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2021/22

HALF-YEAR REPORT as at 31 March 2022

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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 2022 to 31 March 2022

BRAIN Group expands its food enzymes business through acquisition of Breatec B.V., including Comix activities

On 1 February 2022, BRAIN Biotech AG entered into an agreement to acquire an initial 62% interest in Breatec B.V. including the Comix activities via Weriol Groep B.V. (hereafter 'Breatec'), Nieuwkuijk, Netherlands, from its current owners. In addition, a put/call structure already agreed enables BRAIN to acquire the entire company by the end of the first quarter of 2027 at the latest. The majority of the shares outstanding are held by the current management, which will continue to run the business and also manage the integration into BRAIN Group's BioIndustrial segment. Breatec was founded in 2006 and is located in the south central region of the Netherlands near the Belgian and German borders, surrounded by many leading international companies from the food sector. In the 2021 calendar year, Breatec and Comix generated revenue of around € 7 million and a positive EBITDA contribution. The acquisition is fully consolidated by BRAIN from 1 February 2022 onwards.

BRAIN-Engineered-Cas (BEC) classified as patentable technology

BRAIN Biotech AG has received an international search report and a written opinion from the European Patent Office (EPO) as International Searching Authority (ISA). The positive written opinion states that the BRAIN-Engineered-Cas (BEC) nucleases for which patent protection is sought under the Patent Corporation Treaty (PCT) constitute an inventive step with respect to the BEC nuclease sequences, and that they are industrially exploitable and are not excluded from patent protection by other circumstances. As a consequence, the EPO regards the respective sequences of the BEC nucleases as patentable. This marks an important milestone in the regular patent application process and confirms the view of BRAIN's management and scientific team that BRAIN's proprietary BEC technology represents a novel and clearly differentiated genome editing tool.

AnalytiCon Discovery and Pharvaris extend their partnership

Our Group Company AnalytiCon Discovery announced the expansion of its research and development collaboration with Pharvaris. Pharvaris is a company focused on making oral bradykinin B2 receptor antagonists available to patients in the form of "small molecules". Initial candidates are in clinical development. Pharvaris has initiated Phase 2 trials of a bradykinin B2 receptor antagonist for both acute and prophylactic treatment of hereditary angioedema (HAE). By continuing this partnership for an additional 18 months, AnalytiCon Discovery and Pharvaris will continue to collaborate on the discovery and development of novel bradykinin B2 receptor antagonists for the treatment of HAE and other diseases.

BRAIN Biotech and Formo: strategic partnership of European biotech experts for animal-free milk protein production

BRAIN and Formo Bio GmbH launched a strategic partnership to further advance the fermentative production of animal-free milk proteins. Formo aims to accelerate the scaling of its bioidentical milk protein production with a genome editing technology based on BRAIN Biotech's expertise and proprietary BEC platform. The strategic partnership aims to optimize microorganisms in order to expand novel and sustainable protein production by precision fermentation for commercial use.

INTERIM GROUP MANAGEMENT REPORT

1 October 2021 to 31 March 2022

I. GROUP BASIS AND GENERAL CONDITIONS

The remarks made in the consolidated financial statements for the financial year ending 30 September 2021 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 2021/2022 financial year, the BRAIN Group generated revenue of € 23.3 million compared to € 18.0 million in the same period of the previous year, which represents growth of 29.3%. Revenue in the second quarter of 2021/22 amounted to € 13.1 million. This corresponds to an increase of 31.9% compared to the second quarter of the previous year. On an organic basis (in other words, excluding Breatec), second-quarter revenue rose by 20.4% to € 11.9 million.

Other income decreased by € 0.8 million to € 0.5 million. The previous year's figure reflected a valuation effect and the resulting Gain on Bargain Purchase of Biosun Biochemicals Inc. amounting to € 0.9 million. Total operating performance (revenue, research and development grant revenue, changes in inventories, and other income) in the first six months of the financial year rose by € 4.4 million (22.3%) year-on-year, from € 19.8 million to € 24.2 million.

The **BioScience** segment generated revenue of € 5.8 million in the reporting period, corresponding to an increase of 23.4% over the prior-year period. This growth mainly reflected a higher number of contracts signed for Tailor-Made Solutions projects. A significant proportion of new projects and contracts are based on the use of BRAIN's proprietary genome editing tools. In the second quarter, revenue grew year-on-year from € 2.7 million to € 3.0 million. Compared to the first quarter of the 2021/2022 financial year, an increase in revenue of € 0.2 million from € 2.8 million to € 3.0 million was achieved. Adjusted EBITDA improved from € -3.4 million to € -2.4 million.

