BRAINBiotech

BRAIN Biotech AG

2024/25

ANNUAL REPORT

Key Financials

in Mio. €	2024/25	2023/24
Consolidated income statement data:		
Revenue	**49.6**	**54.6**
Total operating performance	51.6	55.5
EBITDA	-2.0	-4.0
Adjusted EBITDA	**-0.5**	**-0.4**
Net loss for the reporting period	-11.8	-11.1
Consolidated cash flow data:		
Cash flows from operating activities	**-9.2**	**-3.6**
Cash flows from investing activities	-1.6	-1.7
Cash flows from financing activities	-10.1	27.0
Cash balance	**6.2**	**27.2**
Group employees:		
Toal employees	281	307
of which		
Salaried employees	**275**	**301**
Industrial workers	6	6

BRAIN Biotech at a Glance

Innovative biological solutions for industry

BRAIN Biotech develops, produces and distributes specialty enzymes, proteins and microbial production strains for industrial applications. The Group focuses on the areas of **food & beverages**, **life sciences** and **environmentally relevant applications**. The range of services also includes the development and optimization of fermentation processes for the large-scale production of enzymes and other proteins.

Development and production from a single source

Research and production capacities are closely interlinked within the Group. This integration enables the development of innovative products and services – ranging from the laboratory through to large-scale production.

End-to-end services

The Group bundles its technological expertise and infrastructure under the **BRAINBiocatalysts** brand to offer enzyme solutions along the entire value chain ("end-to-end"). The range of services includes the discovery and development of novel enzymes and the optimization of microbial production strains for industrial production utilizing fermentation processes.

Research and development

BRAIN Biotech develops **customized enzymes and proteins** as well as **optimized production strains and fermentation processes** to enable customers to produce their target molecules (more efficiently).

Product portfolio

The BRAIN Biotech Group's product portfolio comprises around **600 enzyme products and ingredients** which are primarily used in the food and beverage industry as well as in the life sciences sector.

International corporate Group

BRAIN Biotech AG is the parent company of the BRAIN Biotech Group. The business activities of this integrated company are divided into two operating segments:

- **BRAINBiocatalysts:** Development, production and distribution of specialty enzymes, microorganisms and ingredients.
- **BRAINBioIncubator:** Research-intensive development projects, especially for the life sciences industry.

The Group operates modern fermentation and production facilities in the UK, continental Europe and the USA. The approximately **280 employees** at the international locations generated **€ 49.6 million** of revenue in the 2024/25 financial year.

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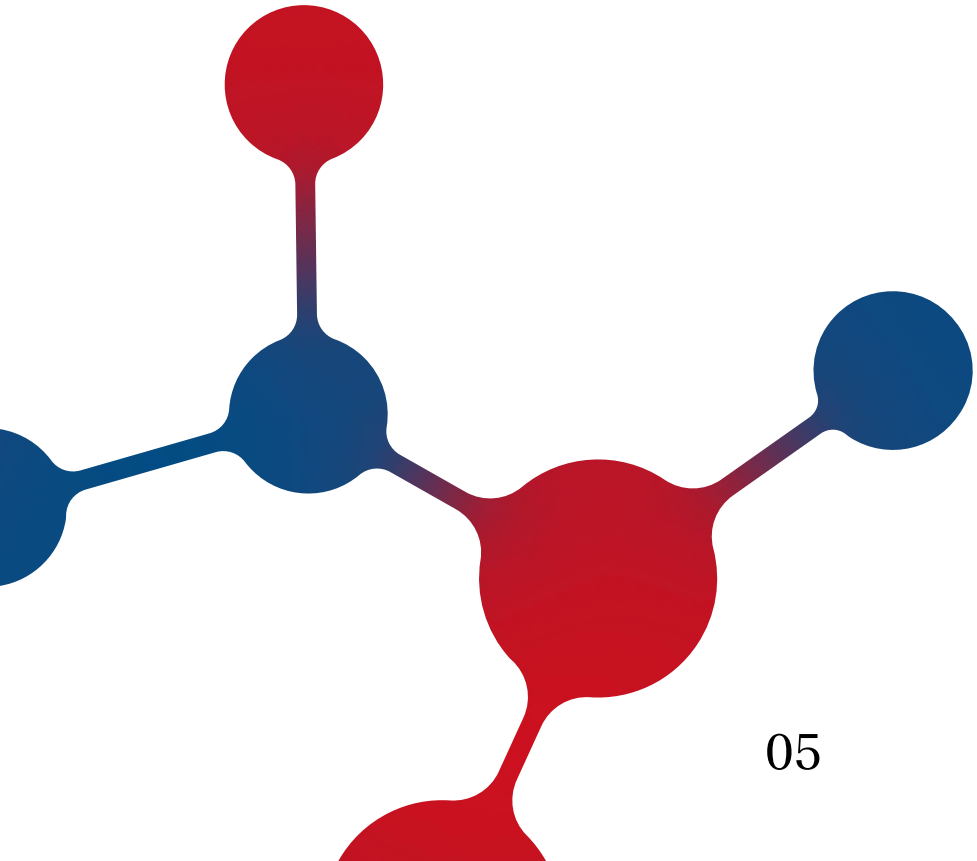
To our shareholders



Letter From the CEO

Navigating a changing world

» We are maintaining our focus on innovative technologies and continuing to work closely with our industry partners to develop pioneering solutions for our customers and consumers. «

Adriaan Moelker
CEO of BRAIN Biotech AG

DEAR SHAREHOLDERS,

BRAIN Biotech AG continues to develop in a world full of volatility, uncertainty, and complexity. We are staying true to our core in exciting technologies, working with partners to deliver innovations to customers and consumers. For us, this means staying on our path to becoming a leading enzyme company, along with investment in and monetization of our BRAINBioIncubator to deliver breakthrough innovations.

Market update

In our enzyme markets we are seeing substantial movements: the base food products which drive most of our enzyme sales continue to grow. Enzyme sales worldwide continue to expand. At the same time, we are seeing international competition increasing, particularly from China and beyond. The two trends show the importance of our priorities of being customer intimate, focusing on application expertise, while working hard on cost-in-use reductions. Only by doing these three things simultaneously we will be able to compete effectively.

Our life sciences business continues to do well. We launched the new unit BRAINBiocatalysts Life Science Solutions this year, fully focused on the life sciences market. In life sciences we are convinced that our technology, along with our scales of manufacturing, will deliver unique value to customers. It should be noted here that gross margins in life sciences are potentially greater than in other industries which partially explains our focus on this market.

In the breakthrough BRAINBioIncubator projects, we are experiencing challenges with the hesitancy of governments to fund radical innovation. We therefore continue to call for technology funding especially in Europe's biggest Economy, Germany. Funding is one of BRAIN Biotech's lifebloods and an enabler of radical innovation. As an example: our CRISPR (Genome editing) technology which enabled the spin-out of Akribion Therapeutics was partly made possible by Government funding, along with our own investment.

Key events in the financial year

Rebranding our Enzymes Division into BRAINBiocatalysts

To further enhance our visibility as an integrated enzyme company, we are rebranding our former BioProducts division as BRAINBiocatalysts. This name combines the strengths of both Bioscience originating from Zwingenberg, with the products originating from our four enzymes businesses. To underpin the drive towards integration, we were pleased to announce the appointment of Johan Jansen-Storbacka as EVP BRAINBiocatalysts Enzymes division.

Announcement of milestone deals

At the very end of last financial year we closed the royalty monetization deal with Royalty Pharma and at the beginning of this financial year we announced the spin-out of Akribion Therapeutics: Two milestone deals for BRAIN Biotech AG. Both deals continue to deliver according to expectations, and we continue to be excited about the prospects of both initiatives: Well over one hundred million euros in potential royalties and milestone income in the future, whilst having collected tens of millions of payments already.

Establishment of our Continental Europe Centre of Excellence in Nieuwkuijk, the Netherlands

In early 2025, we signed the lease contract for a new facility in the Netherlands. This new site will comprise the Baking Innovation center as well as a state-of-the-art liquid and powder enzymes production for all our product lines. Importantly, the Nieuwkuijk site will also host the key support functions such as logistics, supply chain, quality, and finance for our continental European products business. This state-of-the-art new site allows us to integrate the former Büttelborn, Ascheberg, and Nieuwkuijk sites into one. This will enhance teamwork and efficiency, but importantly also give our people the opportunity to become a truly integrated team. Also important is that we now have two multi-functional sites (Cardiff and Nieuwkuijk) that ensure supply certainty for our customers.

Continued investment in our fermentation site in Cardiff

Quite invisible to most people, but very important for our ability to attract and maintain customers is our continued investment in the Cardiff facility. We have substantially upgraded our safety and food safety infrastructure, and we have significantly upgraded the working environment for our people. I've been excited to see how this site is now developing into a true excellence center that meets and exceeds the requirements of our key customers, particularly but not only the leading food manufacturers and life science companies.

Continued monetization of the BRAINBioIncubator

Natural antimicrobial: We were proud to announce our partnership with Corbion for our natural antimicrobial. This partnership aims to bring this technology to market in the food industry. Corbion is a world-leading natural food ingredients company.

Enzymatic wound healing: Truly exciting is the continued progress on Aurase® wound healing enzyme through our participation in SolasCure. This product is now in Phase 2a Extension clinical trials, and we are confident that tests will show its efficacy and therewith commercial viability.

Gold from waste streams: In BioGoldTM – our recovery of post-consumer gold from waste streams – we are very pleased with the progress that our partner, PX Group of Switzerland, has made. We continue to support them in commercializing this technology more widely, whilst supporting their in-house recovery of gold from waste streams.

Our driving forces

Biotechnology brings many good things to society: sustainability, health, better products and much more. At BRAIN Biotech AG we continue to be excited about all these things and our quest for sustainability goals reflect this. I'm happy to say here that all of our major sites have taken substantial steps towards clean energy, for example. Most of our roofs are covered in solar panels delivering a part of our electricity.

Another key driving force is you, our shareholders. Each day, our people work hard to do the one thing that you expect from us: creating value. This means aiming to grow our revenue, improving our products, driving technical success to the bottom-line, launching new innovations, and monetizing past investments.

Adriaan Moelker
CEO BRAIN Biotech AG

Report from the Supervisory Board

» The company is focusing primarily on returning to the growth path in order to achieve the medium-term revenue and margin targets that were updated at the Capital Markets Day 2024. «

Dr. Michael Majerus
Supervisory Board Chairman
BRAIN Biotech AG

DEAR SHAREHOLDERS,

In my role as Chairman of the Supervisory Board of BRAIN Biotech AG, I am pleased to report to you on the Supervisory Board's activities during the 2024/25 financial year.

The Supervisory Board closely supported the Management Board over the course of the past financial year. Despite uncertainties in the economic environment, BRAIN Biotech AG successfully developed further in the 2024/25 financial year in order to accelerate the realization of future growth potentials.

The company is focusing primarily on returning to the growth path in order to achieve the medium-term revenue and margin targets that were updated at the Capital Markets Day 2024. The company is continuing to consistently pursue its strategy of expanding the products business in the BRAINBiocatalysts segment through organic growth. In the BRAINBioIncubator segment, a further project was successfully partnered with Corbion for the development of novel bio-based antimicrobial compounds. The pharmaceuticals area also reported a very pleasing event: our licensee Pharvaris announced the accelerated clinical development of the active ingredient Deucrictibant for the treatment of the rare hereditary disease hereditary angioedema. This development reinforces the prospect that the company can expect significant milestone payments in the coming years. The focus is on the further close interlinking and integration of the individual business areas, in particular the further development of our technological platform, which feeds the growth potential of both business segments.

In an economic and geopolitical environment that was challenging overall and exhibited weak growth, a high level of cost discipline proved to be especially important. The Management Board, accompanied by the company's Supervisory Board, successfully implemented several measures in the past financial year to stabilize adjusted EBITDA.

In the past year, the company acquired all remaining non-controlling interests in its industrial subsidiaries. This step makes it easier for the company to realize synergies within the Group more rapidly. The move to a new building near Eindhoven in the Netherlands represents a major step towards interlinking and integrating the individual business areas. An enlarged and modern production facility with an integrated innovation center will be built there. Two previously separate locations in Germany and the Netherlands can thereby be combined in order to harness considerable synergy potential.

We remain convinced that BRAIN Biotech AG enjoys a wide range of positive development and growth potentials with its successful products business, its good market position in contract research, the income expected from the transaction with Pharvaris/Royalty Pharma, the successful licensing of G-dase® E technology and further product innovations from the BRAINBioIncubator.

For BRAIN Biotech AG as an industrial biotechnology company, sustainability has always played a central role – both as a basis of its business as well as in its corporate strategy and management. Accordingly, as part of its activities the Supervisory Board also deals with sustainability issues relevant to the company. The Supervisory Board continued to provide advice on their further development in the 2024/25 financial year and anchored the company's ESG targets within the Management Board's long-term compensation scheme. We are constantly adapting our sustainability strategy to align it with the changing regulatory environment.

The following report provides detailed information on the Supervisory Board's work in the 2024/25 financial year, in other words, from 1 October 2024 until 30 September 2025. During this period, we fulfilled all the tasks and duties incumbent upon us pursuant to the law, the company's bylaws and the rules of business procedure for the Supervisory Board.

We continuously supervised the Management Board in its management of the business and consulted on all matters of importance for the company. In this context, the Supervisory Board was at all times convinced of the legality, propriety, appropriate nature and economic efficiency of the management of the company.

COLLABORATION BETWEEN THE SUPERVISORY AND MANAGEMENT BOARDS

The Management Board informed the Supervisory Board regularly, promptly and comprehensively in the form of detailed written and verbal reports on all matters relating to strategy, planning, business development, the risk position, risk trends and compliance that are of importance for the company and the Group, and consequently fully met its reporting duties to the Supervisory Board in the relevant period. The Supervisory Board and its committees were involved in all important business transactions and decisions of fundamental significance for the company. Collaboration with the Management Board was characterized in all aspects by responsible and purposeful action.

PERSONNEL MATTERS

The following changes occurred to the composition of the Supervisory Board during the reporting period:

Prof. Dr. Wiltrud Treffenfeldt stepped down from the Supervisory Board for personal reasons on 3 October 2024.

Re-elections by the Annual General Meeting on 18 March 2025 were required to fill a total of two Supervisory Board mandates.

Dr. Anna C. Eichhorn and Stephen Catling were re-elected to the Supervisory Board by the shareholders. These Supervisory Board members were elected with effect from the end of the Annual General Meeting on 18 March 2025 until the end of the Annual General Meeting that passes a resolution concerning the discharge of the Supervisory Board for the financial year from 1 October 2027 to 30 September 2028.

Dr. Ursula La Cognata was appointed as a new member of the Supervisory Board by Darmstadt District Court with effect from 11 July 2025 until the next Annual General Meeting. With her many years of biotechnology experience, she complements the now complete six-member board.

No personnel changes occurred on the Management Board during the reporting year.

The company supports new members of the Supervisory Board, especially by providing information and advice about the company, its structures and processes and, if required, offers support, such as in the event of changes to the legislative framework or in the further training of Supervisory Board members.

SUPERVISORY BOARD MEETINGS

In the 2024/25 financial year, the Supervisory Board held a total of five face-to-face meetings and six video conferences. The committee held 13 video conferences. The Supervisory Board members always had sufficient time to engage critically with the information submitted by the Management Board and to contribute its own views. As part of the meetings, the information was discussed in detail with the Management Board and examined as to its plausibility. The Supervisory Board also met without the Management Board. The Supervisory Board issued its approval of specific business transactions as required by law, the company's bylaws and the rules of business procedure for the Supervisory or Management boards.

The individualized list of meeting attendances presented below provides additional information about the meetings of the Supervisory Board and its committees.

OVERVIEW OF SUPERVISORY BOARD MEETINGS IN THE 2024/25 FINANCIAL YEAR

Name	**Meetings attended[1]**	**Meetings attended[2]**	**Remarks**
Dr. Michael Majerus	11/11	13/13	Chairman Personnel Committee (Chair) Nomination Committee (member) Audit Committee (member)
Dr. Anna C. Eichhorn	10/11	8/8	Deputy Chair Nomination Committee (Chair) Personnel Committee (member) Non-participation excused
Stephen Catling	11/11	8/8	Personnel Committee (member) Nomination Committee (member)
Dr. Florian Schnabel	11/11	5/5	Audit Committee (member)
Christine Uekert	11/11	5/5	Audit Committee (Chair)
Dr. Ursula La Cognata	3/11	0/0	Since 11 July 2025

1 Plenum, based on relevant meetings during the respective mandate period

2 Committees, based on relevant meetings during the respective mandate period

Prof. Dr. Wiltrud Treffenfeldt is not listed in the table above. She was a member of the Supervisory Board until 3 October 2024.

Moreover, outside the scope of meetings, the Supervisory Board members, and especially myself as Supervisory Board Chairman and Committee Chairman as well as the respective chairs of the committees, were in regular communication both with each other as well as with the Management Board. This particularly entailed consultations on questions relating to the company's strategy, planning, business development, risk position, risk management, key sustainability topics, personnel topics, corporate governance and compliance as well as capital market communications. The Supervisory Board members were informed of important facts at the latest as of the following plenary or committee meetings.

No conflicts of interest arose within the Supervisory Board during the reporting period.

FOCUS CONSULTATION AREAS IN THE PLENARY SUPERVISORY BOARD

During the 2024/25 financial year, we on the plenary Supervisory Board concerned ourselves especially with the following topics:

- Annual financial statements for the 2023/24 financial year
- The statement of conformity and the corporate governance declaration
- Reaching the corporate targets for the 2023/24 financial year relating to developing the BioIndustrial, BioScience and BioIncubator operating segments
- Risk management and internal controlling systems
- Recommendation for the election of the auditor at the 2025 AGM
- Further development of the company's strategy
- Planning and implementation of the Annual General Meeting on 18 March 2025
- Overseeing cost optimization measures
- ESG report and sustainability topics
- Evaluation of current and future research projects
- Strategic alliances and planned partnerships
- Budget planning for the 2025/26 financial year and long-term planning for the next five years
- Selection of a new Supervisory Board member and court application for appointment
- Accompanying the merger of wholly owned subsidiaries
- Further appointment of the CFO and amendment of the CFO's service contract
- Personnel matters at subsidiaries, in particular succession for the management of the enzyme product area in the BRAINBiocatalysts segment,
- Share price performance and capital market communications

The Supervisory Board in all cases passed specific resolutions following intensive review and discussion.

In addition, the following topics and resolutions were submitted:

On 14 January 2025, the Supervisory Board approved the financial statements documents for the 2023/24 financial year and concurred with the Management Board's proposal relating to the application of unappropriated profit, after having previously clarified and discussed in depth the financial statements at its face-to-face meetings.

COMMITTEES

The Supervisory Board has formed a total of three committees to efficiently perform its work: an Audit Committee, a Nomination Committee and a Personnel Committee. Based on the respective rules of business procedure for the committees, these committees prepare resolutions for the Supervisory Board, as well as topics to be handled by the plenary board. The Supervisory Board's decision-making powers are also transferred to committees where legally permissible. In all cases, the committee chairs report on the committee's work at the subsequent plenary meeting.

Audit Committee

The Audit Committee concerns itself especially with the supervising of financial accounting, the financial accounting process, the efficacy of the internal control system, the risk management system, the internal audit system, the audit of the financial statements, sustainability topics as well as compliance. The Audit Committee submits a substantiated recommendation for the election of the auditor to the Supervisory Board, which comprises at least two candidates if the audit mandate is to be put out to tender. The Audit Committee supervises the auditor's independence and concerns itself with services to be rendered additionally by the auditor, the award of the audit mandate to the auditor, the setting of focus audit areas as well as arranging the auditor's fee. The Audit Committee regularly liaises with the auditor during the preparation and execution of the audit without the Management Board's involvement.

Pursuant to the German Stock Corporation Act (Sections 107 (4), 100 (5) AktG), the Audit Committee must include at least one supervisory board member with expertise in the financial accounting area. The Audit Committee Chair, Christine Uekert, meets the statutory conditions pursuant to the German Stock Corporation Act (Sections 107 (4), 100 (5) AktG) and possesses specialist knowledge in the area of financial auditing. In addition, she has many years of experience in the areas of finance and controlling and has held management positions, including at listed companies. A further member of the Audit Committee must also possess expertise in the area of auditing. Supervisory Board Chairman Dr. Michael Majerus, who is also a member of the Audit Committee, possesses expertise in the auditing area as a former head of accounting and CFO, including at three listed companies. His main areas of expertise are controlling and risk management, corporate finance and capital markets as well as financial accounting. Moreover, he commands a broad spectrum of knowledge in compliance topics as well as in the investor relations area. In addition to the Audit Committee Chair and the Supervisory Board Chairman, the Audit Committee includes Supervisory Board member Dr. Florian Schnabel.

The Audit Committee will decide concerning the approval of non-audit services by the auditing company appointed on 18 March 2025, Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Düsseldorf ("Baker Tilly"), in relation to the maintenance of independence for the audit mandate.

In the 2024/25 financial year, the Audit Committee dealt in particular with the recommendation to the Supervisory Board concerning the election of the auditor.

The Audit Committee held five video conferences during the 2024/25 financial year.

Nomination Committee

The Nomination Committee has the task of seeking suitable candidates for the Supervisory Board. Therefore, the committee's functions include the identification, evaluation and nomination of individuals qualified for this office. This includes guaranteeing diversity, expertise and independence on the Supervisory Board to ensure that its work is effective.

The Nomination Committee held five video conferences in the 2024/25 financial year. The committee is chaired by Dr. Anna C. Eichhorn and includes Supervisory Board Chairman Dr. Michael Majerus as well as Stephen Catling. The Nomination Committee dealt in particular with the successor to Prof. Dr. Wiltrud Treffenfeld.

Personnel Committee

The Personnel Committee prepares personnel decisions for the Supervisory Board, especially the selection, appointment and recall from office of Management Board members, the conclusion and amendment of service contracts and pension arrangements, the compensation scheme including its implementation as part of the service contracts, target setting for variable compensation, setting and reviewing appropriate total compensation for each Management Board member and approving the annual compensation report. In addition, the Personnel Committee passes resolutions concerning the representation of the company vis-à-vis Management Board members pursuant to Section 112 AktG, the approval of Management Board members' other business activities pursuant to Section 88 AktG (prohibition of competition) and other ancillary activities, especially assuming supervisory board posts or positions on comparable controlling bodies outside the BRAIN Biotech Group. The Personnel Committee is chaired by Dr. Michael Majerus. In addition to committee chair Dr. Michael Majerus, the committee includes Supervisory Board member Stephen Catling and, following the departure of Prof. Wiltrud Treffenfeld, Dr. Anna C. Eichhorn.

The main topic in the 2024/25 financial year was the reappointment of the CFO and the amendment of the CFO's Management Board service contract. The Personnel Committee held three video conferences during the financial year under review.

CORPORATE GOVERNANCE AND THE STATEMENT OF CONFORMITY

At its meetings, the Supervisory Board consulted on several occasions concerning the company's corporate governance, including requirements deriving from the German Corporate Governance Code (DCGK).

The Supervisory Board approved the current statement of conformity in December 2025, after the end of the 2024/25 financial year. The Code's recommendations were, and are, complied with, apart from the exceptions explained in the statement of conformity. The full text of the statement of conformity as well as the corporate governance declaration by the Management and Supervisory boards of BRAIN Biotech AG are published on the company's website at https://www.brain-biotech-group.com/en/investors/corporate-governance/.

Regarding the provisions of Section 111 (5) AktG, the Supervisory Board has set itself the target of taking women into appropriate consideration in its future composition.

At its meeting on 23 September 2016, the Supervisory Board of BRAIN Biotech AG passed a resolution that the Supervisory Board should include one woman, corresponding to a 17 % ratio. The implementation deadline for this was set at 30 June 2017. This objective was implemented on 9 March 2017 when Dr. Anna C. Eichhorn was elected to the Supervisory Board of BRAIN Biotech AG. The retention of this objective for the period until 30 June 2022 was confirmed at the meeting on 28 September 2017.

With the re-election of Dr. Anna C. Eichhorn and the election of Prof. Dr. Wiltrud Treffenfeldt, the set ratio was exceeded on 10 March 2021.

Also on 28 September 2017, the Supervisory Board passed a resolution to leave the target ratio for women on the Management Board of BRAIN Biotech AG unchanged at 0 % until 30 June 2022.

On 15 December 2022, the Supervisory Board raised the target for the composition of the Supervisory Board to 33 %, with an implementation deadline of 30 June 2027. The vacancy due to the departure of Prof. Dr. Wiltrud Treffenfeldt was filled by Dr. Ursula La Cognata by court appointment, as a consequence of which the ratio as of the end of the 2024/25 financial year stands again at 50.0 %.

On 15 December 2022, the target for the composition of the Management Board was retained at 0 %, with an implementation deadline of 30 June 2027. This target was maintained on the basis that the medium- to long-term planning for the Management Board assumes that the Management Board members currently in office remain in office at least until their contracts end. Setting a different ratio would stand at variance with this medium- to long-term planning. In the event of an increase in the number of members of the Management Board, this objective would require review, as would be the case if the Management Board members in office in the 2022/23 financial year did not renew their service contracts.

AUDIT OF THE SEPARATE AND CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Auditor

The AGM on 18 March 2025 appointed Baker Tilly GmbH &Co. KG Wirtschaftsprüfungsgesellschaft, Düsseldorf ("Baker Tilly"), as auditors for the financial year ending 30 September 2025. This engagement also includes the engagement as the auditor for the consolidated financial statements for the financial year ending 30 September 2025. Mr. Andreas Weissinger, Diplom-Kaufmann, Wirtschaftsprüfer, has signed as the auditor responsible for the audit since the 2021/22 financial year and Ms. Franziska Huber, Diplom-Kauffrau, Wirtschaftsprüferin/Steuerberaterin, has signed as auditor for the first time for the 2024/25 financial year, succeeding Ms. Marina Stumpp, M. Sc., Wirtschaftsprüferin, who has worked as an auditor at BRAIN since the 2023/24 financial year. Baker Tilly audited the separate annual financial statements for the financial year from 1 October 2024 to 30 September 2025, prepared by the Management Board in accordance with the financial accounting regulations of the German Commercial Code (HGB), the management report of BRAIN Biotech AG and the compensation report in accordance with Section 162 AktG. The auditor Baker Tilly awarded an unqualified audit certificate. Pursuant to Section 315e HGB, the consolidated financial statements of BRAIN Biotech AG for the financial year from 1 October 2024 to 30 September 2025 and the Group management report were prepared on the basis of International Financial Reporting Standards (IFRS), as applicable in the European Union. Both the consolidated financial statements and the Group management report also received unqualified audit opinions. The compensation report received an unqualified audit opinion for its formal audit. Moreover, the auditor found that the Management Board has established an appropriate information and supervision system that is suitable in its design and utilization to identify developments at an early juncture that jeopardize the company as a going concern.

REVIEW BY THE SUPERVISORY BOARD

The documents for the financial statements and the audit reports were discussed extensively at the Audit Committee meetings on 17 December 2025 and at the Supervisory Board meeting on 13 January 2026. The auditor Baker Tilly reported on the main findings of their audit. They also provided information about their findings on internal control and risk management in relation to the financial accounting process and were available to respond to additional queries as well as to provide further information. The review of the separate and consolidated financial statements by the Audit Committee was reported upon in detail by the Supervisory Board Chairman at the plenary meeting. Following in-depth review and discussion of the separate financial statements, the consolidated financial statements and the management report, the Supervisory Board raised no objections against the submitted documents. The Supervisory Board consequently concurred with the Audit Committee's recommendation and approved the result of the audit by the auditor. By way of resolution on 13 January 2026, the Supervisory Board then approved the separate and consolidated annual financial statements of BRAIN Biotech AG for the 2024/25 financial year. The separate annual financial statements of BRAIN AG have been adopted as a consequence.

REPORT ON THE REVIEW OF THE DEPENDENT COMPANIES REPORT PURSUANT TO SECTION 314 AKTG

Furthermore, the Supervisory Board reviewed the report prepared by the Management Board on relationships with affiliates pursuant to Section 312 (1) AktG for the period of dependency between 1 October 2024 and 30 September 2025 ("dependent companies report") and discussed it extensively with the Management Board as well as with the auditor which additionally audits the dependent companies report.

The auditor reported in detail the main points of its audit. In this context, the Supervisory Board concerned itself in depth with the report by the auditor on the audit of the dependent companies report. The discussion led to no grounds for reservations.

The auditor issued the following audit opinion relating to the dependent companies report:

"In accordance with the audit and appraisal incumbent upon us, we confirm that

1. the actual disclosures presented in the report are correct,
2. for the legal transactions listed in the report, the consideration rendered by the company was not inappropriately high,
3. in the measures listed in the report no circumstances exist that indicate a significantly different assessment to that of the Management Board."

Following the conclusive result of the extensive review of the dependent companies report by the Supervisory Board, the Supervisory Board states that no reservations are to be expressed (Section 314 (3) AktG) against the Management Board statement which follows the report concerning relationships with affiliates (concluding statement pursuant to Section 312 (3) Clause 1 AktG).

THANK YOU FROM THE SUPERVISORY BOARD

Both personally as well as on behalf of the Supervisory Board, we would like to thank the members of the Management Board as well as all employees of the BRAIN Biotech Group for their further commitment and outstanding personal contribution during the 2024/25 financial year. We look forward to working with you as we continue on our path of profitable growth.

Zwingenberg, January 13, 2026

BRAIN Biotech AG
The Supervisory Board

Dr. Michael Majerus
Supervisory Board Chairman

Composition of the Supervisory Board

MEMBERS OF THE SUPERVISORY BOARD AND SUPERVISORY BOARD COMMITTEES

	Further board mandates in 2024/25:
Dr. Michael Majerus Chairman Member since 7 March 2019 Appointed until the AGM 2027	• Deputy Chairman of the Supervisory Board of team neusta SE, Bremen
Dr. Anna C. Eichhorn Deputy Chair since 23 February 2020 Member since 9 March 2017 Appointed until the AGM 2029	• CEO of humatrix AG, Pfungstadt (until August 2025) • Management Board member (Deputy Chair) of Initiative Gesundheitswirtschaft-rhein-main e. V. • Member of the Supervisory Board of Frankfurter Innovationszentrum Biotechnologie GmbH, Frankfurt am Main • Member of the Management Board of House of Pharma & Healthcare e. V., Frankfurt am Main
Stephen Catling Supervisory Board member Member since 14 October 2020 Appointed until the AGM 2029	• Chairman of the Board of Directors of the Cambridgeshire Community Foundation, UK • Chairman of the Board of Directors of Condimentum Ltd., UK • Chairman of the Board of Directors of Arborea, UK/Portugal
Dr. Florian Schnabel Supervisory Board member Member since 8 March 2023 Appointed until the AGM 2027	• Managing Director of MP Beteiligungs-GmbH, Kaiserslautern • Managing Director of BSN GmbH, Kaiserslautern • Managing Director of PBG Zweite GmbH, Kaiserslautern (since April 2025)
Christine Uekert Supervisory Board member Member since 8 March 2023 Appointed until the AGM 2027	• Managing Director of nSight Consulting GmbH, Berlin • Managing Director of Evolve Partners – Biofin Consulting GmbH, Berlin
Dr. Ursula La Cognata Supervisory Board member Member since 11 July 2025 Appointed until the AGM 2026	• Managing Partner at Your Biotech Experts (ybe)

Audit Committee	Nomination Committee	Personnel Committee
Christine Uekert Chair	**Dr. Anna C. Eichhorn** Chair	**Dr. Michael Majerus** Chair
Dr. Michael Majerus Member	**Dr. Michael Majerus** Member	**Stephen Catling** Member
Dr. Florian Schnabel Member	**Stephen Catling** Member	**Dr. Anna C. Eichhorn** Member

The company is of the opinion that the recommendation regarding the independence of the committee chairpersons in accordance with Section C.10 of the German Corporate Governance Code (DCGK) is fulfilled. In other respects, the company is of the opinion that the recommendations of the current DCGK deriving from Sections C.6, C.7 and C.9 are fulfilled.

Prof. Dr. Wiltrud Treffenfeldt is not listed in the table above. She was a member of the Supervisory Board until 3 October 2024.

Corporate Governance Declaration

The Management and Supervisory boards of BRAIN Biotech AG (hereinafter also referred to as the "company") orientate their actions towards sustainable business performance while considering their responsibility to society overall. Transparency, responsibility and sustainability are the guiding values of their actions. This statement combines the corporate governance declaration of BRAIN Biotech AG pursuant to Section 289f of the German Commercial Code (HGB) and the Group corporate governance declaration for BRAIN Biotech Group pursuant to Section 315d HGB. It comprises the statement of conformity pursuant to Section 161 of the German Stock Corporation Act (AktG), relevant information about corporate governance practices, the description of Management and Supervisory boards' working methodology as well as the composition of their committees.

Statement of Conformity by the Management and Supervisory boards of BRAIN Biotech AG with the recommendations of the German Corporate Governance Code (DCGK) pursuant to Section 161 (1) Sentence 1 of the German Stock Corporation Act (AktG)

The Management Board and the Supervisory Board of BRAIN Biotech AG declare that, since the last statement of conformity was issued on 18 December 2024, BRAIN Biotech AG has complied and will continue to comply with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated 27 June 2022 ("DCGK"), with the following exceptions.

F.2: The consolidated financial statements and the Group management report should be publicly accessible within 90 days of the end of the financial year; the mandatory interim financial information should be publicly accessible within 45 days of the end of the reporting period.

Note relating to F.2: Due to the additional financial accounting requirements as a listed company, the auditing of the financial statements lasted, and lasts, longer than 90 days, so that the audited figures cannot be published together with the annual report within the 90-day period after the financial year-end, but only after the 90-day period. Prospectively, this will also remain the case for future annual consolidated financial statements. The publication of all financial information during the course of the year occurs regularly within two months. The Management and Supervisory boards regard this as appropriate.

Furthermore, in light of various unlisted subsidiaries and participating interests held abroad, publication of the consolidated financial statements and the Group management report as well as mandatory interim financial information within shorter periods would necessitate the deployment of considerable financial and personnel resources that would not be commensurate with the information that shareholders require for a company of the size of BRAIN Biotech AG. As a consequence, the periods required in the German Corporate Governance Code are not complied with.

In relation to the publication of annual and interim reports, BRAIN Biotech AG complies with statutory regulations as well as the Prime Standard stock exchange regulations of the Frankfurt Stock Exchange.

Zwingenberg, December 2025

For the Supervisory Board of BRAIN Biotech AG:
Dr. Michael Majerus, Supervisory Board Chairman

For the Management Board of BRAIN Biotech AG:
Adriaan Moelker, Management Board Chairman (CEO)

Relevant information about corporate governance practices

CORPORATE GOVERNANCE AT BRAIN BIOTECH AG

The entire corporate structure is oriented towards the responsible, transparent and efficient management and controlling of the company. For this reason, the company also supports the targets and principles of the German Corporate Governance Code (DCGK). The Management and Supervisory boards as well as the further management levels and employees are obligated to adhere to these principles of responsible corporate governance. The Management Board is responsible for compliance with corporate governance principles within the company.

BRAIN Biotech AG has established compliance structures in light of the company's current size and will further develop them in response to growing requirements imposed by the regulatory environment and with a view to the company's constant development and growth.

As part of compliance, a whistleblower system for potential misconduct on the part of its own employees has been arranged. Employees can notify the whistleblower system of potential misconduct, either anonymously or openly. A whistleblower system from an external provider is used to ensure anonymity. After initial allocation, and depending on the corporate areas involved, the whistleblower system forwards such notifications to the Management Board and/or Supervisory Board to instigate countermeasures in the instance of actual misconduct, or for archiving at the whistleblower system if it is established that no misconduct has occurred.

Furthermore, BRAIN Biotech AG has decided to obligate its subsidiaries' expanded management teams to comply with closed periods at least 30 days before the publication of the company's results. This enables efficient and transparent communication with the respective managers in the periods preceding the publication of corporate results and ensures that consistent governance rules apply to the individuals involved.

The purpose of BRAIN Biotech AG and of the BRAIN Biotech Group is to identify, research, develop, produce and market biological, biochemical and biotechnology processes and products, especially enzymes, biocatalysts, microorganisms and other bioactive natural compounds for the production of foodstuffs and animal feed, cosmetics and medical products, for industrial applications in chemical companies, for the disposal of waste and hazardous materials as well as to produce energy and raw materials, including the development, production and marketing of such processes and products that contain bioactive components, are based on biotechnical mechanisms, exhibit bioactive effects or enable biotechnology applications. Within BRAIN Biotech Group, services are also rendered for the pharmaceuticals industry.

The company complies with all statutory corporate governance regulations as well as the recommendations of the German Corporate Governance Code (DCGK) – apart from the exceptions specified and justified in the statement of conformity.

As far as the DCGK recommendations are concerned, the company also intends to comply with them in the future.

The company's bylaws can be viewed at any time on the company's website at https://www.brain-biotech-group.com/en/investors/corporate-governance.

Transparency

The shares of BRAIN Biotech AG are listed in the Prime Standard segment of the Frankfurt Stock Exchange. The company is thereby subject to the highest level of statutory and stock exchange law transparency regulations. In particular, BRAIN Biotech AG reports on the situation and development of the company and of the Group in both German and/or English in the following form:

- Annual financial report for the past financial year,
- Interim financial report as of the first half of the financial year (6M),
- Quarterly statements as of the first quarter (3M) and after the first nine months of the financial year (9M),
- Quarterly analyst telephone conferences,
- Company presentations,
- Publication of corporate and IR announcements,
- Publication of notifications of shareholding threshold levels,
- Publication of ad hoc statements,
- Publication of PR, IR and marketing releases,
- Presentations at investor conferences,
- Multimedia investor communication formats,
- Capital Markets Day,
- ESG reporting (ESG report and annual ESG fact sheet).

Corporate responsibility and ESG

As corporate responsibility and ESG issues become increasingly important, the Supervisory Board, the Management Board and employees are paying more attention than ever to the resultant aspects. In 2021, BRAIN Biotech AG joined the UN Global Compact as an active member. The company has formally committed itself to the values of the world's largest initiative for corporate social responsibility and is thereby committed to ten universal principles in the areas of human rights, labor standards, the environment and climate as well as the prevention of corruption. Moreover, the company supports the German Sustainability Code (DNK) as guidelines for sustainable corporate governance.

BRAIN Biotech AG published its first ESG report in June 2022 (https://www.brain-biotech-group.com/en/sustainability/). The data relevant to the BRAIN Biotech Group were identified for the report and short- and medium-term targets were developed on this basis. As a consequence, these data and targets are now also used in the context of the Management Board compensation scheme. The ESG report was also discussed and approved by the Supervisory Board prior to publication.

Since the 2022/23 financial year, Michael Schneiders has been responsible on the Management Board for all ESG issues. The Supervisory Board supports sustainable corporate governance as part of its overall responsibility. The company conducted a comprehensive double materiality analysis in the current financial year and is working on preparing a report based on the Voluntary Sustainability Reporting Standard for SMEs (VSME) and converting the ESG data sheet to the new format with the same metrics. Opting for VSME-based reporting is voluntary, as the company is not obligated to report to a specific standard in the short term according to the current assessment of the statutory situation and will not be obligated to do so. Reporting based on the VSME standard provides the basis for measuring and managing own defined targets. This also enables the company to respond adequately to requests for sustainability data from the company's customers and partners.

Description of the Management and Supervisory boards' working methodology as well as composition and working methodology of the Supervisory Board's committees

BRAIN Biotech AG is a public stock corporation under German law and the parent company of the BRAIN Biotech Group with its subsidiaries in Germany, the UK, the Netherlands and the USA. It is especially subject to the regulations of the German Stock Corporation Act (AktG) and also operates the normal dual executive and supervisory structure consisting of a management board and a supervisory board. The company's Management and Supervisory boards work together closely in the company's interest.

The Supervisory Board consults regularly with the Management Board concerning the management of BRAIN Biotech AG and oversees the Management Board's activities. The Management Board involves the Supervisory Board in good time concerning all decisions of fundamental significance for the company. It coordinates the company's strategic orientation with the Supervisory Board and at regular intervals discusses with it the status of strategy implementation. The Management and Supervisory boards' joint goal is to successfully implement the corporate and growth strategy that has been approved.

