Harvard Bioscience

Enabling discovery, safety and production of tomorrow's therapeutics

NASDAQ: HBIO

# HBIO Investor Overview

## Sidoti Virtual Conference

## September 18, 2024

Jim Green, Chairman, President & CEO
Jennifer Cote, CFO & Treasurer

# Forward-Looking Statements and Non-GAAP Financial Information

**Forward-Looking Statements**

This document contains forward-looking statements within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “may,” “will,” “expect,” “plan,” “anticipate,” “estimate,” “intend” and similar expressions or statements that do not relate to historical matters. Forward-looking statements include, but are not limited to, information concerning expected future financial and operational performance including revenues, gross margins, earnings, cash and debt position, growth and the introduction of new products, and the strength of the Company’s market position and business model and anticipated macroeconomic conditions. Forward-looking statements are not guarantees of future performance and involve known and unknown uncertainties, risks, assumptions, and contingencies, many of which are outside the Company’s control. Risks and other factors that could cause the Company’s actual results to differ materially from those described in its forward-looking statements include those described in the “Risk Factors” section of the Company’s most recently filed Annual Report on Form 10-K as well as in the Company’s other filings with the Securities and Exchange Commission. Forward-looking statements are based on the Company’s expectations and assumptions as of the date of this document. Except as required by law, the Company assumes no obligation to update forward-looking statements to reflect any change in expectations, even as new information becomes available.

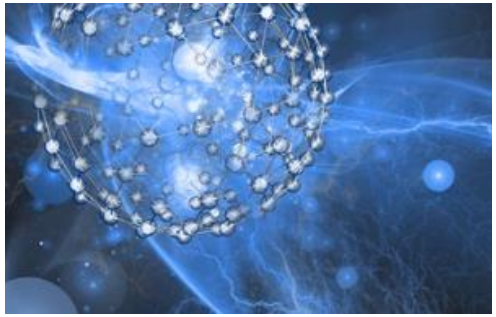
**Use of Non-GAAP Financial Information**

This document includes non-GAAP financial information including one or more of adjusted operating income (loss), adjusted operating margin, adjusted net income (loss), adjusted EBITDA, adjusted EBITDA margin, adjusted diluted earnings (loss) per share, foreign exchange adjusted revenue, and net debt. We believe that this non-GAAP financial information provides investors with an enhanced understanding of the underlying operations of the business. For the periods presented, these non-GAAP financial measures have excluded certain expenses and income resulting from items that we do not believe are representative of the underlying operations of the business. Items excluded include stock-based compensation, amortization of intangibles related to acquisitions, other operating expenses, loss on equity securities, income taxes and the tax impact of the reconciling items. Management believes that this non-GAAP financial information is important in comparing current results with prior period results and is useful to investors and financial analysts in assessing the Company’s operating performance. Non-GAAP historical financial statement information included herein is accompanied by a reconciliation to the nearest corresponding GAAP measure which is included as exhibits below.

With respect to non-GAAP forward-looking measures, we provide an outlook for adjusted EBITDA margin. Many of the items that we exclude from this forward-looking measure calculation are less capable of being controlled or reliably predicted by management. These items could cause the forward-looking measures presented in our outlook statements to vary materially from our GAAP results.

The non-GAAP financial information provided in this presentation should be considered in addition to, not as a substitute for, the financial information provided and presented in accordance with GAAP and may be different than other companies’ non-GAAP financial information.

# Trusted provider of advanced life science tools to leading academic research institutions, contract research organizations, pharmaceutical and bio-tech companies


## CELLULAR & MOLECULAR

Technologies and tools necessary for research, discovery and creation of tomorrow's breakthrough drugs, vaccines and therapies

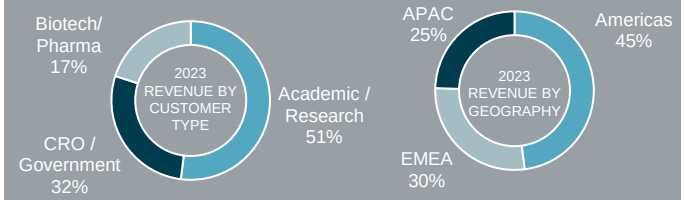
## PRE-CLINICAL SYSTEMS

Recognized gold standard for data acquisition, processing, and regulatory report generation for safety pharmacology and toxicology testing


