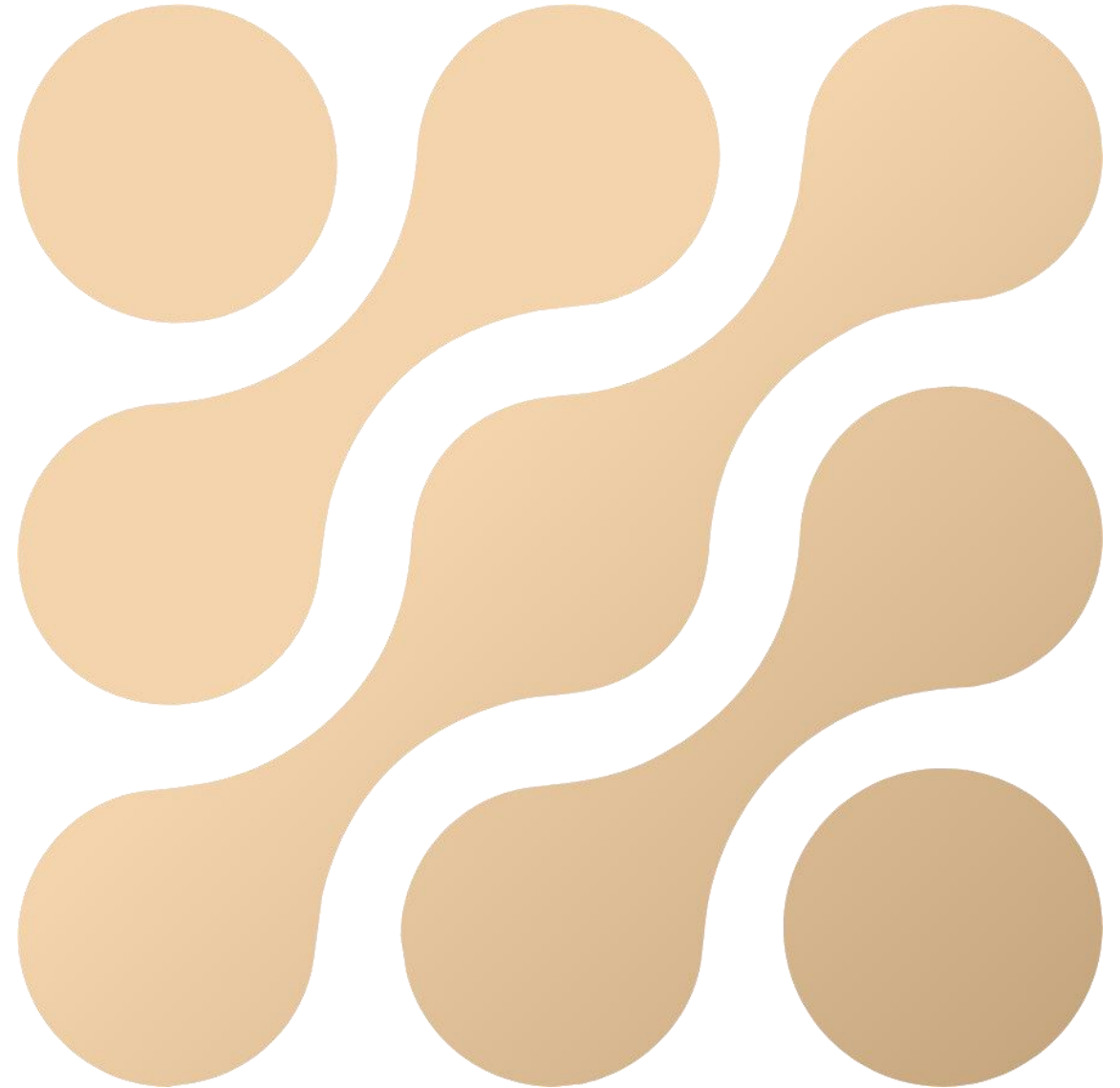


SYNBIOTIC

Corporate presentation

Overview

- 01 Vision & Mission**
- 02 Hemp & Cannabis Market**
- 03 Buy & Build**
- 04 Strategy**
- 05 Network**
- 06 Shares & Stock Exchange**
- 07 Team**



”

"One of the oldest cultivated plants on earth could help to provide people with sufficient clothing, paper, oil, fuel, food, construction materials and medicine."

The rediscovery of the plant hemp cannabis marijuana

Jack Herer / Mathias Bröckers, 1993

Source: Translation of SYNBIOTIC SE, Original text from Jack Herer / Mathias Bröckers (1993): Die Wiederentdeckung der Nutzpflanze Hanf Cannabis Marihuana.
Engl. Title: "The Emperor Wears No Clothes"

01 Vision becomes Reality

**"The rediscovery of hemp and cannabis has become a reality.
We are in the midst of the dawn of the
next great hemp and cannabis era."**