Management Board working methodology

The Management Board manages the company's business according to statutory regulations, the company's bylaws and the rules of business procedure for the Management and Supervisory boards. In this context, it is subject to the restrictions that the company's bylaws or the Management and Supervisory boards' rules of business procedure have established in relation to the power to manage the business, or that the Supervisory Board or the AGM determine within the scope of their powers. It informs the Supervisory Board regularly, promptly and comprehensively in the form of detailed written and verbal reports on all questions of relevance to the company relating to strategy, planning, business development, the risk position, risk management, sustainability and compliance. The Management Board prepares the separate and consolidated annual financial statements.

Pursuant to Section 7 (1) of the company's bylaws, the Management Board consists of one or several individuals. The Supervisory Board determines the number of Management Board members. The Supervisory Board appoints the Management Board members, recalls them from office and determines the allocation of their responsibilities. It can also appoint a Management Board Chair (CEO) and a Deputy Management Board Chair as well as deputy Management Board members.

Composition of the Management Board

During the 2024/2025 financial year, the Management Board of BRAIN Biotech AG consisted of the following members:

Name	Role	Management Board member since	Contract end
Adriaan Moelker	Chief Executive Officer	1 February 2020	31 January 2027
Michael Schneiders	Chief Financial Officer	1 October 2022	30 September 2029

All Management Board members are individually responsible for managing the business division entrusted to them; in this context, the company's overall interest has to be taken into consideration at all times. The allocation of business areas to the individual Management Board members is derived from the business allocation plan which is prepared with the Supervisory Board's approval and can be modified at any time with its approval.

The business allocation plan included the following allocations during the 2024/25 financial year:

Adriaan Moelker (Chief Executive Officer – CEO)

- Corporate strategy
- New product pipeline planning & management, including registration and authorization
- M&A
- Coordinating the individual Management Board areas and contacts with the company's boards
- Business development of the BRAINBiocatalysts segment
- Technology management, research and development, technological process optimization, patent strategy
- Personnel including occupational safety and personnel development
- Strategic purchasing
- Grants and academic partnerships
- Formulation and application technology
- Quality assurance
- Production, scale-up

Michael Schneiders (Chief Financial Officer – CFO)

- Business development of the BRAINBioIncubator segment including AnalytiCon Discovery
- Corporate finance
- Management of shareholdings
- Financial communications (IR)
- Press and public relations work (corporate communications)
- Corporate responsibility and ESG
- Accounting and controlling
- Compliance
- Risk management (RMS/ICS)
- Legal, administration and organization, Group audit
- IT, digitalization

The Management Board has a set of rules regarding business procedure. The rules of business procedure for the Management Board were approved by the Supervisory Board, and the allocation of business responsibilities were last updated in September 2025 in accordance with the Management Board's proposal. These particularly include regulations about the working methodology of the Management Board and the allocation of responsibilities between the Management Board members as well as relating to collaboration with the Supervisory Board. They include a catalog of actions and legal transactions requiring Supervisory Board assent.

The Supervisory Board's Personnel Committee is responsible for discussing long-term succession options with the Management Board. The Management and Supervisory boards agree on requirements for the appointment of successors based on the planned development for the company, which provide guidelines for the selection of candidates. The Supervisory Board is endeavoring to achieve a staggered duration of mandates in the future, if possible by means of mandate extensions or reappointments, thereby dispensing with the need to fill several Management Board mandates concurrently if no scheduled mandate extension occurs.

The Supervisory Board has approved an age limit of 65 years for members of the Management Board.

Management Board meetings

Management Board meetings are held as required, which is generally every four weeks. These must be convened if the company's interests so require. Management Board resolutions are passed with a simple majority of the votes cast unless statutory provisions prescribe another majority. If the Management Board consists of at least three members, the vote of the Management Board Chair (CEO) is decisive given an equal number of votes.

Collaboration with subsidiaries

At least once a quarter, the Management Board of BRAIN Biotech AG meets with the management teams of the subsidiaries and the branch operation AnalytiCon Discovery (either in person or via video conference) to discuss the course of business and forthcoming developments at the subsidiaries. The subsidiaries report monthly to BRAIN Biotech AG and consult with the Management Board at short notice in the event of deviations from the planning or forecast. The Management Board reports to the Supervisory Board on reporting and coordination with the subsidiaries and, if required, consults with it separately on individual topics.

Management Board compensation

On 19 January 2023, the Supervisory Board on the recommendation of its Personnel Committee approved several changes to the previously applicable compensation scheme for members of the Management Board. The new compensation scheme was approved by the Annual General Meeting on 8 March 2023 and is available on the company's website at https://www.brain-biotech-group.com/en/investors/corporate-governance/compensation/ .

Amendment agreements relating to the Management Board contracts were concluded with both of the Management Board members to adjust these contracts to reflect this revised Management Board compensation scheme, which have been in effect since the start of the 2023/24 financial year.

Detailed information about the compensation structure and compensation of the individual members of the Management Board and the compensation of the members of the Supervisory Board can be found in the compensation report pursuant to Section 162 of the German Stock Corporation Act (AktG), which can be downloaded from https://www.brain-biotech-group.com/en/investors/corporate-governance/compensation/ .

Notifiable securities transactions

The members of the Management and Supervisory boards, other persons with management duties who regularly have access to insider information about the company and are authorized to make significant business decisions, as well as certain persons closely related to the aforementioned, are statutorily obligated to disclose to BRAIN Biotech AG the purchase and sale of BRAIN shares and related financial instruments, especially derivatives, in excess of € 20,000 during a calendar year (from the calendar year 2026 onwards, the reporting threshold will be € 50,000). Notifications of such transactions are published on the Internet at https://www.brain-biotech-group.com/en/investors/financial-publications-calendar/financial-and-corporate-news/ , among other places. The company was notified of two such securities transactions for the 2024/25 financial year, namely by Adriaan Moelker (published on 16 January 2025) and Michael Schneiders (published on 3 March 2025). Adriaan Moelker purchased shares in January 2025 for a total purchase price of € 35,795.96. Michael Schneiders acquired shares in March 2025 for a total purchase price of € 25,000.00.

Supervisory Board working methodology

The Supervisory Board has all responsibilities and rights transferred or allocated to it by law, the company's bylaws, or in another manner. This especially includes supervising the executive management of the company, the appointment and dismissal of Management Board members as well as the amendment, cancellation and termination of employment contracts with the Management Board members. The Supervisory Board consults regularly with the Management Board concerning the management of the company. The Supervisory Board is involved in good time in all decisions of fundamental significance for the company. The Supervisory Board has established a set of rules for its own business procedures. These

include, among other matters, the working methodology and type of passing of resolutions on the Supervisory Board as well as the tasks of the Supervisory Board committees that are formed (the Audit Committee, the Personnel Committee and the Nomination Committee). Separate sets of rules are also approved for the committees to regulate their working methodologies. All rules of business procedure are adapted regularly to reflect any modifications to the German Corporate Governance Code (DCGK).

The Supervisory Board held a total of five face-to-face meetings and six video conferences in the 2024/25 financial year. The committee held a total of 13 video conferences. The Audit Committee held five video conferences in the 2024/25 financial year. The Personnel Committee held three video conferences in the 2024/25 financial year. The Nomination Committee held five video conferences in the 2024/25 financial year.

The Management Board participates in ordinary meetings of the Supervisory Board when invited to do so, reports in writing and verbally on the individual agenda items and draft resolutions, and responds to the questions of the individual Supervisory Board members. The Supervisory Board Chair has the Management Board provide regular information concerning current business, forwarding such information in an appropriate form to the entire Supervisory Board.

Supervisory Board resolutions are generally passed during face-to-face meetings or video conferences of the Supervisory Board members. Absent Supervisory Board members can submit a written vote through another Supervisory Board member. This also applies for the submission of the second vote of the Supervisory Board Chair. Outside the scope of attended meetings, the passing of resolutions is permissible through votes conveyed by written, telegram, telephone, telex or modern telecommunications means (by conference call or video conference or by email, for example), if so arranged for special reasons by the Supervisory Board Chair, or, if the Supervisory Board Chair is prevented from so doing, the Deputy Supervisory Board Chair. The Supervisory Board is considered quorate if all members are convened in good time via their last provided address and at least half of the members of which it is to consist in total participation in the passing of the resolution. Supervisory Board members also participate in the passing of a resolution if they abstain from voting. Supervisory Board resolutions are passed with a simple majority of votes submitted unless other majorities are required by law. This also applies in the case of elections. Abstentions are not counted when determining the results of voting. In the case of an equal number of votes, the Supervisory Board Chair – or if the Supervisory Board Chair is prevented from so doing, the Deputy Supervisory Board Chair – decides whether a further vote is to be held at the same meeting. Given a further vote on the same matter, the Supervisory Board Chair has two votes; the Deputy Supervisory Board Chair does not have this right to a second vote.

All Supervisory Board members must disclose conflicts of interest to the Supervisory Board, including potential conflicts of interest based on advising, or being a director of, a customer, supplier, lender or other third party, whereby this list is not conclusive. In the case of conflicts of interest that are significant or not just of a temporary nature, the respective Supervisory Board members must step down from office. The Supervisory Board provides information in its report to the AGM on conflicts of interest that arise and how they are handled. No conflicts of interest arose in the reporting period.

The Supervisory Board last conducted a self-assessment in the 2023/24 financial year. In order to conduct the self-assessment, the current situation was appraised based on questionnaires and the results from the questionnaires were subsequently discussed by the Supervisory Board. No recourse was made to external consultants. After evaluating the results, the Supervisory Board notes that it performs its activities efficiently. Potential improvements identified as part of the audit are taken into consideration for the future. The Supervisory Board plans to conduct its next self-assessment in the 2026 calendar year.

Composition of the Supervisory Board

Pursuant to Section 9 (1) of the company's bylaws, the Supervisory Board of BRAIN Biotech AG consists of six members elected by the AGM. Unless the AGM approves a shorter period for the election of individual members – or for the entire Supervisory Board – the Supervisory Board members are appointed until the end of the AGM that approves the discharge for the third financial year after the start of the period of office. The year in which the period of office starts is not included in the calculation. Reelection is permissible. When a Supervisory Board member is elected, a replacement member can be elected at the same time who moves up to the Supervisory Board if the Supervisory Board member steps down before the end of the respective period of office without a successor having been appointed. The appointment of the replacement member moving up to the Supervisory Board in this manner lapses as soon as a successor for the departing member has been appointed, although this is to occur at the latest as of the end of the period of office of the departing Supervisory Board member.

In the 2024/25 financial year, the Supervisory Board consisted of the following persons:

Name, role	Member since	Appointed until the AGM in the respective FY	Further board mandates in 2024/25
Dr. Michael Majerus Chairman since 8 March 2023	7 March 2019	2026/2027	• Deputy Chairman of the Supervisory Board of team neusta SE, Bremen
Dr. Anna C. Eichhorn Deputy Chair	9 March 2017	2028/29	• CEO of humatrix AG, Pfungstadt (until August 2025) • Management Board member (Deputy Chair) of Initiative Gesundheitswirtschaft-rhein-main e. V. • Member of the Supervisory Board of Frankfurter Innovationszentrum Biotechnologie GmbH, Frankfurt am Main • Member of the Management Board of House of Pharma & Healthcare e. V., Frankfurt am Main
Stephen Catling Supervisory Board member	4 October 2020	2028/29	• Chairman of the Board of Directors of the Cambridgeshire Community Foundation, UK • Chairman of the Board of Directors of Condimentum Ltd., UK • Chairman of the Board of Directors of Arborea, UK/Portugal
Dr. Florian Schnabel Supervisory Board member	8 March 2023	2026/27	• Managing Director of MP Beteiligungs-GmbH, Kaiserslautern • Managing Director of BSN GmbH, Kaiserslautern • Managing Director of PBG Zweite GmbH, Kaiserslautern (since April 2025)
Christine Uekert Supervisory Board member	8 March 2023	2026/27	• Managing Director of nSight Consulting GmbH, Berlin • Managing Director of Evolve Partners – Biofin Consulting GmbH, Berlin
Dr. Ursula La Cognata Supervisory Board member	11 July 2025	2025/26	• Managing Partner at Your Biotech Experts (ybe)

Prof. Dr. Wiltrud Treffenfeldt is not listed in the table above. She was a member of the Supervisory Board until 3 October 2024.

With the exception of Dr. Florian Schnabel, who is a managing director of the anchor shareholder, all members of the Supervisory Board are independent in the meaning of Sections C.6 and C.7 DCGK. The recommendation of C.9 DCGK is complied with.

The recommendations in Sections C.4 and C.5 DCKG regarding the total number of mandates held are complied with by the Supervisory Board members.

The Supervisory Board's competency profile and objectives are composed as follows: the Supervisory Board is of the opinion that at least one third of its members should cover with particular expertise the areas of entrepreneurship/new business areas, corporate finance/capital markets and the sector, and that it fulfills all self-imposed requirements in the intended number. Moreover, the Supervisory Board regards the recruiting of a further individual with specific knowledge of the North American market as a relevant medium-term objective for the company. The new quota for the number of women that was set in 2022 was met, and the quota for the number of women that had been set previously was exceeded. The Supervisory Board has set an age limit of 75 years for newly appointed Supervisory Board members. The Supervisory Board endeavors to ensure that the average age of the entire board does not rise any further in the case of new appointments and that the board's heterogeneity in terms of differing curricula vitae is not reduced. To date, the Supervisory Board has not set a limit for the maximum length of service. The Supervisory Board also deals extensively with sustainability issues and plans to further strengthen these competencies.

	Dr. Michael Majerus	Dr. Anna C. Eichhorn	Stephen Catling	Christine Uekert	Dr. Florian Schnabel	Dr. Ursula La Cognata (since 11 July 2025)
Entrepreneurship (with highlighted expertise)	X	X	X			X
New business areas (with highlighted expertise)	X	X	X	X		X
Corporate finance/capital markets (with highlighted expertise)	X			X	X	
Sector (with highlighted expertise)		X	X	X		X
Internationality (professional experience and/or residency)	X	X	X	X	X	X
M&A	X		X	X	X	
Controlling & risk management	X			X	X	
Financial accounting expertise	X			X	X	
Financial auditing expertise	X			X		
Sustainability	X					

Committees

The Management Board of BRAIN Biotech AG has not formed any committees.

The Supervisory Board has formed a total of three committees to efficiently perform its work: an Audit Committee, a Personnel Committee and a Nomination Committee. The committees prepare resolutions for the Supervisory Board as well as agenda items to be handled by the plenary meeting. In all cases, the committee chairs report on the committees' work at the subsequent plenary meeting. The Supervisory Board also meets annually for a strategy meeting.

Audit Committee

The Audit Committee consists of the following individuals until the end of their respective periods of office (the Chair and up to two further members):

Name	Role	Independence
Christine Uekert	Chair	Yes
Dr. Michael Majerus	Member	Yes
Dr. Florian Schnabel	Member	No

The Audit Committee concerns itself especially with the supervising of financial accounting, the financial accounting process, the efficacy of the internal control system, the risk management system, the internal audit system, the audit of the financial statements, sustainability topics as well as compliance. The Audit Committee submits a substantiated recommendation for the election of the auditor to the Supervisory Board, which comprises at least two candidates if the audit mandate is to be put out to tender. The Audit Committee supervises the auditor's independence and concerns itself with services to be rendered additionally by the auditor, the award of the audit mandate to the auditor, the setting of focus audit areas, as well as arranging the auditor's fee.

Pursuant to the German Stock Corporation Act (Sections 107 (4), 100 (5) AktG), at least one member of the audit committee must possess expertise in the financial accounting area and at least one further member must possess expertise in the auditing area.

The Audit Committee Chair, Christine Uekert, meets the statutory conditions pursuant to the German Stock Corporation Act (Sections 107 (4), 100 (5) AktG) and also possesses specialist knowledge in the area of financial auditing. In addition, she has many years of experience in the areas of finance and controlling and has held management positions, including at listed companies. Supervisory Board Chairman Dr. Michael Majerus, who is also a member of the Audit Committee, possesses expertise in the auditing area as a former head of accounting and CFO, including at three listed companies. His main areas of expertise are controlling and risk management, corporate finance and capital markets as well as financial accounting. Moreover, he commands a broad spectrum of knowledge in corporate management and compliance topics as well as in the investor relations area. In addition to the Audit Committee Chair and the Supervisory Board Chairman, the Audit Committee includes Supervisory Board member Dr. Florian Schnabel.

Personnel Committee

The Personnel Committee consists of the following individuals until the end of their respective periods of office (the chair and up to two further members):

Name	Role	Independence
Dr. Michael Majerus	Chairman	Yes
Stephen Catling	Member	Yes
Dr. Anna C. Eichhorn (since 1 November 2024)	Member	Yes

The Personnel Committee concerns itself mainly with personnel matters relating to the Management Board. In particular, it plays a preparatory role for the Supervisory Board in the selection, appointment and recall from office of Management Board members, the agreeing and supplementation of Management Board contracts and pension arrangements, setting the compensation scheme for Management Board members and its implementation in the Management Board contacts, target setting for the variable compensation, setting and reviewing the appropriateness of overall compensation of the individual Management Board members and approving the annual compensation report. It also submits recommendations for resolutions. Moreover, the Personnel Committee can pass resolutions on the Supervisory Board's behalf in relation to the following matters: certain legal transactions with Management Board members (such as in the meaning of Section 112 of the German Stock Corporation Act [AktG]), and approving Management Board members' outside activities pursuant to Section 88 AktG, especially where Supervisory Board mandates outside BRAIN Biotech Group are accepted.

Nomination Committee

The Nomination Committee consists of the following individuals until the end of their respective periods of office (the chair and up to two further members):

Name	Role	Independence
Dr. Anna C. Eichhorn	Chair	Yes
Dr. Michael Majerus	Member	Yes
Stephen Catling (since 1 November 2024)	Member	Yes

The Nomination Committee proposes suitable candidates to the Supervisory Board for its election proposals to the Annual General Meeting.

Details on the working methods of the Management Board, Supervisory Board and committees during the financial year can also be found in the Supervisory Board report contained in the BRAIN Biotech AG annual report.

Dialog with investors

The Supervisory Board discussed the suggestion contained in Number A.6 of the German Corporate Governance Code (DCGK) and is in favor of the Supervisory Board Chairman being available to respond to investors' questions relating specifically to the Supervisory Board. The Management Board of BRAIN Biotech AG also welcomes this move.

Supervisory Board compensation

Pursuant to Section 14 (1) of the company's bylaws, all Supervisory Board members receive not only reimbursement of their outlays but also a fixed annual payment of € 30,000.00. The Supervisory Board Chair receives twice this amount and the Deputy Supervisory Board Chair receives one and a half times this amount. Supervisory Board members who have not been Supervisory Board members for a full year of service receive the aforementioned compensation pro rata temporis

to the level of one twelfth for each month of service they commence. The chairs of the Supervisory Board committees also receive an annual payment of € 15,000.00 and all committee members € 5,000.00. All Supervisory Board members receive a meeting fee of € 2,000.00 for each face-to-face meeting of the Supervisory Board and its committees they attend. The members of the Supervisory Board receive an attendance fee of € 1,000.00 for participating in a meeting of the Supervisory Board or its committees conducted as a video conference and an attendance fee of € 500.00 for participating in a conference call of the Supervisory Board or its committees.

The company has taken out D&O (directors & officers) insurance cover for the Supervisory Board members. No deductible was arranged for Supervisory Board members.

Detailed information about the Supervisory Board members' compensation can be found in the compensation report pursuant to Section 162 of the German Stock Corporation Act (AktG), which can be downloaded at https://www.brain-biotech-group.com/en/investors/corporate-governance/compensation/ .

Commitment to promote participation by women in management positions pursuant to Section 76 (4) and Section 111 (5) of the German Stock Corporation Act (AktG)

At its meeting on 23 September 2016, the Supervisory Board of BRAIN Biotech AG passed a resolution that the Supervisory Board should include one woman, corresponding to a 17 % ratio. The implementation deadline for this was set at 30 June 2017. This objective was implemented on 9 March 2017 when Dr. Anna C. Eichhorn was elected to the Supervisory Board of BRAIN Biotech AG. The retention of this objective for the period until 30 June 2022 was confirmed at the meeting on 28 September 2017.

Also on 28 September 2017, the Supervisory Board passed a resolution to leave the target ratio for women on the Management Board of BRAIN Biotech AG unchanged at 0 % until 30 June 2022.

With the re-election of Dr. Anna C. Eichhorn and the election of Prof. Dr. Wiltrud Treffenfeldt, the set ratio for the Supervisory Board was exceeded on 10 March 2021.

On 15 December 2022, the Supervisory Board raised the target for the composition of the Supervisory Board to 33 %, with an implementation deadline of 30 June 2027. The vacancy due to the departure of Prof. Dr. Wiltrud Treffenfeldt was filled by Dr. Ursula La Cognata by court appointment, as a consequence of which the ratio as of the end of the 2024/25 financial year stands again at 50.0%.

On the same date, the target for the composition of the Management Board was retained at 0 %, with an implementation deadline of 30 June 2027. This target was maintained on the basis that the medium to long-term planning for the Management Board assumes that the Management Board members in office during the 2022/23 financial year remain in office at least until their contracts end. Setting a different ratio would stand at variance with this medium- to long-term planning. In the event of an increase in the number of members of the Management Board, this objective would require review, as would be the case if the Management Board members in office in the 2022/23 financial year did not renew their service contracts.

The Management Board is composed exclusively of men at present. For the first management level below the Management Board, the Management Board of BRAIN Biotech AG passed a resolution to set a 14% target for participation by women and determined that this goal should be implemented by 30 June 2017. This target was reached with a level of 14 % on 30 June 2017.

As a consequence, the Management Board of BRAIN Biotech AG has set the target for the percentage of women at the first management level below the Management Board at 14 %, with a deadline for implementation by the end of 30 September 2020. With the end of the implementation period mentioned above, the percentage of women at the first management level was reached. The Management Board has approved a 20 % ratio of women by 30 September 2025 for the first management level below the Management Board in the meaning of Section 76 (4) AktG. This ratio for women was reached before the deadline.

The Management Board has now approved a 30 % ratio of women by 30 September 2030 for both management levels below the Management Board in the meaning of Section 76 (4) AktG. For the first time, this target setting has been made for two levels and derives from structural developments within the company, which are based, among other factors, on the merger with the subsidiary AnalytiCon Discovery GmbH in June 2024.

Shareholders and the AGM

The shareholders exercise their co-management and controlling rights at the Shareholders' General Meeting (the Annual General Meeting/AGM), which is chaired by the Supervisory Board Chair pursuant to the company's bylaws. Each share in BRAIN Biotech AG grants one vote. Shareholders can exercise their voting rights at the AGM itself, or have it be exercised by an authorized representative of their choosing or by a company proxy. The Management Board is authorized to ensure that shareholders who do not attend the AGM can also participate in the AGM and exercise their rights wholly or partly by way of electronic communications (online participation), or to issue their votes without participating in the meeting by way of written or electronic communications (postal option). The Management Board is also authorized to set the specific arrangements relating to the scope and procedure for online participation and postal voting. These are to be announced in the convening document for the AGM. All shareholders are entitled to participate in the AGM, to speak on the respective agenda items and to request information about the company's affairs, where such information is required in order to arrive at an objective assessment of an agenda item.

The nineth public AGM of BRAIN Biotech AG was held for the sixth time as a physically attended event on 18 March 2025 in Zwingenberg. The invitation for the AGM was published in good time in the German Federal Gazette (Bundesanzeiger) pursuant to statutory regulations, including the agenda with the proposed resolutions of the management and of the Supervisory Board as well as the terms for participating in the AGM and the exercising of voting rights, among other matters. All reports and documents required by law were available on the website of BRAIN Biotech AG from the date when the AGM was convened. Directly following the AGM, BRAIN Biotech AG published the attendance and voting results on its website. Seven out of eight items on the agenda were submitted to the vote at the AGM. All of the proposed resolutions were accepted given an attendance of the share capital of BRAIN Biotech AG of 63.8 %.

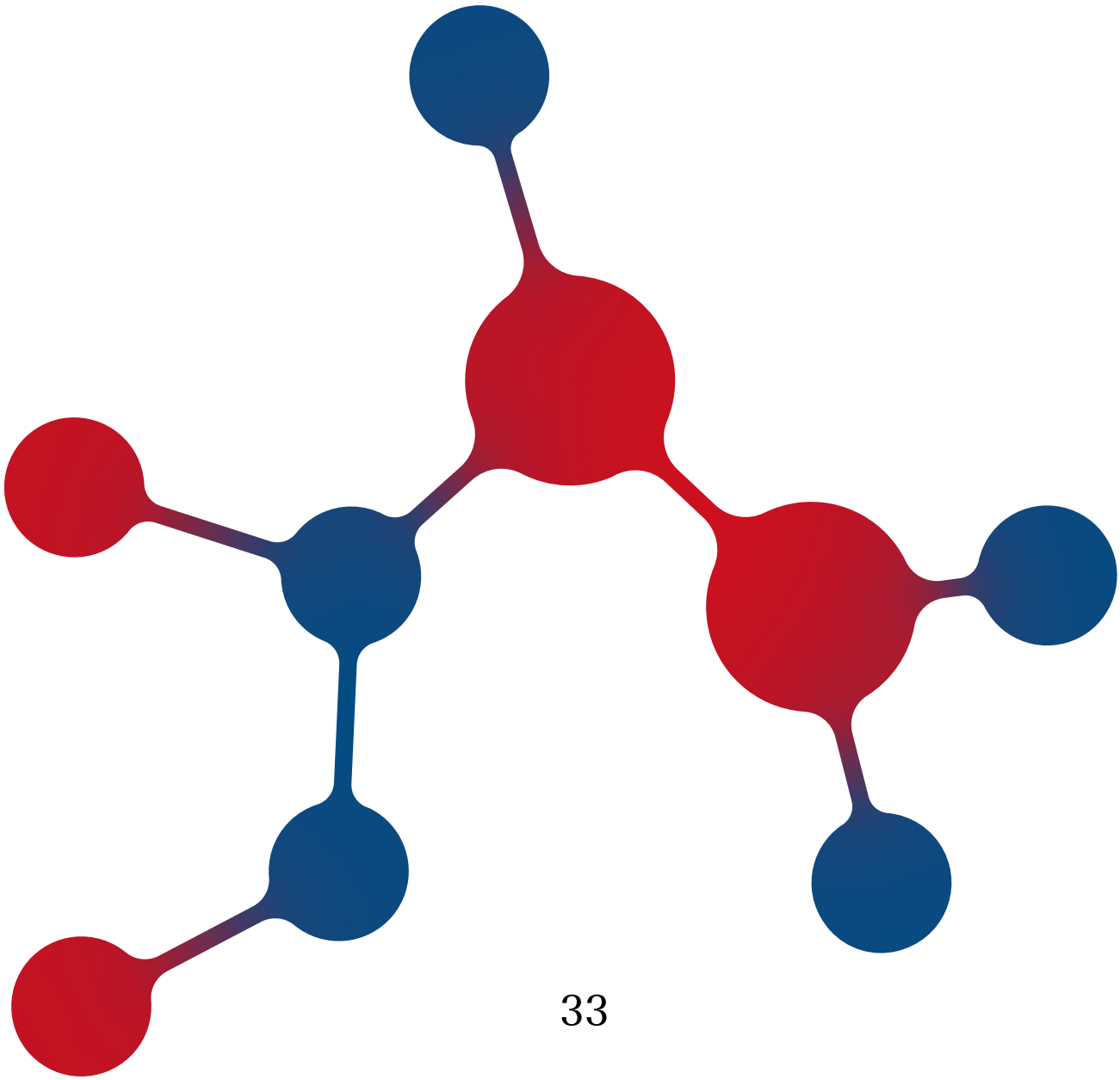
Financial accounting and auditing

The unaudited quarterly financial statements as of 31 December 2024 (3M) and 30 June 2025 (9M) as well as the unaudited half-year financial report (6M) as of 31 March 2025 and the consolidated financial statements for the financial year ending 30 September 2025 were prepared in accordance with Section 315e (1) of the German Commercial Code (HGB) and International Financial Reporting Standards (IFRS). The separate financial statements of BRAIN Biotech AG for the 2024/25 financial year were prepared in accordance with the regulations of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

Zwingenberg, January 2026

Management Board and Supervisory Board

Company



About BRAIN Biotech

Innovative strength from biological diversity

Biodiversity is the source of our innovations. Microorganisms and the enzymes they express open up unique opportunities to develop **sustainable and commercially scalable solutions** for the markets of tomorrow. We are leveraging these opportunities – for both ourselves and our customers.

BRAIN Biotech AG is a leading **industrial biotechnology specialist**. With **enzyme technology**, the **development of high-performance microbial production strains** and **advanced bioprocess design**, the company creates the basis for bio-based innovations that are highly relevant for the market.

We conduct research, develop and produce both **to our clients' specifications** and **for the targeted expansion of our own product portfolio**.

Our Group supports customers from the food and beverage, chemical and life sciences industries in their **transformation towards bio-based, sustainable products and production processes**. From enzyme products for food and beverages through to efficient fermentation processes and optimized starter cultures, BRAIN Biotech's solutions enhance **productivity, efficiency and sustainability in both manufacturing and products.**

Mission

We provide innovative biological solutions based on microorganisms and enzymes and enable more sustainable products and processes in industry with special enzymes, high-performance production strains and efficient bioprocesses.

We focus on the food, life science and environmental sectors.

Vision

As a service-provider and producer of enzyme specialties, we are aiming for a global top ten position among enzyme companies.

With our integrated offering for the development and production of enzymes, we are a sought-after partner and make an important contribution to the bioeconomy.

Our customized solutions and products have a positive impact on our partners' competitiveness and sustainable industrial production.

BRAIN Biotech AG is the **parent company of the BRAIN Biotech Group**. The Group's business activities are divided into the two operating segments **BRAINBiocatalysts** (development, production and distribution of specialty enzymes, microorganisms and ingredients) and **BRAINBioIncubator** (research-intensive development projects with high value-creation potential, including for the life sciences industry).

OPERATING SEGMENTS

BRAINBiocatalysts

Enzyme products, customized enzymes, high-performance production strains and scalable bioprocesses

BRAIN Biotech is established in the industry as a provider of a broad-based biotechnology portfolio and customized R&D services. Under the BRAINBiocatalysts brand, the Group bundles its extensive infrastructure, its technological expertise and its application know-how to offer **enzyme solutions and products along the entire value chain** ("end-to-end").

Its range of services includes the **discovery and development of novel enzymes** and the **optimization of microbial production strains**. With the development of suitable fermentation processes to produce enzymes and other proteins, the Group offers its customers integrated solutions – ranging from research and process development through to large-scale production.

BRAINBioIncubator

Development projects with high value-creation potential

BRAIN Biotech is continuously expanding its portfolio with **innovative specialty enzymes, powerful microbial strains and advanced bioprocesses** geared towards **growth markets**. New nature-based substances, including small molecules, serve as a starting point for screening for drug candidates and open up **strategic options in pharmaceutical research**. We carry out such developments either in-house or together with partners.

Development projects in the reporting period include:

Fermented drinks & ingredients (proprietary developments)

- Creation of a platform for fermented beverages and food innovations
- Development of innovative solutions for microbial biomass
- Leveraging the superfood trend: new protein sources, vegan options, improved digestibility of plant-based foods and new flavors
- **Positions BRAIN Biotech as a leading provider of bio-based innovations in the food industry**

Perillic Active, antimicrobial active ingredient (in partnership with Corbion)

- Natural antimicrobial active ingredient for food
- Utilization of by-products from food production
- **Strengthens the sustainability strategy and opens up new market segments**

Gold from waste streams (development with PX Group)

- Microbial gold extraction as a sustainable replacement for conventional recycling processes
- Reduced utilization of chemicals, lower energy consumption and reduced carbon footprint
- **Positions BRAIN Biotech as an innovator in the area of environmentally compatible industrial technologies**

SolasCure Ltd. (spin-off; approximately 35 % non-controlling interest)

- Enzymatic wound cleansing for chronic wounds
- Fly maggot enzyme, now produced microbially by fermentation
- **Phase 2a expansion of clinical trial started: Opens up attractive growth and licensing opportunities in the medtech and biopharma sector**

Pharvaris – license / Royalty Pharma monetization project

- Clinical development of an active substance for the acute and prophylactic treatment of the rare disease hereditary angioedema (HAE)
- Licensee: Pharvaris N.V., NASDAQ-listed company, USA
- **License revenue and strengthening of the Group's financial basis**

Akribion Therapeutics (license)

- Out-licensed G-dase® E technology with targeted cell toxicity
- Exclusive license for therapeutic applications, main indication area: oncology
- **License revenue and application of existing technology outside BRAIN's core expertise**

SUBSIDIARIES AND EQUITY INTERESTS

The parent company of the BRAIN Biotech Group is BRAIN Biotech AG, which is headquartered in Zwingenberg, in the south of Germany's Hesse region.

BRAIN Biotech AG has been listed in the Prime Standard of the Frankfurt Stock Exchange since 9 February 2016 (ticker symbol: BNN; securities identification numbers: ISIN DE0005203947/WKN 520394). The Group employed around 280 people in the 2024/25 financial year and generated revenue of € 49.6 million.

BRAIN Biotech AG had the following operating units as of the end of the reporting year: BRAIN UK II Ltd., Cardiff, UK; Biocatalysts Ltd., Cardiff, UK; Biocatalysts Inc.*, Tampa, Florida, USA; WeissBioTech GmbH, Ascheberg, Germany; Breatec B.V.**, Nieuwkuijk, Netherlands; RMH AG (formerly Akribion Genomics AG), Zwingenberg, Germany; AnalytiCon Discovery LLC, Rockville, Maryland, USA.

AnalytiCon Discovery, Potsdam, is a branch operation of BRAIN Biotech AG.

BRAIN Biotech AG holds a 35.1 % interest in SolasCure Ltd, Cambridge, UK (equity accounted).

* Merged with Biosun Biochemicals Inc., Tampa, Florida, USA, with retroactive effect as of 1 October 2024
** Merged with Weriol Group B.V., Nieuwkuijk, Netherlands, with retroactive effect as of 1 January 2025

Sustainability

Sustainability and ESG strategy

SUSTAINABILITY AS A CORE ELEMENT OF OUR BUSINESS MODEL

Sustainability is firmly anchored within the business model of BRAIN Biotech AG. With our products and research services, we support our customers and cooperation partners in introducing bio-based processes, in utilizing resources efficiently, in replacing harmful substances and in converting waste streams into valuable resurces.

Our innovative, customized special enzymes and microorganisms are aimed especially at the food industry, the life sciences sector and the circular economy. The resultant benefits for our customers – which we refer to as "**BRAIN Impact**" – open up additional growth prospects and ensure that our products and services make important economic and ecological contributions. At the same time, the social shift towards greater sustainability and a bio-based economy offers considerable market opportunities for our company itself.

SUSTAINABILITY TARGETS AND COMMITMENTS

With the voluntary publication of its first Sustainability Report for 2022, BRAIN Biotech AG defined specific targets in the three action areas of environmental and climate protection (E), social responsibility (S) and responsible corporate governance (G). The medium and long-term targets for 2032 and 2050 are anchored within the Management Board's compensation scheme (Long-Term Incentive – LTI) and emphasize their strategic relevance.

In addition, BRAIN Biotech AG is committed to the 17 Sustainable Development Goals (SDGs) of the United Nations and reports annually on progress (Communicating on Progress, COP) as part of the **UN Global Compact**.

PREPARATION FOR A POTENTIAL CSRD REPORTING OBLIGATION

As a listed medium-sized company, BRAIN Biotech AG was originally subject to the reporting obligation under the Corporate Sustainability Reporting Directive (CSRD) for the first time for the 2025/26 financial year.

We began our preparations back in the 2024/25 financial year and established an interdisciplinary ESG Ring Team. This team pursues a **360° approach** that takes into consideration all of the Group's business processes and gives all relevant stakeholder groups a voice in ESG issues. At the same time, this team acts as a **multiplier for sustainability issues in the business areas**. Additional cooperation with external consultants and auditors provides an additional external perspective and ensures the quality of our processes.

MATERIALITY ANALYSIS AND STRATEGIC IMPLEMENTATION

A key milestone was the implementation of the **double materiality analysis** (DMA) in accordance with ESRS standards during the financial year under review. This not only identified regulatory issues, but also provided decisive impetus for the further development of our **ESG strategy program** (see Figure 1 for a summary). A total of six positive and six negative impacts, eight risks and one opportunity were rated as material. The topics assigned in each case are representative of our business model.

A **reconciliation with the risk management system** (RMS) ensures that all material ESG risks are mapped and actively managed. In future, a regular review of the DMA is planned in order to identify new opportunities and risks at an early stage. Transfer points between the DMA and the RMS have been defined.

All relevant risks, opportunities and impacts are bundled into a total of six focus areas in order to enable the targeted implementation of guidelines, measures and objectives. **Customized data management** forms the basis both for our reporting formats and for measuring progress in achieving our sustainability targets.

Responsibility for implementing the ESG strategy lies with the Management Board and the company's Supervisory Board. A full-time ESG manager bundles the topics across the Group, centralizes them and implements them operationally.

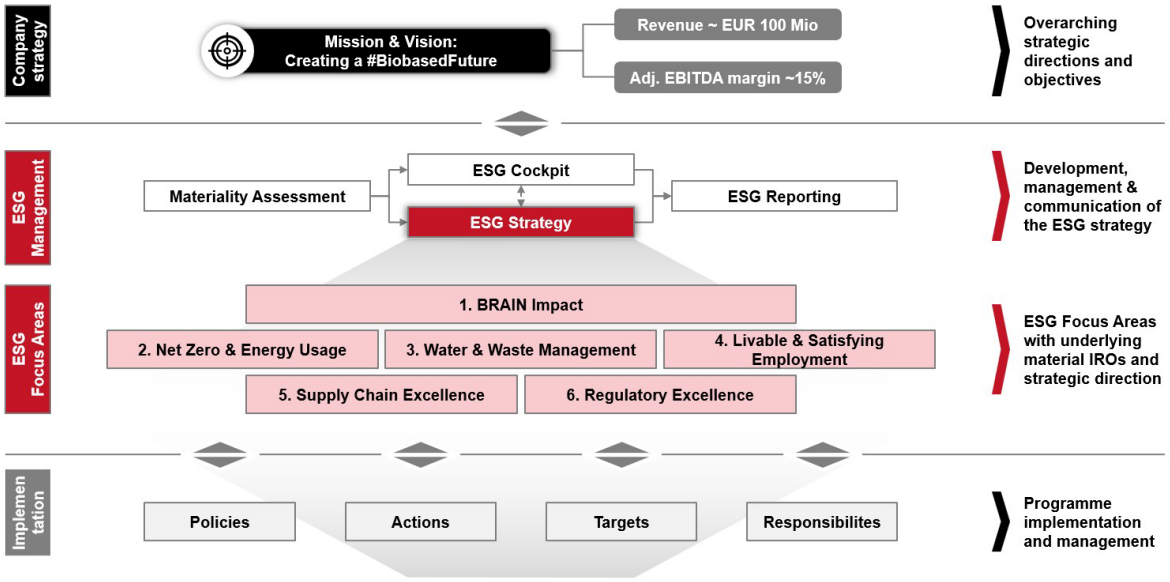


Figure 1: Integrated ESG strategy of BRAIN Biotech AG

ADAPTATION OF REPORTING OBLIGATIONS AND STRATEGY

With the changes to reporting obligations announced by the EU in February 2025 ("Omnibus I", COM80 and COM81, 2025), BRAIN Biotech AG further developed its sustainability reporting strategy. We now orientate ourselves on EFRAG's voluntary reporting format, the **Voluntary Sustainability Reporting Standard for SMEs (VSME)**. The aim is to achieve uniform and standardized reporting that ensures data quality and comparability over the years. Should the company be affected by an extended CSRD reporting obligation in the future, this framework also provides a solid **basis for scaling towards full ESRS reporting**.

The selected format also enables us to map additional topics that are important for the company (VSME Plus strategy). In parallel, we continue to publish key figures annually in an **ESG data sheet** in order to provide all relevant stakeholders with the most important information in a compact format.

The **key figures for the 2023/24 financial year** are available as of September 2025. We are currently working on the preparation of a first VSME report and on the conversion of the ESG data sheet to the new metrics and key figures. The data collection processes are being continuously improved and will be increasingly automated in future.

TARGETED IMPLEMENTATION OF MEASURES

Action area 2: Net zero and reduction of greenhouse gas emissions

Shortly before the start of the reporting year, we commissioned our two new photovoltaic systems at the Zwingenberg and Cardiff sites. For the first time, we are thereby consuming self-produced electricity directly on site. We are planning to install additional systems and expand existing capacities at further sites.