The improved adjusted EBITDA was attributable to the aforementioned revenue growth as well as an improved cost of materials ratio in the BioScience segment. Segment EBITDA includes investments in CRISPR platform technology amounting to € 1.0 million.

Revenue generated by the **BioIndustrial** segment reported growth of 30.7%, from € 13.4 million to € 17.5 million, in the reporting period. In the second quarter of the financial year, revenue amounted to € 10.1 million. This corresponds to an increase of € 2.8 million, or 39.0%, compared with the same quarter of the previous year. On an organic basis, revenue grew by € 1.7 million (23.2%). Adjusted EBITDA improved from € 1.4 million to € 2.6 million.

Within the segment, Biocatalysts Ltd. recorded strong growth at the level of both revenue and adjusted EBITDA. The strategically important BioIndustrial segment thereby made a significant positive contribution to the improved adjusted consolidated EBITDA.

Adjusted consolidated EBITDA posted a considerable improvement of € 2.2 million, from € -2.0 million in the previous year to € 0.2 million in the first six months of the 2021/22 financial year. Adjusted EBITDA in the second quarter rose from € -0.6 million to € 0.5 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 € -0.18, compared with € -0.06 in the prior-year period. Earnings per share deteriorated due to the poorer financial result compared to the previous year. On the one hand, the at-equity result was lower as a result of the development of SolasCure Ltd. and their higher costs in the second clinical phase. On the other hand, there was an one-time positive effect in the previous year from the revaluation of financial liabilities due to the partially exercised put option rights of the minority shareholders of Biocatalysts Ltd.

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

€ thousand	6M 2021/22	6M 2020/21
EBITDA	-725	-1,566
Gain on bargain purchase	0	858
Share-based employee compensation	-528	-302
Acquisition and integration costs incurred in the expansion of the BRAIN Group	-417	-108
Adjusted EBITDA	220	-2,014

2. Net assets

Non-current assets increased from € 38.6 million as at 30 September 2021 to € 46.6 million as at 31 March 2022. This was due, firstly, to the acquisition of Breatec and the intangible assets thereby determined as part of the acquisition-related preliminary purchase price allocation. Secondly, property, plant and equipment rose due to investments in fermentation capacities at the Cardiff site. Moreover, as part of a further Series B capitalization at SolasCure Ltd., which is equity accounted, a share capital contribution of € 1.2 million was rendered in cash. Current assets decreased from € 39.1 million to € 35.0 million. This reduction is mainly due to the lower level of cash and cash equivalents.

Equity decreased from € 41.8 million as at 30 September 2021 to € 35.2 million as at 31 March 2022. This is mainly due to the reduction in the capital reserves in connection with the recognition of a potential obligation (liability) from put options on non-controlling interests in Breatec (see also the notes to this interim report), and the negative result for the period. On the other hand, there was a positive effect on the non-controlling interests due to the acquisition of Breatec. No capital measures were implemented during the reporting period.

Non-current liabilities rose from € 24.6 million to € 32.9 million, which is attributable to an increase in non-current financial liabilities due to the aforementioned put option liabilities for the acquisition of minority interests in Breatec. Current liabilities rose from € 11.3 million to € 13.5 million due to a higher level of trade payables and higher deferred income.

3. Financial position

The Group's gross cash flow in the reporting period amounted to € -2.2 million, compared with € -3.1 million in the previous year.

Cash flow from operating activities improved significantly compared with the same period of the previous year, from € -4.2 million to € -1.1 million. This improvement is mainly attributable to the better EBITDA operating result as well as an improvement in operating working capital, particularly the change in trade payables and additions from deferred income.

Cash flow from investing activities in the first six months of the current financial year amounted to € -6.6 million compared to € -1.4 million in the prior-year period. This increase reflects the acquisition of Breatec (€ 3.1 million), a participation in a capital increase at SolasCure Ltd. (€ 1.2 million), as well as investments in property, plant and equipment, and the investments in the expanded production capacities at the site in Cardiff, UK (€ 1.8 million).

Cash flow from financing activities, which in the reporting period mainly reflects the repayments of financial liabilities, amounted to € -0.5 million compared to € -1.5 million in the previous year.