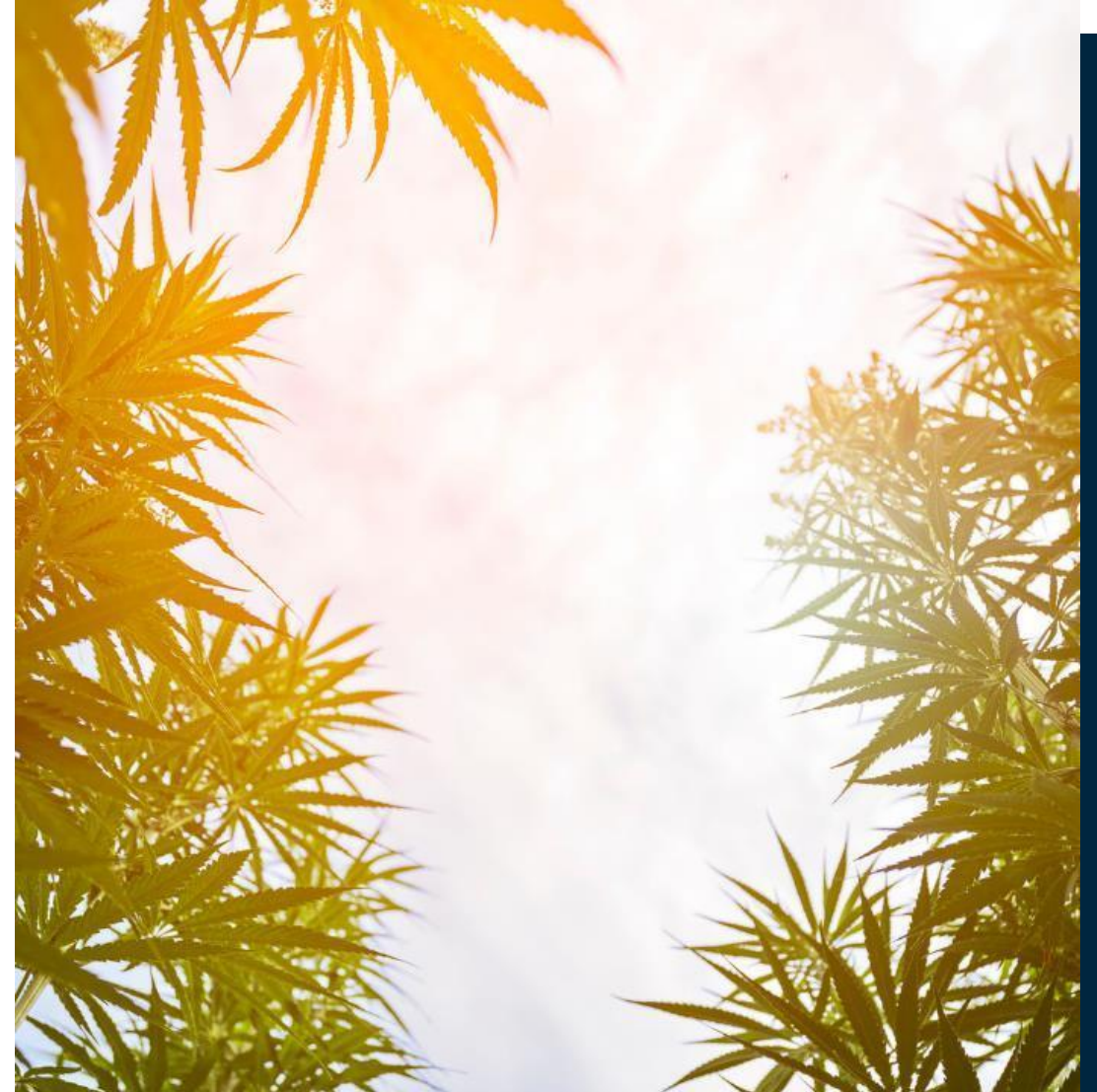
Daniel Kruse, CEO SYNBIOTIC SE, 2024

Our vision is to make the versatile applications of industrial hemp, including CBD, and cannabis accessible to society at large.

We strive to advance the democratisation and availability of this valuable plant and maximise its potential across various industries.

We create sustainable synergies, diversification and the highest quality standards.

This is how we set new standards in our industry.



