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2020/21

HALF-YEAR REPORT as at 31 March 2021

Significant events · Interim Group management report · Consolidated income statement · Consolidated statement of comprehensive income · Consolidated balance sheet · Consolidated statement of changes in equity · Consolidated cash flow statement · Selected notes to the consolidated financial statements · Contact · Financial calendar

B·R·A·I·N

ABOUT BRAIN

BRAIN Biotech AG (“BRAIN”) is a leading European specialist in industrial biotechnology. As a technology provider and developer of bio-based products and solutions for nutrition, health and the environment, the company supports the biologization of industry and contributes to a more sustainable economy. BRAIN is the parent company of the BRAIN Group. Two pillars form BRAIN Group's business: The BioScience segment includes contract research for renowned industrial partners as well as an incubator for the development of the company's own highly innovative products. In the BioIndustrial segment, the company focuses on specialty business in the production and refinement of enzymes, microorganisms and bioactive natural products and the respective distribution.

The BRAIN Group maintains its own diverse collection of natural resources: the BRAIN Bioarchive comprises microorganisms, genetic material and natural substances. Based on this collection and with a comprehensive technology portfolio, BRAIN addresses technological challenges and develops bio-based products and solutions that are already successfully employed in the industry. The BRAIN Group has its own production facilities in Germany, UK and the US, which together with the associated biotechnological production expertise, complete the value chain within the Group.

Since its IPO in 2016, BRAIN Biotech AG has been listed in the Prime Standard of the Frankfurt Stock Exchange (ISIN DE0005203947 / WKN 520394).

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SIGNIFICANT EVENTS

1 January 2021 to 31 March 2021

BRAIN Biotech AG acquires Biosun Biochemicals Inc., furthering expanding its product business in the USA

On 7 January 2021, BRAIN Biotech AG announced the acquisition of Biosun Biochemicals Inc. based in Tampa, Florida. The company is a successful distributor, formulator and blender of enzymes, flavors, food ingredients and natural colors in the US market. This acquisition will further enhance the growth trajectory of BRAIN's BioIndustrial division and improve the distribution capabilities in North America.

BRAIN Biotech AG makes a further investment in SolasCure Ltd.

On 19 January 2021, BRAIN Biotech AG participated in a capital increase at SolasCure Ltd. The total capital increase amounted to GBP 3.0 million, in which BRAIN participated with an amount of GBP 0.5 million. This led to a change in the interest held from 46% to 41%. In the future, SolasCure Ltd. will continue to be equity accounted in accordance with IAS 28. BRAIN Biotech AG continues to be very confident about the successful development of its active ingredient AURASE for chronic wound care, and has consequently participated in this new financing round for SolasCure Ltd.

Pharvaris / AnalytiCon Discovery GmbH

Pharvaris is a clinical-stage discovery and development company, founded in 2015 in Switzerland. It has successfully placed its IPO at the NASDAQ (ticker: phvs) on February 9th, raising USD 190.2 million. The company focuses on the treatment of hereditary angioedema (HAE), a medical disorder caused by gene mutation, which results in recurrent attacks of severe swelling. The swelling is caused by excess level of bradykinin. Pharvaris develops as a new treatment option a novel oral bradykinin B2-receptor antagonists (PHA121). The project has entered Phase 2 of clinical development. BRAIN Group Company AnalytiCon Discovery GmbH performed for Pharvaris hit-identification, hit-to-lead and lead-optimization. In addition, AnalytiCon supported manufacturing and control activities as well as pharmaceutical development. Milestone payments based on clinical development progress, regulatory events and sales development can reach up to € 11.4 million (to-date € 1.15 million paid). In addition, there is a tiered royalty agreement in place with a low to medium-single digit royalty payment on direct and/or indirect net sales if the product will be successfully marketed.

INTERIM GROUP MANAGEMENT REPORT

1 October 2020 to 31 March 2021

I. GROUP BASIS AND GENERAL CONDITIONS

The remarks made in the consolidated financial statements for the financial year ending 30 September 2020 about the Group's basis and general conditions continue to be applicable.