## COMPANY PROFILE

- NASDAQ: HBIO
- Global sales footprint, 3 core manufacturing facilities
- Approx. 383 employees, 33 PhD, 54 Masters, 77 Bachelors
- 2023 Revenues: $112.3M
- FY'23 Adj. EBITDA: $14.6M (13% of rev), up 34% vs PY*
- 35%+ recurring revenues
- Headquarters: Greater Boston, MA

## BALANCED PORTFOLIO




Revenues allocations are approximate

* *Non-GAAP measure; see reconciliation to GAAP financial measures in Appendix.*

# Harvard Bioscience Investment Thesis

**Long standing relationships with blue-chip customers**

**Direct sales force complemented by distributors for global reach**

**Trusted reputation, limited competitors and high switching costs**

**Strong established brands**

**Disciplined capital allocation balancing growth and financial performance**

**Long term target: Double digit revenue growth, 60% gross margin, 20% EBITDA margin**

Essential natural growth end markets

High touch sales approach with elite applications & data scientists

High barrier innovative technologies

Expand to high volume applications

Focus on commercial expansion of addressable markets

Targeted growth strategy

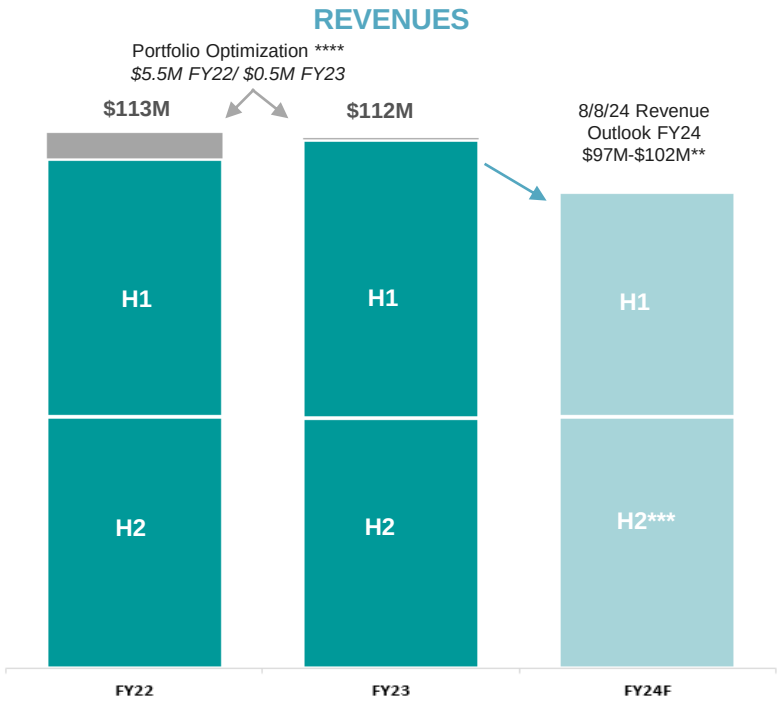
## DIVERSIFIED CUSTOMER / REVENUE MODEL

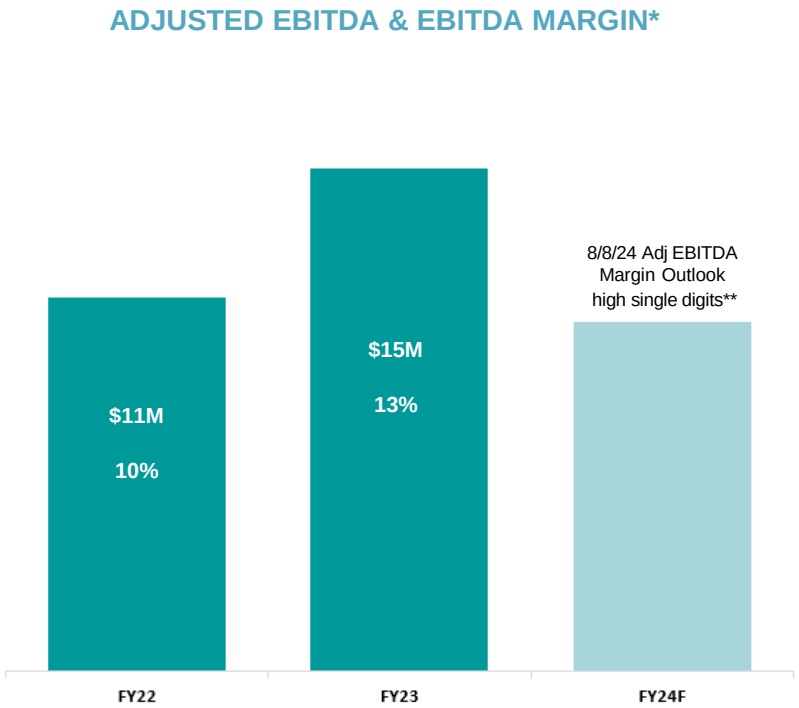
**Systems & Software**

**Consumables**

**Services**

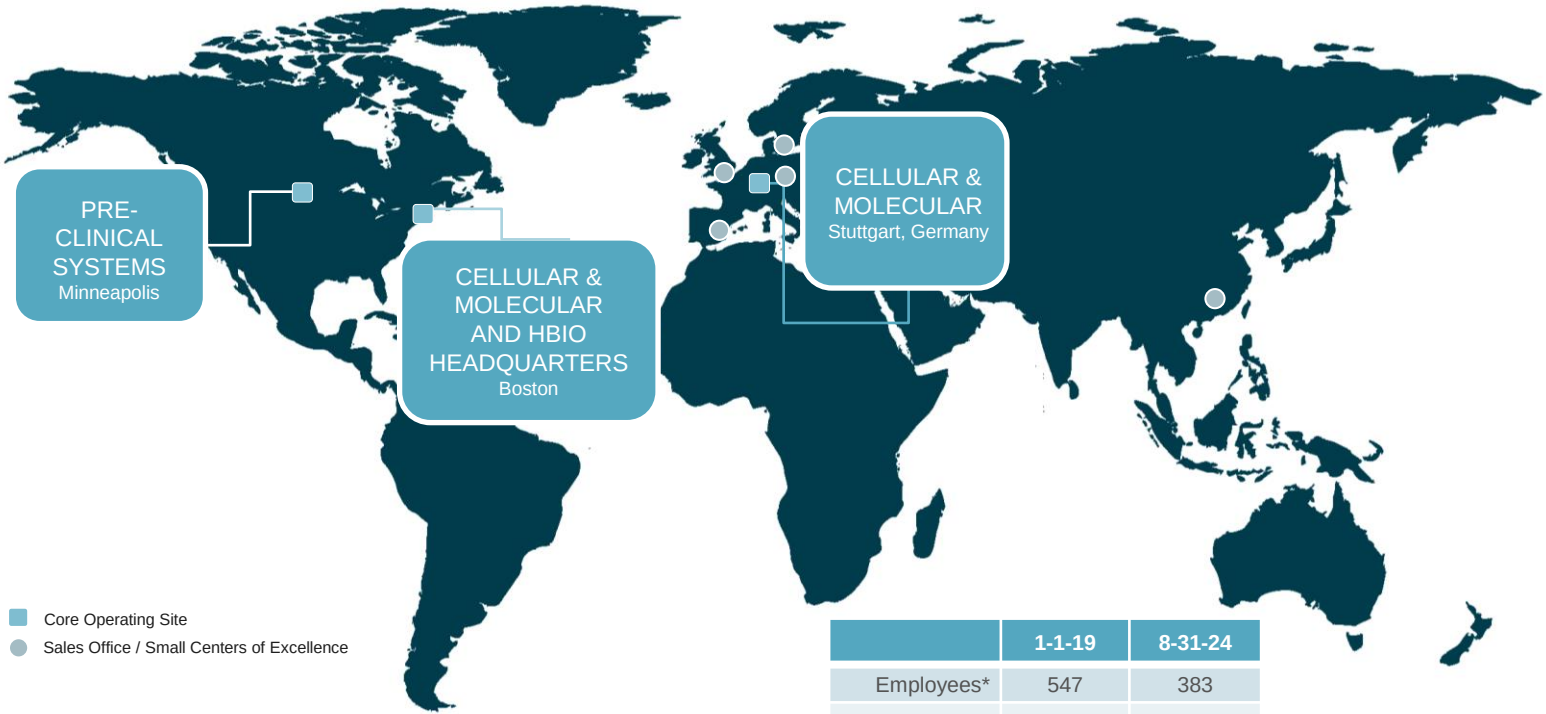
# Sales and Earnings Trends




* *Non-GAAP measure; see reconciliations to GAAP financial measures in Appendix.*
** *2024 Guidance as discussed in Q2 earnings release on August 8, 2024. This presentation is not a reaffirmation of guidance.*
*** *2024 H2 revenues and FY24F adjusted EBIDTA margin are approximate for illustrative purposes.*
**** *2022 Revenue includes $5.5 million in sales of discontinued products; 2023 Revenue includes $0.5 million in sales of discontinued products; net difference is $5.0 million*

# Today's Global Footprint




| | 1-1-19 | 8-31-24 |
|---|---|---|
| Employees* | 547 | 383 |
| Product Lines | 18 | 10 |