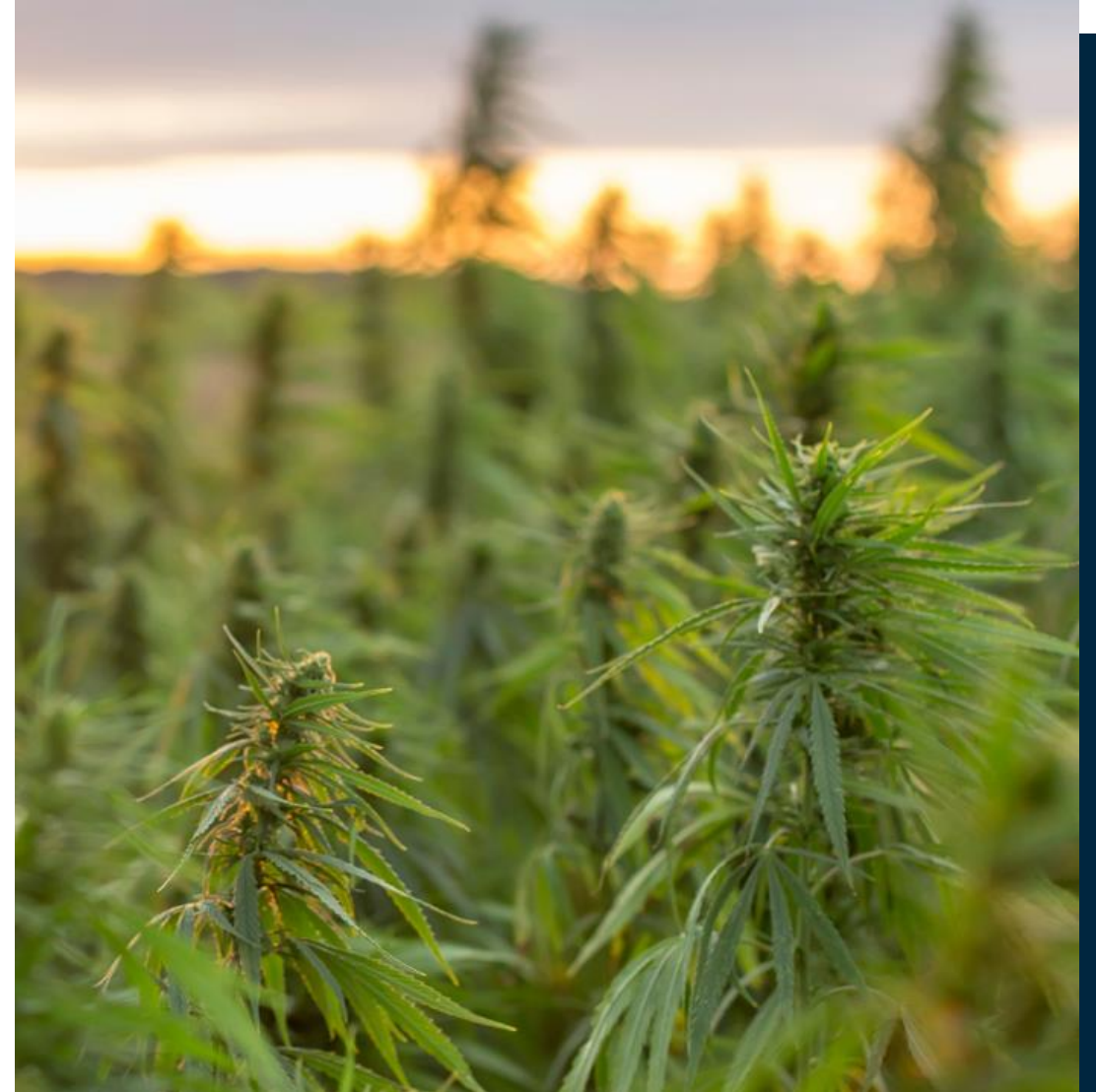
01 Mission is Mandate

Our mission is to create high, sustainable value through strategic investments in leading companies in the industrial hemp, CBD and cannabis sectors.

We offer our investors a carefully diversified platform that ensures both stability and growth potential across various business sectors.

The driving forces hereby are the needs of all stakeholders: Investors, customers and partners of SYNBIOTIC SE.

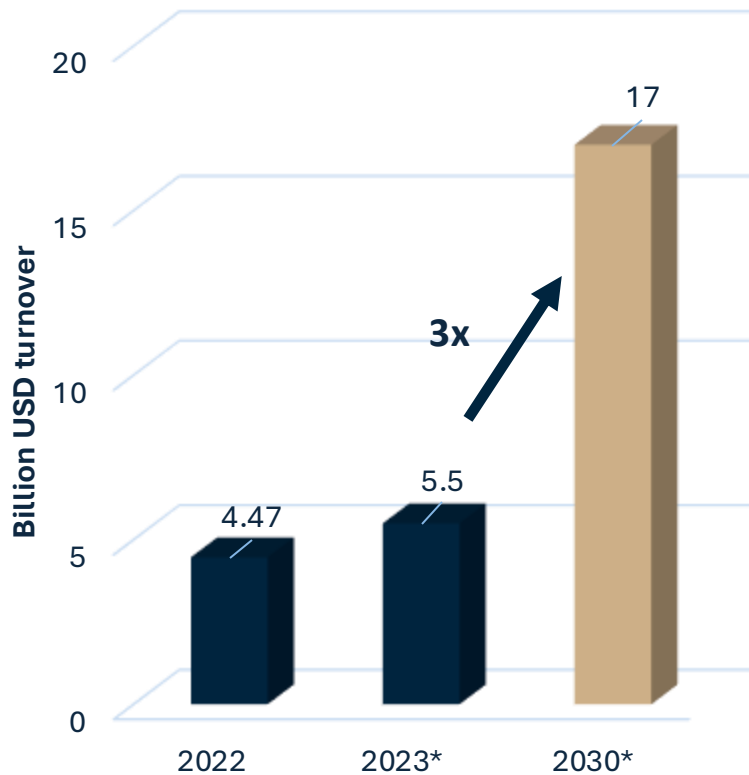
We see this as our mandate.



02 Industrial Hemp – a Future Billion-Dollar Market

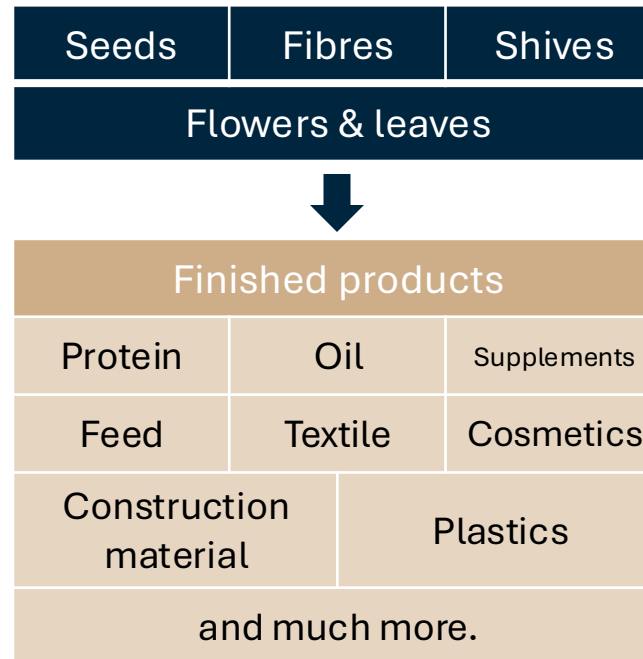
Revenues of industrial hemp have been rising worldwide for years, despite the challenges that still exist.