II. ECONOMIC AND BUSINESS REPORT

1. Results of operations

In the first six months of the 2020/2021 financial year, the BRAIN Group generated a revenue of € 18.0 million compared to € 19.9 million in the same period of the previous year, which represents a decline of 9.7%. Revenues in the second quarter of 2020/21 amounted to € 9.9 million. This corresponds to an increase of 3.3% compared to the second quarter of the previous year. Organically, i.e. excluding Biosun Biochemicals Inc., second quarter revenues decreased by 5.6% to € 9.1 million.

Other income increased by € 1.0 million to € 1.3 million mainly due to the Gain on bargain purchase of Biosun Biochemicals Inc. Overall, total revenues (sales revenues, research and development funding, changes in inventories and other income) decreased by € 0.4 million (1.9%) from € 20.2 million to € 19.8 million in the first six months of the financial year compared to the same period last year.

The **BioScience** segment generated revenue of € 4.7 million in the reporting period, down 31.6% from the prior-year period. This decline is mainly due to some larger projects reaching their planned end phase and delays in the completion of new/follow-up projects in the Tailor-Made-Solutions business. In the second quarter, revenue decreased slightly from € 2.8 million to € 2.7 million compared to the previous year. Compared to the first quarter of the 2020/2021 financial year, an increase in revenue of € 0.7 million from € 2.0 million to € 2.7 million was achieved. The adjusted EBITDA decreased from € -2.3 million to € -3.4 million.

The lower adjusted EBITDA is mainly due to the decline in sales in the BioScience segment mentioned above, however, because a large part of the costs in the BioScience segment can de-facto be classified as fixed, achieved cost savings were able to partially counteract this decline.

Revenue generated by the **BioIndustrial** segment reported a slight increase of 2.3% from € 13.1 million to € 13.4 million in the reporting period. In organic terms, revenue decreased by € 0.6 million or 4.2% from € 13.1 million to € 12.6 million. Adjusted EBITDA decreased slightly from € 1.5 million to € 1.4 million. Within the segment, Biocatalysts Ltd. showed a

strong development at the level of turnover. WeissBioTech GmbH continued to record significant revenue declines in the bioethanol business and in wine enzymes. The latter is due, among other things, to effects in connection with the coronavirus. In addition, it remains challenging to win new customers due to the ongoing pandemic.

Adjusted Group EBITDA consequently decreased by € 1.3 million from € –0.7 million in the previous year to € –2.0 million in the first six months of the 2020/21 financial year. Adjusted EBITDA in the second quarter decreased slightly from € –0.5 million to € –0.6 million compared to the same quarter of the previous year.

Undiluted (basic) and diluted earnings per share during the first six months of the financial year amounted to € –0.06, compared with € –0.26 in the previous year's period.

The following table shows the reconciliation of unadjusted EBITDA to adjusted EBITDA.

€ thousand	6M 2020/21	6M 2019/20
EBITDA	-1,566	-869
Gain on bargain purchase	858	0
Share-based employee compensation	-302	-155
Acquisition and integration costs incurred in the expansion of the BRAIN Group	-108	0
Adjusted EBITDA	-2,014	-714

2. Net assets

Compared to 30 September 2020, non-current assets increased from € 39.1 million to € 40.9 million as of 31 March 2021, due to the acquisition of Biosun Biochemicals Inc. and the intangible assets determined as part of the acquisition-related preliminary purchase price allocation. Current assets decreased from € 33.1 million to € 26.2 million. This reduction is mainly due to the decrease in cash and cash equivalents. As part of a further investment in Solascure Ltd., which is accounted for using the equity method, BRAIN Biotech AG made a capital contribution of € 0.6 million in cash. In addition, put option liabilities in connection with AnalytiCon Discovery GmbH amounting to € 1.6 million became due. With this payment, all significant payments in connection with this put option liability have been made.

Equity remained almost stable at € 26.1 million as at 30 September 2020 compared to € 26.0 million as at 31 March 2021. This slight reduction of € 0.1 million is a net effect, where the negative result of the period is almost compensated by the currency translation effect in other comprehensive income and the transfers due to employee share schemes. No capital measures were implemented during the reporting period.