| Sites | 14 | 8 |

*Headcount is approximate*

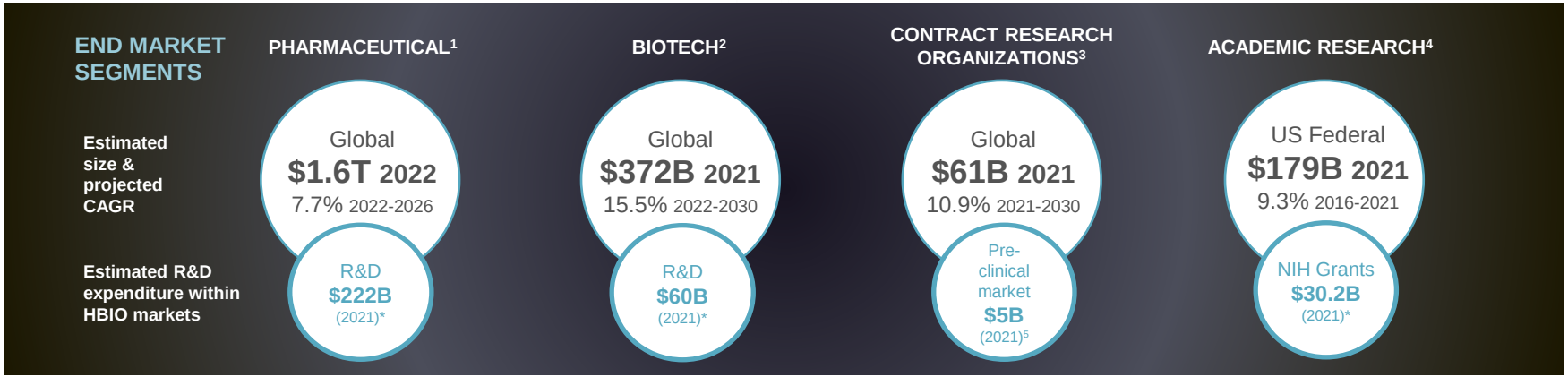
# Essential Technologies Serving Well-funded, High-growth Secular Markets with Demographic Tailwinds

## DRIVERS

**Rising incidence of disease** – cardiac, cancer, respiratory, diabetes, obesity, Alzheimer's, neurological, infectious

**Increased funding for** research and development of **advanced therapeutics**

**Increased demand for research tools, devices and systems** that improve efficiency & productivity and **enable therapeutics discovery and safety & regulatory through bio-production**




1) https://www.researchandmarkets.com/reports/5553406/pharmaceuticals-global-market-report-2022-by
2) https://www.acumenresearchandconsulting.com/biotechnology-market
3) https://www.emergenresearch.com/request-sample/1221
4) https://ncses.nsf.gov/pubs/nsf22323
5) https://www.grandviewresearch.com/industry-analysis/preclinical-cro-market

*Internal estimates calculated based on publicly-available data.