Global industrial hemp market



Source: UNCTAD report 2022, *forecast

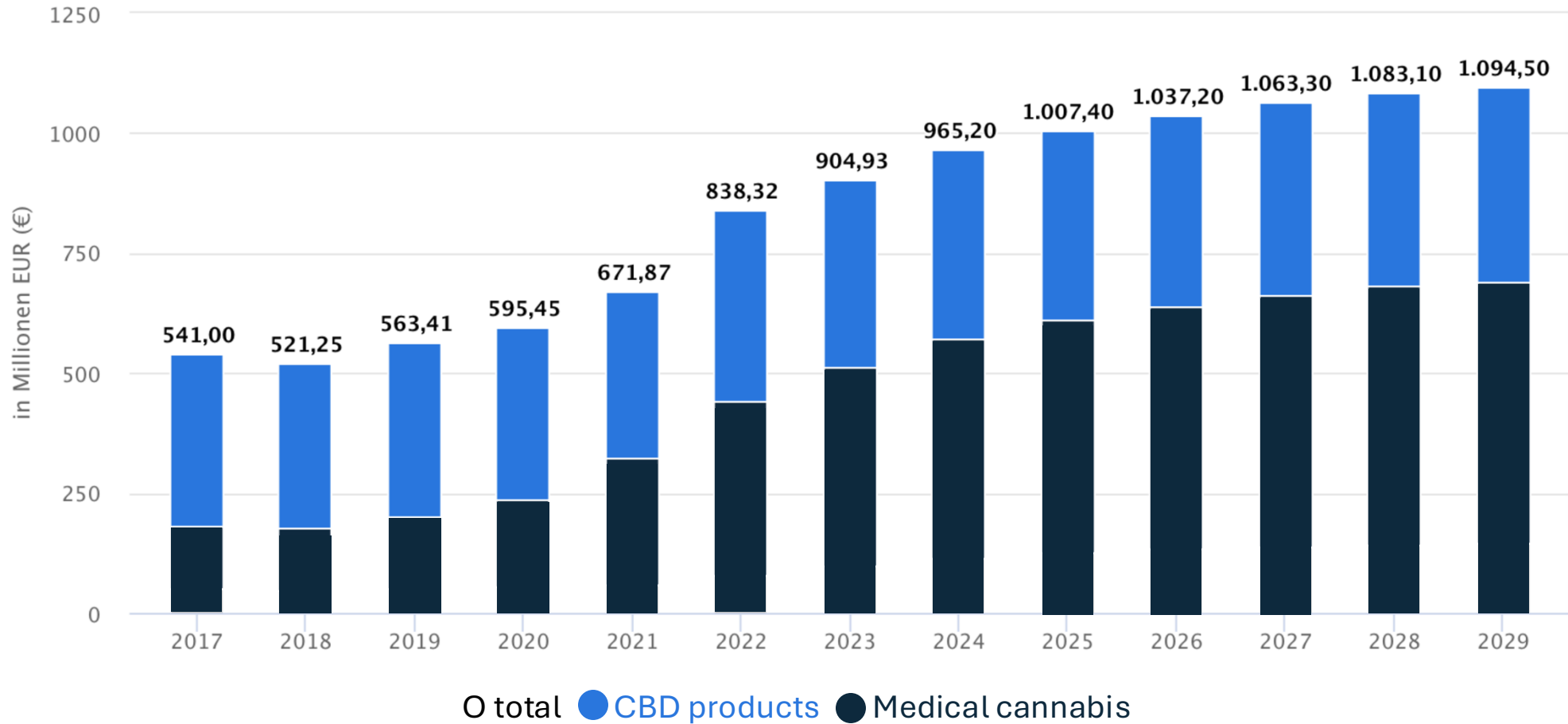
Application areas



Opportunities

- Upcoming reassessment of the status of industrial hemp
- Clarification of Novel Food status for extracts and CBD
- Removal of the „misuse clause“ – „Nutzhanfliberalisierungsgesetz Germany“ – Q1/2025
- Ongoing destigmatisation
- Research and development across all application areas
- Strong demand for sustainable raw materials and products

02 Growth of the German CBD and THC market



(Data source for own visualisation : <https://de.statista.com/outlook/hmo/cannabis/deutschland>, March 2024)

03 Business Sectors

SYNBIOTIC SE is a leading European corporate group operating in the dynamic environment of the **industrial hemp and cannabis market**.

As a public **listed** company, SYNBIOTIC SE offers its investors the exceptional opportunity to fully capitalize on the potential of this rapidly growing market.

Our **holding** strategically invests in promising ventures within the **industrial hemp, medical and recreational cannabis** sectors.

In doing so, we create **profitable synergies** across the entire **value chain**. Our **expertise** encompasses the entire process from cultivation and research to development, production, sales and distribution of premium industrial hemp and cannabis products.