Non-current liabilities decreased from € 33.7 million to € 27.1 million, which is the effect of a revaluation of put option liabilities driven by the exercise of two minority shareholders (Biocatalysts Ltd.). This revaluation led to a financial income of € 3.0 million, which is shown in the financial result. As a result, the financial liability recognized for the put option liabilities

for the potential acquisition of shares in Biocatalysts Ltd. decreased from € 12.8 million to € 9.8 million. As the existing put option rights were only partially exercised (16.7%-points of the potential option rights), only the exercised parts were revalued. In addition, the amounts due in the short term have been reclassified to current liabilities. Current liabilities increased from € 12.4 million to € 14.1 million mainly due to the aforementioned effect offset by a reduction in other liabilities resulting from the payment of the liabilities from the put options in relation with AnalytiCon Discovery GmbH.

3. Financial position

The Group's gross cash flow slightly improved from € –3.5 million in the previous year to € –3.1 million in the reporting period. This movement reflects the net effect of the improved result for the period and the earnings effect caused by the revaluation of the Put Option liabilities due to the exercise of two minority shareholders of Biocatalysts Ltd.

Cash flow from operating activities stabilized at € –4.2 million.

Cash flow from investing activities in the first six months of the current financial year was € –1.4 million compared to € –4.5 million in the same period last year. The higher amount in the previous year contains the investments in property, plant and equipment and the investments in expanding the production capacities at the locations in Cardiff, UK and Büttelborn, Germany, as well as higher investments in the equity of SolasCure Ltd.

Cash flow from financing activities, which in the reporting period mainly reflects the repayments of financial liabilities, amounted to € –1.5 million compared to € –0.2 million in the previous year.

Compared to 30 September 2020, cash and cash equivalents decreased from € 18.9 million to € 12.0 million, which is attributable to the aforementioned effects.

III. SIGNIFICANT OPPORTUNITIES AND RISKS

For a presentation of the risk management system and of potential opportunities and risks, reference is made to the remarks on pages 96 ff. of the 2019/20 annual report of BRAIN Biotech AG. It is not possible to forecast how the spread of the coronavirus will affect global economic growth trends at the time of the preparation of this half-year report. Therefore, potential uncertainties from risks associated with the further development of the corona pandemic remain. Nevertheless, from today's perspective and with the exception of the opportunity described in the section "Events after the End of the Quarter" about the Genome Editing Tool that has been developed, BRAIN Biotech AG does not expect any material changes from the opportunities and risks presented in the 2019/20 annual report.

Risks pursuant to Section 91 (2) of the German Stock Corporation Act (AktG) that might comprise going concern risks for the BRAIN Group are not identifiable at present.

IV. OUTLOOK

Compared to the outlook report presented on page 95 of the 2019/20 annual report, no significant changes are identifiable concerning the business outlook which are not related to the development of the new Genome Editing Tool of BRAIN Biotech AG. As such, the forecast remains unchanged except for the adjustment of the investments in this project. Despite the coronavirus pandemic, BRAIN Biotech AG is confident that further business progress, albeit perhaps at a slightly slower pace, will proceed in the forecasted direction.

CONSOLIDATED INCOME STATEMENT [UNAUDITED]