Compared to 30 September 2021, cash and cash equivalents decreased from € 24.5 million to € 16.4 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, please refer to the remarks on pages 96 ff. of the 2020/21 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. As a consequence, potential uncertainties arising from risks associated with the further development of the coronavirus pandemic remain. Nevertheless, from today's perspective, and with the exception of the opportunity deriving from the genome editing tool that has been developed, which is described in the section "Events after the end of the quarter", BRAIN Biotech AG does not anticipate any material changes in relation to the opportunities and risks presented in the 2020/21 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 97 of the 2020/21 annual report, no significant changes are identifiable concerning the business outlook, apart from those relating to the development of the new genome editing tool of BRAIN Biotech AG. As such, the forecast remains unchanged, except for the elimination of the investments in this project. Despite the coronavirus pandemic as well as the strained supply chain situation, BRAIN Biotech AG is confident that further progress will be made in the forecast direction.

CONSOLIDATED INCOME STATEMENT [UNAUDITED]

1 October 2021 to 31 March 2022 and 1 January 2022 to 31 March 2022

€ thousand	6M 2021/22	6M 2020/21	Q2 2021/22	Q2 2020/21
Revenue	23,267	18,001	13,090	9,923
Research and development grant revenue	359	365	145	168
Change in inventories of finished goods and work in progress	107	146	324	70
Other income ¹	480	1,287	219	1,150
	24,213	19,799	13,778	11,311
Cost of materials				
Cost of raw materials and supplies, and purchased merchandise	-9,428	-7,603	-5,601	-3,893
Cost of purchased services	-684	-802	-350	-543
	-10,112	-8,404	-5,952	-4,437
Personnel expenses				
Wages and salaries	-8,253	-7,774	-4,325	-4,110
Share-based employee compensation	-528	-302	-267	-142
Social security and post-employment benefit costs	-1,578	-1,492	-788	-767
	-10,359	-9,568	-5,380	-5,020
Other expenses	-4,467	-3,392	-2,524	-1,833
EBITDA	-725	-1,566	-79	21
Depreciation, amortization and impairment	-2,058	-1,886	-1,081	-981
Operating result (EBIT)	-2,783	-3,452	-1,160	-960
Share of profit or loss from equity-accounted investments	-1,218	-360	-517	199
Finance income	654	3,092	383	3,074
Finance costs	-290	-290	-75	-66
	-854	2,442	-209	3,207
Pretax loss for the reporting period	-3,636	-1,010	-1,369	2,247
Income tax expense/income				
a) Current tax expense	-269	-166	-132	-86
b) Deferred tax expense (-)/ income (+)	157	136	84	68
	-112	-29	-48	-18
Result for the reporting period	-3,748	-1,040	-1,418	2,229
of which attributable to:				
Non-controlling interests	207	246	179	159
Shareholders of BRAIN Biotech AG	-3,955	-1,286	-1,597	2,070
Earnings per share, basic (undiluted)	-0.18	-0.06	-0.07	0.10
Number of shares taken as basis	21,847,495	19,861,360	21,847,495	19,861,360
Earnings per share, diluted	-0.18	-0.06	-0.07	0.10
Number of shares taken as basis	21,847,495	19,861,360	21,847,495	19,861,360

¹ Other income in 6M 2020/21 and Q2 2020/21 contains € 858k Gain on bargain purchase.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME [UNAUDITED]

1 October 2021 to 31 March 2022 and 1 January 2022 to 31 March 2022

€ thousand	6M 2021/22	6M 2020/21	Q2 2021/22	Q2 2020/21
Result for the reporting period	-3,748	-1,040	-1,418	2,229
of which attributable to:				
Non-controlling interests	207	246	179	159
Shareholders of BRAIN Biotech AG	-3,955	-1,286	-1,597	2,070
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	-95	-734	16	-555
Differences from the translation of foreign operations	465	1,447	-66	1,104
Other comprehensive income (loss), net	370	713	-50	549
Consolidated total comprehensive income (loss)	-3,378	-327	-1,468	2,778
of which attributable to:				
Non-controlling interests	273	519	226	376
Shareholders of BRAIN Biotech AG	-3,652	-846	-1,695	2,403