A special feature of SYNBIOTIC SE is the **rigorous quality management** throughout the entire **production processes** and **supply chain**, both fully covered by **majority holdings**. A **unique selling point** in the industry.

Due to our successful **Buy-and-Build strategy**, we continuously expand our production and value chain, setting new standards in the industry.

SYNBIOTIC - Your Smartest Way to Invest in Cannabis.

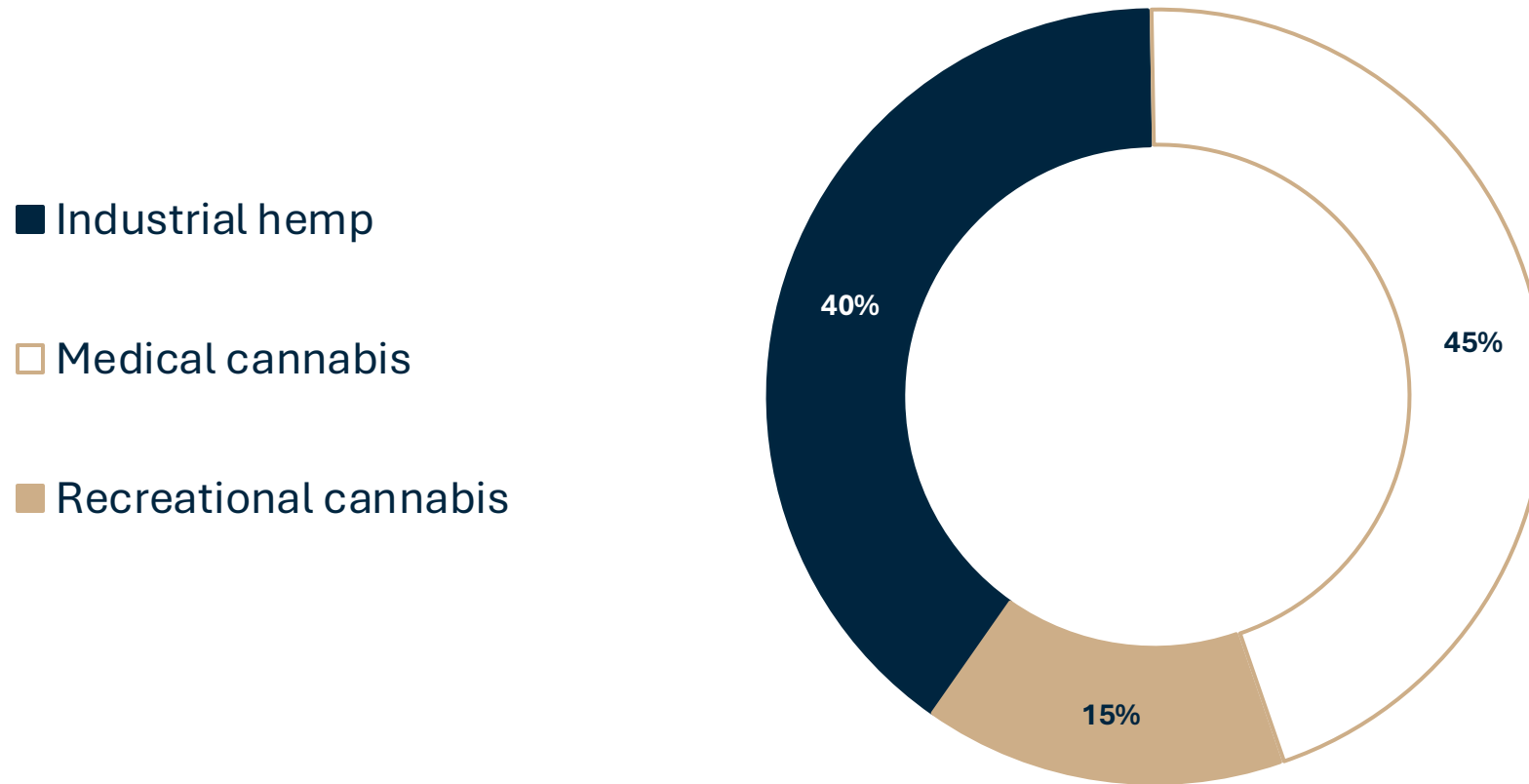


03 Business Sectors & Holdings

	Industrial hemp	Medical cannabis	Recreational cannabis
Cultivation	<p>Hanf Farm Cannabis Growing</p>	<p>Import partnerships in the Netherlands, Denmark, Spain and Canada</p>	<p>Hanf Farm Cannabis Growing</p>
R&D / Production	<p>    </p>	<p>    </p>	<p>  </p>
Sales & Distribution	<p>     </p>	<p>    </p>	<p><i>Bushdoctor</i></p>

03 Revenue Distribution by Business Sector

The revenues are shared to the sectors industrial hemp (40%), medical cannabis (45%) and recreational cannabis (15%).



Source: Own illustration SYNBIOTIC SE, 2024. Date of data: August 2024.

04 Strategy

SYNBIOTIC SE pursues a dynamic **Buy-and-Build strategy** in order to accelerate the company's growth and strengthen its market position. Through targeted acquisitions and continuous development of business sectors, SYNBIOTIC systematically expands its portfolio and taps into new market segments.

Acquisitions: Strategic acquisition of companies with complementary strengths, products and technologies in order to expand the value chain, product ranges and to leveraging synergies.