1 October 2020 to 31 March 2021 and 1 January 2021 to 31 March 2021

€ thousand	6M 2020/21	6M 2019/20	Q2 2020/21	Q2 2019/20
Revenue	18,001	19,930	9,923	9,607
Research and development grant revenue	365	447	168	270
Change in inventories of finished goods and work in progress	146	-462	70	-230
Other income ¹	1,287	275	1,150	152
	19,799	20,190	11,311	9,799
Cost of materials				
Cost of raw materials and supplies, and purchased merchandise	-7,603	-6,639	-3,893	-3,347
Cost of purchased services	-802	-1,409	-543	-510
	-8,404	-8,048	-4,437	-3,857
Personnel expenses				
Wages and salaries	-7,774	-7,388	-4,110	-3,716
Share-based employee compensation	-302	-155	-142	-76
Social security and post-employment benefit costs	-1,492	-1,628	-767	-891
	-9,568	-9,171	-5,020	-4,682
Other expenses	-3,392	-3,840	-1,833	-1,816
	-1,566	-869	21	-556
Depreciation, amortization and impairment	-1,886	-1,740	-981	-866
	-3,452	-2,608	-960	-1,422
Share of profit or loss from equity-accounted investments	-360	-1,499	199	-620
Finance income	3,092	15	3,074	7
Finance costs	-290	-394	-66	-208
	2,442	-1,878	3,207	-821
	-1,010	-4,487	2,247	-2,243
Income tax expense/income				
a) Current tax expense	-166	-245	-86	-163
b) Deferred tax expense (-)/ income (+)	136	179	68	87
	-29	-66	-18	-76
	-1,040	-4,553	2,229	-2,319
of which attributable to:				
Non-controlling interests	246	199	159	175
Shareholders of BRAIN Biotech AG	-1,286	-4,752	2,070	-2,494
Earnings per share, basic (undiluted)	-0.06	-0.26	0.10	-0.14
Number of shares taken as basis	19,861,360	18,055,782	19,861,360	18,055,782
Earnings per share, diluted	-0.06	-0.26	0.10	-0.14
Number of shares taken as basis	19,861,360	18,055,782	19,861,360	18,055,782

¹ Other income in 6M 2020/21 includes € 858k Gain on bargain purchase. For more details reference is made to the Selected notes to the consolidated financial statements from page 14 onwards.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME [UNAUDITED]

1 October 2020 to 31 March 2021 and 1 January 2021 to 31 March 2021

€ thousand	6M 2020/21	6M 2019/20	Q2 2020/21	Q2 2019/20
Result for the reporting period	-1,040	-4,553	2,229	-2,319
of which attributable to:				
Non-controlling interests	246	199	159	175
Shareholders of BRAIN Biotech AG	-1,286	-4,752	2,070	-2,494
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss				
Deferred tax	0	0	0	0
Differences from the translation of foreign-currency financing instruments	-734	-69	-555	595
Differences from the translation of foreign operations	1,447	196	1,104	-698
Other comprehensive income (loss), net	713	127	549	-102
Consolidated total comprehensive income (loss)	-327	-4,426	2,778	-2,422
of which attributable to:				
Non-controlling interests	519	194	376	-18
Shareholders of BRAIN Biotech AG	-846	-4,619	2,403	-2,404

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) [UNAUDITED] 31 March 2021

€ thousand	31.03.2021	30.09.2020
Non-current assets		
Intangible assets	14,466	13,271
Property, plant and equipment	24,773	24,470
Equity-accounted investments	1,337	997
Other non-current assets	334	329
Deferred tax	0	0
	40,911	39,067
Current assets		
Inventories	6,941	6,964
Trade receivables	6,193	6,166
Other current assets	804	585
Current tax assets	0	93
Other financial assets	344	332
Cash and cash equivalents	11,952	18,943
	26,234	33,083
ASSETS	67,145	72,150
Equity		
Subscribed capital	19,861	19,861
Capital reserves	78,580	78,386
Retained earnings	-78,784	-77,497
Other reserves	475	35
	20,132	20,785
Non- controlling interests	5,877	5,358
Total equity	26,010	26,143
Non-current liabilities		
Deferred tax	2,427	2,155
Provisions for post-employment benefits for employees	2,803	2,803
Financial liabilities	20,219	27,320
Other liabilities	0	3
Deferred income	1,613	1,369
	27,061	33,650
Current liabilities		
Provisions	337	387
Current tax liabilities	294	325
Financial liabilities	6,741	3,277
Prepayments received	145	70
Trade payables	3,346	3,171
Other liabilities	2,638	4,266
Deferred income	573	861
	14,074	12,357
EQUITY AND LIABILITIES	67,145	72,150

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

[UNAUDITED] 1 October 2020 to 31 March 2021

1 October 2019 to 31 March 2020	Interests of shareholders of BRAIN Biotech AG						Non- controlling interests	Total
	Subscribed capital	Capital reserves	Retained earnings	Other reserves		Total		
				Pension plans	Currency translation			
€ thousand								
Balance at 30 September 2019	18,056	65,170	-67,919	0	9	15,316	4,857	20,173
Total comprehensive income (loss) 01.10.2019 - 31.03.2020			-4,752	0	132	-4,619	194	-4,426
Effects from the first-time application of IFRS 16			62			62		62
Transfers due to employee share scheme		155				155		155
Balance at 31 March 2020	18,056	65,325	-72,609	0	141	10,913	5,050	15,963