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) [UNAUDITED] 31 March 2022

€ thousand	31.03.2022	30.09.2021
Non-current assets		
Intangible assets	18,349	13,531
Property, plant and equipment	26,536	24,291
Equity-accounted investments	1,470	550
Other non-current assets	265	251
	46,620	38,623
Current assets		
Inventories	8,916	7,015
Trade receivables	8,503	6,722
Other current assets	898	617
Current tax assets	39	9
Other financial assets	215	207
Cash and cash equivalents	16,440	24,545
	35,011	39,114
ASSETS	81,631	77,737
Equity		
Subscribed capital	21,847	21,847
Capital reserves	91,041	95,890
Retained earnings	-83,464	-79,509
Other reserves	858	555
	30,282	38,783
Non- controlling interests	4,938	3,044
Total equity	35,221	41,828
Non-current liabilities		
Deferred tax	3,596	2,790
Provisions for post-employment benefits for employees	2,271	2,271
Financial liabilities	24,717	17,669
Other liabilities	1,398	736
Deferred income	963	1,109
	32,945	24,575
Current liabilities		
Provisions	405	404
Current tax liabilities	245	116
Financial liabilities	1,948	2,649
Prepayments received	269	79
Trade payables	5,629	3,831
Other liabilities	2,670	2,684
Deferred income	2,299	1,572
	13,465	11,335
EQUITY AND LIABILITIES	81,631	77,737

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

[UNAUDITED] 1 October 2021 to 31 March 2022

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

1 October 2021 to 31 March 2022	Interests of shareholders of BRAIN Biotech AG					Non-controlling interests	
	Subscribed capital	Capital reserves	Retained earnings	Other reserves	Total		Total
€ thousand				Currency translation			
Balance at 30 September 2021	21,847	95,890	-79,509	555	38,783	3,044	41,828
Total comprehensive income (loss) 01.10.2021 – 31.03.2022			-3,955	303	-3,652	273	-3,378
Addition of non-controlling interests part of the acquisition of fully consolidated Group companies						1,621	1,621
Addition of liability from put/call agreement relating to the acquisition of non-controlling interests in fully consolidated Group companies		-5,199			-5,199	0	-5,199
Transfers due to employee share scheme		350			350		350
Balance at 31 March 2022	21,847	91,041	-83,464	858	30,282	4,938	35,221

CONSOLIDATED STATEMENT OF CASH FLOWS

[UNAUDITED] 1 October 2021 to 31 March 2022

€ thousand	6M 2021/22	6M 2020/21
Net profit (loss) for the period, after tax	-3,748	-1,040
Depreciation and amortization	2,058	1,886
Deferred tax expense (income)	-157	-136
Conversion of deferred income into revenue	-1,137	-539
Income from the acquisition of fully consolidated companies (Bargain Purchase)	0	-858
Income from the release of provisions and liabilities	-186	-149
Share of profit or loss from equity-accounted investments	1,218	360
Other non-cash expenses (income)	-221	-2,651
Losses on disposals of intangible assets and property, plant and equipment	-27	-10
Gross cash flow	-2,201	-3,137
Change in trade receivables	-294	392
Change in inventories	-959	-29
Change in tax assets and liabilities	96	58
Change in other assets and financial assets	-291	-192
Change in trade payables	1,072	-33
Change in prepayments received	186	73
Change in provisions and other liabilities	-27	-1,603
Additions from deferred income	1,355	314
Cash flow from operating activities	-1,062	-4,156
Net cash outflows for acquisitions of companies (less cash and cash equivalents acquired)	-3,096	-355
Payments to acquire intangible assets	-188	0
Payments to acquire property, plant and equipment	-2,211	-549
Net proceeds from other non-current assets	7	-1
Investments in equity-accounted shareholdings	-1,173	-564
Proceeds from disposal of property, plant and equipment	39	44
Cash flow from investing activities	-6,623	-1,425
Proceeds from borrowings	328	1
Repayments of borrowings	-840	-1,535
Cash flow from financing activities	-512	-1,535
Net change in cash and cash equivalents	-8,197	-7,117
Cash and cash equivalents at start of reporting period	24,545	18,943
Exchange-rate-related change in cash	93	126
Cash and cash equivalents at end of reporting period	16,441	11,952
Cash flows from operating activities include:		
Interest paid	259	231
Interest received	5	13
Income taxes paid	73	376
Income taxes received	0	44

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [UNAUDITED]

1 October 2021 to 31 March 2022

Accounting policies

The Group interim report of BRAIN Biotech AG as at 31 March 2022 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 February 2022, BRAIN Biotech AG acquired a 62% interest in Weriol Groep B.V., based in Nieuwkuijk, Netherlands. This acquisition also included Breatec B.V. and Panei B.V. (including Comix activities), both also located in Nieuwkuijk, Netherlands, as wholly owned subsidiaries of Weriol Groep B.V. (hereinafter collectively referred to as "Breatec").

Breatec is an established distributor, formulator and blender of functional food ingredients for the baking and milling industries. This acquisition will further accelerate the growth of BRAIN's BioIndustrial business area and expand the enzyme portfolio to include adjacent market segments.