Integration: Efficient integration of new companies into the existing structure to enhance market efficiency and foster innovation leadership.

Expansion: Expansion of the business sectors in order to fully utilise the potential of industrial hemp and cannabis and penetrate new markets.

Innovation: Development and marketing of innovative products in the areas of industrial hemp, medical and recreational cannabis.

Diversification: Building a strong Pan-European group of companies with experienced and promising ventures in order to cover the relevant growth markets and minimise risks for investors.



05 Network

International network & associations

Our **strong international network**, established over three decades, and our memberships in the **key industry associations** are central elements in shaping the future of hemp and cannabis. CEO Daniel Kruse is President of the **European Industrial Hemp Association (EIHA)** and Vice-Chair of the **Federation of International Hemp Organisations (FIHO)**. We have a vibrant cooperation with the German **Cannabis Industry Association (BvCW)**.



Experience & expertise

Our team collectively possesses **over 100 years of experience** in the hemp market combining **decades-long expertise** of our executives. With highly experienced professionals and a strong presence in the hemp and cannabis industry, we are ideally positioned to take a leading role in this dynamic and growing market through **internal networking** and **synergies** within our group.

Stakeholder involvement

SYNBIOTIC SE understands the importance of an **intensive dialogue**. The holding uses state-of-the-art **communication tools** and **social media platforms** to establish and maintain transparent, open and interactive relationships with its stakeholders. Through **continuous dialogue** via **social media platforms** and **face-to-face meetings**, we keep our stakeholders regularly informed and have successfully established **long-term partnerships**.

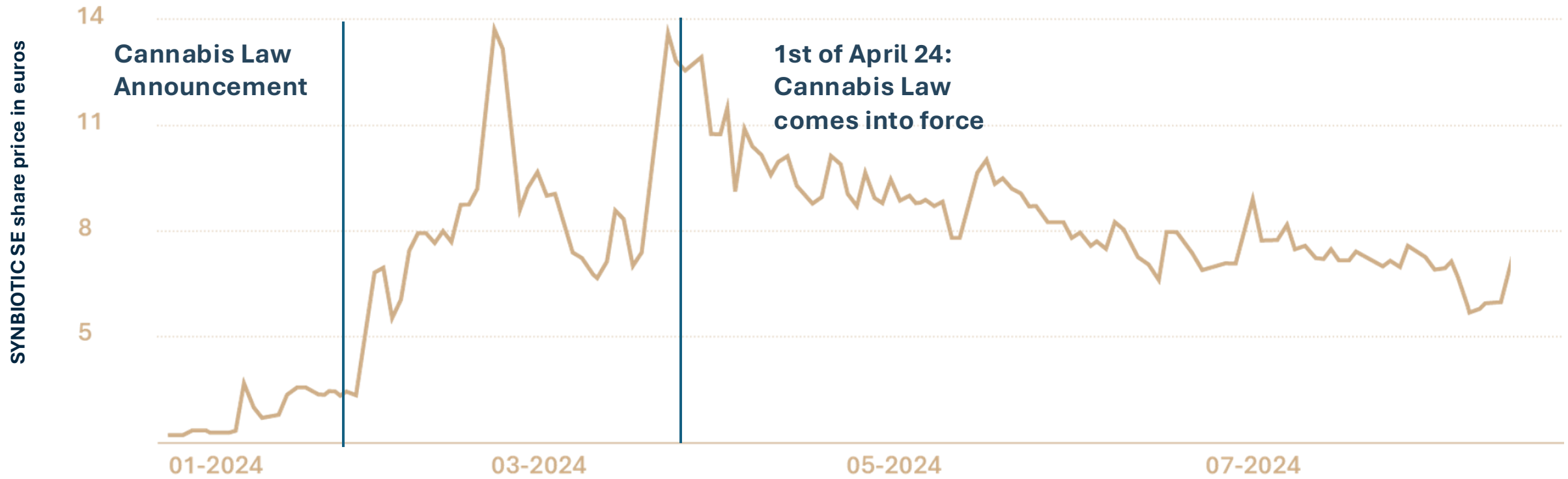


Increasing shareholder community

The shareholder base continues to grow through **targeted communication strategies**. With **over 17,500 private investors**, SYNBIOTIC SE has built up a diverse and committed shareholder community. Thanks to our **diversified investment portfolio**, we are an attractive investment target for German, European and international investors looking to participate in and benefit from the potential of the growing hemp and cannabis market.

06 Shares & Stock Exchange

Market capitalisation	Number of shares	Free float	Institutional
48 million EUR	7,16 million	49%	51%



Source: Own presentation SYNBIOTIC SE, 30th Oktober according to Xetra. Market Cap = 7.159.343 shares x 6,70 EUR / share

06 Financial Planning 2024 – 2026



GROUP PLANNING 2024 - 2026

	ACTUAL	PLAN	PLAN	PLAN	PLAN
	1 HY 2024	2 HY 2024	FY 2024	FY 2025	FY 2026
Revenue (without IC)	6.610	10.053	16.663	26.183	33.612
Revenue intercompany	402	1.230	1.632	3.262	3.719
Other operating income	87	291	377	1.145	2.071
Total Revenues	7.099	11.573	18.672	30.590	39.403
Cost of sales	4.196	6.115	10.311	15.480	18.748
GROSS PROFIT	2.903	5.458	8.361	15.110	20.655
Personnel costs	1.834	1.978	3.812	4.388	4.813
Other operating costs	2.828	3.066	5.894	8.326	11.598
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	-1.759	414	-1.345	2.397	4.245
Depreciation and amortisation	357	361	718	713	701
Earnings before interest and taxes (EBIT)	-2.116	53	-2.063	1.684	3.544
Interest income (-) / interest expenses (+)	-136	-43	-178	-167	-182
Taxes	0	0	0	100	200
Profit / loss / total income (NET INCOME)	-1.984	96	-1.887	1.751	3.526