# Blue Chip Customer Base

## ACADEMIC RESEARCH

- Scientific Research labs primarily government & grant funded
- Early discovery of new novel drugs and compounds for therapies and vaccines
- Advanced cellular testing & gene editing

## CONTRACT RESEARCH ORGANIZATIONS

- Pre-clinical studies to determine safety and efficacy of new pharmaceuticals
- Pharmaceutical companies are outsourcing significant pre-clinical activities to CROs

## BIOTECH, PHARMACEUTICAL

- Perform early discovery and then transition from discovery through pre-clinical regulatory and on to production
- Leverage discoveries from academics & bio-techs
- Bridge to bio-production

MGH 1811 · MAYO CLINIC · UCSF University of California San Francisco · Duke University · University of Oxford · University of Cambridge · Harvard University · CDC Centers for Disease Control and Prevention

charles river · labcorp · MEDICILON 美迪西生物医药 · WuXi AppTec · ALTASCIENCES · inotiv · BATTELLE

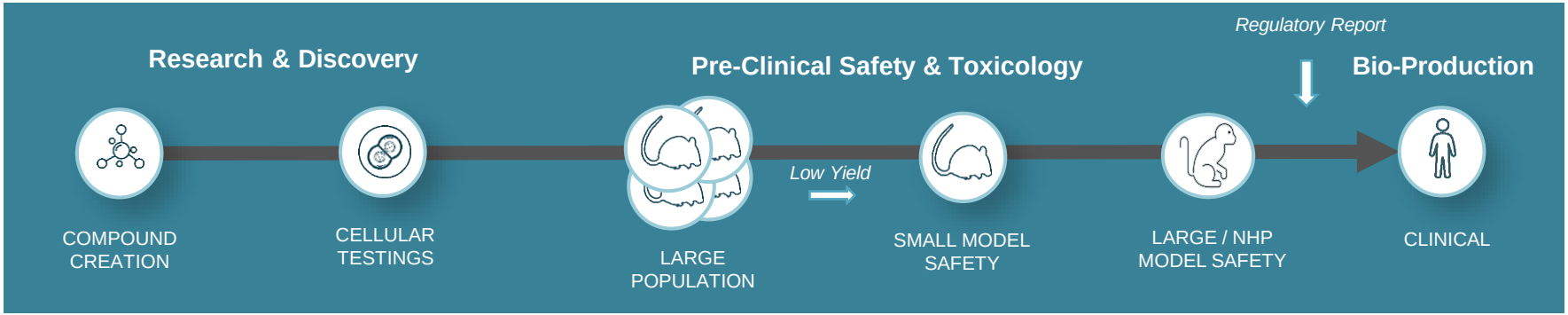
AstraZeneca · REGENERON · abbvie · Pfizer · gsk · SANOFI · BAYER · Lilly · NOVARTIS · MERCK

***Value Proposition***

| | | |
|---|---|---|
| Breakthrough technologies and applications, increase innovative publications | Reduce test cycle-time, increase volume and study types, drives CROs revenue growth | Reduce development cycle time means more compounds drives BioPharma revenue growth |

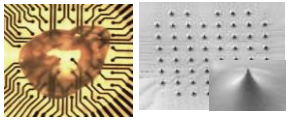
*Subset of blue-chip recurring customers*

# Drug Development Cycle: Today




BTX Electroporation / Electrofusion

## Cellular Platforms
(Electrophysiology)

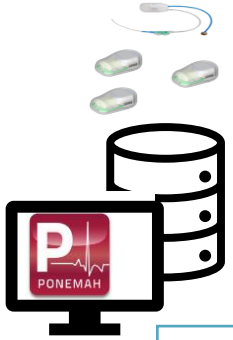


Micro Electrode Array MEA

Patchclamp
(Individual Cell)