The acquisition price for the acquired 62% interest in Breatec amounted to € 4,170 thousand. The purchase price includes an immediate cash outflow of € 3,494 thousand, an earn-out agreement of € 476 thousand subject to performance conditions for the 2022 calendar year, and a payment of € 200 thousand due in 12 months with no further conditions.

The acquisition generated € 1,532 thousand of partial goodwill on the acquisition date which is attributable to BRAIN Biotech AG shareholders on the basis of the interest held. The hidden reserves disclosed under other intangible assets (excluding goodwill) relate mainly to disclosed customer relationships and brand names.

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

€ thousand	Fair value recognized on acquisition
Assets	
Intangible assets (Customer relationships and trademarks)	3,502
Property, plant and equipment	175
Right-of-use assets	946
Inventories	904
Trade receivables	1,396
Other current assets	64
Cash & cash equivalents	398
Total assets	7,385

Liabilities	
Trade payables	-664
Long term liabilities (interest bearing)	-1,202
Short term liabilities (interest bearing)	-352
Deferred tax liabilities	-902
Total liabilities	-3,120
Total identifiable net assets at fair value	4,265
Fair value of non-controlling interests (38%)	-1,621
Goodwill	1,526
Purchase consideration transferred	4,170
	Cash flow on acquisition
Cash & cash equivalents acquired with the subsidiary	398
Cash paid	-3,494
Net cash flow on acquisition	-3,096

As at the acquisition date, the fair value of the trade receivables essentially corresponds to the gross amounts of the contractual receivables.

The acquired lease liabilities were measured at the present value of the remaining lease payments on the acquisition date. The rights-of-use were measured at the same amount as the lease liabilities.

Deferred tax liabilities comprise the effects of temporary differences between the fair values of the assets and liabilities identified as part of purchase price allocation, and their carrying amounts on the tax balance sheet.

Goodwill derives primarily from the synergies arising at Group level. The BRAIN Group possesses extensive product expertise and market access in the enzymes area. It is expected that the acquisition of Breatec's activities will enable the Group to realize both extended cost synergies and revenue synergies. Breatec was allocated to the "BioIndustrial" segment.

The entirety of the goodwill is not tax deductible.

The condensed interim financial statements include the results of Breatec for the two-month period from the acquisition date. Since the acquisition date, Breatec has contributed € 1.1 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 amounted to € 26.0 million, and the net result for the reporting period would have amounted to € -3.8 million.

Transaction costs of € 0.4 million were expensed and are included in other expenses in the consolidated income statement. They also form part of cash flow from operating activities in the consolidated statement of cash flows.

The non-controlling interests were as follows as at the acquisition date:

€ thousand	Interest in %	Interest in book equity	Share of revalued equity
Non-controlling interests	38.00	635	1,621

Put/call option agreements were also arranged between the remaining non-controlling interests and BRAIN Biotech AG, which enable BRAIN Biotech AG to acquire the remaining non-controlling interests at a contractually agreed EBITDA multiple during three exercise periods between 1 January 2025 and 31 March 2027. The put option gives the non-controlling interests the right to tender shares to the BRAIN Group at a contractually agreed EBITDA multiple in three exercise periods between 1 January 2025 and 31 March 2027.

The financial liability is recognized so as to reflect the highest probable liability, as the actual exercise dates are uncertain. The present value of the resultant contingent acquisition consideration amounted to € 5,199 thousand as at 1 February 2022. The capital reserves were reduced by € 5,199 thousand accordingly. The liability is subsequently remeasured with recognition in profit or loss.

Segment reporting

In the segment reporting Breatec BV has been added to the Segment BioIndustrial. Compared with the consolidated financial statements as at 30 September 2021, no other changes have occurred in relation to the segment reporting. The segment results are presented in the following overview.