06 Analysts' views



SynBiotic SE

Germany | Health Care | MCap EUR 33.4m

17 September 2024

UPDATE



SynBiotic: The cannabis company; Re-Initiation with BUY; PT EUR 12.50

BUY (no rating)

Target price EUR 12.50 (under review)

Current price EUR 5.96

Up/downside 109.7%





SCAN ME

What's it all about?

We re-initiate coverage of SynBiotic SE with a BUY recommendation and a PT of EUR 12.50 offering an upside potential of 109.7%. Recently, SynBiotic has published its annual report for 2023 and provided its short and mid-term guidance. The annual general meeting is scheduled for September 20, 2024. Overall, in the past 12 months a lot has changed at SynBiotic, initiated by the new management team led by CEO Daniel Kruse. In addition to the new management, the strategy, the structure and the commercial organization have been restructured and processes redefined. Furthermore, several financing measures were implemented, and three major acquisitions were made with Bushdoctor, Ilesol Pharmaceuticals and WEICO Pharma. This is an opportunity for us to completely revise our investment case, make new model assumptions and restart our coverage. SynBiotic is and will remain the only investment vehicle to participate in the strong trends of the hemp and cannabis industry in Europe. This includes industrial hemp, medical cannabis and recreational cannabis.

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mwb-research.com
This research is the product of mwb research, which is registered with the BaFin in Germany.

SynBiotic SE

Health Care / Pharma - Germany

Buy (old: Buy) 17.09.2024
EUR 12.40 (old: EUR 9.00)

SynBiotic transformation: Reaching new operational high(t)s

Topic: The new CEO Daniel Kruse has been in charge for roughly one year now. The implemented structural changes to the company coupled with regulatory changes in Germany, especially the loss of the narcotic drug status of medical cannabis, should become visible in strong improved financials.

Today, SynBiotic is a **Buy-and-Build operator in the European hemp, cannabis and cannabinoid market** with an objective to establish a fully integrated platform-company with activities across the entire value chain from cultivation to production and retail, essentially from the field to the shelf.

Dynamic market growth. SynBiotic is active across three end markets, recreational cannabis, industrial hemp and medical cannabis. All three markets should benefit from favourable trends. Demand for industrial hemp is seen to 4x until 2030, carried by regulatory changes and novel food classification of CBD-based products. At the same time, demand for medical cannabis should 10x vs 2023, thanks to the Cannabis Act, which took effect in April. While recreational cannabis (regulated commercial market for cannabis sales) has so far not been approved, the market for i. a. cannabis seeds and gardening equipment is now a legally growing.

SynBiotic looks set to strongly benefit from those favorable market dynamics. Until the end of FY26, we expect group sales to reach € 40.8m (vs. € 3.9m in FY23), implying a roughly 80% CAGR. Above all, this is seen to be carried by the medical cannabis segment, which should contribute some € 29m.

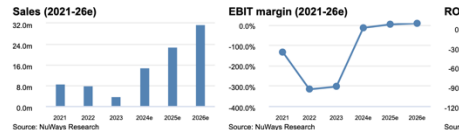
Additional pockets of growth could come from further acquisitions as per its Buy and Build strategy. In fact, we would expect another add-on until the end of the year.

More importantly, with strongly growing sales, SynBiotic should be on track to reach break-even by FY25e. This should also be possible thanks to the new CEO's implemented cost-saving measures such as significantly reduced personnel expenses (FY23: -55% yoy; FY24e: -19% vs FY22). During the subsequent years, the company looks set to reach double-digit EBIT margins (eNuWay: by 2027e).

With only a few listed players in the German cannabis space, SynBiotic offers a unique opportunity to invest into a vertically integrated company that is also active in a variety of different end markets. We re-initiate the coverage with a **BUY rating** and a **€ 12.40 PT** (old: € 9) based on DCF.

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	8.6	8.2	3.9	15.0	23.0	31.8
Sales growth	58.8%	-5.6%	-52.7%	287.5%	54.0%	38.0%
EBITDA	-4.8	-7.4	-7.2	-1.1	1.5	3.4
Net debt (if net cash=0)	-0.6	2.8	3.1	2.5	1.6	-0.8
FCF	-5.5	-7.1	-2.9	-4.1	0.9	2.4
Net Debt/EBITDA	0.0	-0.4	-0.4	-2.3	1.1	0.0
EPS pro forma	-4.13	-5.39	-2.12	-0.31	0.02	0.27
EBITDA margin	-55.2%	-90.8%	-186.3%	-7.3%	6.5%	10.7%
ROCE	-57.6%	-98.8%	-40.5%	-7.0%	1.5%	7.5%
EV/sales	2.0	3.6	8.5	2.4	1.5	1.0
EV/EBITDA	-3.7	-4.0	-4.6	-33.0	23.5	9.5
PER	-1.4	-1.1	-2.8	-19.0	355.7	22.2
Adjusted FCF yield	-61.3%	-81.2%	-31.9%	-4.0%	1.1%	5.3%

Source: Company data, NuWays, Close price as of 16.09.2024



Company description

SynBiotic is a Buy-and-Build operator in the European industrial hemp, cannabis and cannabinoid market with an objective to establish a fully integrated platform-company with activities across the entire value chain from cultivation to production and retail.