In addition, the existing energy contracts at the Cardiff site were switched before the start of the reporting year to green electricity, which mainly derives from renewable energy sources such as wind power and biomass. This significantly reduced the site-specific emission factor.

These measures will lead to a significant **reduction in our greenhouse gas emissions** and represent an important step on our path to "net zero" by 2050.

Action area 4: Attractive and fulfilling working conditions

The implementation of a new space concept at the Zwingenberg site in the 2023/24 financial year is having an impact and is reflected in increased flexibility and greater employee satisfaction. Quiet, open work zones with fixed workstations enable concentrated and undisturbed work, while a digital room-booking system supports the efficient use of meeting rooms. In addition, spontaneously bookable workstations for laboratory staff and trainees as well as home office options offer additional scope for a **modern, needs-orientated working environment**.

We decided to participate in the UN Global Compact's *Target Gender Equality Accelerator Program* in order to pay greater attention to the topic of diversity and, in particular, **gender equality** and women in management positions. This six-month program started towards the end of the financial year under review and will help us to derive suitable measures to specifically support women on their path to management positions.

Important Events in the 2024/25 Financial Year

31 October 2024

BRAIN Biotech and Akribion Therapeutics sign pharmaceutical licensing agreement for CRISPR-Cas technology

BRAIN Biotech arranges an exclusive technology licensing agreement with Akribion Therapeutics GmbH for the genome editing nuclease G-dase® E for the pharmaceutical sector. BRAIN Biotech will receive up to € 92.3 million in R&D and commercial milestone payments from Akribion for granting these exclusive rights for use in the pharmaceutical area. Moreover, BRAIN Biotech is entitled to license fees from future net revenues.

12 December 2024

Segment reorganization: BRAIN Biotech shar-pens focus on profitable growth

As part of its Capital Markets Day 2024, BRAIN Biotech announces that it will merge its Bio-Products and BioScience Zwingenberg segments into the BRAINBiocatalysts growth segment as of the 2024/25 financial year. This bundling of production and research activities on a joint technology platform is aimed at further accelerating the company's growth and at realizing synergies.

13 February 2025

Biological gold recycling: BRAIN Biotech cooperates with PX Group

BRAIN Biotech and the PX Group, experts in the recovery of precious metals from various material streams, announce their collaboration as part of the *PX Urban Mining Initiative*.

20 May 2025

BRAIN Biotech acquires remaining non-controlling interests in subsidiary Breatec B.V.

With the completion of this transaction, all business units of the BRAINBiocatalysts segment are now fully owned by BRAIN Biotech AG. At the same time, the decision was made to relocate to a larger site in the Netherlands, into which the German site in Büttelborn is also to be integrated.

25 August 2025

Corbion and BRAIN Biotech announce partnership

Corbion and BRAIN Biotech announce their agreement to collaborate on the development of novel bio-based antimicrobial compounds and their derivatives. The aim of the partnership is to develop preservatives for the food industry based on natural ingredients.

3 September 2025

Johan Jansén-Storbacka appointed as Executive Vice President of BRAINBiocatalysts

BRAIN Biotech appoints Johan Jansén-Storbacka as Executive Vice President of BRAINBiocatalysts for the Enzyme Products segment with effect from 1 September 2025.

Why Invest in BRAIN Biotech?

Investing in a future where industrial growth and sustainability go hand-in-hand

Become part of the revolutionary change in industrial production! Industrial biotechnology is at the forefront of this development. With your investment, you can shape the **accelerated biologization of industrial production** together with us – true to our company motto: "Creating a bio-based future".

An investment in BRAIN Biotech AG combines **sustainable growth** with **attractive value appreciation potential**. Five strong reasons why it's worth investing in us:

Reason No. 1:

Clear strategy of profitable growth in specialty segments

We have been pursuing a growth strategy for several years. We aim to establish BRAIN Biotech as one of the top ten enzyme companies on the global market.

We plan to almost double revenue in the **BRAINBiocatalysts*** segment to a level of € 100 million in the medium term, while at the same time boosting the **adjusted EBITDA** margin. We are aiming for an **adjusted EBITDA margin of 15 %** within the next five years.

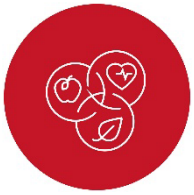
The integrated **product business** in the BRAINBiocatalysts segment is the Group's primary growth segment. We have already invested heavily in **expanding production capacities** at our sites in recent years.

Our growth strategy is geographically focused on **Europe and North America** and combines organic growth with targeted, value-enhancing acquisitions. We have identified an addressable target market that offers structural growth and a revenue volume of around € 2 billion.

Having realized significant investments over the past few years, we have now **accelerated the commercialization of projects from the BRAINBioIncubator**. Investments in **highly efficient production strains** and in our own **genome editing technology** are already leading to greater **license income** in our business with customized client solutions.

We are constantly working on even more closely integrating BRAIN Biotech Group companies, on realizing synergies, on expanding the product portfolio and on enhancing efficiency. We have already achieved good results in this area in recent years, and we expect that the **growth rate of adjusted EBITDA** will continue to outstrip our revenue growth rate in the future.

* New segment reporting from 3M 2024/25: * The new BRAINBiocatalysts segment is a combination of the former *BioProducts* segment and the R&D services of *BioScience Zwingenberg* (Contract Research Organization – CRO).



Reason No. 2:

A large, growing and addressable market offering excellent profitability

As a leading integrated supplier of high-quality enzymes for special applications and innovative biotechnological solutions, we support industry in **making products more natural** and **processes more efficient and sustainable**. We are focusing on areas that offer structural growth: **Nutrition, Life Sciences and the Environment**.

Our business models:

- **Product business** with enzyme products and ingredients
- **Contract research and development** (Contract Research Organization, CRO)
- **Contract Development Manufacturing Organization** (CDMO).

The main drivers of this structural growth:

- Growing world population with rising demand for **non-animal protein sources**
- Trend towards **healthier and more natural diets**
- Biotechnologically produced **active pharmaceutical ingredients** (APIs)
- Search for **alternatives to petrochemical process chains**.

Our four focus areas:

- **Alternative proteins that replace animal proteins:** for animal welfare, vegan food and a more sustainable diet for a growing world population.
- **Biotechnology for more natural and sustainable food:** for industrially produced food without chemical additives, and with improved flavor profiles, more pleasant textures, longer shelf life and better appearance.
- **Biotechnology for life sciences applications:** enzymes for the production of pharmaceuticals through biocatalysis or for use in diagnostics.
- **Biotechnology for environmental protection:** natural antimicrobials for longer food shelf life; to utilize food industry side-streams; to boost production yields; to reduce energy and water consumption or avoid waste; for biorecycling processes.

Reason No. 3:

Growing demand for integrated biotechnological solutions

Our Group of companies is a hotbed of innovation and we are constantly working to push the boundaries of what is possible: towards optimized special enzymes, high-performance production organisms and highly efficient fermentation processes.

We offer an integrated service for specialty enzymes

Since it was founded in 1993, BRAIN Biotech has developed from a specialized R&D company into a provider of integrated solutions. Today, we cover the **entire specialty enzyme value chain**: we find and develop previously undiscovered enzymes, provide starter cultures for their microbial production and develop intelligent bioprocesses for industrial-scale production. This comprehensive service is not only a competitive advantage for us, but also for our customers.

We combine a broad product portfolio with a comprehensive technology portfolio

With around 600 products, our product portfolio offers an extensive selection of enzymes and ingredients. We also offer our clients customized innovative products and solutions. We do not limit ourselves to individual technologies and methods, as many other biotechnology companies do. Instead, we make sensible choices from our broad tech portfolio.

Our interdisciplinary approach encompassing various scientific disciplines also helps us to develop innovative products and biological solutions. With the help of bioinformatics, our proprietary **MetXtra™ database and AI-supported predictive models**, we are advancing the discovery and optimization of previously unused enzymes – not only to benefit our customers but also to expand our own product portfolio.

We are a reliable and valued partner

Over 200 successfully completed development projects with industrial partners confirm our expertise. Returning customers reflect **confidence in our ability to provide solutions and to innovate**.

Attractive business models

The Group-wide technology platform forms the basis for three attractive business models:

Products: Specialty enzymes, microorganisms (starter cultures) and ingredients for food, life sciences and environmental technology.

Contract research: Customized solutions, from enzyme engineering, production strain and bioprocess development through to screening for bioactive substances.

Contract manufacturing: Production of enzymes and other proteins; services with a focus on the life sciences industry.

With this integrated approach, we support our customers on their path to sustainable growth and establish a clear competitive advantage for BRAIN Biotech.

Reason No. 4:

Successful commercialization of BRAINBioIncubator projects

The **BRAINBioIncubator** encompasses a pipeline of research-intensive development projects that offer high value creation potential. We have started to transition the high investments that we have realized over recent years into the commercialization phase. Examples:

1. In the 2023/24 financial year, BRAIN Biotech concluded an **agreement with Royalty Pharma for the monetization of the licensing rights to the investigational compound Deucrictibant** for an amount of up to € 128.88 million. BRAIN has already received an advance payment of € 18.41 million for this agreement. In addition, the company may receive potential regulatory milestone payments of up to € 18.42 million as well as additional potential long-term revenue-related milestone payments of up to € 92.05 million.

2. In the 2024/25 financial year, BRAIN Biotech arranged an **exclusive technology licensing agreement with Akribion Therapeutics GmbH** for the genome editing nuclease G-dase® E for the pharmaceutical sector. BRAIN Biotech will receive up to € 92.3 million in R&D milestone payments from Akribion for granting these exclusive rights for use in the pharmaceutical area. Moreover, BRAIN Biotech is entitled to license fees from future net revenues. The payment structure is based on progress in clinical development and future commercialization successes.

3. BRAIN Biotech has entered into an agreement with Corbion, a global sustainable ingredients company, to **collaborate on the development of novel bio-based antimicrobial compounds and their derivatives**. BRAIN Biotech is contributing its technological expertise to the partnership. BRAIN is also acting as a technology licensor.

4. Further promising projects: BioGold™ from recycled materials, natural sugar substitutes, enzymatic wound cleansing with Aurase® (developed by SolasCure).

Reason No. 5:

Our products and solutions directly address several UN Sustainable Development Goals

Industrial biotechnology has become an important **driver of innovation and sustainability** in the global economy. People are already referring to the dawning of an "era of biology", as industrial biotechnology enjoys the potential to transform traditional industries into more sustainable and environmentally responsible companies. BRAIN Biotech develops products and solutions for its customers that directly address six of the twelve UN Sustainable Development Goals.

In recent years, industrial biotechnology, with its goal of using biological processes and organisms to produce goods and services, has already achieved considerable growth. The **volume of the biotechnology market** was estimated at USD 1.38 trillion in 2023 and is expected to expand to USD 3.90 trillion by 2031, which corresponds to an average annual growth rate of 13.9 % over the forecast period (2024 – 2031). **

We enable companies from the food, life sciences and environmental sectors to reduce their greenhouse gas emissions, reduce their dependence on non-renewable resources and boost their contribution to a more sustainable global economy. The integration of our biotechnological solutions in manufacturing processes can also lead to significant cost savings and productivity enhancements for our partners.

We develop products and solutions for our customers that directly address the following UN Sustainable Development Goals: 2, 3, 6, 9, 12 and 13. Both our own development projects and those we pursue with partners as well as our products are aimed at solutions that lead to a better, healthier and more sustainable life.

Some **highlights** from recent years:

- Extensive product portfolio of enzymes and microorganisms for production using biological processes.
- Highly efficient production strains for the manufacturing process in bioreactors ("biofactories").
- Proprietary genetic engineering tools for targeted DNA/RNA modification for precision fermentation.
- Identification and development of new nature-based sweeteners, flavor enhancers and texturizers.
- Recycling of gold and further precious metals from waste streams (computer scrap, slag and other waste of mineral origin): biological extraction processes replace conventional chemical processes.
- Battery recycling: biological processes for recycling precious metals and lithium.
- Enzymatic cleansing of chronic wounds: painful and higher-risk methods can be bypassed; the spin-out in 2018 of SolasCure Ltd to conduct clinical trials and the pharmaceutical approval process.
- Circular economy processes where production by-products are turned into new raw materials: carbon dioxide as a raw material for chemicals, nature-based antioxidants and fermented foods.

See also "Initial ESG and sustainability report of BRAIN Biotech AG" at https://www.brain-biotech-group.com/en/sustainability-esg/sustainability-report-esg-data-sheet/ on the company website.

** Source: Global Biotechnology Market, 2024 www.skyquestt.com/report/biotechnology-market

Share and Capital Market

Capital market environment

Global equity markets continued their overall positive trend in the 2024/25 financial year – despite a largely moderate economy and ongoing geopolitical tensions characterized by the war in Ukraine, the Middle East conflict and increasing trade disputes. After a weaker performance in October, falling inflation rates and interest rate cuts as well as solid corporate earnings in the fourth quarter of 2024 led to a significant improvement in market sentiment. In addition, equity markets initially responded with price gains after Donald Trump's election victory in November 2024 – in anticipation of business-friendly stimuli. As a consequence, many major equity indices reached new record highs towards the end of 2024.

After a very good start to 2025, the war in the Middle East and, above all, the announcement of major US tariffs at the beginning of April temporarily led to great uncertainty and turbulence on stock markets worldwide, with prices falling sharply. However, indices rose again from mid-April thanks to some easing of US tariff policy. Furthermore, strong corporate results, especially from the technology sector, contributed to an uptrend on equity markets worldwide. Despite significant volatility, markets proved resilient overall, with share prices on European stock exchanges outperforming those in the USA in the first nine months of 2025. This performance mainly reflected the ECB's interest rate policy, with a total of four interest rate cuts implemented by the end of June 2025. In addition, interest in European equities increased due to their more favorable relative valuation and Donald Trump's somewhat more moderate tariff policy. The German equity market benefited temporarily from the investment packages passed by the Bundestag on 18 March, with the result that the German benchmark index DAX outperformed many international indices up until the beginning of July 2025 and reached new record highs.

Germany's DAX index started BRAIN Biotech's financial year at 19,324.93 points and reached its high for the first nine months of the year at 24,639.10 points on 10 July 2024. As of the end of BRAIN Biotech's financial year, the DAX stood at 23,880.72 points, reflecting a gain of 23.6 %. The SDAX, which is the more relevant benchmark index for BRAIN Biotech, also performed well over the same period, rising by 19.6 %, but slightly underperformed its big brother, the DAX. The S&P 500 Specialty Chemicals Index underperformed significantly and fell by 17.6 %, while the NASDAQ Biotech Index recorded a decrease of 2.9 %. Although the BRAIN Biotech share significantly underperformed the DAX and SDAX benchmark indices in the 2024/25 financial year with a gain of 2.8 %, it outperformed both the NASDAQ Biotech Index and significantly outperformed the S&P 500 Specialty Chemicals Index.

BRAIN Biotech share

BRAIN Biotech AG is positioned as a growth company with a focus on industrial biotechnology. In addition to the general capital market environment, sector-specific conditions and investors' risk appetite, the main share price drivers are the future and growth prospects for the BRAINBiocatalysts segment and monetarization successes from the BRAINBioIncubator. In particular, the share responds with greater volatility to news flow concerning progress made with projects from the BRAINBioIncubator, which contains some of BRAIN Biotech's key future projects. Organic growth, improved profitability and the successful integration of acquired companies are further key drivers of the share's price performance.

In October 2024, BRAIN Biotech signed an exclusive pharmaceutical licensing agreement for the G-dase® E CRISPR-Cas technology with Akribion Therapeutics GmbH. BRAIN Biotech may receive milestone payments of up to € 92.3 million as well as additional revenue-based license fees from this agreement. As part of this transaction, 15 employees of BRAIN Biotech AG were transferred to Akribion Therapeutics GmbH. This led to direct personnel cost savings in the 2024/25 financial year.

Moreover, BRAIN Biotech AG has strongly advanced its development in its BioIncubator area through the commercialization of pipeline investments. With Corbion, we have acquired a specialized partner to jointly market technologies for nature-based ingredients in the food sector.

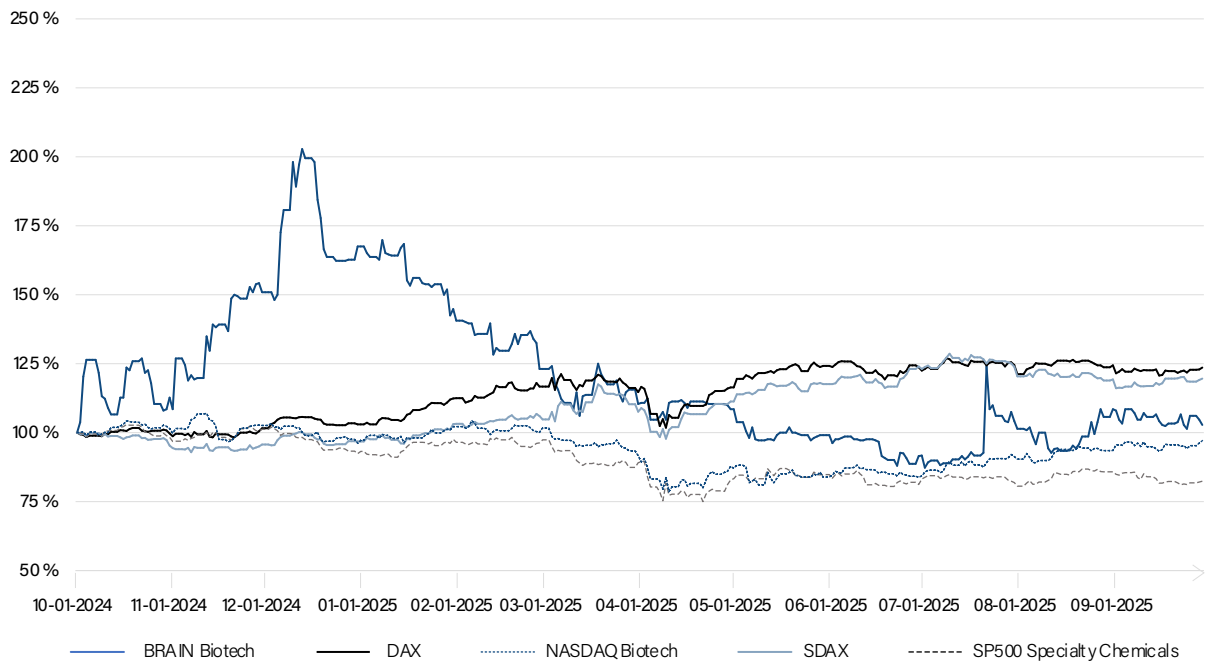
The company has appointed Johan Jansén-Storbacka as Executive Vice President of BRAINBiocatalysts for the Enzyme Products segment. With more than twenty years of experience in biotechnology, Jansén-Storbacka brings extensive expertise in enzyme applications, including industrial processes, animal nutrition and household care. He holds an M.Sc. in Engineering and Management as well as an MBA. Mr. Jansén-Storbacka will lead a team of around 140 staff and manage the fermentation facilities in the UK as well as the production sites in continental Europe and the USA. In his new role, he will also drive the BRAIN Biotech Group's strategy to strengthen the enzyme and fermentation business and ensure closer integration of research and production activities within the company.

SHARE PRICE PERFORMANCE[1]

Price at financial year-end 2024	Price at financial year-end 2025	High for the financial year	Low for the financial year	12M share price performance
€ 2.12	€ 2.18	€ 4.30	€ 1.85	+2.8 %
30 September 2024	30 September 2025	12 December 2024	2 July 2025	

1 In each case based on the XETRA closing price

Performance of the BRAIN Biotech share in the 2024/25 financial year (indexed)



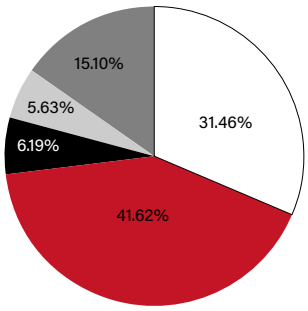
Key share data[1]

Share class	No-par-value registered shares
Stock exchanges	All stock exchanges
Transparency level	Prime Standard
Number of shares	21,847,495
Share capital	€ 21,847,495
ISIN	DE0005203947
WKN	520394
Ticker symbol	BNN
Specialist	Baader Bank AG
Designated Sponsor	Baader Bank AG
Paying agent	Bankhaus Gebr. Martin
Share price on 30 September 2025	€ 2.18
52-week high	€ 4.30
52-week low	€ 1.85
Market capitalization on 30 September 2025[2]	€ 48 million
Average daily trading volume (52 weeks as of 30 September 2025)	12,718 shares (Xetra) 24,742 shares (Tradegate)

1 In each case based on the XETRA closing price
2 Last trading day of the 2024/25 financial year

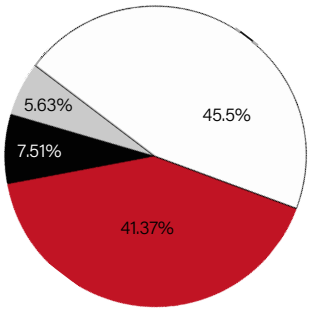
SHAREHOLDER STRUCTURE

The free float stood at 41.62 % as of 30 September 2025. The shareholder structure of BRAIN Biotech AG as of 30 September 2025 (and as of the previous year's reporting date) was as follows:



SHAREHOLDER STRUCTURE AS OF 30 SEPTEMBER 2025

Free Float	41.62 %
MP Beteiligungs-GmbH	31.46 %
PBG Zweite GmbH	15.10 %
Founders/Management	6.19 %
DAH Beteiligungs-GmbH	5.63 %



SHAREHOLDER STRUCTURE AS OF 30 SEPTEMBER 2024

Free Float	41.37%
MP Beteiligungs-GmbH	45.5%
Founders/Management	7.51%
DAH Beteiligungs-GmbH	5.63%

ANALYSTS

Estimates and recommendations relating to BRAIN Biotech AG are published by the following research houses (as of 30 September 2025):

Company	Analyst
Baader Helvea Equity Research	Thomas Meyer
Deutsche Bank AG	Jan Koch
FMR Frankfurt Main Research AG	Dr. Mohamad Vaseghi
Kepler Cheuvreux	Nicolas Pauillac
M.M. Warburg & Co. Bank	Dr. Christian Ehmann

FINANCIAL COMMUNICATION

BRAIN Biotech AG is listed on the Frankfurt Stock Exchange in the Prime Standard segment of the Regulated Market, the stock exchange segment entailing the highest transparency requirements. Along with corresponding mandatory publications including quarterly statements and the half-year financial report, BRAIN Biotech informed investors, analysts and further interested capital market participants in a total of two ad hoc announcements, 13 press and investor relations announcements as well as through telephone conferences and numerous individual meetings about the company's further development as well as the bioeconomy's global growth potential.

At its fifth Capital Market Day, which was held in December 2024, the company announced that as of the 2024/2025 financial year it would create the new growth segment BRAINBiocatalysts and convert reporting to two operating segments plus a holding company. Further, the Management Board and the Head of Investor Relations were repeatedly available for discussions, whether in the context of one-on-one visits to Zwingenberg as well as at relevant conferences such as the Spring Conference and German Equity Forum in Frankfurt or at the Baader Investment Conference held in Munich. Key topics included measures to accelerate growth in the product business, cost and sales synergies within the Group and further monetization from projects in the BioIncubator pipeline.

The declared objective remains to position BRAIN Biotech in the top ten companies of the global enzyme market in the medium term by doubling its revenue generated with industrial products. In this area, BRAIN Biotech presents itself as a global multi-niche enzyme company. Financial announcements and publications as well as all other publications of relevance to the capital market are permanently available on the company's website at https://www.brain-biotech-group.com/en/investors/ .

ANNUAL GENERAL MEETING

On 18 March 2025, the ninth Annual General Meeting of BRAIN Biotech AG was held as a physically attended event, at the Melibokushalle in Zwingenberg, Germany. Of the share capital of BRAIN Biotech AG of € 21,847,495.00, which is divided into 21,847,495 no-par-value registered shares, a total of 13,938,088 shares entailing the same number of votes (including postal votes) were represented at the AGM. Depending on the agenda item, the participation at the time of voting was between 59.17 % and 63.77 % of the share capital of BRAIN Biotech AG. The voting results are published on the Internet at https://www.brain-biotech-group.com/en/investors/annual-general-meeting.

Votes were held on the discharge of the Management and Supervisory boards for the 2023/24 financial year and the re-election of Dr. Anna C. Eichhorn and Stephen Catling to the Supervisory Board. Furthermore, resolutions were passed on the cancellation and reissue of stock option plans and on the reduction of Conditional Capital 2023/II and the creation of Conditional Capital 2025/I with the necessary amendments to the bylaws. Votes were also held concerning the election of the auditor of the annual separate and consolidated financial statements as well as the approval of the compensation report. In addition, a vote was held on the resolution on the extension of the authorization to hold virtual Annual General Meetings and the corresponding amendment to Section 18 (5) of the company's bylaws

Group Management Report

Basis of the Group

GROUP BUSINESS MODEL

BRAIN Biotech AG ("BRAIN") is a European supplier of bio-based products and solutions, such as enzymes and proteins, microbial production strains, natural substances and biotechnological solutions, for more sustainable industrial processes. The company focuses on the areas of nutrition, health and the environment. A science-based product business forms the core of our strategic direction.

The Group organizes its business activities into two operating segments plus a holding entity: the **BRAINBiocatalysts** segment comprises the product business entailing the development, production and sale of specialized enzymes and other proteins. The Group operates fermentation plants in the UK and production facilities in continental Europe and the USA to manufacture these products. The **BRAINBioIncubator** segment offers research-intensive customized solutions based on enzyme technology, strain development, bioprocess development and natural product screening. The segment also includes the R&D pipeline. The **BRAINBiotech Holding** segment mainly includes personnel expenses and other expenses for Group administration, the further development of the BRAIN Biotech Group, the stock exchange listing and M&A activities. The composition of the segments has changed compared with the previous year. Further information can be found in the "Business progress" section.

BRAIN has an extensive research and development infrastructure at its Zwingenberg site and a branch specializing in natural compounds in Potsdam (formerly the subsidiary AnalytiCon Discovery GmbH). Our subsidiaries for enzyme products, microorganisms and bioactive natural compounds offer specialized production expertise and market access: Biocatalysts Ltd. (Cardiff, United Kingdom), Biocatalysts Inc. DBA Biosun Flavors and Food Ingredients (Tampa, Florida, USA), Breatec B.V. (Nieuwkuijk, Netherlands) and WeissBioTech GmbH (Ascheberg, Germany).

In addition, as part of the previous spin-off of SolasCure Ltd., which is based in Cardiff, UK, an ingredient for enzymatic wound healing is to be approved for marketing.

Targets of the "bioeconomy" are to replace chemical-industrial processes with innovative, resource-conserving bio-based processes as well as to establish new processes and products. The BRAIN Biotech Group also utilizes biotechnological processes in its own production. Our products and services directly address the following UN Sustainable Development Goals: 2, 3, 6, 9, 12 and 13.

MANAGEMENT SYSTEM

BRAIN's financial control parameters are revenue and adjusted EBITDA.[1] In the company's view, revenue appropriately reflects the Group's overall economic performance during the respective reporting period. Adjusted EBITDA better reflects the Group's sustainable earnings trend than EBITDA, as it excludes exceptional items. Adjusted EBITDA is calculated by eliminating expenses from the share-based compensation scheme of BRAIN Biotech AG, extraordinary personnel expenses from the termination of employment contracts at the Zwingenberg and Büttelborn sites and costs for the integration of

[1] EBITDA = earnings before interest, tax, depreciation and amortization

the German site into the Netherlands. In the previous year, adjustments were also made for personnel expenses and other expenses in connection with the Royalty Pharma transaction.

As non-financial performance indicators, the company refers to milestones reached in the context of cooperation agreements and exercised options. The number of milestones reached serves as an important measure of the technological targets achieved in the strategic industrial partnerships and consequently of BRAIN's technology expertise. The management metrics underlying the planning and steering are calculated on the basis of International Financial Reporting Standards (IFRS).

RESEARCH AND DEVELOPMENT

Biotechnology products as well as the research and development of biotechnology processes form the foundation of the business activities of BRAIN Biotech AG. We are constantly evolving in this context: our inspiration remains nature, but our processes are becoming increasingly digital. We are increasingly harnessing bioinformatics, machine learning and artificial intelligence tools for faster, more precise processes and better products. Today, BRAIN's portfolio consists of various proprietary special technologies, which is also reflected in its patent portfolio. These include the BEC/BMC genome engineering technology developed by BRAIN, which comprises a molecular biology technology for the targeted and precise editing of DNA. For this purpose, nucleases (special enzymes) are utilized as so-called "gene scissors".

BRAIN focuses on the areas of natural and healthy foods, life sciences and environmental technology. In the environmental technology area, the company made important progress in development together with its partners. The "Gold from Waste Streams" project is being further developed with our Swiss industrial partner, PX Group. The active pharma substance outlicensed to Pharvaris for the treatment of hereditary angioedema (HAE), a rare genetic disease, is continuing to make promising progress in clinical development. This project remains very important for BRAIN from an economic perspective: the transaction could generate total payments amounting to up to € 128.88 million. Of this amount, € 18.4 million was already received in the previous year.

In October 2024, BRAIN Biotech signed an exclusive pharmaceutical license agreement for the G-dase® E CRISPR-Cas technology with Akribion Therapeutics GmbH. Under this agreement, BRAIN may receive milestone payments of up to € 92.3 million as well as additional revenue-based license fees. In addition, BRAIN Biotech further advanced its developments in the BRAINBioIncubator segment through the commercialization of pipeline investments. Corbion, a globally active company specializing in sustainable ingredients and headquartered in Amsterdam, Netherlands, was secured as a specialized partner to jointly commercialize technologies for nature-based ingredients in the food sector.

BRAIN's proprietary BioArchive includes more than 50,000 comprehensively characterized microorganisms, chassis microorganism strains to develop production organisms as well as genetic libraries encompassing new enzymes and metabolic pathways. The assets of AnalytiCon Discovery, Potsdam, include a unique collection of pure natural materials and semisynthetic substances based on natural material building blocks. These aggregated collections are being expanded in ongoing projects, enabling the identification of hitherto uncharacterized enzymes and natural substances as well as new access to microorganisms that have not proved cultivatable to date. Artificial intelligence processes open up additional screening and, as a consequence, opportunities for commercialization.

Expenses for research and development amounted to € 3.9 million in the 2024/25 financial year, compared with € 6.2 million in the 2023/24 financial year. This corresponds to around 8 % of revenue in the 2024/25 financial year, compared with around 11 % in the previous financial year. In the 2024/25 financial year, investments in research and development primarily include expenses for innovative product and process developments at the Potsdam and Zwingenberg sites. Research and development expenses include € 0.1 million of third-party services (previous year: € 0.1 million).

The Group currently employs 168 people in research and development functions (previous year: 217).

Economic and business report

I. Macroeconomic and sector-related conditions

The financial year under review remained characterized by a challenging and volatile global economic environment, with risks to global growth and the free movement of goods. The rapidly changing economic environment, including the tariff situation in the USA, repeatedly necessitated decisive management action. The change of government in the USA was followed by a significant decline in public funding, particularly in the basic research area. In addition, the US dollar remained persistently weak. These developments also significantly shaped the operating environment for industrial biotechnology in the 2024/25 financial year. Although research and product innovations in industrial biotechnology remain a mainstay of sustainable industrial production, they cannot be decoupled from the general economic environment. Overall economic growth potential is and remains weak, particularly in Germany and the European Union. Although the US economy is developing significantly more dynamically overall, it is characterized by high regulatory volatility for importers to the US market as well as clear inflationary tendencies. Industrial biotechnology offers solutions to key challenges relating to food, energy, the environment and climate. BRAIN Biotech AG is actively shaping these changes as an innovative partner with its strong solution and product expertise.

In addition to the substitution of petrochemical-based products, the industry's research and development activities also focus on biological solutions for sugar substitutes and alternative protein sources as well as for the utilization of by-product streams from industrial production.

II. Business progress

BRAIN implemented a number of key initiatives, measures and developments in the 2024/25 financial year:

In the previous year, the development of the genome editing activities bundled under the brand name Akribion Genomics have been primarily focused on therapeutic applications, including applications in oncology, and was successfully spun off into the independent company Akribion Therapeutics GmbH in the financial year under review. A license agreement was concluded with the company for the use of G-dase® E technology for therapeutic applications. In October 2024, BRAIN Biotech signed an exclusive pharmaceutical license agreement for the G-dase E® CRISPR-Cas technology with Akribion Therapeutics GmbH. Under this agreement, BRAIN may receive milestone payments of up to € 92.3 million as well as additional revenue-based license fees. In addition, BRAIN Biotech further advanced its development in the BRAINBioIncubator segment through the commercialization of pipeline investments. With Corbion, a specialized partner has been gained to jointly market technologies for nature-based ingredients in the food sector.

The company changed its segment reporting in the financial year under review compared with the consolidated financial statements for the financial year ending 30 September 2024. The "BioScience" segment was discontinued and, as described below, allocated to the other segments. BioScience Zwingenberg was allocated to the former BioProducts segment and renamed BRAINBiocatalysts. The operational branch of BRAIN Biotech AG, AnalytiCon Discovery, was allocated to the BRAINBioIncubator segment (previous year: BioIncubator).

By combining the two previous segments BioProducts and BioScience Zwingenberg, BRAIN Biotech is sharpening its focus on its enzymes business and ensuring more efficient integration of its research activities into its product business. The successful start to the commercialization of the BRAINBioIncubator segment's activities is to be systematically continued in order to further strengthen the company's liquidity position and profitability.

BRAIN has also taken a further step towards optimizing its Group structure. The remaining non-controlling interests in the Dutch subsidiary Breatec B.V. were acquired in the third quarter of the financial year under review. With the completion of this transaction, all business units of the BRAINBiocatalysts segment are now wholly owned by BRAIN Biotech AG. A rental agreement for a new location in the Netherlands was signed at the same. This new location will comprise a significantly larger area and will again be located in the south of the Netherlands, near the city of 's-Hertogenbosch (Den Bosch). It is conveniently located with direct access to the A59 motorway. At the end of the financial year under review, the business activities of WeissBioTech GmbH were also relocated from Büttelborn to the new location in the Netherlands.

A total of two milestones were reached in the 2024/25 financial year. The number of milestones was significantly below our forecast from the previous year. Due to a timing delay, no milestone payments from pharmaceutical projects were recognized in the financial year under review. These develop in line with the progress of the clinical trials and therefore cannot be determined precisely over time.

III. Results of operations

EXTRACT FROM THE STATEMENT OF COMPREHENSIVE INCOME

€ thousand	2024/25	2023/24
Revenue	**49,623**	**54,631**
Research and development grant revenue	593	868
Changes in inventories	271	-433
Other income	1,105	453
Total operating performance	**51,592**	**55,520**
EBITDA	**-2,025**	**-4,029**
Adjusted EBITDA	**-522**	**-420**
EBIT	**-7,151**	**-8,852**
Net financial result	-4,873	-2,137
Pretax loss for the reporting period	-12,023	-10,990
Net loss for the reporting period	-11,833	-11,100
Earnings per share (in €)	-0.54	-0.51

BRAIN Biotech Group's consolidated revenue amounted to € 49.6 million in the 2024/25 financial year. Compared with the previous year (€ 54.6 million), this represents a decrease of 9.2 %. The key factor was a reduction in revenue in both segments. The decrease in revenue in the BRAINBiocatalysts segment is largely attributable to a general deterioration in the economic environment as well as negative translation effects from US dollar-denominated revenue. In the BRAINBioIncubator segment, delays of new contracts in Tailor-Made Solutions projects led to lower revenue. In addition, the previous year's segment revenue was strongly characterized by the € 1.5 million milestone payment received for the deucrictibant project (PHA 121).

The regional focus of revenue distribution was on the USA (circa 25 %, previous year: circa 25 % of total revenue), the Netherlands (circa 18 %, previous year: circa 21 %), Germany (circa 11 %, previous year: c. 12 %), the UK (circa 9 %, previous year: circa 7 %) and France (circa 4 %, previous year: circa 5 %). Revenue in Germany reduced to € 5.5 million (previous year: € 6.7 million). International revenue amounted to € 44.1 million and was consequently also down on the previous year (€ 48.0 million).

Research and development grant revenue fell from € 0.9 million to € 0.6 million.

Changes in inventories amounted to € 0.3 million compared with € -0.4 million in the previous year. This is attributable to a higher level of work in progress in the BRAINBiocatalysts segment as at the reporting date.

Other income rose significantly from € 0.5 million to € 1.1 million. The year-on-year increase is largely due to the recharging of material costs and personnel expenses to Akribion Therapeutics GmbH under the service agreement at the Zwingenberg location.

At € 51.6 million, the total operating performance resulting from the aforementioned items was 7.1 % below the previous year's level (€ 55.5 million).

The cost of materials decreased by 9.3 % from € 23.9 million to € 21.6 million. The decline is almost entirely due to the lower revenue level. Accordingly, the ratio of cost of materials to revenue amounted to 43.6 %, compared with 43.7 % in the previous year. The BRAIN Biotech Group's expenditure on external services remained constant at € 0.5 million. Third-party services were purchased mainly from universities, companies with special production expertise and other technology firms. The volume of services procured from third parties depends mainly on the respective project requirements and internal capacity utilization.

Personnel expenses in absolute terms decreased by 15.9 % year-on-year from € 25.1 million to € 21.1 million. This lower level of personnel expenses is primarily due to the fact that the business activities in genome editing for therapeutic applications were spun off to Akribion Therapeutics GmbH as at 1 December 2024. As part of a transfer of operations, 15 employees transferred to Akribion Therapeutics GmbH. This is an independent company and has concluded a license agreement with BRAIN Biotech AG concerning the use of the G-dase® E technology for therapeutic applications. Furthermore, personnel expenses in the previous year included one-off effects in connection with the Royalty Pharma transaction amounting to € 2.5 million.

At € 10.9 million, other expenses remained at around the previous year's level of € 10.6 million.

In summary, the effects explained above led to improved reported EBITDA of € -2.0 million compared with € -4.0 million in the previous year.

As in the previous year, EBITDA was influenced by various non-operating effects for which adjustments have been made. These include expenses for share-based payment schemes, expenses for the integration of the German WeissBioTech site in the Netherlands and personnel expenses from the termination of employment contracts at the Zwingenberg and Büttelborn sites. In the previous year, adjustments were also made for personnel expenses and other expenses in connection with the Royalty Pharma transaction.

In the past financial year, adjusted EBITDA decreased slightly from € -0.4 million to € -0.5 million. The slower revenue momentum has resulted in adjusted EBITDA below the original guidance.

The following overview presents the reconciliation of reported EBITDA with adjusted EBITDA:

€ thousand	2024/25	2023/24
EBITDA, including:	**-2,025**	**-4,029**
Personnel expenses from share-based payment components	-783	-894
Redundancy costs – Zwingenberg	-517	0
Redundancy costs – Büttelborn	-69	0
Costs for integrating the German site into the Netherlands	-134	0
Personnel expenses in connection with the Royalty Pharma transaction	0	-2,467
Other operating expenses in connection with the Royalty Pharma transaction	0	-248
Adjusted EBITDA	**-522**	**-420**

Depreciation, amortization and impairments rose from € -4.8 million in the previous year to € -5.1 million.

This led to EBIT of € -7.2 million compared with € -8.9 million in the previous year.

The financial result decreased from € -2.1 million to € -4.9 million. This change reflects the following effects: finance income of € 1.6 million mainly resulted from the reversal of put option liabilities in connection with the acquisition of all remaining non-controlling interests in the Breatec Group, Netherlands. All call options for the non-controlling minority interests in Breatec B.V. were exercised in the third quarter of the financial year under review. This led to a financial gain, as the purchase price was below the liability's carrying amount. The increase in finance costs from € 2.0 million to € 6.0 million is largely attributable to periodic, purely non-cash amortization effects of € 3.8 million arising from the Royalty Pharma transaction compared with the previous year. At € -0.5 million, the result from equity-accounted investments remained constant compared with the previous year.

As a consequence, the pretax result deteriorated from € -11.0 million to € -12.0 million.

Taking taxes into account, the net result amounted to € -11.8 million (previous year: € -11.1 million). Of this amount, € -11.7 million is attributable to the shareholders of BRAIN Biotech AG.

Overall, the revenue and adjusted EBITDA trends were below our original guidance (see also the detailed Outlook section in this Group management report).