€ thousand	BioScience		BioIndustrial		Reconciliation		Group	
	6M 21/22	6M 20/21	6M 21/22	6M 20/21	6M 21/22	6M 20/21	6M 21/22	6M 20/21
Total revenue	5,769	4,674	17,525	13,408	-27	-80	23,267	18,001
Of which: Revenue generated with other segments	0	37	27	43	-27	-80	0	0
Of which: Revenue generated with external customers	5,769	4,636	17,498	13,365	0	0	23,267	18,001
R&D grant revenue ³ [external]	313	329	46	36	0	0	359	365
Changes in inventories ⁴	43	116	64	30	0	0	107	146
Other income ⁵	372	318	118	973	-10	-4	480	1,287
Total operating performance	6,497	5,437	17,753	14,447	-37	-84	24,213	19,799
EBITDA	-3,155	-3,738	2,388	2,164	43	8	-725	-1,566
Adjusted EBITDA	-2,388	-3,437	2,566	1,414	43	8	220	-2,014
Operating result (EBIT)	-3,815	-4,392	990	932	43	8	-2,783	-3,452
Finance income							654	3,092
Result from equity-accounted investments							-1,218	-360
Finance costs							-290	-290
Result before taxes							-3,636	-1,010

Number of employees in the Group⁶

Average for the reporting period	6M 2021/22	FY 2020/21
Total employees, of which	303	288
Salaried employees	278	264
Industrial employees	25	25

Furthermore, BRAIN employs scholarship/grant holders (1, FY 20/21: 3), temporary employees (12, FY 20/21: 12) and trainees (6, FY 20/21: 8).

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 and Q2 2020/21 contains € 858k Gain on bargain purchase.

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

Related party transactions

During the first six months of the 2021/22 financial year, no new transactions with related parties were concluded that were not already presented in the financial statements as at 30 September 2021, and that had a significant effect on the financial position and performance of the BRAIN Group.

Events after the end of the quarter

Successful genome editing in mammalian cells using BRAIN-Metagenome-Cas (BMC) and BRAIN-Engineered Cas (BEC)

BRAIN has reached a major milestone by successfully performing genome editing in mammalian cell lines using its proprietary CRISPR-Cas genome editing nucleases, BRAIN-Metagenome-Cas (BMC) and BRAIN-Engineered-Cas (BEC). This is expected to pave the way for the potential launch of BRAIN's genome editing technology in very large addressable markets such as livestock breeding, cell lines, pharmacology and therapeutic applications. The company will continue to develop this technology with partners for a variety of end markets and applications.

These BRAIN-developed genome editing nucleases are already being deployed successfully in customer projects in the BioScience area, and are used to optimize highly efficient microbial producer strains that drive biological production in so-called microbial cell factories. Together with partners, these proprietary genome editing nucleases are currently being further developed for applications in agriculture, pharmaceutical cell lines, marine applications and industrial producer strains.

Covid-19 and the supply chain situation - business performance and forecast

BRAIN has largely contained any strongly negative effects from the coronavirus pandemic. However, travel restrictions and social distancing may continue to make it difficult for BRAIN to visit clients in order to acquire new projects. This can lead to delays in customer acquisition and the signing of new contracts. The associated company SolasCure Ltd. was affected by the pandemic insofar as clinic closures led to delays in clinical trials. Additional risks arising from the currently strained supply chain situation and high inflation rates cannot be ruled out for the remainder of the financial year. No significant changes are identifiable concerning the business outlook compared with the outlook report presented in the 2020/21 annual report (page 97). Despite the ongoing Covid-19 pandemic and the supply chain situation, BRAIN is confident that it will be able to achieve the targets it has set for this year.

Responsibility statement

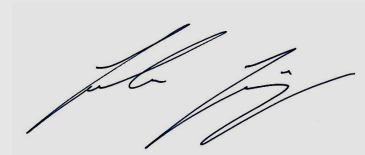
According to the best of our knowledge and in accordance with applicable principles for interim reporting, the interim consolidated financial statements convey a true and fair view of the Group's financial position and performance. The interim Group management report conveys a true and fair view of the 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, 30 May 2022

The Management Board



Adriaan Moelker



Lukas Linnig

CONTACT

The following contact person is available to respond to your queries:

Head of Investor Relations & Sustainability

Michael Schneiders

Phone: +49-(0)6251-9331-86

ir@brain-biotech.com

FINANCIAL CALENDAR

29.08.2022 Publication of the quarterly statement
as at 30.06.2022 (9M)

16.01.2023 Publication of the annual report
as at 30.09.2022 (12M)

27.02.2023 Publication of the quarterly statement
as at 31.12.2022 (3M)

08.03.2023 Annual General Meeting

Disclaimer

This interim report might contain certain forward-looking statements that are based on current assumptions and forecasts made by the management of the BRAIN Group 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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B·R·A·I·N

BRAIN Biotech AG

Darmstädter Straße 34 – 36

64673 Zwingenberg · Germany

phone +49 (0) 62 51 / 9331-0

fax +49 (0) 62 51 / 9331-11

e-mail public@brain-biotech.com

web www.brain-biotech.com