Analyst: Christian Sandherr · E-Mail: christian.sandherr@nuways-ag.com



High/low 52 weeks (€) 13.70 / 2.95
 3m rel. performance -22.1%
 6m rel. performance -29.0%
 12m rel. performance 9.1%

Market data

Share price (in €) 5.96
 Market cap (in € m) 33.4
 Number of shares (in m pcs) 5.6
 Enterprise value (in € m) 35.9
 trading volume (in months) 17,400

Identifier

Bloomberg SBX GY
 Reuters SBX
 WKN A3E5A5
 ISIN DE000A3E5A59

Key shareholders

Management 7.8%
 Other institutional investors 47.0%
 Free Float 45.4%

Estimates changes

	2024e	2025e	2026e
Sales	11%	41%	59%
EBIT	24%	130%	501%
EPS	28%	106%	583%

Comment on changes

• Model overhaul following the transformation

Guidance

- 2024 sales: € 16-17m
- 2024 EBIT: € -1.9m



SynBiotic

Platform primed for growth

SynBiotic has built up a leading platform company that spans the hemp and cannabis industry to cover the full value chain, from cultivation through to sales. Management buys and builds ventures that create and market hemp, cannabis and cannabinoid products for both medical and recreational use, while continually seeking investments in exciting new verticals. Recreational cannabis use has recently been partially legalised in Germany, while the same legislative changes have benefited the medicinal market. Having built its platform prior to these changes, SynBiotic is seeing its investments bear fruit and we believe it is well-positioned for any further relaxation in cannabis legislation in Germany.

Leading the European cannabis industry

SynBiotic's strategy is to buy and build companies so that it covers the full value chain of the cannabinoid market, from cultivation, R&D and production to distribution and sales, with a focus on Germany and the EU. Management looks for companies that fit strategically, while also exploring growing verticals. It seeks to generate synergies between its investments, which is a competitive advantage relative to peers that tend to focus on a specific area of the market.

Partial legalisation sparks up the German market

Recreational cannabis use has been partially legalised in Germany since 1 April 2024, with adults allowed to possess 25g in public or 50g in private. Limited home cultivation is also legal. Since 1 July 2024, the law allows for the formation of 'cannabis clubs', not-for-profit, regulated associations with a maximum of 500 members. Furthermore, cannabis has been removed from the German Narcotics Act, enabling medical professionals to prescribe medicinal cannabis more easily to patients. These changes have created a surge in demand within the medical and recreational cannabis markets and have benefited some of SynBiotic's businesses.

Valuation: Clear guidance laid out

Following the changes to German regulation, management has provided specific guidance, anticipating revenues of €16.7m in FY24, €26.2m in FY25 and €33.6m in FY26. SynBiotic also anticipates being EBIT positive in H224 (although still loss-making for FY24) and achieving margins of 6% in FY25 and 11% in FY26. The company currently trades at a premium to its peers on an EV/sales FY24 multiple, reflecting the 105.4% rise in the share price in the year to date.

Historical financial figures

Year end	Revenue (€000s)	EBIT (€000s)	PBT (€000s)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/20	5,446	(834)	(859)	(0.56)	0.00	N/A	N/A
12/21	8,649	(11,495)	(13,359)	(4.15)	0.00	N/A	N/A
12/22	8,186	(25,923)	(26,186)	(5.97)	0.00	N/A	N/A
12/23	3,861	(11,747)	(11,871)	(2.24)	0.00	N/A	N/A

Source: SynBiotic

Spotlight – Outlook

Consumer

16 September 2024

Price €6.10
Market cap €31.4m



Share details

Code SBX
 Listing Xetra
 Shares in issue 5.6m
 Last reported net debt as at 31 December 2023 €3.5m

Business description

SynBiotic is an investment holding company that pursues an EU-focused buy-and-build approach. The group of companies covers the entire supply chain, from cultivation to production to retail of hemp and cannabis products. One of the core businesses of the platform company is the research and development of new cannabinoid and terpene-based solutions for pain, sleep and anxiety. Its products serve a variety of end-markets including medicine and healthcare, nutrition and cosmetics.

- Bull**
- Large global market for cannabinoid products in multiple applications, with many legislators looking at relaxing rules, most recently Germany.
 - Diversified businesses covering three sectors: industrial hemp, medical cannabis and recreational cannabis.
 - Strong leadership team and portfolio managers.

- Bear**
- Strict and rapidly evolving regulatory requirements for THC and CBDs internationally.
 - Execution risk in terms of integration and future investments.
 - Potential competition from large players.

Analysts

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SynBiotic is a research client of Edison Investment Research Limited

07 Team

With a team of experts and a strong presence in the hemp and cannabis industry, we are perfectly positioned to take a leading role in the dynamic and growing hemp and cannabis market.

Our team consists of:

- Managing Director (CEO)
- Board of Directors
- Management Team
- Advisory Board

Further details: www.synbiotic.com/team





 **Münsterstr. 336 | 40470 Düsseldorf | Germany**

 **office@synbiotic.com**

Managing Director (CEO):

Daniel Kruse

Chairman of the Board of Directors:

Oliver Conrad

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