The operating segments report the following results:

Compared with the consolidated financial statements as at 30 September 2024, the following changes have occurred in relation to segment reporting: the BioScience segment was discontinued and, as described below, allocated to the other segments. BioScience Zwingenberg was allocated to the former BioProducts segment and renamed **BRAINBiocatalysts**. The operational branch of BRAIN Biotech AG, AnalytiCon Discovery, was allocated to the **BRAINBioIncubator** segment. The previous year's figures have been adjusted accordingly.

SEGMENT SHARE OF REVENUE

	2024/25	2023/24
BRAINBiocatalysts	**92 %**	87 %
BRAINBioIncubator	**8 %**	13 %

BRAINBiocatalysts segment

The BRAINBiocatalysts segment mainly comprises the industrially scalable product business, including the development, production and sale of specialty enzymes, microorganisms and ingredients.

€ thousand	2024/25	2023/24
Revenue	**45,424**	**47,538**
Research and development grant revenue	379	271
Changes in inventories	258	-150
Other income	927	323
Total operating performance	**46,988**	**47,983**
Cost of materials	-20,848	-22,827
Personnel expenses	-14,726	-13,154
Other expenses	-7,976	-7,165
EBITDA	**3,437**	**4,837**
Adjusted EBITDA	**4,414**	**5,130**
Depreciation, amortization and impairment	-4,530	-4,184
EBIT	**-1,093**	**652**

Revenue in the BRAINBiocatalysts segment decreased from € 47.5 million to € 45.4 million. In addition to a generally weak economic environment, negative translation effects from revenue denominated in US dollars and fluctuations in demand due to the increase in tariffs in the USA contributed to this lower revenue level. The revenue trend in this segment was consequently significantly below our original forecast, which assumed growth in this segment.

Total operating performance reduced from € 48.0 million to € 47.0 million. The decline compared with revenue was less pronounced, reflecting positive changes in inventories and a higher level of other income.

The segment's adjusted EBITDA decreased from € 5.1 million to € 4.4 million. The industrially scaled segment continues to show strong profitability. However, the lower sales momentum in the segment has resulted in adjusted EBITDA growth below the original guidance.

BRAINBioIncubator segment

The BRAINBioIncubator segment includes mainly research and development business with industrial partners, as well as the company's own R&D pipeline.

€ thousand	2024/25	2023/24
Revenue	**4,199**	**7,288**
Research and development grant revenue	214	597
Changes in inventories	14	-283
Other income	178	154
Total operating performance	**4,604**	**7,755**
Cost of materials	-801	-1,243
Personnel expenses	-4,028	-6,916
Other expenses	-1,078	-1,792
EBITDA	**-1,303**	**-2,196**
Adjusted EBITDA	**-1,303**	**-2,196**
Depreciation, amortization and impairment	-596	-639
EBIT	**-1,899**	**-2,835**

In the BRAINBioIncubator segment, revenue decreased significantly by 42.4 % from € 7.3 million to € 4.2 million. The previous year's revenue was strongly characterized by the € 1.5 million milestone payment received for the deucrictibant project (PHA 121). In addition, a significant decline occurred in the sale of natural product libraries and research services by AnalytiCon Discovery in the period under review.

The reduced revenue level was partly offset by continued stringent project controlling and good overall cost control. The lower personnel expenses are primarily due to the fact that the business activities in the area of genome editing in the therapeutic area were spun off to Akribion Therapeutics GmbH as at 1 December 2024. As part of a transfer of operations, 15 employees transferred to Akribion Therapeutics GmbH. This independent company concluded a license agreement with BRAIN Biotech AG concerning the use of G-dase®-E technology for therapeutic applications.

Overall, adjusted EBITDA improved from € -2.2 million to € -1.3 million. To summarize, due to the aforementioned effects, the revenue trend was significantly below, and adjusted EBITDA slightly below, our original guidance.

BRAIN Biotech Holding segment

The BRAINBiotech Holding segment primarily mainly includes personnel expenses and other expenses for Group administration, the further development of the BRAIN Biotech Group, including strategic Group financing, the stock exchange listing and M&A activities. Adjusted EBITDA for the segment amounted to € -3.6 million, which is slightly below the previous year's level (€ -3.3 million) but in line with our original guidance.

IV. Net assets and financial position

€ thousand	2024/25	2023/24
Non-current assets		
Intangible assets	12,491	14,185
Property, plant and equipment	27,550	27,855
Other non-current assets	1,337	1,038
	41,378	**43,078**
Current assets		
Other current assets	18,483	18,249
Other financial assets	286	238
Cash and cash equivalents	6,190	27,171
	24,959	**45,658**
ASSETS	**66,337**	**88,737**
Equity	**1,841**	**13,886**
Non-current liabilities		
Non-current financial liabilities	20,198	21,175
Convertible bonds	0	4,151
Financial liability to Royalty Pharma	22,173	18,406
Other non-current liabilities	4,525	6,113
	46,895	**49,845**
Current liabilities		
Current financial liabilities	3,832	11,888
Convertible bonds	4,703	326
Other current liabilities	9,066	12,792
	17,600	**25,006**
EQUITY AND LIABILITIES	**66,337**	**88,737**

The change in intangible assets is mainly due to regular amortization. Property, plant and equipment reduced from € 27.9 million to € 27.6 million. On the one hand property, plant and equipment increased due to the capitalization of rights of use from a new rental agreement for a warehouse in the Netherlands as well as investments in the technical expansion of the development and production infrastructure. On the other hand the aforementioned amounts were offset by regular depreciation.

Overall, these effects led to a reduction in non-current assets from € 43.1 million to € 41.4 million.

Current assets decreased from € 45.7 million to € 25.0 million. This especially reflected the reduced level of cash and cash equivalents. This was mainly due to the negative operating cash flow, the repayment of a shareholder loan amounting to € 5.0 million and the purchase of the remaining non-controlling interests in Breatec B.V.

Equity decreased from € 13.9 million to € 1.8 million. This is mainly due to the negative net result for the year (€ -11.8 million) and the effect on retained earnings from the purchase of the remaining non-controlling interests in Breatec B.V. (€ 1.2 million). The capital reserves increased due to the recognition of the employee share scheme. The decrease in other reserves is largely due to currency effects. No capital measures were carried out at Group level in the reporting period.

As at the 30 September 2025 reporting date, the company reports authorized capital of € 4,369,499 and conditional capital of € 2,184,749 (conditional capital to fulfil option or conversion rights from the issue of bonds with warrants and/or convertible bonds) and € 2,300,746 (conditional capital to fulfil option rights from the issue of share options).

Non-current liabilities decreased from € 49.8 million in the previous year to € 46.9 million in the year under review. The following changes occurred within non-current liabilities: non-current financial liabilities decreased mainly as a result of reclassifications to current liabilities in line with their maturities. The liabilities from the convertible bonds were also recognized as current liabilities due to their maturity. The € 3.8 million increase in financial liabilities from the Royalty Pharma transaction was largely due to periodic, purely accounting-related amortization effects.

Current liabilities decreased from € 25.0 million to € 17.6 million. The main reasons for this lower level of financial liabilities are the repayment of a shareholder loan, ongoing scheduled loan repayments and the exercise of the put option for the purchase of the remaining non-controlling interests in the Breatec Group. Other liabilities and trade payables also decreased. This is offset by the reclassifications from non-current liabilities in line with maturities described above.

Financial management at BRAIN mainly entails securing the necessary liquidity to achieve the company's objectives and to meet payment obligations at all times. Various financing instruments are utilized, such as loans, silent partnerships, the sale of future license income, leasing and hybrid instruments.

The financial liabilities are predominantly denominated in euros and pounds sterling. In addition to silent partnerships, the interest-bearing financial liabilities mainly consist of loans from financial institutions with a fixed nominal interest rate of between 1.15 % and 8.00 %. Of the interest-bearing loans, € 1.5 million have a remaining term up to one year and € 5.5 million a remaining term of more than one year.

The equity ratio stood at 2.8 % as at the reporting date, down on the previous year (15.6 %). The debt-to-equity ratio rose from 84.4 % in the previous year to 97.2 % as at 30 September 2025 in the context of the aforementioned parameters. Liabilities also include financial liabilities arising from the Royalty Pharma transaction (€ 22.2 million), which are purely accounting in nature and will have no impact on liquidity upon their settlement over future periods.

Total assets decreased from € 88.7 million as at 30 September 2024 to € 66.3 million as at 30 September 2025.

INVESTMENTS

Investments were focused on property, plant and equipment, mainly due to the new site in the Netherlands and the expansion of production capacity in the BRAINBiocatalysts segment.

LIQUIDITY

Extract from the cash flow statement

€ thousand	2024/25	2023/24
Gross cash flow	-4,690	-9,024
Cash flow from operating activities	-9,233	-3,583
Cash flow from investing activities	-1,556	-1,689
Cash flow from financing activities	-10,138	26,991
Net change in cash and cash equivalents	-20,926	21,718

The BRAIN Biotech Group's gross cash flow improved to € -4.7 million in the 2024/2025 financial year, compared with € -9.0 million in the previous year. The reasons for this are the negative result for the period after deduction of non-cash expenses in connection with the Royalty Pharma liability and timing effects relating to deferred income.

By contrast, cash flow from operating activities deteriorated from € -3.6 million to € -9.2 million in the financial year under review. This was due to the negative result for the year as well as the decline in trade payables and the payment of other liabilities.

Cash flow from investing activities amounted to € -1.6 million in the financial year under review and thereby remained roughly constant compared with the previous year (€ -1.7 million). Most of this amount is attributable to investments in property, plant and equipment totaling € -1.6 million.

Cash flow from financing activities amounted to € -10.1 million and reflects the payments for the repayment of financial liabilities and the payment for the purchase of the remaining interests in Breatec B.V. The previous year was strongly positively determined by the proceeds from the Royalty Pharma transaction, the issue of a convertible bond and proceeds from raising additional financing.

The individual cash flows result in an overall decrease in cash and cash equivalents of € 20.9 million.

Cash and cash equivalents of € 6.2 million as at the 30 September 2025 reporting date were offset by current financial liabilities of € 3.8 million and non-current financial liabilities of € 20.2 million.

In the Management Board's assessment, no restrictions exist that can limit the availability of cash and/or capital.

V. Employees

The number of employees shows the following development:

	2024/25	2023/24
Total employees	281	307
of whom		
Salaried employees	275	301
Industrial employees	6	6

The BRAIN Biotech Group also employs scholarship / grant holders (3, previous year: 4), temporary employees (4, previous year: 7), and trainees (8, previous year: 7).

VI. Overall statement on business progress

The Management Board is of the opinion that in the past financial year BRAIN achieved significant successes in terms of the company's business and strategic development. Although the Group's revenue growth in a challenging economic environment fell short of original planning, two projects of the highest strategic importance were successfully completed: 1) The spin-off of the genome editing activities in the human therapeutics area to Akribion Therapeutics GmbH was successfully completed. This has already resulted in considerable cost savings in the low single-digit-million range in the past financial year. Under this agreement, BRAIN may receive milestone payments of up to € 92.3 million as well as additional revenue-based license fees. 2) The company has gained Corbion as a specialized partner to jointly commercialize technologies for nature-based ingredients in the food sector.

The instruments for managing the Group, the subsidiaries and the projects were developed further and expanded. A further optimized risk management system enables us to take account of the expanded revenue level and the increasing complexity of exogenous factors. Each business unit continues to report personally to the Management Board and to the company's central finance department on a monthly basis. Current business performance, adherence to budgets and changes to the risk profile are reviewed. The risk management system is continuously expanded to include non-financial parameters that arise from the double materiality analysis in the ESG context. The areas of occupational safety, climate change, employees and environmental impact are included in order to provide a more comprehensive picture that includes sustainability parameters. In addition to risks, we also identify opportunities for the company. We are continuing to systematically implement further steps of our sustainability strategy. In our annual ESG Data Sheet we provide updates on the related progress.

From a strategic perspective, the BRAIN Biotech Group is increasingly – and at an accelerated pace – evolving into a focused product company with a strong emphasis on enzymes. Our strength in product development is based on deeply embedded biotechnological expertise deriving from more than thirty years of entrepreneurial development. As the largest segment with attractive profitability, the BRAINBiocatalysts segment represents the central pillar of the BRAIN Biotech Group.

In the BRAINBioIncubator segment, we experienced a difficult service business overall. Here, the weakening economic momentum and less favorable conditions for public funding, reflected in the postponement of several major projects, were most strongly felt. In addition, the prior year benefited from a substantial milestone payment from a pharmaceutical program, which, as anticipated and in line with the progress of the clinical trials, did not recur in the financial year under review.

BRAIN successfully advanced some of its own development projects in the BRAINBioIncubator during the financial year under review. Particularly noteworthy are the spin-off of the genome editing activities with therapeutic application to Akribion Therapeutics and the partnership agreement with Corbion.

The economic environment remains highly uncertain, driven in part by armed conflicts, currency fluctuations, political bloc formation and upheavals. The BRAIN Biotech Group was affected by the negative economic effects in the reporting year. Customers in some cases called off products and services over shorter timeframes and in volumes below planned levels. Some supply chains remained volatile and there was – and in some cases continues to be – significant price fluctuations for raw materials and consumables. Price increases, which were necessitated by US tariffs, among other factors, could not always be passed on to customers immediately and in full. Nevertheless, some subsidiaries reported positive revenue growth in the year under review.

In relation to the trend in the financial position and performance, the Management Board is of the opinion that the overall picture is satisfactory, as the Group posted adjusted EBITDA at approximately the previous year's level, despite the generally weak economic environment and subdued revenue growth. In particular, the cash position, which is of key importance, remains adequate. In the coming financial year, the company anticipates a higher level of milestone payments from pharmaceutical programs, resulting in an increase in cash inflow.

We pushed ahead with further measures to strengthen our business activities with the aim of achieving sustainable and profitable revenue growth. This includes leveraging cost and revenue synergies within the Group to a greater extent, a further streamlining of our corporate organization accompanied by a clear definition of responsibilities, stringent project controlling of the new business development pipeline and ongoing initiatives to achieve general cost savings. In this context, the company has decided to consolidate production capacities at a new location in the Netherlands. BRAIN expects this to accelerate the realization of cost and revenue synergies.

Furthermore, for the Management Board, the continued high level of investments in research and development in relation to revenue represents an indicator and basis for BRAIN's future potentials. The Group holds a cash and cash equivalents position of € 6.2 million as at 30 September 2025. Further sources of financing in the area of debt or hybrid capital, as well as alternative financing options, are examined on an ongoing basis. Furthermore, the company anticipates further milestone payments in the short and medium term, both directly from pharmaceutical programs and from related financial transactions.

In the Management Board's opinion, this signifies that the prerequisites to participate in the potential offered by growing bioeconomy markets are in place.

Overall, and on the basis of the developments outlined above, the Management Board of BRAIN Biotech AG continues to assess the course of business and the Group's net assets and financial positions as positive as at the reporting date.

Events after the reporting date

On 3 December 2025, our licensee Pharvaris announced positive clinical trial results from the RAPIDe-3 pivotal trial of deucrictibant. Under the license and monetization agreements entered into with Pharvaris and Royalty Pharma, the company will receive milestone payments in the low single-digit-million range in the new financial year.

No further significant events or developments of material importance to the company's financial position and performance have occurred since the 30 September 2025 balance sheet date.

Outlook

Due to the overall high significance of biotechnological products, processes and services for sustainable industrial processes in the areas of nutrition, health and the environment, BRAIN anticipates a positive environment for the future of the sector as a whole. BRAIN remains in a position to contribute significant added value both for industrial partners as well as in the context of its own research and development, and additionally as a product provider.

The original expectation of a positive business trend in the financial year under review, with dynamic revenue growth and a further improvement in adjusted EBITDA, was not met in the past financial year. Revenue decreased by 9.2 %. Adjusted EBITDA of € -0.5 million was also down compared with the previous year's € -0.4 million.

For the 2025/26 financial year, the Management Board expects a return to more dynamic business trend, driven by the expansion of the base of existing customers and the acquisition of new customers, with revenue growing in the low single-digit percentage range and adjusted EBITDA at Group level rising at least in line with this trend. For this guidance, we assume that business activities will remain largely unchanged and that the scope of consolidation will remain as it is at present.

For the BRAINBiocatalysts operating segment, the increasing realization of positive economies of scale and positive contributions from central purchasing are expected to result in a single-digit percentage increase in revenue and a further improvement in positive adjusted EBITDA by at least the same amount. In the BRAINBioIncubator segment, the company expects a slightly higher level of revenue due to a slight recovery in services and milestone payments from pharmaceutical programs. Due to continued high investments in the technology platform and individual BRAIN BioIncubator projects, slightly negative adjusted EBITDA is expected for this segment. Holding segment costs and their associated negative impact on adjusted EBITDA are expected to remain broadly in line with the prior-year level. Overall, the company expects to achieve percentage growth in adjusted EBITDA at least in line with the percentage growth in revenue.

A total of two milestones were reached in the 2024/25 financial year. The number of milestones was significantly below our forecast from the previous year. Due to a timing delay, no milestone payments from pharmaceutical projects were recognized in the financial year under review. These develop in line with the progress of the clinical trials and therefore cannot be determined precisely over time. BRAIN expects to be able to successfully collect milestone payments from important projects in the next financial year, particularly in the pharmaceuticals area. The company expects a similar number but higher volumes of milestone payments in the new financial year.

Research and development expenses in the financial year under review remained at a high level. For the coming financial year, we will continue to invest heavily in research and development, thereby further strengthening the company's future potential.

As in the previous year, these forecasts are based on the assumption that the macroeconomic trends and sector-specific conditions for industrial biotechnology will continue to unfold further in the next financial year as described in the section "Macroeconomic and sector-specific conditions", that existing projects will not be cancelled unexpectedly and that further cooperation partners can be acquired for new projects. This forecast is also based on the assumptions that the effects of war and political actions will not have a significant impact on BRAIN's planned revenue growth and associated earnings improvements and that the general public will continue to exhibit an interest in sustainable products. The forecasts are also based on a permanently stable supply of natural gas, oil and electricity at normal market prices. We expect inflationary pressure to remain in the area of labor costs and that we will be able to pass such cost increases on to our customers as far as possible. We also expect that there will not be any erratic tariff increases or barriers. Further, we assume that the company will continue to succeed in retaining and motivating employees and in successfully recruiting new talent in the future. For the EUR/GBP, USD/GBP and EUR/USD exchange rates, which are important for the Group, we assume for our planning that their average exchange rates will stand at the same levels as in the previous financial year.

Report on risks and opportunities

1 Risk management at BRAIN Biotech AG

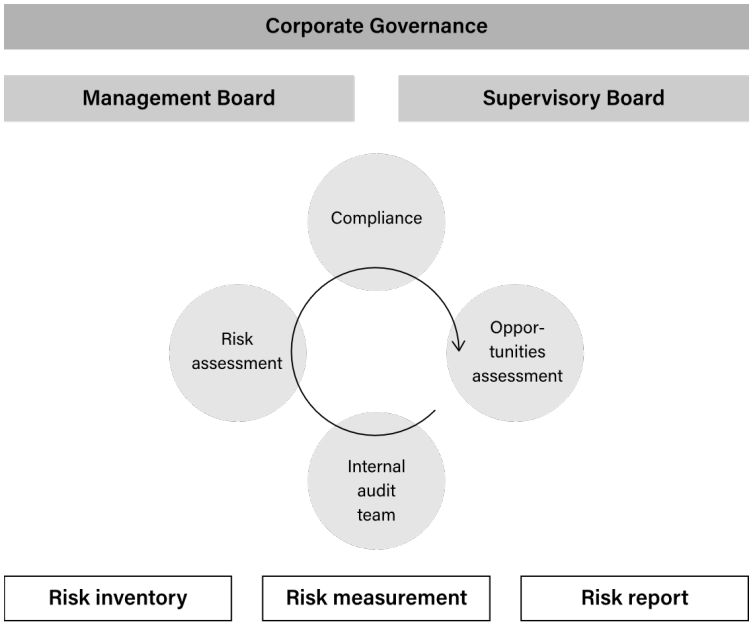
Seizing opportunities as well as identifying and avoiding risks at an early stage are the determinants of any corporate strategy. BRAIN Biotech AG endeavors to identify new opportunities and to exploit them consistently for its business performance. At the same time, business success is impossible without consciously assuming risks. This applies especially to the company's research-intensive areas.

The overriding objective is to optimally grow the company's long-term value through tapping opportunities, while considering the risks entailed. The systematic handling of risks and opportunities with the help of the internal risk management system forms part of corporate activity and an important element of management steering. BRAIN Biotech AG forms part of a growth industry characterized by constant change and progress, hence its focus on weighing opportunities against risks. It is crucial for BRAIN that opportunities be identified and managed to success, in order to thereby sustainably improve competitiveness and secure it long-term. At the same time, risks must be ascertained at an early stage and minimized accordingly. BRAIN Biotech AG has established instruments and processes in order to identify risks at an early juncture and to promptly implement measures in order to realize opportunities in its business activities without undue delay. Risk and opportunities management forms an integral element of all planning processes within BRAIN Biotech AG and its subsidiaries.

2 Risks and opportunities

2.1 RISK MANAGEMENT SYSTEM (RMS)

2.1.1 Features of the RMS



The focus of the RMS that is presented here is on business risks and does not include opportunities. The operating segments, projects and subsidiaries take opportunities into consideration based on the corporate strategy. Potential market opportunities, associated expenses and the time horizon until commercial exploitation are evaluated as part of related planning processes.

BRAIN's RMS includes the systematic identification, documentation, evaluation, management and reporting as well as constant monitoring of all identified and relevant risks. The management thereby ensures that the targets that are set are not jeopardized by risks and creates risk awareness within the entire Group in accordance with statutory regulations. The RMS is fully integrated into the corporate processes of BRAIN Biotech AG.

Risks are also presented using the net presentation method. In other words, the risks are presented in such a way that they are analyzed taking into consideration countermeasures already taken. The focus in this context is on medium and high risks and on risks that might jeopardize the company's going concern.

The aim of BRAIN's RMS is not only to comply with statutory regulations but also to support internal management and business security. Overall, risk awareness should be created on a Group-wide basis at minimum in accordance with statutory regulations in order to ensure the corresponding responsible handling of risks and counterstrategies accordingly.

The RMS focuses on ascertaining risks within BRAIN. Opportunities are weighed and considered based on the corporate strategy, which forms a process that is integrated into planning processes. Potential opportunities are evaluated within strategy and planning processes and compared with potential risks. Opportunities are categorized and presented based on the probability of occurrence and the contribution to the company's net present value (rNPV).

The RMS, which undergoes constant further development, has integrated previous years' experience in its identification and management of risks. The effects of the risks as presented in the following risk and opportunities report are reported as annual risks. The evaluation of the presented risks relates to the 30 September 2025 reporting date and was prepared based on an assessment in the relevant areas conducted shortly before the reporting date.

2.1.2 Risk management system of the BRAIN Biotech Group

The risk management system (RMS) primarily focuses on the realization of the Group's internal targets. This makes the results directly more relevant for the management of all areas of the company. The Management Board defines a risk tolerance in the RMS. This serves as a threshold for taking risks that are relevant to the achievement of the company's objectives. The Management Board is guided by the risk-bearing capacity of the BRAIN Biotech Group, based on its EBITDA, equity and market capitalization. As a consequence, the diversity of the BRAIN Biotech Group's various business units (production- and research-orientated) is taken into adequate consideration.

Risks are identified on a regular basis and subjected to initial assessment. In addition to a "typical" potential loss, a "high" potential loss[2] is also taken into account in order to enable better consideration of risk events entailing a high potential loss volume and low probability of occurrence. Such risks are often more likely to comprise going concern risks.

The risks that potentially exceed the defined threshold (i.e. € 500 thousand effect on EBITDA) are analyzed in greater detail. As part of this simulation, probability drivers and the extent of losses are identified and quantified. Such drivers also form the basis for risk indicators, especially if risk-mitigating measures cannot be implemented. In addition, a risk distribution is prepared on the basis of the probability assessment and the estimated loss amount, which helps to determine risk management measures at individual risk level and, together with the other risks analyzed, forms the risk profile of the entire BRAIN Biotech Group.

This comprehensive analysis is conducted annually. The risk profile is updated quarterly or on an ad hoc basis.

Summary of key steps:

1. Risks are regularly identified and subjected to an initial assessment at subsidiary and holding company level (2.1.3).

2. All identified risks are assessed as part of a risk analysis based on their frequency of occurrence and their impact (2.1.4).

3. Only those risks that potentially exceed the defined threshold (i.e. € 500 thousand effect on EBITDA) are analyzed in greater detail. The potential annual EBITDA losses per risk are determined using a simulation of the product of the potential frequency of occurrence and loss amounts (2.1.4).

2 A typical loss is the loss that occurs most frequently (this is equated with the mode). A high loss is a loss that is exceeded once in 20 times (this is equated with a 95 % quantile).

2.1.3 Risk identification

Risks are surveyed Group-wide as part of risk identification involving all key decision-makers and experts. This iterative process first models all risks before aggregating them within a Group-wide risk inventory, and evaluating them.

The Supervisory and Management Boards are in regular contact when new risks are identified or the general risk situation changes. If necessary, the company makes recourse to external consultants.

2.1.4 Risk evaluation

Risks identified as part of a risk analysis are evaluated in terms of their frequency of occurrence and impact on the basis of the following scale.

Frequency within the coming year

Frequency score	Note
Frequent	> = once per month; probability around 100 %
Regular	once per year; probability around 100 %
Irregular	once in five years; probability around 20 %
Seldom	once in ten years; probability around 10 %
Very seldom	once in twenty-five years; probability around > = 4 %

Degree of impact

Impact score	Note	Typical EBITDA impact	High EBITDA impact
Minor	Minor negative impact on next year's forecast results of operations	< € 20 thousand	< € 100 thousand
Moderate	Moderate negative impact on next year's forecast results of operations	up to € 100 thousand	< € 500 thousand
Significant	Significant negative impact on next year's forecast results of operations	up to € 500 thousand	up to € 2 million
Considerable	Considerable negative impact on next year's forecast results of operations	up to € 1 million	up to € 5 million
Critical	Critical negative impact on next year's forecast results of operations	> € 1 million	> € 5 million

Impact is defined as the influencing parameter on BRAIN's forecast EBITDA.

The potential annual EBITDA losses per risk are determined using a simulation of the product of the potential frequency of occurrence and loss amounts. The Management Board has set a risk tolerance of € 500 thousand EBITDA impact per risk per year, assuming that the individual risks are at most weakly correlated. This volume may be exceeded once in twenty years. This value is determined and categorized for each risk. The categorized value is shown in the overviews for each segment. The evaluation was carried out before the existing insurance cover was taken into consideration. For many risks, however, BRAIN utilizes insurance solutions for risk transfer purposes.

The potential annual EBITDA losses per risk are categorized as follows in this report:

Loss for the year score	Note
Low	Up to € 500 thousand of potential loss for the year
Medium	From € 500 thousand up to € 1.5 million of potential loss for the year
High	More than € 1.5 million of potential loss for the year

Risks beyond the 95 % quantile are monitored where it is appropriate to do so. Such monitoring is realized with the help of risk indicators, among other things, which are measured regularly and are monitored and discussed at quarterly meetings between the Management Board and division heads.

2.1.5 Risk management and monitoring

BRAIN deploys various measures to manage risks. Active risk measures include strategies such as risk avoidance (such as through refraining from engaging in excessively risky activities), risk reduction (such as through project controlling) and risk diversification (such as research and activities in different areas). Where appropriate, BRAIN also makes recourse to passive measures including either a transfer of risk (such as through insurance or risk sharing with partners) or the conscious assumption of risks.

In addition, changes in identified risks at BRAIN are reported in the internal quarterly reports and discussed by the Management Board with the division heads. This enables specific countermeasures to be taken if necessary.

2.1.6 Reporting

The Management Board is informed at least on a quarterly basis not only about medium and high opportunities and risks, but also about important changes in relation to their impacts and probabilities of occurrence. The Management Board also receives internal ad hoc reports on significant risks that unexpectedly arise or are discovered. Information is submitted to the Supervisory Board as required via the Management Board during quarterly meetings or, if necessary, on an ad hoc basis.

2.2 INTERNAL CONTROL SYSTEM (ICS)

All BRAIN Biotech Group units are included in our internal control system (ICS). The level of maturity of the ICS depends on the size and materiality of the units for the Group.

In addition to the accounting-related internal control system, the following controls should be emphasized:

1. Decisions that originate obligations for BRAIN must always be executed in accordance with the four-eyes principle. This principle is waived only for certain processes.
2. Quality controls are applied continuously in production operations in order to ensure compliance with production processes. Where necessary, this is realized within the framework of internationally recognized quality systems and quality standards.

The instruments for managing the Group, the subsidiaries and the projects were developed further and expanded on a business-related basis. With an optimized internal control and risk management system, we are taking account of the expanding revenue level and the increasing complexity of exogenous factors.

As part of the management-based control system, the company's Management Board and Head of Group Finance discuss identified control weaknesses and inefficiencies in the managing directors' monthly report. If action is required as a consequence, measures are developed and taken together with the Management Board and Head of Group Finance to mitigate existing control weaknesses.

2.3 ACCOUNTING-RELATED INTERNAL CONTROL SYSTEM AND RMS

The overriding objective of our accounting-related ICS and RMS is to ensure the correctness of financial reporting in terms of compliance of the consolidated financial statements and the management report with all relevant regulations.

Accounting-related risk identification is also conducted by means of a survey of Group-wide risks, whereby all relevant decision-makers and experts are involved. This iterative process first surveys all risks before aggregating and evaluating them within a Group-wide risk inventory.

Please refer to the general procedure in sections 2.1.5 and 2.1.6 for information about the risk management and monitoring of accounting-related risks and their reporting.

The accounting-related internal control system aims to appraise appropriately in financial accounting terms, and to report in full, Group business transactions in accordance with respective applicable accounting regulations. The system consists of fundamental rules and procedures, as well as a clear functional separation through the four-eyes principle. Especially when preparing separate financial statements, when performing the reconciliation to IFRS as well as when performing consolidation and related standard measurement and reporting, controls exist in the form of the four-eyes principle. The clear separation between preparation and internal review enables BRAIN to identify deviations and errors and ensures that information is complete.

The accounting-related appraisal and recording of business transactions is implemented by the respective Group companies where such transactions occur, as a matter of principle. As an exception to this principle, BRAIN Biotech AG evaluates and records the transactions of the subsidiaries BRAIN UK II Ltd. (Cardiff, UK) and RMH AG (Zwingenberg, Germany). The subsidiaries' annual financial statements are prepared by the respective subsidiary's management. External service providers assist in the preparation of monthly and annual financial statements based on commercial law. Amendments to acts, accounting standards and other publications are monitored regularly in relation to relevance and their effect on the separate and consolidated financial statements.

Business transactions within the Group are appraised in accounting terms based on standard Group accounting guidelines. The finance department of BRAIN Biotech AG with the support of external service providers converts financial statements prepared according to commercial-law accounting standards to IFRS financial reporting standards (on a quarterly basis) and prepares the separate annual financial statements of BRAIN Biotech AG as well as the consolidated financial statements. The independent auditor appointed by the AGM audits both the separate and the consolidated annual financial statements. Significant risks for the financial accounting process are monitored and evaluated based on the risk classes specified below and applying their individual risk classification. Requisite controls are defined and subsequently implemented.

All heads of business areas report personally to the Management Board and to the company's central finance department on a monthly basis. Current business performance, adherence to budgets and changes to the risk profile are reviewed. In addition to risks, we also identify opportunities for the company.

The separate annual financial statements and the consolidated financial statements of BRAIN Biotech AG are submitted to the Supervisory Board of BRAIN Biotech AG for approval. At least one Supervisory Board member is an independent financial expert in the meaning of Section 100 (5) of the German Stock Corporation Act (AktG). The Supervisory Board's Audit Committee monitors the financial accounting process and the auditing of financial statements.

The accounting-related internal control system ensures that the financial accounting process complies with German commercial-law (HGB) regulations and International Financial Reporting Standards (IFRS).

2.4 OVERALL ASSESSMENT OF THE RISK MANAGEMENT SYSTEM AND INTERNAL CONTROL SYSTEM

At the time of this report, in all material respects no indications existed that the internal control and risk management system as a whole was inadequate or ineffective.

3 Assessment of opportunities and risks in overall presentation

The current risk identification and assessment is conducted in all areas of BRAIN. This section discusses the risks that have reached a potential loss amount of € 500 thousand of EBITDA impact at Group level. The Management Board is informed of all identified risks as part of regular reporting.

The assessment of risks was consolidated at Group level and the individual risks with a loss potential in excess of € 500 thousand were assessed in detail. The potential annual EBITDA losses per risk are determined using a simulation of the product of the potential frequency of occurrence and loss amounts.

This report follows the segmentation of the BRAIN Biotech Group:

- The **BRAINBiocatalysts** segment comprises the product business with the development, production and sale of specialized enzymes and other proteins, for the manufacture of which the Group operates fermentation plants in the United Kingdom and production facilities in continental Europe and the USA.
- The **BRAINBioIncubator** segment offers research-intensive customized solutions based on enzyme technology, strain development, bioprocess development and natural product screening. The segment also includes the R&D pipeline.

BRAIN has identified a total of 83 risks (excluding financial risks) and assessed them on the basis of their frequency of occurrence and their impact, of which 23 risks are classified as having a loss potential of more than € 500 thousand. The risks relate to the BRAINBiocatalysts and BRAINBioIncubator segments.

The financial risks for the entire BRAIN Biotech Group are assessed at the level of the Holding company (3.3).

The risks per business segment are explained in the course of this section.

3.1 BRAINBIOCATALYSTS

The following risks with a loss potential of more than € 500 thousand are categorized for the "BRAINBiocatalysts" segment. The potential annual EBITDA losses (calculated by way of simulation) per risk are categorized as follows:

BRAINBiocatalysts risk overview	Description	Year-on-year change	Risk category
Business-related risks			
Growth risk	The risk that growth is planned within a three-year horizon for which no customers can yet be named. This can lead to a shortfall compared with the planning that cannot be rectified. In addition, the risk that growth in the fermentation business unit is weaker than expected is also taken into consideration.	→	high
Raw materials supply chain risk	The risk that limitations in supplies of important raw materials could lead to a loss of revenue or margins because alternative raw materials have to be purchased at high cost.	→	high
Risks of legal changes	The risk that legislative and regulatory changes leads to business restrictions (both sales and purchases) or higher costs.	→	high
Economic risk 1	Risk that demand for BRAIN's services or products will diminish due to a deterioration in the economic situation in general or in individual sectors.	→	high
Personnel risk 2	Loss of key personnel or inadequate supplementation with highly qualified personnel in the development/sales business area.	→	high
Product compliance	The risk of costly compliance violations, loss of reputation, loss of customers or claims for damages.	→	medium
Legal risk 5	IP infringement of another party by BRAIN Biotech (example CRISPR-Cas, BEC/BMC), genetic modification of strains, utilization of strains.	→	medium
IT security risk IT risk 2	The risk of information being stolen by employees or third parties, encrypted or lost. Unlawful acts by third parties such as illegal copying, blocking or destruction of data.	→	low/medium
Catastrophe risk	The risk of buildings, production facilities and storage facilities being destroyed.	→	low
Infringement of IP rights	The risk that confidential information from the sector, the company's business or the company's commercial activities is not adequately protected and thereby enters the public domain.	→	low
Competition risk	The risk that competitors' products or activities lead to a forced price reduction or loss of customers.	→	low
Risk of lack of market acceptance / economic risk 2	The risk that market acceptance of industrially manufactured biotechnology products diminishes as a consequence of changes in customer trends. BRAIN's services or products no longer meet customer requirements (reasons: technology offering or equipment fleet no longer meet market requirements)	→	low
Pandemic risk	The risk that a pandemic triggers a global production disruption that affects the supply of raw materials and customer revenues and leads to employee capacity losses that limit both production and sales capabilities.	→	low
Material damage 3	Device failures due to device obsolescence	→	low
IT risk 1	IT faults or outdated IT infrastructure (such as servers) hinder operations	→	low
Personnel risk 1	Loss or absence of key personnel or inadequate supplementation with highly qualified personnel in the areas of research, development and production, including the risk of specific expertise migrating to competitors.	→	low
Physical safety risks (HSE)	The risk that the safety regulations in the working environment are not fully complied with and lead to physical injury (Health, Safety, Environment).	→	low

The following section describes in greater detail the risks that could lead to a potential annual EBITDA loss of in excess of € 500 thousand (only the "high" and "medium" risk categories).

Business-related risks

The quantitative risk assessment that is conducted enables a direct comparison of risks. In the BRAINBiocatalysts segment, the growth risk ("high" risk level), the raw material supply chain risk ("high" risk level) and the legal change risk ("high" risk level) are categorized as the most significant business-related risks, as in the previous year.

Growth risk and raw material supply chain risk

Given BRAIN's planned growth and its need to hold resources ready for such growth, risks exist in relation to a lower growth rate and consequently potential negative effects on the operating result. A risk exists that fewer customers and cooperation partners than planned are found. Macroeconomic trends or relationships with existing customers could also deteriorate and the markets to be served could reduce in volume or attractiveness. This could lead to BRAIN achieving lower growth long-term, or to reduced earnings. In addition, the risk exists that costs are higher than budgeted, or that developments require more time. As a consequence, BRAIN's growth could be delayed and growing the positive operating results might be achieved later than planned.

The risk of a major impact on EBITDA due to unexpected customer losses is countered by further diversifying customer contribution margins.

Supply chain risk stabilized further in the reporting year, although the overall uncertain geopolitical situation is continuing to cause increased uncertainty with regard to the future development of this risk. The inflation rate in Europe is continuing to decrease and is considered sufficiently stable by the ECB. However, divergence in terms of inflation and growth rates is evident within Europe. Hardly any growth is expected for Germany, while at the same time this is accompanied by relatively low inflation. In France and other Southern European countries, higher growth is coupled with higher government debt, which could lead to a rise in inflation.

Core euro inflation (inflation rate adjusted for energy and food price trends) remains at a level of between 2.3 % and 2.7 %. This level lies structurally above the central bank's target, which makes a continued cycle of interest rate cuts less likely for the time being. This indicates a risk of a longer-term effect that will manifest itself in further demands for wage increases. This risk affects the entire BRAIN Biotech Group.

Risks of legal changes

Legal change risks relate to restrictions that can have an impact on both revenue and costs. One example could be a ban on certain production methods that makes the further processing of BRAINBiocatalysts products into food impossible.

As different legal and regulatory situations exist worldwide, BRAIN's customers may be confronted with new requirements that could lead to revenue losses or cost increases due to the procurement of more expensive raw materials.

Economic risk 1

The economic situation changed in this financial year. In particular, growth rates are slowing in most economic zones. The geopolitical situation has also altered and this is leading to increased caution among (potential) cooperation partners.

We counter this risk with a diversified sales approach in order to spread the risk across the various sectors, as they are not all affected by the economic situation in the same manner. In addition, the sales pipeline is being intensively processed and optimized, taking into consideration the chances of success. This risk continues to be assigned a "high" risk level.

Personnel risks

The BRAINBiocatalysts segment requires in-depth knowledge and skills in all areas, most of which must be acquired within the company. This also applies to staff who work in business development and advance BRAINBiocatalysts initiatives with customers. This risk continues to be rated as "high".

Overall, BRAIN Biotech employs well-trained staff who constantly acquire further expertise in the context of the company's operating activities. Recent years' trends show that some positions can be filled only at great expense due to a lack of skilled staff, especially scientists, engineers and laboratory staff who already possess experience. In some instances, we note that some competitors have higher salary structures. This leads to the risk that qualified staff might defect to competitors if our financial and non-financial incentives were to prove inadequate. This risk is assigned a "medium" risk level, as in the previous year.

The risk of losing key knowledge holders is rated relatively higher than in previous years. Other risks are assigned a significantly lower risk level due to the exclusive technology license agreement with Akribion Therapeutics GmbH for the genome editing nuclease G-dase® E for the pharmaceutical sector.

Product compliance risks

The BRAINBiocatalysts segment supplies products to customers that require certain quality characteristics in order to fulfil various requirements in different legal systems. This requires that precautions be taken during production. Although the BRAINBiocatalysts segment has largely reduced the risk of non-compliance through processes and controls, a risk still exists that a non-compliant product will be produced or supplied inadvertently. As such risk events can also imply customer losses in addition to claims for damages, this risk is assigned a "medium" risk level, as in the previous year.