1 October 2020 to 31 March 2021	Interests of shareholders of BRAIN Biotech AG						Non- controlling interests	Total
	Subscribed capital	Capital reserves	Retained earnings	Other reserves		Total		
				Pension plans	Currency translation			
€ thousand								
Balance at 30 September 2020	19,861	78,386	-77,497	0	35	20,785	5,358	26,143
Total comprehensive income (loss) 01.10.2020 - 31.03.2021			-1,286	0	440	-846	519	-327
Transfers due to employee share scheme		194				194		194
Balance at 31 March 2021	19,861	78,580	-78,784	0	475	20,132	5,877	26,010

CONSOLIDATED STATEMENT OF CASH FLOWS

[UNAUDITED] 1 October 2020 to 31 March 2021

€ thousand	6M 2020/21	6M 2019/20
Net profit (loss) for the period, after tax	-1,040	-4,553
Depreciation and amortization	1,886	1,732
Deferred tax expense (income)	-136	-179
Conversion of deferred income into revenue	-539	-2,011
Income from the release of provisions and liabilities	-149	-49
Share of profit or loss from equity-accounted investments	360	1,499
Change in net pension provisions recognized in profit or loss	0	-182
Other non-cash expenses (income)	-2,651	238
Losses on disposals of intangible assets and property, plant and equipment	-10	39
Gross cash flow	-3,137	-3,465
Change in trade receivables	392	-322
Change in inventories	-29	297
Change in tax assets and liabilities	58	227
Change in other assets and financial assets	-192	322
Change in trade payables	-33	-813
Change in prepayments received	73	-119
Change in provisions and other liabilities	-1,603	-920
Additions from deferred income	314	650
Cash flow from operating activities	-4,156	-4,141
Net cash outflows for acquisitions of companies (less cash and cash equivalents acquired)	-355	0
Payments to acquire intangible assets	0	-5
Payments to acquire property, plant and equipment	-549	-2,586
Investments in interests in affiliates	0	0
Net proceeds from other non-current assets	-1	-21
Investments in equity-accounted shareholdings	-564	-1,874
Proceeds from disposal of property, plant and equipment	44	15
Cash flow from investing activities	-1,425	-4,472
Proceeds from borrowings	1	944
Repayments of borrowings	-1,535	-1,121
Cash flow from financing activities	-1,535	-177
Net change in cash and cash equivalents	-7,117	-8,790
Cash and cash equivalents at start of reporting period	18,943	15,160
Exchange-rate-related change in cash	126	15
Cash and cash equivalents at end of reporting period	11,952	6,386
Cash flows from operating activities include:		
Interest paid	231	264
Interest received	13	6
Income taxes paid	376	25
Income taxes received	44	11

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [UNAUDITED]

1 October 2020 to 31 March 2021

Accounting policies

The Group interim report of BRAIN Biotech AG as at 31 March 2021 was prepared on the basis of IAS 34 (Interim Financial Reporting). All International Financial Reporting Standards (IFRS) that were binding as at the reporting date and had been adopted into European law by the European Commission were applied. The interim consolidated financial statements have not been audited in accordance with Section 317 of the German Commercial Code (HGB), nor have they been reviewed by an auditor.

Business combinations

On 1 January 2021, BRAIN Biotech AG acquired 100% of the shares of Biosun Biochemicals Inc (Biosun) based in Tampa, Florida. Biosun is a distributor, formulator and blender of enzymes, flavours, food ingredients and natural colours in the US market, and is a selected US distributor for Givaudan's flavours. The acquisition of Biosun gives BRAIN Biotech AG improved access to the US market, brings many established customer relationships into the Group, and supports BRAIN Biotech AG's growth trajectory in North America.

The acquisition has been accounted for using the acquisition method. The interim condensed financial statements include the results of Biosun for the three-month period from the acquisition date.