## Implanted Telemetry

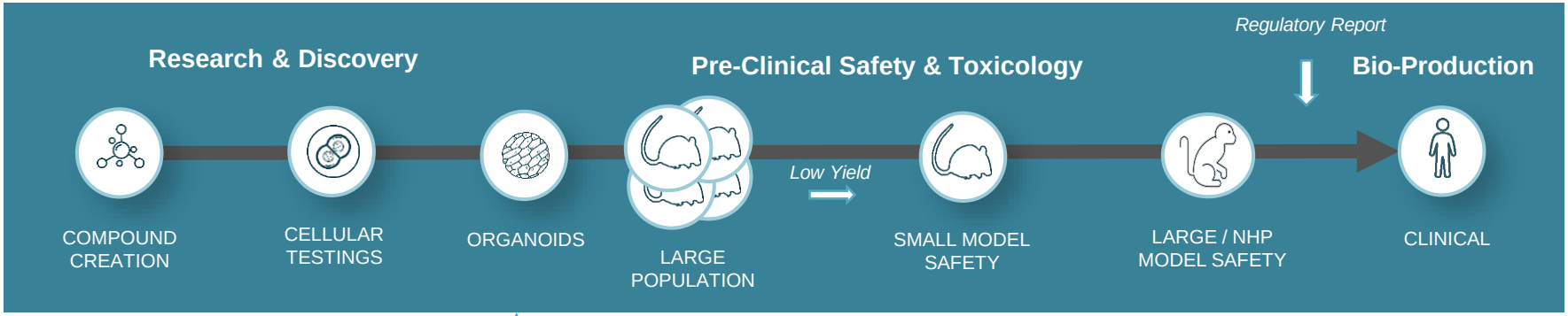
VivaMARS



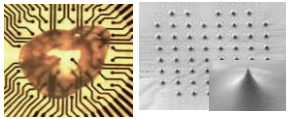

BTX

Tera-byte data analysis

# Reducing Cycle Time: Introducing the MeshMEA™ Organoid Platform




Cellular Platforms
(Electrophysiology)



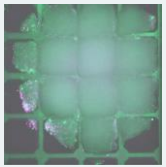
Micro Electrode Array MEA

BTX Electroporation / Electrofusion

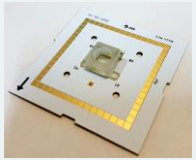
Patchclamp
(Individual Cell)

First: MeshMEA Organoid Platform

*Mesh*



*Consumable chip*



In-Vitro Electrophysiology Analysis
- Reduce test time/cost, increase yield
- Neuro and cardiac longitudinal studies
- Refine/Reduce/Replace animal models

Implanted Telemetry

VivaMARS


BTX

Tera Byte Data Analysis

# New Product Introductions: Focused on Commercialization

## STRENGTHEN THE BASE: DELIVER > MARKET GROWTH


PRECLINICAL


CMT

- Ponemah™ Enterprise Data Acquisition/Analysis GLP Platform
- Extend Leadership in wireless telemetry – Introduced SoHo
- Introduced Hi-volume GLP Neuro-behavioral (VivaMARS™)
- Well established cellular/molecular/inhalation-respiration technologies for research/discovery
- Recurring revenue streams from consumables and services

**~85% of FY23 Rev**

## EXPAND TO HIGH GROWTH: BIO-PRODUCTION


CMT

- Established BTX brand for electroporation/electrofusion
- Supports latest applications in cell and gene editing, cell and gene therapy CGT
- Introduced BTX for bioproduction
- Introduced Amino Acid Analysis for bioproduction

**~10% of FY23 Rev**

## EXPAND TO HIGH GROWTH: IN-VITRO ORGANOID APPS


CMT-ORGANOIDS

- Introduced breakthrough MeshMEA Organoid Platform
- Leverage leadership position in advanced electrophysiology
- Adapting our leading MEA technology to emerging organoid applications in neuro and cardiac safety toxicology