Legal risk 5

BRAIN is a research company whose strategy is based on a competitive intellectual property foundation. A possibility of becoming involved in significant patent litigation exists, but would presumably exert no direct effects on BRAIN's results. Existing patent disputes either exert only minor effects on results, or are unlikely to lead to any material damage.

The main risk in this context would be a company claiming freedom to operate. As issued patents become ever more closely intermeshed as intellectual property assets are issued internationally, it is becoming increasingly difficult to find all relevant patents in corresponding patent research. This could lead to the risk of patents not being located under certain circumstances, with the potential risk that patents might be infringed unintentionally. This risk continues to be assigned to the "medium" risk category.

IT risk 2

IT risks exist in relation to the availability of systems and data as well as the integrity and exclusivity of data. Such risks can manifest themselves due to both errors and deliberate actions. The latter are allocated to the area of cyber risks. In addition, cybercrime attacks have increased significantly in recent years.

BRAIN Biotech has implemented adequate measures to manage IT risks as well as possible. Such measures mainly consist of ongoing staff training, IT security measures such as firewalls, virus scanners, network protection, data encryption, prompt updating of software used, authentication with multiple factors and the implementation of regular data backups. As far as data exclusivity is concerned, a data protection officer has been appointed to ensure compliance with the General Data Protection Regulation (GDPR) within BRAIN Biotech. This risk continues to be assigned a "medium" risk level.

3.2 BRAINBIOINCUBATOR

The following risks with a loss potential of more than € 500 thousand are categorized for the "BRAIN Biocatalysts" segment. The potential annual EBITDA losses (calculated by way of simulation) per risk are categorized as follows:

Risk overview BRAINBioIncubator	Description	Year-on-year change	Risk category
Business-related risks			
Personnel risk 2	Loss of key personnel or inadequate supplementation with highly qualified personnel in the development/sales business area.	→	high
Economic risk 1	Risk that demand for BRAIN's services or products will diminish due to a deterioration in the economic situation in general or in individual sectors.	→	high
Personnel risk 1	Loss or absence of key personnel or inadequate supplementation with highly qualified personnel in the areas of research, development and production, including the risk of specific expertise migrating to competitors.	→	medium
IT risk 2	Unlawful acts by third parties such as illegal copying, blocking, or destruction of data.	→	medium
Material damage 3	Device failures due to device obsolescence	→	low
IT risk 1	IT faults or outdated IT infrastructure (such as servers) hinder operations	→	low

The following section describes in greater detail the respective risks that could lead to a potential annual EBITDA loss of in excess of € 500 thousand (only the "high" and "medium" risk categories).

Personnel risks

The BRAINBioIncubator segment requires in-depth knowledge and skills in all areas, most of which must be acquired within the company. This also applies to staff who work in business development and advance BRAINBioIncubator initiatives with customers. This risk continues to be rated as "high".

Overall, BRAIN employs well-trained staff who constantly acquire further expertise in the context of the company's operating activities. Recent years' trends show that some positions can be filled only at great expense due to a lack of skilled staff, especially scientists, engineers and laboratory staff who already possess experience. In some instances, we note that some competitors have higher salary structures. This leads to the risk that qualified staff might defect to competitors if our financial and non-financial incentives were to prove inadequate. This risk is assigned a "medium" risk level, as in the previous year.

The risk of losing key knowledge holders is rated relatively higher than in previous years.

Economic risk 1

The economic situation changed in this financial year. In particular, growth rates are slowing in most economic zones. The geopolitical situation has also altered and this is leading to greater caution among (potential) cooperation partners.

We counter this risk with a diversified sales approach in order to spread the risk across the various sectors, as they are not all affected by the economic situation in the same manner. In addition, the sales pipeline is being intensively processed and optimized, taking into consideration the chances of success. This risk continues to be assigned a "high" risk level.

IT risk 2

IT risks exist in relation to the availability of systems and data as well as the integrity and exclusivity of data. Such risks can manifest themselves due to both errors and deliberate actions. The latter are allocated to the area of cyber risks. In addition, cybercrime attacks have increased significantly in recent years.

BRAIN has implemented adequate measures to manage IT risks as well as possible. Such measures mainly consist of ongoing staff training, IT security measures such as firewalls, virus scanners, network protection, data encryption, prompt updating of software used, authentication with multiple factors and the implementation of regular data backups. As far as data exclusivity is concerned, a data protection officer has been appointed to ensure compliance with the General Data Protection Regulation (GDPR) within BRAIN. This risk continues to be assigned a "medium" risk level.

3.3 FINANCIAL RISKS

Financial risks are reviewed regularly. The Group has internal guidelines to identify, investigate and evaluate financial risks at an early stage. Simultaneous comparison with planning is facilitated through monthly and quarterly written reports as well as ongoing communication with the relevant managers. Depending on the extent of divergences in relation to planning, BRAIN managerial functions have sufficient time to implement countermeasures. The Group-wide reporting document for all Group areas has continued to be further developed and improved this year.

Financing risks at subsidiaries

In light of revenue and earnings growth at some subsidiaries and the availability of resources for expansive growth, a risk exists that losses will be incurred if the subsidiaries generate lower growth. Under certain circumstances, this could lead to financing problems or financial accounting situations that might necessitate the application of impairment losses to intangible assets.

This concerns the BRAINBiocatalysts and BRAINBioIncubator operating segments. This risk is rated as "low", as in the previous year.

Goodwill impairment / valuation of investments

This financial risk relates to the BRAINBiocatalysts and BRAINBioIncubator operating segments. Unfavorable future developments could potentially entail the application of impairment losses to acquired goodwill and other intangible assets deriving from corporate acquisitions. This risk continues to be assigned to the "low" risk category.

Further information about this topic is presented in the section entitled "Impairment tests" in the notes to the consolidated financial statements.

Financing risk

At present, the company is increasingly raising debt and hybrid capital at the holding company level as an alternative to equity financing.

Due to the continued growth of the operating business in the BRAINBiocatalysts and BRAINBioIncubator segments, a need for capital will continue to exist in the next two years to cover the negative operating cash flows. The financing risk consists of competitive disadvantages due to a higher debt-to-equity ratio, potentially rising interest rates and requirements for loan collateralization, as well as rising financing and refinancing volumes. The company has already taken appropriate measures to secure liquidity for the coming year, such as the provision of additional financing at holding company level. Moreover, as in the previous year, a significant volume of liquidity, amounting to € 18.41 million gross, was received by the company as an advance payment as part of the Royalty Pharma transaction. Furthermore, the company anticipates further milestone payments in the short and medium term, both directly from pharmaceutical programs and from related financial transactions. These measures enable the company to meet its planned payment obligations through to the fourth quarter of 2026.

This risk affects all operating segments as well as the holding company and, as in the previous year, is rated as "medium".

Currency risk

The currency risk consists of a negative exchange rate trend in relation to the currency positions that BRAIN holds. These mainly comprise USD and GBP risks. This risk is assessed as "low" and relates to the BRAINBiocatalysts segment. This risk is increasingly mitigated by reducing the USD position by shifting to EU suppliers and through natural hedging strategies. The latter is realized through growth in USD revenue.

Moreover, options to expand production capacity within the EU are planned in order to further reduce the GBP cost risk. This risk continues to be assigned a "low" risk level.

Interest rate risk

The interest rate risk consists of a rising market interest rate trend that makes it more expensive for BRAIN to procure liquidity. In the previous reporting year, the ECB significantly raised its reference interest rate, which led to tangibly higher liquidity procurement costs. The situation eased somewhat in the reporting year thanks to a reduction in interest rates. Overall, the consequences for BRAIN remain manageable, as its existing loans were further reduced and restructured into longer-term liabilities. Although the advance payment received from Royalty Pharma is recognized under the category of liabilities, it does not itself bear any interest rate risk. This risk is assigned a "low" risk level, as in the previous year.

Risk reporting on the deployment of financial instruments

At BRAIN, financial instruments[3] are deployed only to an extent that is not relevant to assess the Group's financial position and performance, or its prospective development. For further information, please refer to the "Risk management" section in the notes to the consolidated financial statements.

3 Defined as purchase transactions, exchange transactions or otherwise endowed fixed or option transactions that are to be settled with a time delay and whose value is derived from the price or measure of an underlying asset, especially relating to the following underlying assets: foreign exchange, interest rates, securities, commodity prices and indices related to these underlying assets as well as other financial indices. Financial assets are not deployed as risk management instruments. The Group's loans serve to finance Group activities and avoid liquidity risks.

3.4 PRO MEMORIA RISKS

This section summarizes the risks reported in the prior year that, in the current assessment, are no longer classified as having a potential loss impact of more than € 500 thousand (EBITDA annual loss) and are therefore no longer discussed in detail.

There were no pro memoria risks in the 2024/25 financial year.

3.5 SUSTAINABILITY AND ESG

Sustainability as a core element of our business model

Sustainability is firmly anchored in the DNA of the business model of BRAIN Biotech AG. With our products and research services, we support customers and cooperation partners in the introduction of bio-based processes, efficient resource utilization, the replacement of harmful substances and the conversion of waste streams into valuable resources.

Our innovative, customized special enzymes and microorganisms are aimed especially at the food industry, the life sciences sector and the circular economy. The resultant benefits for our customers – which we refer to as "BRAIN Impact" – open up growth prospects and ensure that our products and services make an important economic and ecological contribution. At the same time, the social shift towards greater sustainability and a bio-based economy offers considerable market opportunities for our company itself.

Sustainability goals and commitments

With the publication of its first Sustainability Report for the year 2022, BRAIN Biotech AG defined specific goals in the three action areas of environmental and climate protection (E), social responsibility (S) and responsible corporate governance (G). The medium- and long-term goals for 2032 and 2050 are anchored within the Management Board's compensation scheme (LTI) and emphasize their strategic relevance.

In addition, BRAIN Biotech AG is committed to the 17 Sustainable Development Goals (SDGs) of the United Nations and reports annually on progress (Communicating on Progress, COP) as part of the UN Global Compact.

Preparation for a potential CSRD reporting obligation

As a listed medium-sized company, BRAIN Biotech AG was originally subject to the reporting obligation under the Corporate Sustainability Reporting Directive (CSRD), initially for the first time for the 2025/26 financial year.

We began our preparations in the 2024/25 financial year and established an interdisciplinary ESG ring team. This team pursues a 360° approach that takes into account all of the Group's business processes and gives all relevant stakeholder groups a voice in ESG issues. At the same time, this team acts as a multiplier for sustainability issues in the company's various business areas. Additional cooperation with external consultants and auditors provides a further, external perspective and ensures the quality of our processes.

Materiality analysis and strategic implementation

A key milestone was the implementation of the double materiality analysis (DMA) in accordance with ESRS **(European Sustainability Reporting Standards)** in this financial year. This not only identified regulatory issues, but also provided decisive impetus for the further development of our ESG strategy program. A total of six positive and six negative impacts, eight risks and one opportunity were rated as material. The topics assigned to each are representative of our business model.

A reconciliation with the risk management system (RMS) ensures that all material ESG risks are identified and actively managed. In future, a regular review of the DMA is planned in order to identify new opportunities and risks at an early stage. Interfaces between the DWA and the RMS have been defined.

All relevant risks, opportunities and impacts were grouped into a total of six focus areas to enable the targeted implementation of policies, actions and objectives. A tailored data management system underpins both our reporting formats and the measurement of progress in sustainability.

Responsibility for implementing the ESG strategy lies with the Management Board and the company's Supervisory Board. A full-time ESG manager has been appointed who bundles, centralizes and operationally implements the topics across the Group.

Adjustment of reporting obligations and strategy

BRAIN Biotech AG has further developed its sustainability reporting strategy with the changes to reporting obligations announced by the EU in February 2025 ("Omnibus I", COM80 and COM81, 2025). We now orientate ourselves on EFRAG's voluntary reporting format, the Voluntary Standard for SMEs (VSME). The aim is to achieve uniform, standardized reporting that ensures data quality and comparability over time. Should the company be affected by an extended CSRD reporting obligation in the future, this framework also provides a solid basis for scaling towards full ESRS reporting.

Furthermore, the selected format enables us to identify additional topics that are material to the company (VSME Plus strategy). At the same time, we continue to publish key figures annually in an ESG data sheet in order to provide our stakeholders with the most important information in a compact format.

The key figures for the 2023/24 financial year are available as at September 2025. We are currently working on the preparation of a first VSME report and on the conversion of the ESG data sheet to the new metrics and key figures. The data collection processes are being continuously optimized and will be increasingly automated in future.

Implementation of measures to date

Shortly before the start of the financial year, we commissioned our two photovoltaic systems at the Zwingenberg and Cardiff sites. As a consequence, we are producing and consuming our own electricity directly on site for the first time. This measure will lead to a significant reduction in our greenhouse gas emissions and represents an important step on our path to "net zero" by 2050. We are planning to install additional systems and expand existing capacities at further locations.

We decided to participate in the UN Global Compact's "Target Gender Equality Accelerator Programme" in order to devote greater attention to the topics of "gender equality" and "women in management positions". This six-month program was launched towards the end of the reporting year and will support us in implementing appropriate measures to promote women's progression into leadership positions.

4 Report on opportunities

BRAINBioIncubator segment

Our incubator for highly innovative solutions and products is fueled by our New Business Development area. BRAIN deploys its innovations in order to tap new markets in the areas of nutrition, health and the environment. This is performed both on our own account and/or with industrial partners.

The opportunities arising from research and development in the BRAINBioIncubator segment can be assessed as follows:

Opportunity	Year-on-year change	rNPV market potential
Fermented beverages & ingredients	→	medium
Perillic Active, anti-microbial	→	small
Gold from waste streams	→	medium
Aurase wound debridement	→	high
Deucrictibant (PHA121), HAE Pharma Compound	→	very high
Akribion Genomics (G-dase® E / G-dase® M)	→	very high

Some examples include:

Fermented food

Fermented foods are more than just another "superfood" trend. They rightly form the focus of health-conscious consumers, as they score highly in many areas: no preservatives, enhancement/digestibility of plant-based staple foods, the discovery of ever new health-promoting ingredients and a virtually unlimited wealth of new flavor experiences. Thanks to its biological and technological resources, BRAIN can meet market demand for new starter cultures. The BRAIN Biotech Group has the opportunity to act as both an innovator and a manufacturing company, and not only participate in an attractive market (volume forecast for 2032: USD 989 billion), but also develop completely new product categories.

Perillic Active, anti-microbial

As a consequence of the tougher competitive environment for natural antimicrobial agents and the entry into the market of alternative products, the market potential is defined as "small". In this area, the company successfully partnered with Corbion, a globally operating sustainable ingredients company based in Amsterdam, to accelerate development towards commercial readiness.

Gold from waste streams, urban mining

Our microbial gold recovery replaces conventional recycling processes, whereby chemicals are replaced by biological metal extractions. This reduces the use of aggressive and sometimes toxic chemicals. Furthermore, the biological process requires less energy and thereby significantly reduces the carbon footprint of the metal extraction process. BRAIN is continuing to develop the "BioGold" sub-project together with PX Group, a company based in Switzerland. In addition to gold, other precious metals and metals such as lithium and cobalt, can also be recovered in this way from e-waste, incinerator slag, EV batteries and other waste of mineral origin ("urban mining").

Aurase wound debridement

As part of an internally funded research project, BRAIN has discovered an enzyme that fly maggots use to liquefy the wound coating of chronic wounds ("maggot therapy"). The company has developed a biotechnological production process for this enzyme. The cleaning of chronic wounds is the first step in wound therapy and is often responsible for extended treatment periods. This project was spun off some years ago and now forms part of SolasCure Ltd. In addition, Phase 2a of the clinical trial was completed. The project is currently in a Phase 2a extension study to collect additional clinical data in preparation for a financing round to support further clinical development. Product development and smaller study projects will continue in the meantime.

Deucrictibant (PHA121), HAE Pharma Compound

AnalytiCon Discovery, a division of BRAIN Biotech AG, has discovered and developed a pharmacologically active substance that promises an improved therapeutic approach for patients suffering from the rare disease hereditary angioedema (HAE), both in acute treatment and for prophylaxis. Pharvaris N.V., listed on Nasdaq, USA, holds a license from AnalytiCon Discovery for the clinical development and testing of the novel drug. BRAIN Biotech is entitled to substantial milestone and license payments in the event of a successful market launch. BRAIN Biotech has sold most of the expected license income in advance to Royalty Pharma in return for milestone payments of up to € 128.88 million. This does not affect regulatory milestones of up to € 9.0 million that BRAIN may receive directly from Pharvaris.

The company received an advance payment of € 18.41 million in the 2023/24 financial year. In addition, potential regulatory milestone payments of up to € 18.42 million and potential long-term revenue-related milestones of up to € 92.05 million may follow.

Pharvaris has announced that early data from the Phase 3 clinical trial for acute treatment with the active ingredient deucrictibant are expected to be published in the fourth quarter of 2025. This has further increased the probability of market entry and the risk-adjusted market potential remains "very high".

Akribion Genomics (G-dase® E / G-dase® M) and genome editing in industrial biotechnology

Genome editing is a molecular biology technology for the targeted and precise modification of DNA. For this purpose, nucleases (enzymes) are utilized as so-called "gene scissors". This technology forms the basis for many innovations, such as in the areas of industrial production, plant-based nutrition, the circular economy and medicine.

BRAIN Biotech has successfully completed further development phases for both classic and novel genome editing systems with its proprietary enzymes G-dase® M and G-dase® E. In the industrial biotechnology area, BRAIN Biotech deploys such systems to specifically modify or optimize microorganisms. In this way, BRAIN Biotech can enable microorganisms to produce valuable products. These include, among other things, microbial production systems capable of producing proteins and enzymes for industrial applications. G-dase® M and G-dase® E have already been successfully used in numerous microorganisms as part of both proprietary developments and customer projects. Various patent applications have been filed to protect the nuclease sequences. The first G-dase® E patent has already been successfully issued in Europe and is being further internationalized.

The G-dase® E nuclease offers promising application potential in human medicine thanks to its novel mode of action, which differs greatly from other genome editing tools. The use of the technology for therapeutic applications is being further developed through licensing outside BRAIN Biotech by Akribion Therapeutics GmbH.

BUSINESS-RELATED OPPORTUNITIES

BRAINBiocatalysts segment

In the BRAINBiocatalysts segment, we are continuing along the path of forward integration which we started in previous years. BRAIN Biotech AG has set itself the goal of covering the entire value chain from laboratory through to production. This enables us to participate in the value chain all the way to the customer as well as to generate revenue over the entire life cycle of the products. Over the coming years, BRAIN will continue to have the opportunity to continue along this path and successfully improve its revenues and results. This represents the logical step from a pure contract research organization to an industrial company offering research, development and production services. This forward integration offers the company the possibility to act not only as an innovator but also as a manufacturing firm. Furthermore, an active M&A strategy with a focus on industrially profitable companies in adjacent areas or markets, essentially in the enzymes business, should also be mentioned as an opportunity.

Knowledge- and research-intensive contract research

The BRAINBiocatalysts and BRAINBioIncubator segments both include knowledge- and research-intensive contract research for customers. We are continuing to expand our range of products and services as a service provider in industrial biotechnology. Here we provide our partners with our research services and solutions expertise as well as access to our recyclables libraries. BRAIN Biotech AG has an established industrial network which it is continuously expanding. This industrial network is complemented by an existing academic network.

Both segments focus on the areas of nutrition, health and the environment.

Corporate governance

The Management Board is working continuously on realizing cost and revenue synergies within the Group. This requires good networking among the subsidiaries as well as centralized performance and target controlling. To this end, BRAIN merged the Group's entire product business under the management of Biocatalysts Ltd. in both organizational and legal terms.

Takeover-relevant information pursuant to Section 315a of the German Commercial Code (HGB)

The following information reflects the circumstances as at the 30 September 2025 reporting date.

COMPOSITION OF SUBSCRIBED SHARE CAPITAL (NO. 1)

The share capital of BRAIN Biotech AG amounts to € 21,847,495 on the reporting date. The share capital is divided into 21,847,495 ordinary shares, to each of which a proportional amount of the share capital of € 1.00 is attributable. The shares are fully paid-in registered shares. The company holds no treasury shares on the reporting date.

RESTRICTIONS AFFECTING VOTING RIGHTS OR TRANSFER OF SHARES (NO. 2)

The company's Management Board is not aware of any restrictions affecting voting rights or the transfer of shares, including those potentially deriving from agreements between shareholders.

SHAREHOLDINGS WITH MORE THAN 10 % OF THE VOTING RIGHTS (NO. 3)

As at 30 September 2025, MP Beteiligungs-GmbH, Kaiserslautern, holds 31.5% and PBG Zweite GmbH, Kaiserslautern, holds 15.1% of the company's share capital.

As of 30 September 2025, no further shareholders existed with interests of more than 10 % in the voting rights.

HOLDERS OF SHARES WITH SPECIAL RIGHTS (NO. 4)

No shares exist at BRAIN Biotech AG with special rights endowing control powers.

VOTING RIGHTS CONTROL OF EMPLOYEES WHO ARE SHAREHOLDERS (NO. 5)

No voting rights controls exist for employees who are shareholders for the instance of control rights that are not to be exercised directly.

RULES CONCERNING THE APPOINTMENT AND RECALL FROM OFFICE OF MANAGEMENT BOARD MEMBERS (NO. 6)

Pursuant to Section 84 of the German Stock Corporation Act (AktG) and the bylaws of BRAIN Biotech AG, the Supervisory Board appoints the members of the Management Board. Pursuant to Section 7 of the bylaws of BRAIN Biotech AG, the Management Board consists of one or several individuals. The Supervisory Board determines the number of Management Board members. It can appoint a Management Board Chair (CEO) and a Deputy Management Board Chair as well as deputy Management Board members. If the Management Board consists of several members, Management Board resolutions are passed with a simple majority of votes. If the Supervisory Board has appointed a Management Board Chair, and if the Management Board consists of three members, the vote of the Management Board Chair decides given an equal number of votes.

RULES CONCERNING AMENDMENTS TO THE BYLAWS (NO. 6)

Pursuant to Section 179 of the German Stock Corporation Act (AktG) and the bylaws of BRAIN Biotech AG, amendments to the bylaws require an AGM resolution. AGM resolutions require a simple majority of votes unless the law stipulates a greater majority.

MANAGEMENT BOARD AUTHORIZATIONS CONCERNING ISSUING AND REPURCHASING SHARES (NO. 7)

BRAIN Biotech AG has the following authorized and conditional capital:

Authorized capital

With an AGM resolution on 9 March 2022, authorized capital of € 4,369,499 was created (Authorized Capital 2022/I). Authorized Capital 2022/I was entered in the commercial register on 28 March 2022. The Management Board was authorized, with Supervisory Board assent, to increase the company's share capital in the period until 8 March 2027, once or on several occasions, albeit by a maximum nominal amount of € 4,369,499, through issuing up to 4,369,499 new ordinary registered shares against cash capital contributions and/or non-cash capital contributions, whereby shareholders' statutory subscription rights can be wholly or partly excluded. If the new shares are issued against cash capital contributions, shareholders' statutory subscription rights can be wholly or partially excluded if the new shares' issue price is not significantly less than the stock market price of the company's shares already listed on the date when the issue price is finally determined and the total number of shares issued in this manner under exclusion of subscription rights does not exceed 10 % of the share capital.

Accordingly, authorized capital of € 4,369,499 was reported as at the 30 September 2025 reporting date.

Conditional capital

Pursuant to Section 5 (3), (4), (5), (6) and (7) of the company's bylaws, the share capital is conditionally increased by € 2,184,749 through the issue of up to 2,184,749 new ordinary registered shares (Conditional Capital 2023/I) and by a further € 63,000 through the issue of up to 63,000 new ordinary registered shares (Conditional Capital 2015/II), through the issue of up to 1,233,600 new ordinary registered shares (Conditional Capital 2019/I), through the issue of up to 772,148 new ordinary registered shares (Conditional Capital 2023/II) and by a further € 2,300,746 through the issue of up to 2,300,746 new ordinary registered shares (Conditional Capital 2025/I).

Conditional Capital 2023/I serves exclusively to grant shares to the holders of bonds with warrants and convertible bonds that the company issues based on the authorization of the Management Board by way of AGM resolution passed on 8 March 2023. The conditional capital increase is to be implemented through issuing up to 2,184,749 new ordinary registered shares only to the extent that the holders of convertible bonds and/or bonds with warrants utilize their conversion rights or warrant rights, or the holders of convertible bonds that are obligated to convert satisfy their obligation to convert, and to the extent that other forms of satisfaction are not deployed to service the bonds. In the 2023/24 financial year, a convertible bond with a nominal value of € 5.0 million was issued by way of a private placement, in partial utilization of Conditional Capital 2023/I. An increase in the share capital from Conditional Capital 2023/I had not been implemented as at the 30 September 2025 reporting date.

Conditional Capital 2015/II serves exclusively to service subscription rights arising from stock options that are granted – pursuant to the AGM resolution dated 8 July 2015 as part of a stock option plan comprising up to 63,000 stock options that carry subscription rights to shares of BRAIN Biotech AG with a term of up to eight years – to the members of the company's Management Board, members of affiliated companies' management boards, as well as managers and other company employees in senior positions. The conditional capital increase is to be implemented only to the extent that the holders of issued subscription rights utilize them and the company does not grant treasury shares or cash settlement to satisfy these subscription rights. An increase in the share capital from Conditional Capital 2015/II had not been implemented as at the 30 September 2025 reporting date.

At the Annual General Meeting on 7 March 2019, Conditional Capital 2015/II was reduced from originally € 1,272,581 to € 123,000, as this capital was to remain exclusively for hedging stock options already issued. At the Annual General Meeting on 8 March 2023, the conditional capital was reduced by a further € 60,000 to € 63,000. The authorization to issue further stock options from Conditional Capital 2015/II was revoked at the same Annual General Meeting and replaced by a new authorization (see following section).

By resolution of the Annual General Meeting on 7 March 2019, the share capital was conditionally increased by € 1,682,578 through the issue of up to 1,682,578 new ordinary registered shares (Conditional Capital 2019/I). At the Annual General Meeting on 8 March 2023, Conditional Capital 2019/I was reduced by € 448,978 from the original € 1,682,578 to € 1,233,600. The conditional capital serves exclusively to service subscription rights from stock options granted to members of the company's Management Board and other senior company managers. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase. The conditional capital increase is to be implemented only to the extent that the holders of issued subscription rights utilize them and the company does not grant treasury shares or cash settlement to satisfy these subscription rights. An increase in the share capital from Conditional Capital 2019/I had not been implemented as at the 30 September 2025 reporting date.

At the Annual General Meeting on 18 March 2025, Conditional Capital 2023/II was reduced from originally € 888,148 to € 772,148, as this capital was to remain exclusively for hedging stock options already issued. Conditional Capital 2023/II serves exclusively to service subscription rights arising from stock options that are granted – pursuant to the AGM resolution dated 8 March 2023 as part of a stock option plan comprising up to 772,148 stock options that carry subscription rights to shares of BRAIN Biotech AG with a term of up to six years – to the members of the company's Management Board as well as other company employees in senior positions. The conditional capital increase is to be implemented only to the extent that the holders of issued subscription rights utilize them and the company does not grant treasury shares or cash settlement to satisfy these subscription rights. An increase in the share capital from Conditional Capital 2023/II had not been implemented as at the 30 September 2025 reporting date.

By resolution of the Annual General Meeting on 18 March 2025, the share capital was conditionally increased by € 2,300,746 through the issue of up to 2,300,746 new no-par-value ordinary registered shares (Conditional Capital 2025/I). The conditional capital serves exclusively to service subscription rights from stock options granted to members of the company's Management Board, other senior company managers as well as members of the management of the company's affiliated companies. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase. The conditional capital increase is to be implemented only to the extent that the holders of issued subscription rights utilize them and the company does not grant treasury shares or cash settlement to satisfy these subscription rights. An increase in the share capital from Conditional Capital 2025/I had not been implemented as at the 30 September 2025 reporting date.

Stock options

An AGM resolution dated 18 March 2025 authorized the Management Board, with Supervisory Board approval, to issue as part of a stock option program up to 2,300,746 stock options with subscription rights to shares of BRAIN Biotech AG with a term of up to six years, with the condition that each stock option grant the right to subscribe for one share and according to further provisions. As far as issuing shares to members of the Management Board of BRAIN Biotech AG is concerned, this authorization is valid for the Supervisory Board alone. The AGM conditionally increased the share capital by € 2,300,746 to hedge and service the stock options (Conditional Capital 2025/I).

Significant agreements for the instance of a change of control due to a takeover offer (Number 8) and compensation agreements in the case of a takeover offer (Number 9)

The company has not entered into any arrangements in the meaning of Section 315a (4) Nos. 8 and 9 HGB.

Corporate governance statement of conformity pursuant to Section 289f and Section 315d of the German Commercial Code (HGB)

The corporate governance statement of conformity of BRAIN Biotech AG pursuant to Section 289f and Section 315d of the German Commercial Code (HGB) is published on the website at:

https://www.brain-biotech-group.com/en/investors/corporate-governance/declaration-on-corporate-governance/

Zwingenberg, 12 January 2026

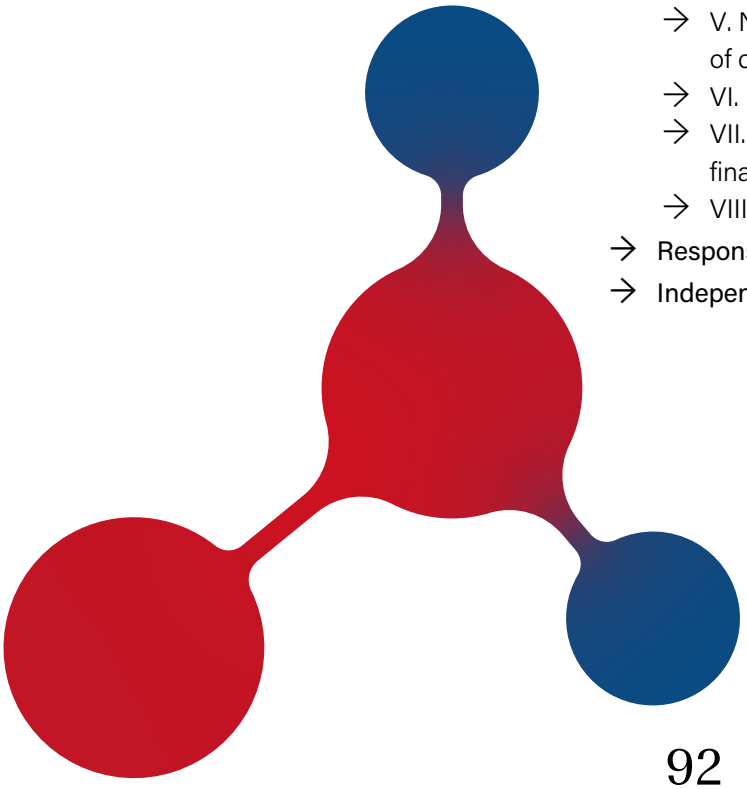
Adriaan Moelker

Chief Executive Officer

Michael Schneiders

Chief Financial Officer

Consolidated financial statements



Consolidated Balance Sheet

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2025

€ thousand	Note	2024/25	2023/24
Non-current assets			
Intangible assets and goodwill	(12)	12,491	14,185
Property, plant and equipment	(13)	27,550	27,855
Equity-accounted investments	(14)	1,282	971
Other non-current assets	(18)	55	67
		41,378	**43,078**
Current assets			
Inventories	(15)	8,936	9,420
Trade receivables	(16)	8,456	7,798
Other current assets	(18)	961	818
Current tax assets	(10)	129	214
Other financial assets	(17)	286	238
Cash and cash equivalents	(19)	6,190	27,171
		24,959	**45,658**
ASSETS		**66,337**	**88,737**

€ thousand	Note	2024/25	2023/24
Equity	**(20)**		
Subscribed capital		21,847	21,847
Capital reserves		95,733	94,951
Retained earnings		-116,035	-105,494
Other reserves		295	1,313
		1,841	**12,617**
Non-controlling interests		0	1,269
Total equity		**1,841**	**13,886**
Non-current liabilities			
Deferred tax	(10)	3,354	3,881
Provisions for post-employment benefits for employees	(5)	696	930
Financial liabilities	(21)	20,198	21,175
Convertible bonds	(22)	0	4,151
Financial liability to Royalty Pharma	(23)	22,173	18,406
Other liabilities	(24)	95	179
Deferred income	(25)	380	1,124
		46,895	**49,845**
Current liabilities			
Provisions	(26)	1,079	1,106
Tax liabilities	(10)	13	24
Financial liabilities	(21)	3,832	11,888
Prepayments received	(27)	130	0
Convertible bonds	(22)	4,703	326
Trade payables	(28)	4,358	5,611
Other liabilities	(24)	2,360	5,431
Deferred income	(25)	1,126	620
		17,600	**25,006**
EQUITY AND LIABILITIES		**66,337**	**88,737**

Consolidated Statement of Comprehensive Income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 OCTOBER 2024 TO 30 SEPTEMBER 2025

€ thousand	Note	12M 24/25 01.10.2024 – 30.09.2025	12M 23/24 01.10.2023 – 30.09.2024
Revenue	(1)	49,623	54,631
Research and development grant revenue	(2)	593	868
Change in inventories of unfinished and finished goods and work in progress		271	-433
Other income	(3)	1,105	453
Total operating performance		**51,592**	**55,520**
Cost of materials	**(4)**		
Cost of raw materials, consumables and supplies, and purchased merchandise		-21,174	-23,403
Cost of purchased services		-475	-467
		-21,649	**-23,870**
Personnel expenses	**(5)**		
Wages and salaries		-16,884	-20,792
Share-based employee compensation		-783	-894
Social security and post-employment benefit costs		-3,447	-3,417
		-21,113	**-25,104**
Other expenses	(7)	-10,854	-10,576
EBITDA		**-2,025**	**-4,029**
Depreciation, amortization and impairment	(6)	-5,126	-4,823
Operating result (EBIT)		**-7,151**	**-8,852**
Share of profit or loss from equity-accounted investments	(14)	-525	-498
Finance income	(8)	1,642	395
Finance costs	(9)	-5,989	-2,035
of which related to the financial liability from the Royalty Pharma transaction		*-3,767*	*-85*
Net financial result		**-4,873**	**-2,137**
Pretax loss for the reporting period		**-12,023**	**-10,990**

€ thousand	Note	12M 24/25 01.10.2024 – 30.09.2025	12M 23/24 01.10.2023 – 30.09.2024
Pretax loss for the reporting period		**-12,023**	**-10,990**
Income tax expense/income	**(10)**		
a) Current tax expense/income		-191	-96
b) Deferred tax expense/income		382	-15
		191	**-110**
Net loss for the reporting period		**-11,833**	**-11,100**
of which attributable to non-controlling interests		-91	27
of which attributable to the shareholders of BRAIN Biotech AG		-11,742	-11,127
Earnings per share	**(11)**		
Earnings per share, basic undiluted (in €)		-0.54	-0.51
Number of shares taken as basis		21,847,495	21,847,495
Earnings per share, diluted (in €)		-0.54	-0.51
Number of shares taken as basis		21,847,495	21,847,495
Net loss for the reporting period		**-11,833**	**-11,100**
of which attributable to non-controlling interests		-91	27
of which attributable to the shareholders of BRAIN Biotech AG		-11,742	-11,127
Other comprehensive income			
Net gain or loss from revaluing obligations from post-employment employee benefits*	(5)	23	-207
Currency translation		-1,018	686
Other comprehensive income, net		**-995**	**479**
Consolidated total comprehensive income (loss)		**-12,828**	**-10,621**
of which attributable to non-controlling interests		-91	27
of which attributable to the shareholders of BRAIN Biotech AG		-12,737	-10,648

* Items that will not be subsequently reclassified to profit or loss

Consolidated Statement of Changes in Equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 1 OCTOBER 2024 TO 30 SEPTEMBER 2025

Note (20)	Interests of shareholders of BRAIN Biotech AG					Non-controlling interests	
€ thousand	Subscribed capital	Capital reserves	Retained earnings	Other reserves (currency translation)	Total	Non-controlling interests	Total
Balance as at 30 September 2023/ 1 October 2023	**21,847**	**93,457**	**-94,161**	**627**	**21,770**	**1,243**	**23,013**
Net result for the reporting period	*0*	*0*	*-11,127*	*0*	*-11,127*	*27*	*-11,100*
Other comprehensive income	*0*	*0*	*-207*	*686*	*479*	*0*	*479*
Total comprehensive income (loss)	0	0	-11,334	686	-10,648	27	-10,621
Allocation to capital reserves from convertible bond issue less issuance costs	0	600	0	0	600	0	600
Transfers due to employee share scheme	0	894	0	0	894	0	894
Balance as at 30 September 2024/ 1 October 2024	**21,847**	**94,951**	**-105,494**	**1,313**	**12,617**	**1,269**	**13,886**
Net result for the reporting period	*0*	*0*	*-11,742*	*0*	*-11,742*	*-91*	*-11,833*
Other comprehensive income	*0*	*0*	*23*	*-1,018*	*-995*	*0*	*-995*
Total comprehensive income (loss)	0	0	-11,719	-1,018	-12,737	-91	-12,828
Exercise of put/call agreements for the acquisition of non-controlling interests in fully consolidated Group companies	0	0	1,179	0	1,179	-1,179	0
Transfers due to employee share scheme	0	783	0	0	783	0	783
Balance as at 30 September 2025	**21,847**	**95,733**	**-116,035**	**295**	**1,841**	**0**	**1,841**

Consolidated Statement of Cash Flows

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 1 OCTOBER 2024 TO 30 SEPTEMBER 2025

Note (19) € thousand	12M 24/25 01.10.2024 – 30.09.2025	12M 23/24 01.10.2023 – 30.09.2024
Net profit (/loss) for the period, after tax	-11,833	-11,100
Depreciation, amortization and impairment	5,126	4,823
Deferred tax expense/ income	-382	15
Conversion of deferred income into revenue	-1,588	-4,113
Income from release of provisions and liabilities	-273	-49
Share of profit or loss from equity-accounted investments	525	498
Change in net pension provisions recognized in profit or loss	32	38
Other non-cash expenses and income	3,659	869
Losses on disposals of intangible assets and property, plant and equipment	45	-5
Gross cash flow	**-4,690**	**-9,024**
Change in trade receivables	-891	1,802
Change in inventories	363	411
Change in tax assets and liabilities	54	-130
Change in other assets and financial assets	-476	-361
Change in trade payables	-1,225	-114
Change in prepayments	130	-2
Change in provisions and other liabilities	-2,972	1,472
Additions from deferred income	474	2,363
Cash flows from operating activities	**-9,233**	**-3,583**
Payments to acquire intangible assets	-74	-177
Payments to acquire property, plant and equipment	-1,532	-1,552
Net cash flows relating to other non-current assets	12	23
Proceeds from disposal of property, plant and equipment	37	18
Cash flows from investing activities	**-1,556**	**-1,689**
Proceeds from borrowings	128	27,547
Repayments of borrowings	-8,567	-5,481
Proceeds from convertible bond issue	0	4,325
Payments of the put-option liabilities of Biocatalysts Ltd.	-1,698	0
Contributions to equity, less related capital raising costs	0	600
Cash flows from financing activities	**-10,138**	**26,991**
Net change in cash and cash equivalents	**-20,926**	**21,178**
Cash and cash equivalents at start of financial year	27,171	5,352
Exchange-rate-related change in cash	-54	100
Cash and cash equivalents at end of financial year	**6,190**	**27,171**
Cash flows from operating activities include:		
Interest paid	-1,762	-1,637
Interest received	200	54
Income taxes paid	-69	-38
Income taxes received	10	1

Notes to the consolidated financial statements

I. General information

GENERAL INFORMATION ABOUT THE COMPANY

BRAIN Biotech Aktiengesellschaft (also referred to below as "BRAIN Biotech AG", "BRAIN" or the "Company") is entered in the commercial register of the Darmstadt District Court under commercial sheet register number 24758. The company's registered offices are located at Darmstädter Strasse 34-36 in 64673 Zwingenberg, Germany.

BRAIN Biotech AG is a company that operates in the industrial biotechnology sector. The BRAIN Biotech Group (hereinafter referred to as "BRAIN" or "the Group" or the "BRAIN Biotech Group") focuses its business activities on the areas of nutrition, health and the environment. A science-based product business forms the core of our strategic orientation.

The **BRAINBiocatalysts** segment mainly comprises the industrially scalable product business, including the development (at the R&D Campus Zwingenberg), production and sale of specialty enzymes, microorganisms, and ingredients. Thanks to ongoing investments in its own fermentation capacities, the BRAIN Biotech Group has significantly expanded its value chain in the BRAINBiocatalysts segment over recent years.