The preliminary fair values of the identifiable assets and liabilities of Biosun as at the date of acquisition were:

€ thousand	Fair value recognized on acquisition
Assets	
Intangible assets (Customer relationships)	1,178
Property, plant and equipment	63
Inventories	96
Trade receivables	262
Other current assets	5
Cash & cash equivalents	149
Total assets	1,753
Liabilities	
Trade payables	-108
Short term liabilities (interest bearing)	-3
Deferred tax liabilities	-273
Total liabilities	-384
Total identifiable net assets at fair value	1,369
Gain on bargain purchase	-858
Purchase consideration transferred	511

	Cash flow on acquisition
Cash & cash equivalents acquired with the subsidiary	149
Cash paid	-511
Net cash flow on acquisition	-362

The gain on bargain purchase is mostly driven by the seller's wish to sell the company within a limited time frame including a quick signing for personal reasons. In addition, only limited information was available until the closing. The gain on bargain purchase has been recognised under Other Income.

At the date of acquisition, the fair value of the trade receivables equals the carrying amount.

From the date of acquisition, Biosun has contributed € 0.9 million to the BRAIN Group's Revenue and € 0.1 million to the Net result for the reporting period. If the acquisition had taken place at the beginning of the financial year, BRAIN Group's Revenue would have been € 18.5 million and the Net result for the reporting period would have been € -1.0 million.

Transaction costs of € 0.1 million were expensed and are included in the Other Expenses in the Consolidated income statement and are part of the Cash flow from operating activities in the Consolidated statement of cash flows.

Segment reporting

In the segment reporting Biosun Biochemicals Inc. has been added to the Segment BioIndustrial. Compared with the consolidated financial statements as at 30 September 2020, no other changes have occurred in relation to the segment reporting. The segment results² are presented in the following overview.

€ thousand	BioScience		BioIndustrial		Reconciliation		Group	
	6M 20/21	6M 19/20	6M 20/21	6M 19/20	6M 20/21	6M 19/20	6M 20/21	6M 19/20
Total revenue	4,674	6,833	13,408	13,102	-80	-6	18,001	19,930
Of which: Revenue generated with other segments	37	0	43	6	-80	-6	0	0
Of which: Revenue generated with external customers	4,636	6,833	13,365	13,096	0	0	18,001	19,930
R&D grant revenue ³ [external]	329	369	36	78	0	0	365	447
Changes in inventories ⁴	116	12	30	-473	0	0	146	-462
Other income ⁵	318	153	973	122	-4	-1	1,287	275
Total operating performance	5,437	7,367	14,447	12,828	-84	-6	19,799	20,190
EBITDA	-3,738	-2,437	2,164	1,530	8	39	-1,566	-869
Adjusted EBITDA	-3,437	-2,282	1,414	1,530	8	39	-2,014	-714
Operating result (EBIT)	-4,392	-3,101	932	454	8	39	-3,452	-2,608
Finance income							3,092	15
Result from equity-accounted investments							-360	-1,499
Finance costs							-290	-394
Result before taxes							-1,010	-4,487

Number of employees in the Group⁶

Average for the reporting period	6M 2020/21	FY 2019/20
Total employees, of which	287	279
Salaried employees	260	253
Industrial employees	26	25

Furthermore, BRAIN employs scholarship/grant holders (4, FY 19/20: 6), temporary employees (13, FY 19/20: 14) and trainees (8, FY 19/20: 7).

Related party transactions

During the first six months of the 2020/21 financial year, no new transactions with related parties were concluded that were not already presented in the financial statements as at 30 September 2020, and that had a significant effect on the financial position and performance of the BRAIN Group.

² After partial elimination within the segment

³ Research and development grant revenue

⁴ Changes in inventories of finished goods and work in progress

⁵ Other income in 6M 2020/21 includes € 858k Gain on bargain purchase. For more details reference is made to the Selected notes to the consolidated financial statements from page 14 onwards.