**~5% of FY23 Rev**

# 2024 New Product Introductions: Supports Long Term Growth Targets

| Growth Category | Product Line | Application | Customers | Commercial Status | Key Trade Show Product Focus |
|---|---|---|---|---|---|
| **Base** | • SoHo™ Shared Housing Telemetry<br>• VivaMARS™ | • Safety Pharmacology<br>• Toxicology | • CROs<br>• Biopharma<br>• Academics | • Q3: Soho Production Shipments<br>• Q4: VivaMARS Additional Shipments | • Federation of European Neuroscience Societies<br>• **Safety Pharmacology Society (September)**<br>• Society for Neuroscience<br>• American College of Toxicology |
| **Electroporation & Bridge to Bioproduction** | • BTX™ Electroporation<br>• Amino Acid Analysis | • Electroporation<br>• Bioproduction | • Biopharma | • BTX in Production<br>• Q3: AAA cGMP Production Shipments | • International. Society for Stem Cell Research<br>• Bioprocessing Summit |
| **MeshMEA™ / Organoid** | • MEA Systems<br>• Mesh Organoid Sensors | • Neuro Research<br>• Cardiac Research<br>• In-Vitro Safety Pharmacology & Toxicology | • Academics<br>• Biopharma<br>• Advanced CROs | • Q2: Beta Sites in Operation<br>• Q3/Q4: Early Adopters Shipments<br>• Q1'25: Production | • Federation of European Neuroscience<br>• **Safety Pharmacology Society (September)**<br>• International. Society for Stem Cell Research<br>• Society for Neuroscience<br>• American College of Toxicology |

# Investment Thesis: Deliver Strong, Profitable, Long-Term Growth

**NEW PRODUCT INTRODUCTIONS FOCUSED ON TOP-LINE GROWTH & RECURRING REVENUES**

**LARGE, LOYAL CUSTOMER BASE IN DRUG RESEARCH & DISCOVERY, SAFETY & REGULATORY, AND BIO-PRODUCTION MARKETS**

**FOCUSED ON LONG TERM DOUBLE DIGIT TOPLINE GROWTH, 60% GROSS MARGIN & 20%+ ADJUSTED EBITDA MARGIN**


HB Harvard Bioscience
Enabling discovery, safety and production of tomorrow's therapeutics
Thank You

# Appendix

# Reconciliation of GAAP to Non-GAAP Financial Measures

| (in thousands) | Year Ended 31-Dec-22 | Year Ended 31-Dec-23 |
|---|---|---|
| **GAAP net loss** | **$ (9,516)** | **$ (3,415)** |
| Stock-based compensation | 4,411 | 5,000 |
| Acquired asset amortization and impairment | 6,236 | 5,561 |
| Settlement, restructuring, & other | 5,603 | 253 |
| Unrealized loss on equity securities | - | 632 |
| Income taxes | (1,689) | (1,604) |
| **Adjusted net income** | **5,045** | **6,427** |
| Depreciation | 1,338 | 1,440 |
| Interest and other expense, net | 2,426 | 4,221 |
| Adjusted income taxes [1] | 2,026 | 2,463 |
| **Adjusted EBITDA** | **$ 10,835** | **$ 14,551** |
| | | |
| **Revenues** | **$ 113,335** | **$ 112,250** |
| **Adjusted EBITDA margin** [2] | **10%** | **13%** |

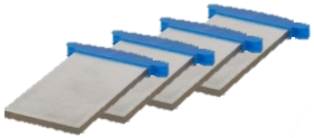
*(1) Adjusted income taxes includes the tax effect of adjusting for the reconciling items using the tax rates in the jurisdictions in which the reconciling items arise.*

*(2) Adjusted EBITDA margin % is calculated as Adjusted EBITDA / Revenue.*

# Expand to Bio-Production: BTX Electroporation as a Bridge to Bio-Production

## HBIO IS A PIONEER IN ELECTROPORATION AND ELECTROFUSION DRIVING NOVEL DISCOVERIES IN DRUG CREATION

AgilePulse™ MAX



Consumable: Flatpack Reaction Chamber

ECM 2001+

Bio30+ AAA system

### Bio-Production Applications and Configuration

- Used for today's most challenging cell modifications, CAR T-Cell transfection, monoclonal antibodies, Cell and Gene Therapy (CGT), CRISPR
- Ideal for bioproduction when Biotech or Pharma customers utilize our system to create the original compound
- Low barrier transition to production, faster time to market and reduced cost

### Amino Acid Analyzer (AAA)

- High precision amino acids/protein analysis
- For biologic therapies that rely on precise amino acid content
- Enables on site bioproduction testing of buffers and solutions to improve production cycle time