The **BRAINBioIncubator** segment mainly comprises the R&D pipeline of projects developed in-house or together with partners, as well as research on natural compounds and for the pharmaceutical industry. Here, deploying both our own research funds and working together with partners, we aim for breakthroughs in biotechnologically produced solutions that address a number of society's most pressing issues: nature-based food ingredients, life sciences, and environmentally compatible production methods.

The composition of the segments has changed compared to the previous year. Further information can be found in the segment reporting section.

BRAIN has an extensive research and development infrastructure at its Zwingenberg site and a branch specializing in natural compounds in Potsdam (formerly the subsidiary AnalytiCon Discovery GmbH). Our subsidiaries for enzyme products, microorganisms, and bioactive natural compounds offer specialized production expertise and market access: Biocatalysts Ltd. (Cardiff, United Kingdom), Biocatalysts Inc. (Tampa, Florida, USA), Breatec BV (Nieuwkuijk, Netherlands), and WeissBioTech GmbH (Ascheberg, Germany). Moreover, as part of the spin-off of SolasCure Ltd., which is based in Cardiff, UK, an ingredient for enzymatic wound healing is to be approved for marketing.

The targets in terms of a "bioeconomy" are to replace conventional chemical-industrial processes with innovative resource-conserving processes, as well as to establish new processes and products. The BRAIN Biotech Group utilizes biotechnology processes in order to manufacture sustainable products. Our products and services directly address the following UN Sustainable Development Goals: 2, 3, 6, 9, 12, and 13.

GENERAL BASIS OF FINANCIAL ACCOUNTING

BRAIN Biotech AG has been listed on the stock market since 9 February 2016 and is oriented to the capital market. As a consequence, the regulations of Section 315e (1) of the German Commercial Code (HGB) are applicable when preparing the consolidated financial statements. The consolidated financial statements prepared by the parent company BRAIN Biotech AG for the year ending 30 September 2025 (the "consolidated financial statements" or "financial statements") were prepared in accordance with International Financial Reporting Standards (IFRS) as applicable in the European Union. The financial statements of BRAIN Biotech AG are included in the consolidated financial statements of MP Beteiligungs-GmbH, Kaiserslautern, by way of equity accounting. The consolidated financial statements of MP Beteiligungs-GmbH are published in the German Federal Gazette (Bundesanzeiger).

The reporting period comprises the period from 1 October 2024 to 30 September 2025. This period corresponds to the financial year of BRAIN Biotech AG. The annual financial statements of Breatec BV, Nieuwkuijk, Netherlands, and of AnalytiCon Discovery LLC, Rockville, MD, USA, have historically been prepared as at the end of the calendar year. Where a financial year differs, annual figures based on the Group's financial year are calculated for the consolidated financial statements, and included in the financial statements on this basis.

These consolidated financial statements of BRAIN Biotech AG were approved by the Management Board for submission to the Supervisory Board on 6 January 2026. The review and approval by the Supervisory Board took place on 13 January 2026.

NEW ACCOUNTING REGULATIONS APPLIED

The standards and amendments to be applied for financial years beginning on or after 1 October 2024 did not have any effect at BRAIN Biotech AG.

BRAIN Biotech AG has not voluntarily applied any standards, interpretations or amendments, which, although published, are not yet effective.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments – Disclosures: Supplier Finance Arrangements: To be applied to financial years commencing on or after 1 January 2024. Early, voluntary application of the regulations is permitted.

Amendments to IAS 1 regarding the Classification of Liabilities as Current or Non-current and the Classification of Non-current Liabilities with Covenants: To be applied to financial years commencing on or after 1 January 2024. Early, voluntary application of the regulations is permitted.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback: To be applied to financial years commencing on or after 1 January 2024. Early, voluntary application of the regulations is permitted.

ACCOUNTING REGULATIONS PUBLISHED BUT NOT YET APPLIED

The following accounting regulations that have been published and are potentially relevant, but that do not yet require mandatory application, have not been applied early on a voluntary basis:

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency: To be applied to financial years commencing on or after 1 January 2027. Early, voluntary application of the regulations is permitted.

Amendments to IFRS 19 Subsidiaries without Public Accountability – Disclosures: To be applied to financial years commencing on or after 1 January 2027. Early, voluntary application of the regulations is permitted.

IFRS 19 Subsidiaries without Public Accountability – Disclosures: To be applied to financial years commencing on or after 1 January 2027. Early, voluntary application of the regulations is permitted.

IFRS 18: Presentation and Disclosure in Financial Statements: To be applied to financial years commencing on or after 1 January 2027. Early, voluntary application of the regulations is permitted.

Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7 – Annual Improvements Volume 11: Adoption into EU law pending, expected to be applicable to financial years commencing on or after 1 January 2026. Early, voluntary application of the regulations is permitted.

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments: To be applied to financial years commencing on or after 1 January 2026. Early, voluntary application of the regulations is permitted.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability: To be applied to financial years commencing on or after 1 January 2025. Early, voluntary application of the regulations is permitted.

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture: Adoption into EU law pending; first-time application postponed indefinitely.

The company does not expect these to generate significant effects. Early application is not envisaged.

PRESENTATION OF THE FINANCIAL STATEMENTS

The income statement is extended to include other comprehensive income items recognized in equity, to the extent these do not arise from transactions with owners. The income statement is structured according to the nature of expense method.

The consolidated financial statements are prepared in euros (€). Unless otherwise stated, all figures are presented in thousands of euros (€ thousand). Due to commercial rounding rules, individual numbers may not add up exactly to the indicated total. This may also result in individual amounts being rounded to zero.

II. Basis of the consolidated financial statements

CONSOLIDATION METHODS

Business combinations are accounted for applying the acquisition method, under which the carrying amount of the investments is eliminated against the parent's share of the subsidiaries' equity on the acquisition date.

Subsidiaries are those companies where BRAIN Biotech AG exerts control, generally in the form of the acquisition of a direct or indirect majority of the voting rights. Control entitles the company to influence the business activities of the companies and to control the (variable) returns from these companies, such as in the form of profit sharing.

The acquisition date is the date on which the acquirer gains control of the acquiree.

The consideration transferred for an acquisition is calculated at the acquisition-date fair value of the assets acquired, equity instruments issued, and liabilities incurred or assumed. It also includes the fair values of those recognized assets or liabilities resulting from a contingent consideration arrangement.

Any contingent considerations are measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration classified as an asset or a liability are measured in accordance with IFRS 9, with any resultant gain or loss for the reporting period recognized in the result for the period. Contingent consideration classified as equity is not remeasured and its subsequent settlement is recognized directly in equity.

Identifiable assets and liabilities are recognized at fair value. For each corporate acquisition, the Group decides on an individual basis whether non-controlling interests in the acquired company are to be recognized at fair value, or based on the proportional interest in the acquiree's remeasured net assets.

Acquisition-related costs are expensed when they are incurred.

Goodwill is recognized as the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previously held equity interest in the acquiree over the fair value of the net assets. Any negative difference is recognized directly in profit or loss.

On the basis of written put options, non-controlling shareholders of subsidiaries have the right to tender non-controlling interests to BRAIN Biotech AG. In other words, BRAIN Biotech AG has a contractual obligation upon exercise of its own equity instruments to purchase with delivery of cash. In the first step, a review must be conducted as to whether the arrangement of the put option agreement, taking all further aspects into consideration, substantiates a current power of disposal (hereinafter referred to as "present ownership").

Where present ownership exists, BRAIN Biotech AG applies the anticipated purchase method and recognizes a financial liability pursuant to IAS 32.23. In the case of the anticipated acquisition method, accounting occurs always and independently of the specific structure of the options assuming that a (constructive) acquisition of the non-controlling interest by the controlling shareholder has already occurred. No non-controlling interests are reported for shares included in the option. The liability is recognized at fair value with changes recognized through profit or loss.

If present ownership does not exist, BRAIN Biotech AG recognizes the non-controlling interest in full, reporting the entire non-controlling interest in the statement of comprehensive income or under balance sheet equity. The liability is then recognized as a liability at fair value on the agreement date, with a simultaneous reduction in the capital reserve. Future fair value changes are recognized in profit or loss.

The remaining call option for the purchase of the remaining shares in Weriol Group BV (hereinafter also referred to as the "Breatec Group"), Nieuwkuijk, Netherlands, was exercised in the financial year under review. At the end of the financial year, no minority interests were recognized on the balance sheet.

Transactions with non-controlling interests without loss of control are recognized as transactions with the Group's owners acting in their capacity as owners. The difference between the fair value of the consideration paid and the acquired interest in the carrying amount of the subsidiary's net assets arising from the acquisition of a non-controlling interest is recognized in equity. Gains and losses arising from the disposal of non-controlling interests are also recognized in equity.

Intragroup profits and losses, revenues, income and expenses, as well as receivables and payables between companies included in the scope of consolidation are eliminated.

The income tax effects of consolidation entries are reflected through recognizing deferred taxes.

CONSOLIDATION SCOPE

All subsidiaries are included in the consolidated financial statements of BRAIN Biotech AG. Subsidiaries are companies that BRAIN Biotech AG controls. BRAIN Biotech AG controls an investee when it has the power of disposal over the company, a risk exposure exists through, or rights to variable returns exist from, its arrangement in the investee, and the Group has the ability to use its power of disposal over the investee in a manner such that the amount of the variable returns of the investee is affected. The consolidation of an investee commences on the date on which the Group obtains control of the company. It ends when the Group loses control of the investee.

In addition to BRAIN Biotech AG, the following subsidiaries were included in the consolidated financial statements for the period ended 30 September 2025:

Name and domicile of the company	Shareholdings as at 30.09.2025
AnalytiCon Discovery LLC, Rockville, Maryland, USA	100 %
BRAIN UK II Ltd., Cardiff, UK	100 %
Biocatalysts Ltd., Cardiff, UK	100 %*
Biocatalysts Inc., Chicago, Illinois, USA	100 %*
Biocatalysts Inc. DBA Biosun Flavors and Food Ingredients, Tampa, Florida, USA (formerly BioSun Biochemicals Inc.)	100 %*
Breatec BV, Nieuwkuijk, Netherlands	100 %*
WeissBioTech GmbH, Ascheberg, Germany	100 %*
BRAIN UK Ltd. i.L., Cardiff, UK	0 %**
BRAIN US LLC i.L., Rockville, Maryland, USA	0 %**
RMH AG (formerly Akribion Genomics AG), Zwingenberg, Germany	100 %
Weriol Group BV, Nieuwkuijk, Netherlands	0 %***

* Indirect interests

** Liquidation completed during the 2024/25 financial year

*** From 9 September 2025 merged with Breatec BV, with effect from 1 January 2025

SolasCure Ltd., Cambridge, UK, was included as an equity-accounted investment in the consolidated financial statements for the periods ending 30 September 2025 and 30 September 2024. The 30 June reporting date diverges from the reporting date of BRAIN Biotech AG. BRAIN Biotech AG holds 35.27 % (previous year: 34.16 %) of the voting rights in SolasCure Ltd.

CHANGE IN THE CONSOLIDATION SCOPE

The liquidations of BRAIN UK Ltd. and BRAIN US LLC were completed during the 2024/25 financial year.

From 9 September 2025, Weriol Group BV was merged with Breatec BV, with effect from 1 January 2025.

No further changes in the scope of consolidation occurred in the 2024/25 financial year.

Changes in the previous year:

- The liquidations of BRAIN Capital GmbH and MEKON Science Networks GmbH were completed during the 2023/24 financial year.
- From 6 June 2024, AnalytiCon Discovery GmbH was merged with BRAIN Biotech AG, with effect from 1 October 2023.

EQUITY-ACCOUNTED INVESTMENTS

Equity-accounted investments are associates over whose financial and business policy decisions BRAIN Biotech AG can exercise significant influence. Significant influence is presumed to exist if BRAIN Biotech AG directly or indirectly holds a minimum of 20 % and a maximum of 50 % of the voting rights.

Under the equity method, the investment is initially recognized at cost and subsequently adjusted to reflect post-acquisition changes in the proportionate interest of BRAIN Biotech AG in the investee's net assets. Any share of the investee's losses that exceeds the carrying amount of the investment (where appropriate, including any other long-term interests that form part of the net investment in the investee) is not recognized unless a legal or constructive payment obligation exists. Any goodwill recognized is reported as a component of the value of the interest in the associate. Unrealized intra-group profits or losses arising from transactions between BRAIN Biotech AG and the associate are eliminated proportionately in the same way as consolidation adjustments.

If objective evidence of impairment exists, the carrying amount of the equity-accounted investment is compared with its recoverable amount in the course of the impairment test. If the carrying amount exceeds the recoverable amount, the difference is recognized as an impairment loss. If the reasons for an impairment loss that was previously recognized cease to exist, a corresponding reversal of the impairment loss is applied.

For further notes, please see section (14) Equity-accounted investments.

III. Accounting policies

BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on the assumption that the company constitutes a going concern based on historical purchase and manufacturing costs, limited by the measurement of financial assets and financial liabilities at fair value through profit or loss.

Where indications exist of potential value impairment (so-called triggering events), a corresponding review is conducted based on the recoverable amount. As part of such impairment tests, fair values are also taken into consideration to calculate the lower value limit for individual assets. Valuation surveys for land and buildings, among other inputs, can also be applied in this context. If the carrying amount exceeds the recoverable amount, impairment losses are recognized against the assets to write them down to their recoverable amount.

USE OF ASSUMPTIONS AND ESTIMATES

In the financial statements, estimates and assumptions have to be made to a certain extent that affect the level and reporting of assets and liabilities, expenses and income, and contingent liabilities. All estimates and assumptions are continuously reassessed and are based on historical experience and other factors, including expectations of future events that are believed to be appropriate under the given circumstances.

Assumptions and estimates relate in particular to:

- evaluating the capitalization of development expenditures (no development costs were capitalized in the financial year under review, and none were capitalized in the previous year),
- the (non-) capitalization of deferred taxes relating to tax loss carryforwards,
- measuring the useful life of intangible assets and of property, plant and equipment,
- identifying potential asset impairments (particularly goodwill and inventories),
- the measurement and reporting of put options for the acquisition of non-controlling interests (in particular with regard to the exercise dates. See also “Valuation risks connected with foreign currency put option agreements” in this document);
- the measurement of share-based compensation schemes,
- the determination of the transaction price and the date of revenue recognition according to IFRS 15,
- the determination of the amount of impairment of trade receivables in accordance with IFRS 9,
- the determination of present values for lease liabilities using a marginal borrowing rate,
- the assessment of possible utilization of contract extension options under IFRS 16,
- the formation of provisions depending on the assessment of event risk.

the measurement of financial liabilities for future payments to Royalty Pharma:
The basis for the initial measurement at fair value reflected the management planning prepared by BRAIN Biotech AG and the resulting expected future license revenue for the coming years from the agreement with Pharvaris N.V. These cash flows also form the further basis for subsequent measurement at amortized cost. The planning assumptions are based on estimates and mainly relate to the expected license income from deucrictibant, the initial effective interest rate, and the expected term of the cash flows. The expected revenue is influenced by estimates relating to the number of patients treated, prices achievable on the market, and Pharvaris' market share. The term of the cash flows corresponds to the estimated period over which deucrictibant will generate revenue in the future, starting from the date of brand entry and ending with the expiry of the patent.

The key assumptions and inputs for the estimates made by management are explained in the disclosures on the respective line items. The resulting amounts may differ from the actual amounts.

CURRENCY TRANSLATION

Translation of foreign currency transactions

Cash and cash equivalents as well as receivables and liabilities denominated in foreign currencies are translated at the closing rate. Currency translation differences are recognized in profit or loss. Transactions denominated in foreign currencies are reported applying the currency rate on the date of the respective transaction. The risk assessment of currency exchange rate differences that are recognized through profit or loss occurs on a net basis. The net results from translation differences are immaterial in total.

Translation of foreign Group companies' financial statements

In the case of foreign Group companies, the functional currency is the respective local currency, as the companies operate independently in financial, business and organizational terms. The foreign companies' assets and liabilities are translated into euros at the closing rate on the reporting date. Income and expenses are translated into euros at the average exchange rates for the year. Equity components are translated at historical exchange rates on the respective acquisition dates from the Group's perspective. The translation difference compared with the closing rates is recognized directly in equity under "Other reserves".

The exchange rates against the euro report the following changes:

Rate/EUR		Closing rate		Average rate	
Currency	**Country**	**2024/25**	**2023/24**	**2024/25**	**2023/24**
GBP	UK	1.1450	1.1970	1.1820	1.1693
USD	USA	0.8517	0.8932	0.9041	0.9224

REVENUE RECOGNITION

The revenue reported in the consolidated income statement relates to revenue from contracts with customers in accordance with IFRS 15. The BRAIN Biotech Group recognizes revenue in accordance with the IFRS 15 transfer of control approach.

Revenue is measured on the basis of the consideration specified in the contract with a customer, taking into account variable consideration such as cash discounts, volume-related rebates and other contractual price reductions. The variable consideration is estimated based on the most probable amount. However, variable consideration is only taken into consideration if it is highly probable that a significant reversal in revenue will not arise once the uncertainty associated with the variable consideration no longer exists. In addition, the determination of the transaction price requires discretionary decisions and estimates in light of uncertainties typical of the sector, which are associated with future milestone and license payments. These discretionary decisions relate to the valuation of the inclusion of milestone payments in the transaction price. Accordingly, milestones are included in the transaction price only if it is highly probable that they will be reached.

Revenue is recognized when control, in other words, the possibility of deriving benefit from the service rendered and of determining its further use, is transferred. This can occur either at a specific time or over a period of time. Revenue is recognized over a period of time if one of the following criteria is met:

- Upon fulfilment by the company, the customer receives the benefit of the service rendered and utilizes it at the same time.
- With its work, the company produces or improves an asset over which the customer has control during the production or improvement.
- With its work, the company generates an asset that cannot be used by the company for other purposes; in doing so, the company has a claim for payment for the services rendered to date and can also expect the contract to be fulfilled as agreed.
- If the performance obligation is not fulfilled over a period of time, it is fulfilled at a given point in time. The following factors are considered in order to determine the point in time at which control is transferred:
- the Group currently has the right to receive payment for the asset,
- the customer has legal ownership of the asset,
- the company has transferred the asset physically (in other words, ownership of the asset),
- the significant risks and rewards entailed in ownership of the asset lie with the customer, and
- the customer has accepted the asset.

Sale of goods/products

Revenue from the sale of products is recognized when control of a promised product is transferred in accordance with Incoterms agreed with customers. This is usually when the delivery has reached the customer.

Rendering of services

Revenue from rendering services arises mainly from research and development partnerships, and is generated predominantly in the BRAINBiocatalysts and BRAINBioIncubator segments. Related one-off payments (mostly to be paid by customers when agreements are concluded) are analyzed on the date of receipt as to whether they relate to one-off payments for pre-contractual services that transfer to the customer and that are distinct. To the extent that this is the case, revenue is recognized immediately. R&D revenues are also recognized in the period in which the underlying services are rendered. This generally occurs in accordance with the progress of the transfer of the R&D services by applying the cost-to-cost method, as well as the milestones achieved as at the balance sheet date. The cost-to-cost method is best suited for measuring percentage of completion, as the R&D services' product is realized on the basis of the employees it deploys.

Royalties and license fees

Revenues from royalties (license agreements) are recognized in the period in which they accrue according to the terms of the underlying contract. As a matter of principle, revenue-based fees are not recognized until the customer realizes the corresponding sales revenues. In the case of licenses, a distinction must be made as to whether the customer acquires with the license a right-of-use (revenue recognition on the basis of a given point in time) or a right-of-access (revenue recognition over a period of time). One-off prepaid license payments are recognized immediately (revenue recognition based on a given point in time) if the license grants a right-of-use, and the licensed technology is not developed further (static licenses). One-off prepaid license payments are realized over time (revenue recognition over a period of time) if and to the extent that the license grants access rights to the technology, and the licensed technology is developed further (dynamic licenses).

Financing components are separated from the actual performance if they are classified as material. If the period between the time when BRAIN transfers the promised goods or services to the customer and the time when the customer pays for those goods or services is one year or less, no financing component is taken into consideration. Contractual liabilities are reported as deferred income rather than separately on the balance sheet. Separate disclosure is made in section (25) Deferred income.

INTANGIBLE ASSETS

Acquired intangible assets, with the exception of goodwill and capitalized development costs, are measured at cost less straight-line amortization over their useful economic lives. Cost consists of directly attributable costs. The useful lives and depreciation methods are reviewed each year and modified if necessary. The useful lives applied by the Group are as follows:

	Useful life in years
Genetic resources	2 – 8
Software and industrial property rights	2 – 15
Customer relationships acquired as part of a corporate acquisition	8 – 11
Technology acquired as part of a corporate acquisition	10 – 12

RESEARCH AND DEVELOPMENT

Research costs are recognized as expenses in the period in which they are incurred. In accordance with IAS 38.53 and IAS 38.57, development expenditures are capitalized if the following criteria are met:

- It is technically feasible for the entity to complete the intangible asset so that it will be available for use or sale.
- The entity intends to complete the intangible asset and use or sell it.
- The entity is able to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits can be demonstrated. Inter alia, the entity can substantiate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the intangible asset's utility.
- The availability of adequate technical, financial, and other resources to complete development, and use or sell the intangible asset.
- The entity is able to reliably measure the expenditure attributable to the intangible asset during its development.

Not all of these criteria were met in the financial year, so that all expenditure connected with research and development activities was recognized as expenses as incurred.

PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are measured at cost and depreciated to reflect any wear and tear. The straight-line depreciation method is applied.

The depreciation period is based on the asset's expected useful economic life. Impairment losses and depreciation charges are recognized if no further, or fewer, economic benefits are expected from the asset's continued use or sale. Gains or losses on the disposal of items of property, plant and equipment are calculated by comparing the net disposal proceeds with the asset's carrying amount and recognized in profit or loss in the period in which the asset is derecognized.

Depreciation charges are based mainly on the following useful lives:

	Useful life in years
Buildings and outdoor facilities	10 – 50
Vehicle fleet	3 – 6
Laboratory equipment, operating and office equipment	1 – 15

IMPAIRMENT TESTS

Goodwill and other intangible assets with an indefinite or indeterminable useful life are tested at least once per year for impairment. Intangible assets and items of property, plant and equipment with finite or indeterminable useful lives are only tested for impairment if indications exist that the asset has become impaired. An impairment loss is recognized in profit or loss in the consolidated statement of comprehensive income if the asset's recoverable amount, in other words, the higher of its fair value less costs of disposal and its value-in-use, is less than its carrying amount. The recoverable amount is generally determined individually for each asset. If this is not possible, it is determined based on a group of assets representing a cash-generating unit (CGU). An assessment is made at least once a year whether any indication exists that the reason for an impairment loss recognized in prior periods no longer applies or the amount of the impairment has decreased. If this is the case, the asset's recoverable amount is remeasured, and the impairment loss is reversed accordingly (except in the case of goodwill).

The starting point for estimating the recoverable amount of the relevant cash-generating unit for the goodwill impairment tests as at 30 September 2025 is its value-in-use, calculated as the present value of the future net cash flows expected to be generated from the CGU. The estimate is based on the current five-year planning of the relevant company. The last planning year is generally also applied for cash flows beyond the planning period and modified considering further assumptions for the perpetual return, to the extent that specific related indications exist. These plans are based on Management Board estimates about future trends that are de-scribed further in the description of the individual cash-generating units. Past data and expected market performance are utilized to calculate values-in-use for the cash-generating units. The values allocated to the significant assumptions are generally in line with external information sources in this context.

The cash generating unit's capital costs are calculated as the weighted average of its equity and debt costs. The capital structure, and equity and debt costs, are based on peer companies from the same sector and are derived from available capital market information.

INVENTORIES

Raw materials, consumables, and supplies as well as unfinished goods and services, are measured at cost. The average cost method is mainly applied, taking into account the lower of cost and net realizable value less costs to sell. In addition to direct costs, production costs include appropriate portions of materials and production overheads. Borrowing costs are not capitalized. Write-downs to a lower net realizable value are applied if necessary.

FINANCIAL INSTRUMENTS

Financial instruments refer to all contractual relationships that result in a financial asset for one party and a financial liability or equity instrument for the other party. Financial instruments include both non-derivative and derivative financial instruments.

Financial instruments are classified into three categories on initial recognition:

- at amortized cost (AC),
- at fair value through other comprehensive income (FVTOCI),
- at fair value through profit or loss (FVTPL).

All financial assets and financial liabilities were initially recognized at fair value (less directly attributable transaction costs). Trade receivables are recognized at the transaction price.

When financial assets are measured at fair value, expenses and income are to be recognized, depending on their classification, either in full in the profit or loss for the period (FVTPL) or through other comprehensive income (FVTOCI), with or without subsequent reclassification to the income statement.

The classification is determined when the financial asset is first recognized, in other words, when BRAIN becomes a party to the contractual arrangements for the instrument.

All financial liabilities are recognized at AC, with the exception of financial liabilities (see Note 21 Financial liabilities and VII Financial instruments).

A debt instrument that meets the following two conditions is measured at amortized cost:

- Business model condition: The objective of the BRAIN Biotech Group's business model is to hold the financial assets in order to collect the contractual cash flows.
- Cash flow condition: The contractual terms of the financial asset generate cash flows at specified times that are solely payments of principal and interest on the principal outstanding.
- A debt instrument that meets the following two conditions is measured at fair value changes recognized in other comprehensive income and subsequent reclassification to the income statement:
- Business model condition: The objective of the BRAIN Biotech Group's business model is achieved by both collecting the contractual cash flows from financial assets and by disposing of financial assets.
- Cash flow condition: The contractual terms of the financial asset generate cash flows at specified times that are solely payments of principal and interest on the principal outstanding.

All other debt instruments are measured at fair value with value changes recognized in profit or loss for the period (FVTPL).

All equity instruments held are recognized at fair value on the balance sheet. Value changes are recognized in the result for the period. If an equity instrument is not held for trading, BRAIN may make an irrevocable decision upon initial recognition to measure it at fair value, with value changes recognized in other comprehensive income. Subsequent reclassification to the income statement is excluded in this case.

Financial assets are generally only derecognized if no prospect of recovery exists, such as if enforcement has been unsuccessful, insolvency proceedings have been discontinued for lack of assets, or the debt has become statute-barred. No further enforcement actions are taken subsequently. Financial assets whose terms were amended because they would otherwise have been overdue or impaired did not exist in the past financial year (as in the previous year).

Debt instruments are derecognized from the consolidated balance sheet when all risks and rewards have been transferred and the related receipt of payment is assured. If not all risks and rewards are transferred, the debt instruments are derecognized when control of the debt instrument is transferred.

IMPAIRMENT OF FINANCIAL ASSETS

Impairment losses on debt instruments held by the company that are not to be measured at fair value through profit or loss are based on the premise that expected losses must be recognized. These are recorded at the following amounts:

- the "expected 12-month loss" (present value of expected payment defaults resulting from possible default events within the next twelve months after the reporting date) or
- the total loss expected over the remaining term of the instrument (present value of expected payment defaults arising from all possible default events over the financial instrument's remaining term).

For trade receivables with and without a significant financing component, contract assets and leasing receivables, the need for impairment is always determined on the basis of the losses expected over the entire term. For all other instruments, impairments are only determined on the basis of the losses expected over the entire term if the credit risk has increased significantly since initial recognition. The assessment as to whether the risk of default has increased significantly is based on an increase in the probability of default since the date of acquisition. Macroeconomic forecasts (such as in relation to gross domestic product) are also taken into consideration in this analysis.

Otherwise, the impairment losses are determined solely on the basis of the expected losses that would result from a loss event occurring within twelve months of the reporting date. In this case, loss events that may occur later than twelve months after the balance sheet date are consequently not taken into consideration.

The credit quality of a financial asset is impaired if one or more events have occurred that have an adverse effect on the expected future cash flows. This includes observable data that has become known about subsequent events:

- significant financial difficulties on the part of the issuer or debtor,
- a breach of contract such as default or delay in interest or principal payments,
- concessions that the lender makes to the borrower for financial or contractual reasons relating to the borrower's financial difficulties; but would not otherwise grant,
- an increased probability that the borrower will enter bankruptcy or other reorganization proceedings,
- the disappearance of an active market for this financial asset due to financial difficulties,
- the purchase or issue of a financial asset with a high discount reflecting the credit losses incurred.

A value adjustment table is applied for trade receivables, which determines the losses expected over the remaining term as a flat-rate percentage depending on the length of the overdue period. Irrecoverable receivables are written off at the time when the Group becomes aware that the receivable will probably be uncollectible.

GOVERNMENT GRANTS

Monetary grants and other support payments for research and development projects are reported separately in the statement of comprehensive income as "research and development grant revenue".

According to IAS 20, these government grants are only recognized at fair value if satisfactory evidence exists that the grant conditions are met and the grants will be paid. Grants are recognized in profit and loss in the reporting period during which the costs related to the respective grants were incurred. Receivables from grants that have not yet been settled are reported as trade receivables, as the underlying research and development activities form a significant element of the range of work and service of the BRAIN Biotech Group.

Investment subsidies and grants for assets are not deducted from the costs of acquiring the respective assets, but are instead recognized as deferred income. Such deferred income is recognized as income in line with the depreciation or amortization of the corresponding assets, and is reported in the statement of comprehensive income under other income.

EQUITY

To classify financial instruments that are not to be settled in BRAIN Biotech AG equity instruments as either equity or debt capital, it is essential to assess whether a payment obligation exists for BRAIN Biotech AG. A financial liability always exists if BRAIN Biotech AG is not entitled to avoid rendering liquid assets or realizing an exchange in the form of other financial assets in order to settle the obligation.

Costs directly attributable to the issuance of new shares are shown in equity as a deduction from the income received from the issue. If a reporting date occurs between the date on which the costs are incurred and the actual performance of the equity transaction, in other words, an inflow of issue proceeds, the deductible transaction costs accruing in the reporting period are initially recognized under assets as prepaid items, and are not offset against equity (capital reserves) until the capital increase is recognized on the balance sheet.

PROVISIONS

Provisions are recognized for all identifiable present obligations to third parties arising from past events, whose settlement is expected to result in an outflow of resources and whose amount can be reliably estimated. They are recognized at the expected settlement amount. If the outflow of resources is expected to occur at a date after the year following the reporting period, the obligations are recognized at their present value. In the case of a lower level of discounting, the interest effects are recorded in finance costs.

OCCUPATIONAL PENSION SCHEME / EMPLOYEE BENEFITS

The occupational pension scheme at BRAIN includes both defined contribution plans as well as defined benefit plans.

In addition to the statutory pension insurance systems, occupational pensions at BRAIN Biotech AG, Biocatalysts Ltd., Breatec BV, and WeissBioTech GmbH utilize direct insurance policies and payments into pension funds and private pension schemes (direct contribution commitment). Pension schemes also exist for two former members of the Management Board of BRAIN Biotech AG. These schemes are managed and funded through an occupational pension plan (Unterstützungskasse) (direct benefit commitment).

Payments for defined contribution pension schemes are expensed under personnel expenses if the employees have rendered the work entitling them to said contributions. Contributions to government pension plans are treated in the same way as payments for defined contribution plans.

A defined contribution plan exists in Germany for all employees at Group companies within the framework of the German statutory pension insurance into which the employer must pay. The amount to be paid is determined according to the current applicable contribution rate of 9.30 % (employer contribution) with regard to the employee compensation subject to compulsory pension insurance. In the USA, the employer contribution to social security is 6.2 % in relation to annual employee compensation of USD 176,100. In addition, BRAIN offers a company pension scheme in the form of deferred compensation without topping-up contributions by the employer.

A defined benefit plan exists for two former Management Board members in the form of benefit commitments by the company. The benefit entitlements consist of a retirement pension from the age of 65 as well as surviving dependents' and invalidity benefits. To reinsure pension commitments, the company pays contributions to an external occupational pension plan. In turn, the occupational pension plan has taken out pension liability insurance cover. The claims under the pension liability insurance have been assigned to the occupational pension plan beneficiaries.

The pension obligation is measured applying actuarial methods in accordance with IAS 19. The calculations are essentially based on statistical data relating to mortality and disability rates, assumptions about the discount rates as well as expected return on plan assets. The determination of the interest rate and the expected plan assets is based on yields on AA-rated corporate bonds corresponding to the respective term. As part of accounting, the fair value of plan assets is deducted from the present value of the benefit obligation for pensions. The valuation of the benefit obligation for pensions and the plan assets is undertaken annually by means of actuarial reports as at the reporting date.

Revaluations that resulted in particular from the adjustment of actuarial assumptions are recognized directly in equity (retained earnings) via other comprehensive income without affecting the operating result.

EMPLOYEE STOCK OWNERSHIP PROGRAM (ESOP)

The following ESOP programs are in place to incentivize and retain managers and employees of BRAIN Biotech AG over the long term:

- on 8 June 2018, an Employee Stock Ownership Program (ESOP 2017/18) for the 2017/18 financial year,
- on 12 March 2019, an Employee Stock Ownership Program (ESOP 2018/19) for the 2018/19, 2019/20, 2020/21, 2021/22 and 2022/23 financial years,
- on 8 March 2023, an Employee Stock Ownership Program (ESOP 2023) for the 2022/23, 2023/24, and 2024/25 financial years,
- on 18 March 2025, an Employee Stock Ownership Program (ESOP 2025).

Managers and employees as well as the Management Board members of BRAIN Biotech AG participate in all ESOPs. In the 2024/25 financial year, further options were issued as planned on 17 January 2025 as part of ESOP 2023, and on 25 September 2025 as part of ESOP 2025.

- The ESOP 2017/18 stock option program is based on the AGM resolution of 8 July 2015 to set up a stock option program and create Conditional Capital 2015/II.
- The ESOP 2018/19 stock option program is based on the AGM resolution of 7 March 2019 to set up a stock option program and create Conditional Capital 2019/I.
- The ESOP 2023 stock option program is based on the AGM resolution of 8 March 2023 to set up a stock option program and create Conditional Capital 2023/II.
- The ESOP 2025 stock option program is based on the AGM resolution of 18 March 2025 to set up a stock option program and create Conditional Capital 2025/I.

As part of exercise, one option entitles to the purchase of one share in the company at the so-called exercise price. The exercise price corresponds to an average of the share price 10 trading days before the contractual grant date for ESOP 2017/18 and ESOP 2018/19, and 30 trading days before the contractual grant date for ESOP 2023 and ESOP 2025.

Along with the share price performance targets (performance condition), the exercising of options is also conditional upon the respective beneficiary remaining at the company (service condition). Taking fulfilment of both the service and performance conditions into account, the options can be exercised at the earliest at the end of four years after the grant date (waiting period). The exercise period for ESOP 2018/19 is four years after expiry of the four-year waiting period, and for ESOP 2023 and ESOP 2025 two years after expiry of the four-year waiting period.

From the ESOP 2018/19 onwards, a cap amount is also applied to the Management Board members' options, which limits the options' maximum value. The ESOP 2017/18, ESOP 2023, and ESOP 2025 only provide for such a cap for Management Board members.

The options are to be recognized in accordance with the provisions of IFRS 2 "Share-based Payment", and are to be classified as equity-settled share-based payment transactions.

As a matter of principle, the fair value of the options is measured once at the grant date using a Monte Carlo simulation, and taking into consideration the terms and conditions upon which the options were granted.

The volatility applied over the remaining option term reflects historical volatility derived from peer group data, and appropriate to the remaining term. The expected volatility applied is based on the assumption that conclusions can be drawn from historical volatility about future trends. The volatility that actually occurs can differ from the assumptions made. The expected dividend yield is based on management estimates as well as market expectations. The risk-free interest rate is based on German government bond yields with congruent maturities. Due to the contractual structure, the management has made assumptions about expected exercise dates and payments. The actual exercise dates can differ from the assumptions that have been made.

For BRAIN Biotech AG, exercise of the subscription rights entails no effect on its cash position or treasury share position, as no obligation of any kind exists for the company to deliver shares or cash payments in connection with these programs. As the company receives the consideration in the form of work and similar service, a personnel expense for these share-based payment schemes is recognized pursuant to IFRS 2.

CURRENT AND DEFERRED TAXES

The expense for the period consists of current and deferred taxes. Taxes are recognized in the income statement unless they relate to items that were recognized directly in equity or in other comprehensive income. In such cases, the taxes are also recognized directly in equity or in other comprehensive income.

The current tax expense is calculated by applying the tax rates that have been enacted as at the reporting date (or are soon to be enacted) in the countries where the company and its subsidiaries are active and generate taxable income. The Management Board regularly reviews tax returns, in particular with regard to matters for which differing interpretations are possible, and recognizes income tax liabilities (if appropriate) based on the amounts expected to be paid to the tax authorities.

Deferred taxes are calculated using the balance sheet liability method. Deferred taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities on the IFRS balance sheet and their tax base, as well for differences resulting from consolidation adjustments.

In addition, deferred tax assets are recognized for the future tax benefit that arises from offsetting tax loss carryforwards against future taxable profit, to the extent that it is probable that such assets are expected to be recoverable, based on the company's tax projections.

Deferred tax assets and liabilities are offset if a legally enforceable right of offset exists and they relate to income taxes levied by same tax authority on the same taxable entity or the taxable entities intend to settle net.

Deferred tax assets or liabilities are reported as non-current assets or liabilities irrespective of the balance sheet classification by maturity.

LEASES

A lease is an agreement that gives the right to control the use of an identified asset for a specified period of time in return for payment of a consideration. Lease agreements exist at BRAIN Biotech AG as lessee, in particular in connection with real estate, technical plant and equipment, and vehicles. The BRAIN Biotech Group does not act as a lessor.

As a lessee, BRAIN Biotech AG now accounts for all leases and recognizes rights-of-use to assets and liabilities arising from leases in accordance with the following principles:

- BRAIN Biotech AG utilizes the option not to recognize leases for intangible assets as part of IFRS 16.
- BRAIN Biotech AG applies the exemptions in connection with lease agreements with a maximum term of twelve months from the date of delivery of the asset, as well as low-value assets. Leased assets with a maximum value of USD 5,000 were defined as low-value assets. Lease payments for short-term leases and for leases for low-value assets are expensed straight-line over the lease term.
- For leases, use is generally made of the option of not separating lease and non-lease components. Lease and non-lease components are separated only for leases of land and buildings.
- In determining the term of leases, the exercise of existing renewal or termination options is estimated on a case-by-case basis, taking into account factors such as location strategies, leasehold improvements and degree of specificity.
- Lease liabilities are measured at the present value of the remaining lease payments. As a rule, the marginal borrowing rate is used because the interest rate underlying the lease cannot be readily determined. BRAIN Biotech AG applies the repayment model in order to determine the current portion of the lease liability. The current portion of the lease liabilities corresponds to the repayment portion of the next twelve months.
- On the date of addition, the right-of-use is generally capitalized in the same amount as the lease liability. Differences may arise if, for example, demolition/restoration obligations exist.
- Subsequently, the right-of-use is generally depreciated on a straight-line basis over the lease term. However, if an existing call option has been assessed as sufficiently certain in relation to the probability of exercise, or if an automatic transfer of ownership occurs at the end of the contract term, depreciation is applied over the same period as is otherwise applied to corresponding assets of property, plant and equipment (see “Property, plant and equipment”).
- If an existing lease is subsequently adjusted, the lease liability and the right-of-use asset must be remeasured if the contractual adjustment modifies the payment profile (in accordance with the interest and repayment schedule) or the scope of the right-of-use asset in terms of quantity or time.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, and time deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

STATEMENT OF CASH FLOWS

The statement of cash flows is classified into cash flows from operating activities, investing activities and financing activities. Where appropriate, any mixed transactions may be allocated to more than one activity. Overall, income taxes are included in cash flows from operating activities.

Cash flows from operating activities are presented applying the indirect method, under which profit for the period after taxes is adjusted for non-cash results components as well as deferrals of past or future inflows and outflows (including provisions), as well as items of income and expense that are attributable to investing activities.

IV. Segment reporting

The Management Board, as the chief operating decision maker, carries out the final assessment of opportunities and risks, and allocates the operating segments' resources. The segmentation as well as the selection of the published indicators are based on the internal control and reporting systems (the "management approach"). The segment information is prepared applying the same accounting standards as described in the notes to the consolidated financial statements.

Based on operative monitoring and control by the Management Board, three operating segments were identified, for which no further aggregation is possible due to their differing product and service orientation. Compared with the consolidated financial statements as at 30 September 2024, the following changes have occurred in relation to segment reporting.