⁶ Excluding the members of the parent company's Management Board and the subsidiaries' managing directors

Events after the end of the quarter

Promising Genome Editing Tool developed by BRAIN

BRAIN Biotech AG has completed the first development phase for a novel genome editing system based on a Non-Cas9 nuclease. Our scientists have achieved this breakthrough by combining long standing experience and R&D skills in genome editing throughout the group. This novel CRISPR associated nuclease has been validated internally as well as with partners and it has demonstrated DNA targeting activity in selected bacteria, fungi and yeast. Activity in plants has been achieved but still needs to be validated. Genome editing tests for additional application fields such as mammalian cell lines have been initiated and a first IP application to protect our nuclease sequence is already submitted. It is expected that this novel genome editing system will give BRAIN freedom to operate for internal as well as customer projects and that it promises significant economic upside if the next development steps prove to be successful and a patent is granted.

Increase share in Biocatalysts

BRAIN Biotech AG has expanded its shareholdings in the successful enzyme producer Biocatalysts Ltd., Wales, with 16.7% by the purchase of additional shares from minority shareholders. Due to the strong business performance at Biocatalysts Ltd. current production capacity will be fully utilised although only coming on stream in early 2021. The 2nd phase of expansion is planned to be accelerated as a result. The purchase price was GBP 3.9 million.

Covid-19 update

After the end of the reporting period, BRAIN continued to contain any adverse impact on business performance due to the coronavirus pandemic, focusing its measures primarily on employee safety, supply chain stability, the timely fulfillment of customer contracts, and the maintenance of normal business operations to the greatest extent possible.

The associated company SolasCure Ltd, Cardiff/UK, was affected by the pandemic insofar as clinic closures led to continued delays in the scheduling of clinical trials. After the balance sheet date, the first participants have been enrolled in the Clinical Phase 2 tests. A reduction in sales of enzymes in the starch processing area (bioethanol) and in products for beer and wine production continues to have a negative effect at WeissBioTech GmbH.

Travel restrictions and social distancing are making it increasingly difficult for BRAIN Biotech AG to visit clients in order to acquire new projects. Our business development team is endeavoring to pursue new approaches in order to minimize the impact on customer acquisition. However, a more significant effect during the coming quarters, as well as beyond, cannot be ruled out.

The Management Board is not aware of any further events of particular significance, or with considerable effects on the financial position and performance, after the balance sheet date on 31 March 2021.

Responsibility statement

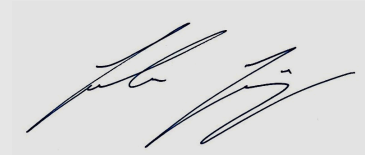
According to the best of our knowledge and in accordance with applicable principles for interim reporting, the interim consolidated financial statements convey a true and fair view of the Group's financial position and performance. The interim Group management report conveys a true and fair view of the development and course of business operations as well as of the Group's position, and appropriately presents the significant opportunities and risks entailed in the Group's future development during the remaining months of the financial year.

Zwingenberg, 28 May 2021

The Management Board



Adriaan Moelker



Lukas Linnig

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FINANCIAL CALENDAR

28.05.2021 **Publication of the half-year report
as at 31.03.2021 (6M)**

30.08.2021 **Publication of the quarterly statement
as at 30.06.2021 (9M)**

17.01.2022 **Publication of the annual report
as at 30.09.2021 (12M)**

25.02.2022 **Publication of the quarterly statement
as at 31.12.2021 (3M)**

09.03.2022 **Annual General Meeting, Zwingenberg**

Disclaimer

This interim report might contain certain forward-looking statements that are based on current assumptions and forecasts made by the management of BRAIN Biotech AG and other currently available information. Various known and unknown risks and uncertainties as well as other factors can cause the company's actual results, financial position, development or performance to diverge significantly from the estimates provided here. BRAIN Biotech AG does not intend and assumes no obligation of any kind to update such forward-looking statements and adapt them to future events or developments. The interim report can include information that does not form part of accounting regulations. Such information is to be regarded as a supplement to, but not a substitute for, information prepared according to IFRS. Due to rounding, it is possible that some figures in this and other documents do not add up precisely to the stated sum, and that stated percentages do not reflect the absolute figures to which they relate. This document is a translation of a document originally prepared in German. Where differences occur, precedence is given to the original German version.

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