The BioScience segment was discontinued and, as described below, allocated to the other segments. The BioScience segment in Zwingenberg was allocated to the former BioProducts segment and renamed **BRAINBiocatalysts**. The branch operation of BRAIN Biotech AG, AnalytiCon Discovery, was allocated to the **BRAINBioIncubator** segment (previous year: BioIncubator).

The **BRAINBiocatalysts** segment mainly comprises the industrially scalable product business, including the development (at the R&D Campus Zwingenberg), production and sale of specialty enzymes, microorganisms, and ingredients. Thanks to ongoing investments in its own fermentation capacities, the BRAIN Biotech Group has significantly expanded its value chain in the BRAINBiocatalysts segment over recent years.

The **BRAINBioIncubator** segment mainly comprises the R&D pipeline of projects developed in-house or together with partners, as well as research on natural substances and for the pharmaceutical industry. Here, deploying both our own research funds and working together with partners, we aim for breakthroughs in biotechnologically produced solutions that address a number of society's most pressing issues: nature-based food ingredients, life sciences, and environmentally compatible production methods.

The **BRAINBiotech Holding** segment mainly includes personnel expenses and other expenses for Group administration, further development of the BRAIN Biotech Group, stock exchange listing, and M&A activities.

Both operating segments their own strategic orientation and consequently require differentiated marketing and business development strategies. At Management Board level, revenue is used as a common key performance indicator for the segments' performance, and adjusted EBITDA is used as a measure of the individual segments' profitability. The Management Board and the Supervisory Board carry out and approve planning at this level.

The allocation of adjustments (see the section "Adjustments to earnings") to the segments is generally made in the segment in which the costs to be adjusted were incurred.

Sales revenues generated between the segments are realized on standard market terms.

The following overview presents the segment results. The previous year's figures have been adjusted in line with the new segmentation.

	BRAINBiocatalysts		BRAINBioIncubator		Holding		Consolidation		Group	
€ thousand	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Revenue generated with other segments	0	105	0	89	0	0	0	-194	0	0
Revenue generated with external customers	45,424	47,434	4,199	7,198	0	0	0	0	49,623	54,631
Total revenue	**45,424**	**47,538**	**4,199**	**7,288**	**0**	**0**	**0**	**-194**	**49,623**	**54,631**
R&D grant revenue[1]	379	271	214	597	0	0	0	0	593	868
Changes in inventories[2]	258	-150	14	-283	0	0	0	0	271	-433
Other income	927	323	178	154	152	0	-152	-23	1,105	453
Total operating performance	**46,988**	**47,983**	**4,604**	**7,755**	**152**	**0**	**-152**	**-217**	**51,592**	**55,520**
Cost of materials	-20,848	-22,827	-801	-1,243	0	0	0	201	-21,649	-23,870
Personnel expenses	-14,726	-13,154	-4,028	-6,916	-2,511	-5,034	152	0	-21,113	-25,014
of which from share-based payments	258	293	0	0	525	601	0	0	783	894
of which redundancy costs - Zwingenberg	508	0	0	0	0	0	0	0	508	0
of which redundancy costs - Büttelborn	69	0	0	0	0	0	0	0	69	0
of which Royalty Pharma transaction costs	0	0	0	0	0	2,467	0	0	0	2,467
Other expenses	-7,976	-7,165	-1,078	-1,792	-1,799	-1,620	0	2	-10,854	-10,576
of which costs for integrating the German site into the Netherlands	134	0	0	0	0	0	0	0	134	0
of which redundancy costs - Zwingenberg	8	0	0	0	0	0	0	0	8	0
of which Royalty Pharma transaction costs	0	0	0	0	0	248	0	0	0	248
EBITDA	**3,437**	**4,837**	**-1,303**	**-2,196**	**-4,158**	**-6,655**	**0**	**-15**	**-2,025**	**-4,029**
Adjusted EBITDA	**4,414**	**5,130**	**-1,303**	**-2,196**	**-3,633**	**-3,339**	**0**	**-15**	**-522**	**-420**
Depreciation and amortization	-4,530	-4,184	-596	-639	0	0	0	0	-5,126	-4,823
EBIT	**-1,093**	**652**	**-1,899**	**-2,835**	**-4,158**	**-6,655**	**0**	**-15**	**-7,151**	**-8,852**
Finance income									1,642	395
Result from equity-accounted investments									-525	-498
Finance costs									-5,989	-2,035
Result before taxes									**-12,023**	**-10,990**

1 Research and development grant revenue

2 Changes in inventories of finished goods and in work in progress

Revenue derived from the following sources:

€ thousand	2024/25	2023/24
Enzymes & Bio-based Products	40,105	42,345
Research and development	4,068	4,960
Licenses	858	0
Other revenue	393	128
BRAINBiocatalysts	**45,424**	**47,433**
Research and development	3,432	4,722
Product business ("Libraries")	558	2,319
Licenses	208	157
BRAINBioIncubator	**4,199**	**7,199**
Group total	**49,623**	**54,631**

The following table presents revenue by geographic region:

€ thousand	2024/25	2023/24
Germany	5,516	6,654
Abroad	44,107	47,978
of which: USA	12,304	13,514
of which: Netherlands	8,851	11,284
of which: UK	4,299	3,681
of which: France	2,176	2,919

Revenue is allocated to countries according to the destination of the products or services. Revenue in other countries was not material in comparison to total revenue and for this reason such revenue is not shown separately.

The following table shows intangible assets and property, plant and equipment by geographic region, according to the respective Group companies' locations. If assets in an individual foreign country are material, they are disclosed separately:

€ thousand	30.09.2025	30.09.2024
Intangible assets	12,491	14,185
Property, plant and equipment	27,550	27,855
Total	**40,041**	**42,040**
of which: UK	22,652	25,046
of which: Germany	9,452	11,073
of which: Netherlands	6,883	4,540
of which: USA	1,054	1,382

V. Notes to the consolidated statement of comprehensive income

ADJUSTMENTS TO EARNINGS

In relation to certain matters, the Management Board defines adjustments for non-operating or non-recurring effects up to the level of EBITDA. The following table shows the reconciliation of reported EBITDA to adjusted EBITDA excluding the aforementioned earnings and expenses as described in the table.

€ thousand	2024/25	2023/24
EBITDA, including:	**-2,025**	**-4,029**
Personnel expenses from share-based payment components	-783	-894
Redundancy costs – Zwingenberg	-517	0
Redundancy costs – Büttelborn	-69	0
Costs for integrating the German site into the Netherlands	-134	0
Personnel expenses in connection with the Royalty Pharma transaction	0	-2,467
Other operating expenses in connection with the Royalty Pharma transaction	0	-248
Adjusted EBITDA	**-522**	**-420**

1 REVENUE

The Group's revenue includes revenue from the sale of goods and products amounting to € 40,663 thousand (previous year: € 44,663 thousand), remuneration from research and development partnerships amounting to € 7,500 thousand (previous year: € 8,733 thousand), utilization fees of € 1,066 thousand (previous year: € 1,106 thousand), and other revenue of € 393 thousand (previous year: € 128 thousand).

Fees from research and development partnerships consist of one-off fees, ongoing research and development fees, and performance-related fees from milestones and project success points.

The composition of revenue by segments and regions is presented in IV Segment reporting.

2 RESEARCH AND DEVELOPMENT GRANT REVENUE

R&D grant revenue amounting to € 593 thousand (previous year: € 868 thousand) consists of non-repayable grants received for specific research and development projects, mainly for projects sponsors acting on behalf of the Federal Ministry of Education and Research (BMBF). The BMBF has the right to examine whether the funds granted are being used for the designated purpose.

3 OTHER INCOME

Other income consists of:

€ thousand	2024/25	2023/24
Services and recharging of expenses	350	0
Income from release of liabilities	274	53
Income from translating foreign currency items	274	39
Benefits in kind	86	143
Other out-of-period income	19	78
Miscellaneous other income	102	139
Total	**1,105**	**453**

4 COST OF MATERIALS

The cost of materials contains the cost of raw materials, consumables, and supplies, the cost of purchased merchandise, and the cost of services, in particular for third-party research and development expenses relating to R&D partnerships with universities and with other technology companies.

5 PERSONNEL EXPENSES

Share-based payment and other long-term employee benefits

Employee Stock Ownership Program (ESOP)

The following overview shows the measurement date and the exercise price.

ESOP 2017/18	Measurement date	Options outstanding	Exercise price (€)
ESOP 2017/18	12 March 2018	63,000	20.67

ESOP 2018/19	Measurement date	Options outstanding	Exercise price (€)
ESOP 2018/19	08 June 2018	177,600	10.64
ESOP 2019/20	09 March 2020	248,000	9.11
ESOP 2020/21-Oct	02 October 2020	60,000	7.37
ESOP 2020/21-Mar	15 March 2021	312,000	9.03
ESOP 2021/22-Oct	08 April 2022	264,000	8.71
ESOP 2021/22-Sep	27 September 2022	60,000	5.43
ESOP 2022/23-Oct	01 October 2022	90,000	5.22

ESOP 2023	Measurement date	Options outstanding	Exercise price (€)
ESOP 2022/23-Sep-I	20 September 2023	122,000	4.62
ESOP 2022/23-Sep-II	27 September 2023	113,524	4.59
ESOP 2023/24-Dec	14 December 2023	245,069	3.69
ESOP 2024/25-Jan	17 January 2025	280,481	3.62

ESOP 2025	Measurement date	Options outstanding	Exercise price (€)
ESOP 2024/25-Sep	25 September 2025	295,919	2.18

When the options were issued in the 2024/25 financial year for the ESOP 2024/25-Jan, the grant date was 17 January 2025, and for the ESOP 2024/25-Sep, the grant date was 25 September 2025.

The following overview presents the options granted, expired, forfeited and exercised in the financial year under review per type:

	Options for managers and employees	Options for Management Board members
Outstanding as at 30.09.2024	**836,600**	**918,593**
Granted in the financial year under review	195,000	381,400
Expired in the financial year under review	0	0
Forfeited in the financial year under review	0	0
Exercised in the financial year under review	0	0
Outstanding as at 30.09.2025	**1,031,600**	**1,299,993**
Exercisable as at 30.09.2025	600,600	260,000

Parameter	Options for Management Board members, managers and employees (ESOP 2024/25-Jan): issued in FY 2024/25	Options for Management Board members (ESOP 2024/25-Sep): issued in FY 2024/25
Measurement date	17 January 2025	25 September 2025
Remaining term (in years)	6	6
Share price on the measurement date (€)	3.31	2.15
Exercise price (€)	3.62	2.18
Expected dividend yield (%)	0.0	0.0
Expected volatility of the BRAIN share (%)	64.52	75.32
Expected volatility of the HDAX 110 Index (%)	16.20	17.28
Expected volatility of NASDAQ Biotechnology Index (%)	21.67	22.04
Risk-free interest rate (%)	2.27	2.22
Model applied	Monte Carlo	Monte Carlo
Value cap per option (€)	n/a	n/a
Fair value per option (€)	1.81	1.35

As the company receives the consideration in the form of work and similar service, pursuant to IFRS 2 an amount of € 783 thousand (previous year: € 894 thousand) for these share-based payment schemes is recognized at BRAIN Biotech AG. Of this amount, € 332 thousand relates to Management Board members (previous year: € 340 thousand).

Growth equity program at Biocatalysts Ltd.

In the 2018/19 financial year, a share-based compensation scheme was established to incentivize and retain managers at Biocatalysts Ltd., which was acquired in the 2017/18 financial year, in which managers at local company level participate. In the 2018/19 financial year, the managers acquired 50,197 shares at a nominal price of GBP 0.1, in other words, at a total amount of GBP 5,020. The shares carry neither voting rights nor profit participation rights.

The program was settled in the 2022/23 financial year. The resulting liability of € 0 thousand (previous year: € 658 thousand) is recognized under other liabilities (24).

"CoPerBo" Corporate Performance Bonus for employees of BRAIN Biotech AG

In the 2015/16 financial year, a performance-based compensation scheme was set up for BRAIN Biotech AG employees. This scheme was continued in the financial year under review, and commits an annual bonus to BRAIN Biotech AG staff depending on their respective basic salary received in the financial year and certain development factors. The bonus level is significantly affected in this context by three development factors, each of which affect one third of the bonus payable. All employees of BRAIN Biotech AG with separate target agreements are not entitled to this program.

The first factor is the year-to-year percentage change in the BRAIN Biotech Group's revenue in the respective financial year. The second factor is the change in BRAIN Biotech Group's adjusted EBITDA. A change in these factors of one million is defined as 10 %. The third factor is the change in the weighted average share price over the financial year. The bonus payments for the financial year elapsed are always scheduled to occur in the January of the subsequent year, as the audited segment information is available on that date. The payout range is fixed at between 0 and 30 % of the basic salary paid to an employee. Only ten percentage points may result from each factor.

The information from these financial statements was utilized to calculate the level of the obligation. The provision's effect on adjusted EBITDA was taken into consideration through applying an iterative calculation.

The periodic expense from this program amounted to € 0 thousand for the 2024/25 financial year. A liability of € 0 thousand was formed as at 30 September 2025. An obligation of € 0 thousand arose for the 2023/24 financial year.

Pension commitments

The effects from measuring defined benefit pension commitments for two former Management Board members, which are included in the statement of comprehensive income, consist of the following:

€ thousand	2024/25	2023/24
Service cost	0	0
Interest cost from the DBO/pension obligation	121	124
Return on plan assets	-89	-87
Expenses recognized in the operating result	**32**	**38**
Remeasurement effects	-23	207
Net effect: other comprehensive income	**-23**	**207**
Total expenses	**9**	**245**

The benefit entitlements of two former Management Board members consist of a retirement pension from the age of 65 as well as surviving dependents' and invalidity benefits, which are paid out through an occupational pension plan (defined benefit plans).

The defined benefit obligation (DBO) reports the following changes:

€ thousand	2024/25	2023/24
Value on 1 October	**3,551**	**3,070**
Interest cost	121	124
Service cost	0	0
Remeasurement due to changes to demographic assumptions	0	0
Actuarial gains (-) and losses (+) from changes in financial assumptions	-249	360
Remeasurement due to experience-based adjustments	0	-3
Value on 30 September	**3,423**	**3,551**

The actuarial gains arise mainly from the adjustment of the actuarial interest rate.

The obligation was covered by reinsurance. Plan assets report the following changes:

€ thousand	2024/25	2023/24
Value on 1 October	**2,621**	**2,142**
Return on plan assets	89	87
Contributions paid	243	243
Remeasurement effects	-226	149
Value on 30 September	**2,727**	**2,621**

The plan assets arise exclusively from claims from reinsurance in the form of life insurance policies. To this extent, the fair value cannot be derived from a price in an active market and for this reason is also calculated actuarially.

After offsetting the obligation with the assigned plan assets, the amounts recognized on the balance sheet are as follows:

€ thousand	2024/25	2023/24
Defined benefit obligation	3,423	3,551
Plan assets	-2,727	-2,621
Provision for pension schemes	**696**	**930**

€ thousand	2024/25	2023/24
Value on 1 October	**930**	**928**
Net interest costs	32	38
Service cost	0	0
Contributions paid	-243	-243
Remeasurement effects	-23	207
Value on 30 September	**696**	**930**

In relation to pension obligations hedged through corresponding reinsurance, the "Richttafeln 2018G, Heubeck-Richttafeln GmbH, Köln 2018" mortality tables were utilized to measure the pension obligation as at 30 September 2025.

When measuring the pension obligation, an actuarial interest rate of 3.85 % (previous year: 3.40 %) and a pension trend of 1.00 % (previous year: 1.00 %) was applied. The cashflow-weighted duration of the payment obligation scope amounts to 15.9 years (previous year: 17.4 years).

The significant valuation assumptions show the following sensitivities with regard to changes in the defined benefit obligation:

€ thousand	30.09.2025	30.09.2024
Change in interest rates -0.25 %	135	154
Change in interest rates +0.25 %	-127	-145
Increase in pension trend p.a. +0.25 %	117	126
Life expectancy - 1 year	-83	-91
Life expectancy + 1 year	80	89

The expected contributions to plan assets in the 2025/26 financial year amount to approximately € 243 thousand. No pension payments are expected for the 2025/26 financial year.

These include € 483 thousand (previous year: € 521 thousand) of expenses for pensions (occupational pension scheme, life insurance and pension insurance association contributions).

The employer contributions to the statutory pension insurance scheme amounted to € 1,742 thousand in the financial year under review (prior year: € 1,557 thousand).

Post-employment benefit costs of approximately € 493 thousand and employer contributions to the statutory pension insurance scheme (defined contribution benefit pension plan) of approximately € 1,781 thousand are expected in the 2025/26 financial year.

6 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

Depreciation, amortization, and impairments are presented in the statements of changes in intangible assets and property, plant and equipment in the notes to the balance sheet. Depreciation, amortization, and impairments includes impairment losses of € 182 thousand (previous year: € 0 thousand) in connection with the relocation of WeissBioTech GmbH to the Netherlands.

7 OTHER EXPENSES

Other expenses consist of the following:

€ thousand	2024/25	2023/24
Advertising and travel expenses	1,256	1,042
Distribution, sales, and logistics expenses	1,493	1,453
Occupancy costs	1,455	1,261
Legal and consulting expenses	1,071	1,433
Services	1,026	677
Repair and maintenance expenses	740	634
Other levies and license fees	612	532
Insurance	569	568
Costs of financial statements and auditing	585	478
Office and business supplies	502	472
Supervisory Board compensation	399	429
Training costs	210	207
Currency translation expenses	64	148
Miscellaneous other expenses	871	1,242
Other expenses, total	**10,854**	**10,576**

8 FINANCE INCOME

Finance income consists of the following:

€ thousand	2024/25	2023/24
Income from subsequent measurement of financial liabilities	1,436	204
Interest income	200	49
Income from the (subsequent) measurement of financial derivatives	0	139
Miscellaneous finance income	6	3
Finance income, total	**1,642**	**395**

Income from the subsequent measurement of financial liabilities derives from the exercise of put option rights relating to non-controlling interests in the Breatec Group in an amount of € 1,436 thousand (previous year: € 204 thousand). The purchase price on exercise was lower than the originally calculated liability.

9 FINANCE COSTS

Finance costs consist of the following:

€ thousand	2024/25	2023/24
Effects from the Royalty Pharma financial liability	3,767	85
Interest cost for loans	622	915
Interest cost for silent partnerships	590	377
Interest cost for convertible bond	552	314
Interest cost for leases	441	333
Expense from the (subsequent) measurement of financial derivatives	18	0
Miscellaneous finance costs	0	11
Finance costs, total	**5,989**	**2,035**

Further information on the Royalty Pharma financial liability effects can be found in section (23) Financial liability for future payments to Royalty Pharma.

10 CURRENT AND DEFERRED TAXES

Deferred taxes are measured using the tax rates expected to apply in the period when the asset is realized, or the liability is settled. For all German entities included in the Group, this is 15.825 % for corporate income tax, including the solidarity surcharge (previous year: 15.825 %). The trade tax rate for domestic Group companies and the combined tax rate are shown below:

Trade tax rate	2024/25	2023/24
BRAIN Biotech AG	13.30 %	13.30 %
WeissBioTech GmbH	14.53 %	14.53 %

Combined tax rate	2024/25	2023/24
BRAIN Biotech AG	29.13 %	29.13 %
AnalytiCon Discovery LLC	23.90 %	23.90 %
BRAIN US LLC	23.90 %	23.90 %
Biocatalysts Ltd.	25.00 %	25.00 %
Biocatalysts Inc.	21.00 %	21.00 %
Biocatalysts Inc. DBA Biosun Flavors and Food Ingredients (formerly BioSun Biochemicals Inc.)	21.00 %	21.00 %
Weriol Group BV	-*	25.80 %
Breatec BV	25.80 %	25.80 %
WeissBioTech GmbH	30.28 %	30.28 %

* In the financial year under review, Weriol Group BV was merged with Breatec BV, with tax effect from 1 January 2025

Of the income tax assets of € 129 thousand (previous year: € 214 thousand), € 129 thousand (previous year: € 214 thousand) relate to corporation tax and the solidarity surcharge, and € 0 thousand (previous year: € 0 thousand) relate to trade tax. Of the income tax liabilities of € 12 thousand (previous year: € 24 thousand), € 0 thousand (previous year: € 0 thousand) relate to corporation tax and the solidarity surcharge, and € 12 thousand (previous year: € 24 thousand) relate to trade tax.

Deferred tax assets and liabilities and their changes in the financial year are as follows:

	30.09.2025		30.09.2024	
€ thousand	**Deferred tax assets**	**Deferred tax liabilities**	**Deferred tax assets**	**Deferred tax liabilities**
Intangible assets	0	1,317	0	1,685
Tax loss carryforwards/carrybacks	112	0	197	0
Property, plant and equipment	63	2,260	61	2,501
Trade receivables	2	2	2	2
Pension liabilities	12	0	23	0
Financial liabilities	40	27	30	22
Provisions and liabilities	24	0	21	4
Total	**252**	**3,607**	**333**	**4,214**
Offset	**-252**	**-252**	**-333**	**-333**
Total	**0**	**3,354**	**0**	**3,881**

€ thousand		**2024/25**
Net deferred tax liabilities at start of financial year (1 October 2024)		**3,881**
Change in deferred taxes due to exchange rate differences	-144	-144
Change in temporary differences between carrying amounts of assets and liabilities on the IFRS balance sheet and their tax base (recognized in profit or loss)	-463	
Deferred tax expense from the utilization of, and write-downs on, tax loss carryforwards	192	
Deferred tax expense from the reversal of deferred tax assets from tax loss carryforwards	-112	
Deferred tax expense reported in the statement of comprehensive income	-383	-383
Net deferred tax liabilities at end of financial year (30 September 2025)		**3,354**

Deferred taxes relating to the German companies continued to be calculated using the tax rate applicable as at 30 September 2025, as the gradual reduction in the corporate income tax rate that was approved on 4 June 2025 does currently not have a significant impact on the calculation of deferred taxes.

The differences between the expected income tax income based on the IFRS loss before taxes for the period and combined tax rate of BRAIN Biotech AG of 29.125 % (previous year: 29.125 %) and the income tax expense reported in the consolidated statement of comprehensive income are shown in the following table:

€ thousand	2024/25	2023/24
Consolidated net profit/loss for the period before taxes	**-12,023**	**-10,990**
Expected tax income	-3,502	-3,201
Different tax rates applicable to consolidated subsidiaries	61	-27
Effects of changes in tax rates	0	109
Permanent differences from consolidation adjustments	173	131
Permanent differences from subsequent measurement of financial assets and liabilities	-477	-65
Permanent differences from equity-settled share-based compensation	228	260
Tax-free income / non-deductible expenses	91	48
Utilization of tax loss carryforwards from previous periods	0	0
Non-capitalized tax loss carryforwards	3,182	3,028
Out-of-period taxes and other differences	52	-173
Reported current or deferred income tax income (-)/ expense (+)	**-191**	**110**

The following table shows the maturity of the deferred taxes recognized at the end of the reporting period. Deferred taxes are classified as current if the entity expects to realize the asset or settle the liability within twelve months after the reporting period.

€ thousand	2024/25	2023/24
Current deferred tax assets	28	212
Non-current deferred tax assets	224	121
Current deferred tax liabilities	236	379
Non-current deferred tax liabilities	3,371	3,836
Net current deferred tax	-207	-166
Net non-current deferred tax	-3,147	-3,714

Based on the detailed planning horizon of three financial years modelled in the consolidated entities' tax projections, no deferred tax assets were recognized for tax loss carryforwards with an (in principle) unlimited carryforward period resulting from financial year 2024/25 and prior financial years amounting to € 99,809 thousand (corporation tax; previous year: € 93,843 thousand) and € 97,839 thousand (trade tax; previous year: € 92,450 thousand). The potential tax benefits that have consequently not been recognized amount to € 23,971 thousand (prior year: € 27,280 thousand). The tax benefit as at 30 September 2025 was calculated using the tax rate of 23.85 % expected to apply from 1 January 2028, as it is currently not foreseen that these loss carryforwards will be utilized at an earlier date.

No deferred taxes arose from a difference between tax valuations of participating interests and the net assets of subsidiaries included in the consolidated financial statements.

11 EARNINGS PER SHARE

Earnings per share attributable to the shareholders of BRAIN Biotech AG were calculated based on the loss for the period of € -11,741,869 as reported in the consolidated income statement (previous year: € -11,126,649).

Earnings per share are calculated by dividing the loss accruing to the shareholders of BRAIN Biotech AG for the period by the average number of shares of BRAIN Biotech AG issued in the financial year. The average number of shares in financial year 24/25 amounted to 21,847,495 no-par value shares (previous year: 21,847,495 no-par value shares).

No dilutive effects arise at present.

VI. Notes to the consolidated balance sheet

12 INTANGIBLE ASSETS

The following table shows the composition and changes:

€ thousand	Goodwill	Other intangible assets	Total intangible assets
FY 2024/25 Cost at 1 October 2024	**6,806**	**18,335**	**25,141**
Additions	0	126	126
Disposals	0	-169	-169
Currency translation	-180	-501	-681
at 30 September 2025	**6,626**	**17,791**	**24,417**
Amortization and impairment at 1 October 2024	0	10,955	10,955
Amortization for the financial year	0	1,356	1,356
Disposals	0	-83	-83
Currency translation	0	-303	-303
at 30 September 2025	**0**	**11,925**	**11,925**
Net carrying amount at 30 September 2025	**6,626**	**5,865**	**12,491**
at 30 September 2024	6,806	7,379	14,185

€ thousand	Goodwill	Other intangible assets	Total intangible assets
FY 2023/24 Cost at 1 October 2023	**6,666**	**17,890**	**24,556**
Additions	0	180	180
Disposals	0	0	0
Currency translation	140	265	405
at 30 September 2024	**6,806**	**18,335**	**25,141**
Amortization and impairment at 1 October 2023	0	9,341	9,341
Amortization for the financial year	0	1,452	1,452
Disposals	0	0	0
Currency translation	0	162	162
at 30 September 2024	**0**	**10,955**	**10,955**
Net carrying amount at 30 September 2024	**6,806**	**7,379**	**14,185**
at 30 September 2023	6,666	8,549	15,215

The goodwill reported as at 30 September 2025 arises from the acquisition of AnalytiCon Group (AnalytiCon Discovery GmbH, AnalytiCon Discovery LLC) in the 2013/14 financial year, the acquisition of Biocatalysts Group (Biocatalysts Ltd., Biocatalysts Inc.) in the 2017/18 financial year, and the acquisition of Breatec Group (Weriol Group BV, Breatec BV, and Panei BV) in the 2021/22 financial year.

IMPAIRMENT TESTS

Goodwill existed at the following cash-generating units (CGUs) as at the reporting date:

	30.09.2025		30.09.2024	
Cash-generating unit	**Goodwill € thousand**	**Pre-tax cost of capital (WACC)***	**Goodwill € thousand**	**Pre-tax cost of capital (WACC)***
Biocatalysts	3,967	10.44 %	4,147	9.28 %
Breatec	1,960	9.34 %	1,960	8.40 %
Natural Products Chemistry	699	18.59 %	699	18.85 %

* Weighted average total cost of capital rate before tax

The “Biocatalysts” CGU consists of the goodwill from the acquisition of Biocatalysts Ltd., including its subsidiary Biocatalysts Inc., and is attributable to the BRAINBiocatalysts segment.

The "Breatec" CGU comprises the goodwill from the acquisition of Weriol Group BV, including its subsidiary Breatec BV, and is attributable to the BRAINBiocatalysts segment.

The “Natural Products Chemistry” CGU consists of the goodwill from the acquisition of AnalytiCon Discovery GmbH and its subsidiary AnalytiCon Discovery LLC, and is attributable to the BRAINBioIncubator segment.

Biocatalysts

For the Biocatalysts unit, an IAS 36 impairment test was performed again as at 30 September 2025. Planning is based on significant revenue growth and successive margin improvements. Continued strong growth is to be achieved by further expanding business relationships with both existing and new customers. Furthermore, an even stronger focus on customer-specific enzymes and proprietary product developments is planned, which should contribute to a further improvement in revenue as well as to a margin improvement. Net cash flows beyond the detailed planning phase were modelled on a terminal growth rate that reflects growth rates derived from current market information (financial year under review: 1.00 %, previous year: 1.00 %). A value-in-use applying discounted cash flows was calculated based on five-year planning. No impairment was determined in the impairment test on 30 September 2025.

An increase in the weighted average cost of capital by 1.0 percentage points or a reduction in the EBITDA margin in the perpetual return by 2.0 percentage points would also have led to no impairment.

The Management Board assumes that the calculated sensitivities suitably and sufficiently reflect the potential deviations from plan in each case.

Breatec

For the Breatec unit, an IAS 36 impairment test was performed again as at 30 September 2025. Planning is based on significant revenue growth and successive margin improvements. Continued strong growth is to be achieved by further expanding business relationships with both existing and new customers. Furthermore, an even stronger focus on customer-specific enzymes is planned, which should contribute to a further improvement in revenue as well as to a margin improvement. Net cash flows beyond the detailed planning phase were modelled on a terminal growth rate that reflects growth rates derived from current market information (financial year under review: 1.00 %, previous year: 1.00 %). A value-in-use applying discounted cash flows was calculated based on five-year planning. No impairment was determined in the impairment test on 30 September 2025.

An increase in the weighted average cost of capital by 1.0 percentage points or a reduction in the EBITDA margin in the perpetual return by 2.0 percentage points would also have led to no impairment.

The Management Board assumes that the calculated sensitivities suitably and sufficiently reflect the potential deviations from plan in each case.

Natural Products Chemistry

For the Natural Products Chemistry unit, an IAS 36 impairment test was performed again as at 30 September 2025. Planning is based on constant revenue growth and successive margin improvements. The expected trend in revenue and earnings is mainly driven by the growth potential in the area of projects/services (including the project of AnalytiCon Discovery with Pharvaris N.V. regarding the novel oral bradykinin B2 receptor antagonist (PHA121), and the potential payments from the agreement with Royalty Pharma). as well as the resultant positive effects on the personnel expense ratio. Net cash flows beyond the detailed planning phase were modelled on a terminal growth rate that reflects growth rates derived from current market information (financial year under review: 1.00 %, previous year: 1.00 %). A value-in-use applying discounted cash flows was calculated based on five-year planning. No impairment was determined in the impairment test on 30 September 2025.

An increase in the weighted average cost of capital by 1.0 percentage points or a reduction in the EBITDA margin in the perpetual return by 2.0 percentage points would have also led to no impairment.

The Management Board assumes that the calculated sensitivities suitably and sufficiently reflect the potential deviations from plan in each case.

The other intangible assets that are material to the consolidated financial statements consist of the intangible assets identified as part of the purchase price allocation, as shown in the following table.

€ thousand	**30.09.2025**	**30.09.2024**	**Remaining useful life* as at 30.09.2025**
Technology of Biocatalysts Ltd.	1,724	2,211	5
Technology of Breatec Group	196	280	2
Customer relationships of Biocatalysts Group	1,523	2,053	4
Customer relationships of Biosun Biochemicals Inc.	698	849	6
Customer relationships of Breatec Group	1,188	1,410	5

* Remaining useful life in years

In accordance with the accounting policies presented above, no development costs were capitalized in the 2024/25 financial year or in the previous year, as it is not possible to distinguish research and development phases due to the alternating process, and consequently not all of the criteria specified in IAS 38 were met.

Research and development expenses of € 3,883 thousand (previous year: € 6,244 thousand) are reported in the statement of comprehensive income mainly under the items "personnel expenses", "cost of materials", and "other expenses", as well as in amortization charges.

13 PROPERTY, PLANT AND EQUIPMENT

Investments in property, plant and equipment in the 2024/25 financial year were attributable primarily to the technical expansion of the development and production infrastructure. The following table shows the composition and changes of property, plant and equipment:

€ thousand	Land and buildings	Right of use, land and buildings	Operating and office equipment	Right of use, operating and office equipment	Assets under construction	Total property, plant and equipment
FY 2024/25	**10,657**	**7,573**	**22,186**	**7,320**	**189**	**47,925**
Cost at 1 October 2024						
Additions	0	2,358	703	354	843	**4,258**
Disposals	0	0	-474	-16	0	**-491**
Reclassifications	0	0	0	0	0	**0**
Currency translation	-193	-3	-717	-178	-8	**-1,100**
at 30 September 2025	**10,464**	**9,928**	**21,698**	**7,479**	**1,023**	**50,593**

€ thousand	Land and buildings	Right of use, land and buildings	Operating and office equipment	Right of use, operating and office equipment	Assets under construction	Total property, plant and equipment
Depreciation and impairment at 1 October 2024	3,645	3,656	10,946	1,823	0	**20,070**
Depreciation for the financial year	310	980	1,737	743	0	**3,770**
Disposals	0	0	-520	0	0	**-520**
Currency translation	-22	-6	-244	-6	0	**-277**
at 30 September 2025	**3,933**	**4,630**	**11,920**	**2,560**	**0**	**23,043**
Net carrying amount at 30 September 2025	**6,531**	**5,298**	**9,778**	**4,919**	**1,023**	**27,549**
at 30 September 2024	**7,012**	**3,917**	**11,240**	**5,497**	**189**	**27,855**

€ thousand	Land and buildings	Right of use, land and buildings	Operating and office equipment	Right of use, operating and office equipment	Assets under construction	Total property, plant and equipment
FY 2023/24 Cost at 1 October 2023	**10,423**	**7,488**	**20,019**	**5,912**	**1,530**	**45,372**
Additions	84	86	1,216	307	274	**1,968**
Disposals	0	0	-171	-58	0	**-229**
Reclassifications	0	0	619	1,050	-1,669	**0**
Currency translation	150	0	504	109	53	**815**
at 30 September 2024	**10,657**	**7,573**	**22,186**	**7,320**	**189**	**47,925**

€ thousand	Land and buildings	Right of use, land and buildings	Operating and office equipment	Right of use, operating and office equipment	Assets under construction	Total property, plant and equipment
Depreciation and impairment at 1 October 2023	3,385	2,807	9,271	1,189	0	**16,651**
Depreciation for the financial year	247	852	1,585	686	0	**3,370**
Disposals	0	0	-158	-58	0	**-216**
Currency translation	13	-2	248	6	0	**265**
at 30 September 2024	**3,645**	**3,656**	**10,946**	**1,823**	**0**	**20,070**
Net carrying amount at 30 September 2024	**7,012**	**3,917**	**11,240**	**5,497**	**189**	**27,855**
at 30 September 2023	7,038	4,681	10,748	4,723	1,530	28,720

Land and buildings serve partly as collateral for bank loans. Not all of the land and buildings of BRAIN Biotech AG that are included in this item were assigned as collateral. More detail can be found in the section (21) Financial liabilities.

Information about lease liabilities is provided in section (21) Financial liabilities.

The following table presents the total cash outflows for leases.

€ thousand

Cash outflows for leases	**2024/25**	**2023/24**
Repayments of lease liabilities	1,683	1,466
Interest payments for lease liabilities	441	333
Total	**2,124**	**1,799**

14 EQUITY-ACCOUNTED INVESTMENTS

SolasCure Ltd.

The carrying amount of the interest in the associated company SolasCure Ltd. reports the following changes:

€ thousand	
Carrying amount at 30.09.2023	**1,373**
Share of profit or loss after taxes in 2023/24	-442
Currency translation	39
Carrying amount at 30.09.2024	**971**

€ thousand	
Carrying amount at 30.09.2024	**971**
Share of profit or loss after taxes in 2024/25	-479
Capital increases 2024/25	347
Increase in interest held	545
Reversal of elimination of unrealized results of intra-group transactions	-46
Currency translation	-56
Carrying amount at 30.09.2025	**1,282**

This participating interest is allocated to the BRAINBioIncubator segment. There were no unrecognized losses in the financial year under review (previous year: € 0 thousand).

The following tables show the aggregated earnings and balance sheet data of SolasCure Ltd. and the amounts of profit or loss for the period and equity attributable to BRAIN Biotech AG in line with its interest of 35.27 % as at 30 September 2025 (34.16 % as at 30 September 2024). The pro rata profit or loss for the period to be included in the carrying amount of the participating interest for the financial year under review (€ -479 thousand) deviates from this due to the changes in the interest held during the year as part of the capital increases carried out. The disclosures reflect the financial statements of SolasCure Ltd. prepared in accordance with IFRS as adopted by the European Union.

€ thousand	2024/25	2023/24
Revenue	0	0
Other income	1,253	0
Total comprehensive income	-1,379	-1,293
Share of profit or loss after taxes	-486	-442

€ thousand	30.09.2025	30.09.2024
Non-current assets	4,007	4,190
Current assets	1,492	1,223
Non-current liabilities	539	0
Current liabilities	311	166
Equity	4,649	5,247
Interest in equity	1,640	1,792

In addition to the remaining elimination of unrealized results of intra-group transactions, the difference between the amount recognized for the participating interest and the proportionate equity attributable to BRAIN Biotech AG is attributable to goodwill of € 254 thousand.

15 Inventories

Inventories consist of the following:

€ thousand	30.09.2025	30.09.2024
Finished goods	6,640	6,263
Raw materials, consumables and supplies	1,760	2,828
Work in progress	496	277
Prepayments on inventories	39	52
Total	**8,936**	**9,240**

Inventories included impairment losses on raw materials and supplies of € 0 thousand (prior year: € 88 thousand), and work in progress and finished goods of € 354 thousand (prior year: € 545 thousand).

16 Trade receivables

Trade receivables consist of the following:

€ thousand	30.09.2025	30.09.2024
Trade receivables	7,615	7,074
Receivables from research and development grant revenue	842	724
Total	**8,456**	**7,798**

The presented carrying amounts of receivables correspond to the fair values.

Trade receivables generally have a term of up to one year. Credit default rates in a range of between 0.5 % and 10 % were applied in order to calculate the lifetime ECLs. Lifetime ECLs of € 44 thousand (previous year: € 95 thousand) were recognized on the portfolio as at the 30 September 2025 reporting date, which are recorded in a separate allowance account.

The following table shows the past due structure of trade receivables as at 30 September 2025.

€ thousand	Trade receivables	of which: not overdue at balance sheet date	of which: overdue in the following reporting periods				Lifetime expected credit losses (ECL)	Carrying amount
			Up to 30 days	Between 30 and 60 days	Between 60 and 90 days	More than 90 days		
30.09.2025	8,500	6,099	1,617	390	230	164	44	8,456

The following table shows the past due structure of trade receivables as at 30 September 2024.

€ thousand	Trade receivables	of which: not overdue at balance sheet date	of which: overdue in the following reporting periods				Lifetime expected credit losses (ECL)	Carrying amount
			Up to 30 days	Between 30 and 60 days	Between 60 and 90 days	More than 90 days		
30.09.2024	7,893	6,787	716	168	43	180	95	7,798

The following table shows the changes in loss allowances:

€ thousand	2024/25
Carrying amount at start of period	95
Net effect of addition and reversals	-51
Carrying amount at end of period	**44**

€ thousand	2023/24
Carrying amount at start of period	52
Net effect of addition and reversals	43
Carrying amount at end of period	**95**

The impairment rate amounted to 0.5 % in the 2024/25 financial year (previous year: 1.2 %). Given the low credit risk, the loss allowance is not analyzed by ageing of receivables.

Further information on impairment losses and the credit risks pertaining to trade receivables is provided in section VII. Financial instruments / risks from financial instruments.

17 OTHER FINANCIAL ASSETS

Other financial assets consist of the following:

€ thousand	30.09.2025	30.09.2024
Loans extended up to one year	123	123
Deposits with a term up to one year	126	58
Other	38	57
Total	**286**	**238**

The portfolio of other financial assets was neither overdue nor impaired as at the reporting date. Default risk is regarded as low, as in the previous year.

18 OTHER NON-CURRENT AND CURRENT ASSETS

Other non-current assets consist of the following:

€ thousand	30.09.2025	30.09.2024
Expenses deferred for a period of more than one year	55	67
Total	**55**	**67**

Other current assets consist of the following:

€ thousand	30.09.2025	30.09.2024
Expenses relating to the following year	601	601
VAT receivables due from the tax authorities	290	106
Miscellaneous other current assets	69	111
Total	**961**	**818**

All current assets have a remaining term of up to one year. The portfolio of other assets was neither overdue nor impaired as at the reporting date. Default risk is regarded as low, as in the previous year.

19 CASH AND CASH EQUIVALENTS / STATEMENT OF CASH FLOWS

These are current bank balances, term deposits of up to three months, and cash in hand. Cash and cash equivalents are held mainly at banks in Germany and in the UK.

The credit risk associated with cash and cash equivalents is insignificant due to the short maturities and the counterparties' credit quality (and the applied credit limits) Accordingly, no impairment losses are recognized for these financial assets.

In the statement of cash flows, other non-cash expenses and income include the following items:

€ thousand	2024/25	2023/24
Expenses		
Personnel expenses from share-based compensation and employee share schemes	783	894
Losses on receivables/change in loss allowances for receivables	0	3
Net finance costs from subsequent measurement of financial liabilities	4,265	230
Write-down applied to inventories	0	21
Other financial result, from (subsequent) measurement of financial derivatives	18	0
Miscellaneous expenses	68	87
Total	**5,134**	**1,235**
Income		
Change in loss allowances for receivables	4	0
Net finance income from subsequent measurement of financial and other liabilities	1,442	203
Income from the divestment of subsidiaries	0	4
Other financial result	28	139
Miscellaneous income	0	20
Total	**1,475**	**366**
Net cash expenses/income	**3,659**	**869**

20 EQUITY

Changes to the equity capital position are shown in the consolidated statement of changes in equity.

Subscribed capital

The subscribed share capital amounts to € 21,847,495 (previous year: € 21,847,495) and is divided into 21,847,495 ordinary shares (previous year: 21,847,495), to each of which a proportional amount of the share capital of € 1.00 is attributable. The shares are fully paid-in registered shares. The shares are listed in the Prime Standard stock market segment of the Frankfurt Stock Exchange.

Authorized capital

With an AGM resolution on 9 March 2022, authorized capital of € 4,369,499 was created (Authorized Capital 2022/I). Authorized Capital 2022/I was entered in the commercial register on 28 March 2022. The Management Board was authorized, with Supervisory Board assent, to increase the company's share capital in the period until 8 March 2027, once or on several occasions, albeit by a maximum nominal amount of € 4,369,499 through issuing up to 4,369,499 new ordinary registered shares against cash capital contributions and/or non-cash capital contributions, whereby shareholders' statutory subscription rights can be wholly or partly excluded. If the new shares are issued against cash capital contributions, shareholders' statutory subscription rights can be wholly or partially excluded if the new shares' issue price is not significantly less than the stock market price of the company's shares already listed on the date when the issue price is finally determined, and the total number of shares issued in this manner under exclusion of subscription rights does not exceed 10 % of the share capital.

Accordingly, authorized capital of € 4,369,499 was reported as at the 30 September 2025 reporting date.

Conditional capital

Pursuant to Section 5 (3), (4), (5), (6) and (7) of the company's bylaws, the share capital is conditionally increased by € 2,184,749 through the issue of up to 2,184,749 new ordinary registered shares (Conditional Capital 2023/I) and by a further € 63,000 through the issue of up to 63,000 new ordinary registered shares (Conditional Capital 2015/II), through the issue of up to 1,233,600 new ordinary registered shares (Conditional Capital 2019/I), through the issue of up to 772,148 new ordinary registered shares (Conditional Capital 2023/II), and by a further € 2,300,746 through the issue of up to 2,300,746 new ordinary registered shares (Conditional Capital 2025/I).

Conditional Capital 2023/I serves exclusively to grant shares to the holders of bonds with warrants and convertible bonds that the company issues on the basis of the authorization of the Management Board by way of AGM resolution passed on 8 March 2023. The conditional capital increase is to be implemented through issuing up to 2,184,749 new ordinary registered shares only to the extent that the holders of convertible bonds and/or bonds with warrants utilize their conversion rights or warrant rights, or the holders of convertible bonds that are obligated to convert satisfy their obligation to convert, and to the extent that other forms of satisfaction are not deployed to service the bonds. In the 2023/24 financial year, a convertible bond with a nominal value of € 5.0 million was issued by way of a private placement, in partial utilization of Conditional Capital 2023/I. An increase in the share capital from Conditional Capital 2023/I had not been implemented as at the 30 September 2025 reporting date.

Conditional Capital 2015/II serves exclusively to service subscription rights arising from stock options that are granted – pursuant to the AGM resolution dated 8 July 2015 as part of a stock option program comprising up to 63,000 stock options that carry subscription rights to shares of BRAIN Biotech AG with a term of up to eight years – to the members of the company's Management Board, members of affiliated companies' management boards, as well as managers and other company employees in senior positions. The conditional capital increase is to be implemented only to the extent that the holders of issued subscription rights utilize them, and the company does not grant treasury shares or cash settlement to satisfy these subscription rights. An increase in the share capital from Conditional Capital 2015/II had not been implemented as at the 30 September 2025 reporting date.

At the Annual General Meeting on 7 March 2019, Conditional Capital 2015/II was reduced from the original € 1,272,581 to € 123,000, as this capital was to remain exclusively for hedging stock options already issued. At the Annual General Meeting on 8 March 2023, the conditional capital was reduced by a further € 60,000 to € 63,000. The authorization to issue further stock options from Conditional Capital 2015/II was revoked at the same Annual General Meeting and replaced by a new authorization (see following section).

By resolution of the Annual General Meeting on 7 March 2019, the share capital was conditionally increased by € 1,682,578 through the issue of up to 1,682,578 new no-par-value registered shares (Conditional Capital 2019/I). At the Annual General Meeting on 8 March 2023, Conditional Capital 2019/I was reduced by € 448,978 from the original € 1,682,578 to € 1,233,600. The conditional capital serves exclusively to service subscription rights from stock options granted to members of the company's Management Board and other senior company managers. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase. The conditional capital increase is to be implemented only to the extent that the holders of issued subscription rights utilize them, and the company does not grant treasury shares or cash settlement to satisfy these subscription rights. An increase in the share capital from Conditional Capital 2019/I had not been implemented as at the 30 September 2025 reporting date.

At the Annual General Meeting on 18 March 2025, Conditional Capital 2023/II was reduced from the original € 888,148 to € 772,148, as this capital was to remain exclusively for hedging stock options already issued. Conditional Capital 2023/II serves exclusively to service subscription rights arising from stock options that are granted – pursuant to the AGM resolution dated 8 March 2023 as part of a stock option program comprising up to 772,148 stock options that carry subscription rights to shares of BRAIN Biotech AG with a term of up to six years – to the members of the company's Management Board and other company employees in senior positions. The conditional capital increase is to be implemented only to the extent that the holders of issued subscription rights utilize them, and the company does not grant treasury shares or cash settlement to satisfy these subscription rights. An increase in the share capital from Conditional Capital 2023/II had not been implemented as at the 30 September 2025 reporting date.

By resolution of the Annual General Meeting on 18 March 2025, the share capital was conditionally increased by € 2,300,746 through the issue of up to 2,300,746 new no-par-value ordinary registered shares (Conditional Capital 2025/I). The conditional capital serves exclusively to service subscription rights from stock options granted to members of the company's Management Board, other senior company managers as well as members of the management of the company's affiliated companies. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase. The conditional capital increase is to be implemented only to the extent that the holders of issued subscription rights utilize them, and the company does not grant treasury shares or cash settlement to satisfy these subscription rights. An increase in the share capital from Conditional Capital 2025/I had not been implemented as at the 30 September 2025 reporting date.

Stock options

An AGM resolution dated 18 March 2025 authorized the Management Board, with Supervisory Board approval, to issue as part of a stock option program up to 2,300,746 stock options with subscription rights to shares of BRAIN Biotech AG with a term of up to six years, with the condition that each stock option grant the right to subscribe for one share, and according to further provisions. As far as issuing shares to members of the Management Board of BRAIN Biotech AG is concerned, this authorization is valid for the Supervisory Board alone. The AGM conditionally increased the share capital by € 2,300,746 to hedge and service the stock options (Conditional Capital 2025/I).

Capital reserves

The capital reserves contain the share premium from the issuance of shares, net of transaction costs after taxes, as well as the expenses from granting stock options. For more information about share-based compensation, please refer to the remarks in Section "Share-based payment and other long-term employee benefits". Capital reserves as per German commercial law are published in the separate financial statements for BRAIN Biotech AG prepared according to German Commercial Code (HGB) accounting policies.

The capital reserves also include an equity component of € 600 thousand from the convertible loan of € 5.0 million taken out in the last financial year. Further information on this can be found in note (22) Convertible bonds.

Other reserves

Currency translation differences are recognized in other reserves.

Retained earnings

Retained earnings in the 2024/25 financial year reduced mainly to reflect profit or loss attributable to shareholders of BRAIN Biotech AG.

The following table shows the non-controlling interests during the 2024/25 financial year:

€ thousand	Interest in net assets not held by BRAIN Biotech AG as of 30 September 2025	Addition of non-controlling interests in net assets as part of acquisition of fully consolidated Group companies	Attributable share of total comprehensive income	Increase/decrease in interest in net assets not held by BRAIN Biotech AG	Carrying amounts of the interests as at 30.09.2025
Breatec BV	0.00 %	0	-91	-1,178	0
Total		**0**	**-91**	**-1,178**	**0**

The previous year's non-controlling interests are shown in the following table:

€ thousand	Interest in net assets not held by BRAIN Biotech AG as of 30 September 2024	Addition of non-controlling interests in net assets as part of acquisition of fully consolidated Group companies	Attributable share of total comprehensive income	Increase/decrease in interest in net assets not held by BRAIN Biotech AG	Carrying amounts of the interests as at 30.09.2024
Breatec BV	38.00 %	0	26	0	1,269
Total		**0**	**26**	**0**	**1,269**

In April 2025, the call option to acquire all the non-controlling interests in Breatec BV was exercised.

The changes in the non-controlling interests are as follows:

Breatec Group

€ thousand	30.09.2025	30.09.2024
Value at start of financial year	1,269	1,243
Attributable share of profit or loss for the period	-91	26
Disposal of non-controlling interests in net assets in the course of exercising existing call options	-1,178	0
Value at end of financial year	**0**	**1,269**

In April 2025, the call option to acquire the 38.00 % non-controlling interest in the Breatec Group was exercised by Biocatalysts. The summarized financial information for the Breatec Group is presented again below. At the end of the financial year under review, there were no non-controlling interests remaining on the balance sheet of BRAIN Biotech AG.

Summarized balance sheet data	Breatec Group	
€ thousand	**30.09.2025**	**30.09.2024**
Non-current assets	6,657	4,109
of which proportionate goodwill from the acquisition by BRAIN	*1,960*	*1,960*
of which hidden reserves less deferred tax from the acquisition by BRAIN	*1,027*	*1,255*
Current assets	5,331	4,285
Non-current liabilities	2,549	587
Current liabilities	4,944	2,506
Net assets	**4,495**	**5,301**

Summarized statement of comprehensive income	Breatec Group	
€ thousand	**2024/25**	**2023/24**
Revenue	9,156	11,586
Result before taxes	*-1,065*	*62*
Result after taxes	*-806*	70
of which the result from the amortization of hidden reserves less deferred tax from the acquisition by BRAIN	*-228*	*-228*
Total comprehensive income	-806	70
Result attributable to non-controlling interests	-91	26
Dividends paid to non-controlling interests	0	0

Summarized statement of cash flows	Breatec Group	
€ thousand	**2024/25**	**2023/24**
Gross cash flow	-160	682
Cash flows from operating activities	256	1,350
Cash flow from investing activities	-581	-105
Cash flow from financing activities	-394	-412

Apart from legal restrictions, no restrictions exist on the ability of BRAIN Biotech AG to access or utilize these subsidiaries' assets, or to fulfil these subsidiaries' liabilities.

21 FINANCIAL LIABILITIES

The financial liabilities consist of the following:

€ thousand	30.09.2025	30.09.2024
Loans	7,021	13,634
Liabilities from put option rights for the potential acquisition of non-controlling interests	0	3,235
Contributions by silent partners	8,000	8,000
Lease liabilities	9,008	8,188
Other	0	6
Total	**24,030**	**33,063**

The following contributions from silent partners existed as at the 30 September 2025 balance sheet date:

- Hessen Kapital II GmbH, Wiesbaden, in the amount of € 3,000 thousand (previous year: € 3,000 thousand)
- Hessen Kapital I GmbH (a), Wiesbaden, in the amount of € 2,000 thousand (previous year: € 2,000 thousand)
- Hessen Kapital I GmbH (b), Wiesbaden, in the amount of € 1,500 thousand (previous year: € 1,500 thousand)
- MBGH Mittelständische Beteiligungsgesellschaft Hessen mbH, Wiesbaden, in the amount of € 1,500 thousand (previous year: € 1,500 thousand)

Of the contribution by Hessen Kapital II GmbH, 20 % is repayable on 31 March 2026, a further 20 % on 31 March 2027, and 60 % on 31 March 2028. The company pays fixed remuneration equivalent to nominal 6.0 % p. a. (previous year: 6.0 %) on the contribution of Hessen Kapital II GmbH and a profit participation equivalent to the ratio between the nominal level of the silent partnership and the nominal level of the equity of BRAIN Biotech AG, albeit to a maximum of 1.5 % of the contribution and not more than 50 % of the profit for the year. No interest liabilities existed as at 30 September 2025.

Of the contribution by Hessen Kapital I GmbH (a), 30 % is repayable on 30 September 2032, a further 35 % on 30 September 2033 and 35 % on 30 September 2034. The company pays fixed remuneration equivalent to nominal 8.0 % p. a. on the contribution of Hessen Kapital I GmbH (a) and a profit participation equivalent to the ratio between the nominal level of the silent partnership and the nominal level of the equity of BRAIN Biotech AG, albeit to a maximum of 1.5 % of the contribution and not more than 50 % of the profit for the year. No interest liabilities existed as at 30 September 2025.

Of the contribution by Hessen Kapital I GmbH (b), 30 % is repayable on 30 September 2030, a further 35 % on 30 September 2031, and 35 % on 30 September 2032. The company pays fixed remuneration equivalent to nominal 8.0 % p. a. on the contribution of Hessen Kapital I GmbH (b) and a profit participation equivalent to the ratio between the nominal level of the silent partnership and the nominal level of the equity of BRAIN Biotech AG, albeit to a maximum of 1.5 % of the contribution and not more than 50 % of the profit for the year. No interest liabilities existed as at 30 September 2025.

Of the contribution by MBG H Mittelständische Beteiligungsgesellschaft Hessen mbH, 30 % is repayable on 30 September 2030, a further 35 % on 30 September 2031, and 35 % on 30 September 2032. In relation to the contribution of MBG H, the company pays a fixed fee of nominally 6.5 % p.a., an annual guarantee commission of 1.5 % p.a. of the respective contribution, and a profit share in the amount of the ratio of the nominal amount of the silent participation to the nominal amount of the equity of BRAIN Biotech AG, albeit no more than 1.5 % of the contribution and no more than 50 % of the annual profit. No interest liabilities existed as at 30 September 2025.

BRAIN Biotech AG is entitled to call the aforementioned contributions before the agreed dates. However, due to the negative consequences this would have for the company (prepayment penalties), effectively this option has no economic value for the company. The silent partnerships do not participate in any losses. No obligation exists to provide additional funding.

Land charges exist with compulsory enforcement clauses on land owned by BRAIN Biotech AG with a notional value of € 2.5 million (previous year: € 2.5 million). All land charges serve to secure bank borrowings, which amounted to € 857 thousand at the end of the reporting period (previous year: € 1,071 thousand). The land charges rank behind an unassigned land charge in favor of the owner amounting to € 0.5 thousand (previous year: € 0.5 thousand).

At the Biocatalysts Ltd. subsidiary, € 2,400 thousand (previous year: € 2,699 thousand) of financial liabilities are secured by € 3,736 thousand (previous year: € 3,711 thousand) of land charges on operating property.

Other than standard retention of title from individual contracts, no other liabilities are secured by liens or similar rights. The carrying amount of the collateral furnished at the end of the reporting period stood at € 6,188 thousand (€ 5,104 thousand as of 30 September 2024).

The nominal interest rate on fixed-interest loans lies between 1.15 % (previous year: 1.15 %) and 8.00 % (previous year: 8.00 %) p.a. Some of the Group's liabilities are subject to variable interest rates depending on the Bank of England's base rate.

The remaining terms of the financial liabilities are presented below:

30.09.2025 € thousand	**Remaining term up to 1 year**	**Remaining term 1 – 5 years**	**Remaining term more than 5 years**
Contributions by silent partners	600	3,300	4,100
Liabilities from put option rights for the acquisition of non-controlling interests	0	0	0
Leasing	1,715	5,736	1,557
Financial derivatives	0	0	0
Loans	1,516	4,735	770
Other	0	0	0
	3,832	**13,771**	**6,427**

30.09.2024 € thousand	**Remaining term up to 1 year**	**Remaining term 1 – 5 years**	**Remaining term more than 5 years**
Contributions by silent partners	0	3,000	5,000
Liabilities from put option rights for the acquisition of non-controlling interests	3,235	0	0
Leasing	1,572	5,547	1,069
Financial derivatives	0	0	0
Loans	7,079	5,707	848
Other	0	6	0
	11,887	**14,260**	**6,917**

The contractually agreed due dates for principal and interest payments and for profit- related payments are shown in the following overview:

30.09.2025 € thousand	**25/26**	**26/27**	**27/28**	**28/29**	**29/30**	**30/31**	**31/32**	**32/33**	**33/34**	**34/35**	**35/36 ff**
Principal repayments	3,832	4,493	4,368	2,520	2,390	1,690	1,940	1,006	1,022	171	599
Interest payments	1,249	1,058	811	645	542	428	333	193	121	46	67
Profit-related payments	116	107	89	75	75	62	46	21	11	0	0
Total excluding profit-related payments	5,080	5,551	5,179	3,165	2,931	2,118	2,273	1,199	1,143	216	666
Total including profit-related payments	5,169	5,658	5,268	3,240	3,006	2,180	2,319	1,220	1,153	216	666

30.09.2024 € thousand	**24/25**	**25/26**	**26/27**	**27/28**	**28/29**	**29/30**	**30/31**	**31/32**	**32/33**	**33/34**	**34/35 ff**
Principal repayments	11,887	3,752	4,776	4,180	1,552	1,644	1,463	1,699	752	756	603
Interest payments	1,516	1,179	947	649	511	458	369	285	157	98	104
Profit-related payments	120	116	107	89	75	75	62	46	21	11	0
Total excluding profit-related payments	13,402	4,931	5,723	4,829	2,063	2,102	1,832	1,983	909	853	707
Total including profit-related payments	13,522	5,047	5,830	4,917	2,138	2,177	1,894	2,029	930	864	707

The following table shows the change in financial liabilities analyzed by cash and non-cash changes:

€ thousand	Loans	Liabilities for the potential acquisition of non-controlling interests	Contributions by silent partners	Derivatives	Lease liabilities	Other	Total
Balance as at 30 September 2024	**13,635**	**3,235**	**8,000**	**0**	**8,188**	**6**	**33,064**
Cash inflow/outflow from financing activities	-6,345	-1,698	0	0	-1,683	0	**-9,726**
Subsequent measurement	0	-1,537	0	0	0	-6	**-1,543**
Currency translation	-268	0	0	0	-115	0	**-383**
Additions to leases	0	0	0	0	2,618	0	**2,618**
Amount at 30 September 2025	**7,022**	**0**	**8,000**	**0**	**9,008**	**0**	**24,030**

€ thousand	Loans	Liabilities for the potential acquisition of non-controlling interests	Contributions by silent partners	Derivatives	Lease liabilities	Other	Total
Amount at 30 September 2023	**13,316**	**3,458**	**3,961**	**81**	**8,184**	**6**	**29,006**
Cash inflow/outflow from financing activities	43	0	4,039	0	-376	0	**3,706**
Subsequent measurement	54	-223	0	-81	0	0	**-249**
Currency translation	222	0	0	0	91	0	**312**
Additions to leases	0	0	0	0	289	0	**289**
Balance as at 30 September 2024	**13,635**	**3,235**	**8,000**	**0**	**8,188**	**6**	**33,064**

22 CONVERTIBLE BONDS

Convertible bonds in the amount of € 5.0 million were placed with MP Beteiligungs-GmbH on 5 March 2024 by way of a private placement. The maturity date is 5 September 2026 and the conversion price is € 5.04.

The equity component (€ 609 thousand) was calculated by comparing the contractual interest rate (6.515 %) with the standard market interest rate for the company (12.70 %).

€ thousand	**2023/24**
Addition of convertible bond	5,000
Equity component	-609
Transaction costs	-66
Net carrying amount of convertible bond	**4,325**

The changes are as follows:

€ thousand	**2024/25**	**2023/24**
Carrying amount on 1 October	**4,476**	**-**
Addition of net carrying amount of convertible bond	-	4,325
Repayment	-326	-163
Interest cost	552	314
Carrying amount 30 September	**4,703**	**4,476**
of which current	*4,703*	*326*

23 FINANCIAL LIABILITY FOR FUTURE PAYMENTS TO ROYALTY PHARMA

The agreement concerning the sale of future royalties from the license agreement with Pharvaris N.V. to Royalty Pharma came into force on 20 September 2024.

In accordance with this agreement, Royalty Pharma made a non-refundable pre-payment of € 18.41 million to BRAIN Biotech AG upon signing of the agreement. In addition, potential future payments from Royalty Pharma to BRAIN Biotech AG of up to € 110.47 million were agreed, which are to be paid depending on the achievement of certain contractually defined regulatory and commercial milestones for the investigative drug deucrictibant.

In return, BRAIN Biotech AG has undertaken under the agreement to pass on to a third party (i.e. Royalty Pharma) the majority of the royalties to which it will be entitled in future under the existing license agreement with Pharvaris N.V. for the successful sublicensing of deucrictibant by Pharvaris N.V.

Deucrictibant is currently still in clinical development and has not yet received market approval. For this reason, it is uncertain whether BRAIN Biotech AG will receive any royalties and generate revenue from this drug in the future. Based on the management planning prepared by BRAIN Biotech AG, however, it is expected that deucrictibant will be ready for market approval in the coming years and that royalties from net sales will be passed on to Royalty Pharma after successful market approval.

As the agreements concluded with Royalty Pharma were concluded on arm's length terms, the total consideration paid by Royalty Pharma corresponds to the fair value of the liability entered into by BRAIN Biotech AG.

The financial liabilities to Royalty Pharma are subsequently recognized at amortized cost applying the effective interest method (18.51 %). The resultant effective interest is recognized in the financial result.

€ thousand	**2023/24**
Addition for payment from Royalty Pharma	18,410
Transaction costs	-90
Net carrying amount: Royalty Pharma	**18,320**

The changes are as follows:

€ thousand	**2024/25**	**2023/24**
Carrying amount on 1 October	**18,406**	**-**
Addition to the net carrying amount of Royalty Pharma	0	18,320
Amortization effect from effective interest method	3,404	85
Change in assumptions	363	0
Carrying amount 30 September	**22,173**	**18,406**
of which current	0	*0*

The change in assumptions derives from planning assumptions that have been updated in line with public reporting and have an impact on the timing of the expected future cash inflow.

Due to deucrictibant's current development stage, at present it is not expected that any liabilities to Royalty Pharma will fall due within the 12 months following the balance sheet date, as a consequence of which no current financial liability from future payments to Royalty Pharma is to be recognized.

24 OTHER LIABILITIES

Other liabilities include € 0 thousand (previous year: € 658 thousand) for the Biocatalysts Ltd. growth share program, of which € 0 thousand is current (previous year: € 658 thousand).

Current other liabilities consist of the following:

€ thousand	2024/25	2023/24
Wage and church tax, social security	773	621
Wage and salary liabilities	627	3,074
Supervisory Board compensation	399	424
Accrued vacation pay	300	364
Special payments to subsidiaries' managements and employees	59	811
VAT	12	0
Miscellaneous other liabilities	189	138
Total current other liabilities	**2,360**	**5,431**

Miscellaneous other liabilities include customer credits of € 26 thousand (previous year: € 27 thousand).

25 DEFERRED INCOME

Deferred income consists of current deferred income of € 1,126 thousand (compared with € 620 thousand in the previous year) and non-current deferred income of € 380 thousand (compared with € 1,124 thousand in the previous year).

Deferred income partly includes prepayments received from customers for performance obligations not yet fulfilled as at the reporting date. A contribution of € 1,040 thousand is attributable to benefit obligations that have not yet been fulfilled (previous year: € 581 thousand). It is expected that a contribution of € 992 thousand of this amount can be recognized in revenue within one year. Deferred income of € 2,269 thousand (previous year: € 4,113 thousand) was fully recognized in revenue in the 2024/25 financial year.

26 PROVISIONS

€ thousand	30.09.2024	Utilization	Release	Addition	Currency differences	30.09.2025
Archiving costs	**20**	0	0	0	0	**20**
Costs for financial statements, auditing, and consulting	**543**	-524	-6	546	0	**560**
Decommissioning and dismantling	**67**	0	0	1	0	**68**
Employee-related expenses	**49**	-36	0	43	0	**56**
Other	**427**	-392	0	339	0	**374**
Total	**1,106**	**-952**	**-6**	**929**	**0**	**1,078**

27 PREPAYMENTS RECEIVED

The prepayments received mainly relate to future deliveries and have a term of up to one year. The total amount of € 130 thousand (previous year: € 0 thousand) is attributable to delivery obligations not yet fulfilled.

28 TRADE PAYABLES

Trade payables have a term of up to one year.

VII. Financial instruments / risks from financial instruments

The following overview presents recognized financial instruments based on their IFRS 9 measurement categories. To improve the presentation of the financial instruments relevant to the company in terms of their comparable measurement uncertainties and risks, cash and cash equivalents are presented separately in the following.

The following abbreviations are used for the measurement categories:

Abbreviation	IFRS 9 measurement categories	
AC	Amortized cost	Financial assets and liabilities measured at amortized cost
FVTPL	Fair value through profit and loss	Financial assets and liabilities measured at fair value through profit or loss

Financial assets and liabilities are as follows on a summarized basis:

Category	**Category**	**Carrying amount**	Fair value			
€ thousand	**IFRS 9**	**30.09.2025** ***(30.09.2024)***	**Amortized cost**	**Cost IFRS 16**	**FVTPL**	**30.09.2025 (30.09.2024)**
Assets						
Trade receivables	AC	8,456 *(7,798)*	8,456 (7,798)			
Other current and non-current assets	AC	18 *(18)*	18 *(18)*			
Other financial assets	FVTPL	38 (57)			38 *(57)*	38 *(57)*
Other financial assets	AC	176 *(181)*	176 *(181)*			
Cash and cash equivalents	AC	6,190 *(27,171)*	6,190 *(27,171)*			
Total		**14,878** ***(35,224)***	**14,840** ***(35,167)***		**38** ***(57)***	**38** **(57)**

Category	Category	Carrying amount	Fair value			
€ thousand	IFRS 9	30.09.2025 *(30.09.2024)*	Amortized cost	Cost IFRS 16	FVTPL	30.09.2025 (30.09.2024)
Liabilities						
Trade payables	AC	4,358 *(5,611)*	4,358 *(5,611)*			
Bond	AC	4,703 *(4,476)*	4,703 *(4,476)*			
Royalty Pharma	AC	22,173 *(18,406)*	22,173 *(18,406)*			
Financial liabilities	AC	24,030 *(29,828)*	15,021 *(21,640)*	9,008 *(8,188)*		0 *(0)*
Financial liabilities	FVTPL	0 *(3,235)*			0 *(3,235)*	0 *(3,235)*
Other liabilities	AC	93 *(112)*	93 *(112)*			
Total		**55,357** ***(61,668)***	**46,355** ***(50,245)***	**9,008** ***(8,188)***	**0** ***(3,235)***	**0** ***(3,235)***

No financial instruments exist that are to be classified in the FVTOCI category.

Cash and cash equivalents, other current assets, trade receivables, and trade payables mainly have short terms remaining. As a consequence, their carrying amounts at the end of the reporting period approximate their fair values. Non-current financial assets consist of deposits and loans extended whose rates of interest mainly correspond to current market interest-rate levels.

Liabilities to banks and other lenders, as well as to silent partners, reported in current and non-current financial liabilities, are measured at amortized cost. The fair values of financial liabilities are determined by discounting, applying current discount rates that match the maturity and risk of the liabilities. The fair values mainly correspond to the carrying amounts due to regular refinancing measures at market interest rates. The terms are presented in detail in section (21) Financial liabilities.

The carrying amounts of the financial instruments measured at fair value are classified as follows in accordance with the IFRS fair value hierarchy: listed prices in an active market (Level 1), valuation techniques based on observable inputs (Level 2), and valuation techniques based on unobservable inputs (Level 3).

The carrying amount of Level 3 financial liabilities (FVTPL) at the end of the reporting period stood at € 0 thousand (previous year: € 3,235 thousand). These were put option liabilities to non-controlling shareholders of the Breatec Group, which were exercised in the financial year under review .

The contractual undiscounted cash outflows of financial liabilities within the scope of IFRS 7 are shown in the following table:

30.09.2025 in € thousand	**25/26**	**26/27**	**27/28**	**28/29**	**29/30**	**30/31**	**31/32**	**32/33**	**33/34**	**34/35**	**35/36 ff**
Silent partnerships (without profit-sharing)	1,139	1,103	2,231	377	1,277	1,362	1,886	812	756	0	0
Liabilities to lenders	1,866	2,533	1,108	1,064	633	95	95	95	94	94	591
Lease liabilities	2,075	1,914	1,840	1,724	1,021	661	292	292	292	122	75
Other liabilities	51	0	0	0	0	0	0	0	0	0	0
Trade payables	4,358	0	0	0	0	0	0	0	0	0	0
Financial liability to Royalty Pharma	0	0	0	0	0	0	0	0	0	0	0
Convertible bond	5,326	0	0	0	0	0	0	0	0	0	0
Total	**14,815**	**5,551**	**5,179**	**3,165**	**2,931**	**2,118**	**2,273**	**1,199**	**1,143**	**216**	**666**

30.09.2024 in € thousand	**24/25**	**25/26**	**26/27**	**27/28**	**28/29**	**29/30**	**30/31**	**31/32**	**32/33**	**33/34**	**34/35 ff**
Silent partnerships (without profit-sharing)	557	1,139	1,103	2,231	377	1,277	1,362	1,886	812	756	0
Liabilities to lenders	7,751	2,060	3,062	1,111	317	97	97	97	97	97	707
Lease liabilities	1,858	1,726	1,558	1,487	1,368	727	372	0	0	0	0
Liabilities from acquiring interests in fully consolidated companies	3,235	0	0	0	0	0	0	0	0	0	0
Other liabilities	93	0	0	0	0	0	0	0	0	0	0
Trade payables	5,611	0	0	0	0	0	0	0	0	0	0
Financial liability to Royalty Pharma	0	0	0	0	0	0	0	0	0	0	0
Convertible bond	326	5,326									
Total	**19,432**	**10,257**	**5,723**	**4,829**	**2,063**	**2,102**	**1,832**	**1,983**	**909**	**853**	**707**

The following table shows the net gains or losses on financial instruments by measurement category:

€ thousand 2024/25 (2023/24)	From interest and dividends	From subsequent fair value measurement/impairment	From disposals	Net gains/losses
Loans and receivables	194 (6)	0 (0)	0 (0)	194 (6)
Financial liabilities measured at (amortized) cost	-5,531 (-1,692)	0 (0)	101 (0)	-5,430 (-1,692)
Financial assets measured at fair value through profit or loss	0 (0)	-18 (139)	0 (0)	-18 (139)
Leasing	-441 (-333)	0 (0)	0 (0)	-441 (-333)
Financial liabilities measured at fair value through profit or loss	0 (0)	0 (204)	1,436 (0)	1,436 (204)
Total	**-5,778** **(-2,019)**	**-18** **(342)**	**1,537** **(0)**	**-4,258** **(-1,677)**

Interest income and expenses relating to financial instruments are reported under "finance income" and "finance costs" in the consolidated statement of comprehensive income. The total interest expense relating to financial liabilities that are not measured at fair value through profit or loss amounted to € 5,531 thousand (previous year: € 1,692 thousand).

RISK MANAGEMENT / RISKS FROM FINANCIAL INSTRUMENTS

The Group's business activities expose it to various financial risks: credit risk, foreign currency risk, interest rate risk, and liquidity risk. For further information, please refer to the Report on Risks and Opportunities that is contained in the Group management report.

The Management Board has implemented a risk management system to identify and avoid risks. This system is based inter alia on rigorous supervision of business transactions, comprehensive exchange of information with the employees responsible, and regular – mostly quarterly – analyses of key performance indicators for the business.

The risk management system was implemented to be able to identify adverse developments at an early stage and launch countermeasures as quickly as possible.

With regard to the financial instruments the Group deploys, the objective of the risk management function at BRAIN is to minimize the risk exposure arising from financial instruments. The company does not enter into derivative financial instrument transactions without a corresponding underlying basis transaction. In both the reporting period and the prior-year period, liquid funds were mainly invested with financial institutions in Germany and the UK.

The financial instruments that are recognized on the balance sheet can as a matter of principle generate the following risks for the Group:

Credit risk

Credit risk describes the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk consists of both counterparty credit risk and the risk of a deterioration in credit quality, along with cluster risk. The maximum default risk corresponds to the carrying amounts of the financial instruments on the balance sheet date; see section (16) Trade receivables. The counterparty credit risk relevant to the Group's operating activities is represented by the risk that business partners will fail to discharge their payment obligations. Risk concentration is not identifiable in the customer receivables area of the BioScience segment insofar as the claims exist in relation to a group of customers exhibiting above-average creditworthiness. Receivables in the BioProducts area exist in relation to many different contractual partners. The credit quality of the contracting parties is assessed to mitigate the counterparty credit risk exposure of customer receivables. The factors assessed include financial position, past experience and other factors. The corresponding financial transactions are mostly entered into only with counterparties with excellent credit ratings. Liquid funds are invested mainly in accounts with financial institutions on Germany and the UK.

Currency risk

In addition, BRAIN is exposed to foreign currency risks. Income of € 274 thousand from currency differences (previous year: € 39 thousand) is offset by € 64 thousand of expenses from currency differences (previous year: € 148 thousand), so the resultant effects in both the 2024/25 and 2023/24 financial years largely offset each other, with only a small net expense remaining. Foreign currency positions are generally of minor importance within the BRAIN Group. An IFRS 7 sensitivity analysis of foreign currency risks is not relevant for the financial statements due to their subordinate significance.

Interest rate risk

Interest rate risk describes the risk of fluctuations in the value of a financial instrument because of changes in market interest rates. The largest portion of the loan has a fixed-interest period matching its maturity. The Management Board consequently believes that it is not exposed to material direct interest rate risk.

The risk exposures of the loans that match their maturities are limited to the risk that BRAIN cannot benefit from any potentially lower lending rates that may be obtained during the terms of the deposits and loans.

The Group benefited to only a limited extent from lower market borrowing rates due to the high proportion of fixed interest arrangements for its financial liabilities (> 95 %; previous year: > 95 %).

Capital management/liquidity risk

The capital management function of BRAIN Biotech AG pursues the objective of financing the company's planned growth and of securing corresponding resources for short-term financing requirements.

Accordingly, adequate liquidity is also sought through other suitable financial instruments such as debt capital, hybrid capital, or silent partnerships. The equity ratio amounted to 3 % as at 30 September 2025 (previous year: 16 %). The capital under management includes all current and non-current liability items as well as equity components. Financial terminology as presented in the financial statements is also utilized for debt and equity management purposes. The company anticipates further milestone payments in the short and medium term, both directly from pharmaceutical programs and from related financial transactions. These measures will enable the company to meet its planned payment obligations beyond the fourth quarter of the 2026 financial year.

BRAIN Biotech AG and its subsidiaries are not subject to any capital adequacy requirements above and beyond those in the German Stock Corporation Act (AktG) and the German Limited Liability Company Act (GmbHG).

A detailed listing of opportunities and risks is also presented in the Group management report of BRAIN Biotech AG.

VIII. Other information

AUDITOR'S FEES

The fees paid to or accrued for the auditors of the BRAIN Biotech Group engaged for the financial year in question consist of the following items:

€ thousand	2024/25	2023/24
Audit services	390	349
of which relating to the previous year	64	30
Other services	33	0
	423	**349**

RELATED PARTY DISCLOSURES

The Management Board and the Supervisory Board of BRAIN Biotech AG form the key management bodies of the BRAIN Biotech Group. The company's Management Board consisted of the following members in the financial year under review:

Adriaan Moelker, Wehrheim, CEO (Chairman of the Management Board)
Master of Business Administration (MBA)

Michael Schneiders, Frankfurt am Main, CFO
B.S. Economics

The Management Board members are entitled to represent the company either jointly or individually with a company officer. If only one Management Board Member has been appointed, this Management Board member is entitled to represent the company alone.

For the 2024/25 financial year, the Management Board was granted total compensation of € 1,471 thousand, as calculated on the basis of the German Commercial Code (HGB). The corresponding figure for the previous year stood at € 1,367 thousand.

Management Board compensation, in accordance with IAS 24, in the year under review amounted to:

€ thousand	2024/25	2023/24
Fixed compensation[13]	766	725
Fringe benefits	70	63
Performance-based compensation[14]	133	126
Share-based compensation	502	340
	1,471	**1,254**

Pension provisions of € 695 thousand (previous year: € 930 thousand) have been formed for former Management Board members.

The Management Board members are members of the following supervisory boards or comparable supervisory bodies:

Adriaan Moelker, Wehrheim, CEO (Chairman of the Management Board)
BRAIN UK II Ltd., Cardiff, UK (Director)
Biocatalysts Ltd., Cardiff, UK (Director)
SolasCure Ltd., Cambridge, UK (Director)
VCI Hessen, Frankfurt am Main (Board member)

Michael Schneiders, Frankfurt am Main, CFO
BRAIN UK II Ltd., Cardiff, UK (Director)
Biocatalysts Ltd., Cardiff, UK (Director)

The Management Board directly holds 40,000 shares as at the reporting date.

The company's Supervisory Board included the following members in the financial year under review:

Dr. Michael Majerus, Ottobrunn (Chair)
Consultant

Dr. Anna C. Eichhorn, Frankfurt am Main (Deputy Chair)
humatrix AG, Pfungstadt (CEO) (until August 2025)

Stephen Catling, Cambridge, UK
SJ Catling Ltd., Cambridge, UK (Managing Director)

Dr. Florian Schnabel, Munich
MP Beteiligungs-GmbH, Kaiserslautern (Managing Director)
BSN GmbH, Kaiserslautern (Managing Director)
PBG Zweite GmbH, Kaiserslautern (Managing Director)

Christine Uekert, Berlin
Evolve Partners – Biofin Consulting GmbH (Managing Director)
nSight Consulting GmbH (Managing Director)

Prof. Dr.-Ing. Wiltrud Treffenfeldt, Oberrieden, Switzerland (until 3 October 2024)
Independent consultant

Ursula LaCognata, Berlin, from 11 July 2025
ybe – Your Biotech Experts, Berlin (Managing Partner)

The Audit Committee of the company's Supervisory Board included the following members in the financial year under review:

Christine Uekert, Berlin (Chair)
Evolve Partners – Biofin Consulting GmbH (Managing Director)
nSight Consulting GmbH (Managing Director)

Dr. Michael Majerus, Ottobrunn (Chair)
Consultant

Dr. Florian Schnabel, Munich
MP Beteiligungs-GmbH, Kaiserslautern (Managing Director)
BSN GmbH, Kaiserslautern (Managing Director)
PBG Zweite GmbH, Kaiserslautern (Managing Director)

The Personnel Committee of the company's Supervisory Board included the following members in the financial year under review:

Dr. Michael Majerus, Ottobrunn (Chair)
Consultant

Stephen Catling, Cambridge, UK
SJ Catling Ltd., Cambridge, UK (Managing Director)

Prof. Dr.-Ing. Wiltrud Treffenfeldt, Oberrieden, Switzerland (until 3 October 2024)
Independent consultant

Dr. Anna C. Eichhorn, Frankfurt am Main (from 1 November 2024)
humatrix AG, Pfungstadt (CEO) (until August 2025)

The Nomination Committee of the company's Supervisory Board included the following members in the financial year under review:

Dr. Anna C. Eichhorn, Frankfurt am Main (Chair)
humatrix AG, Pfungstadt (CEO) (until August 2025)

Dr. Michael Majerus, Ottobrunn
Consultant

Stephen Catling, Cambridge, UK (from 1 November 2024)
SJ Catling Ltd., Cambridge, UK (Managing Director)

The Supervisory Board members are members of the following supervisory boards or comparable supervisory bodies:

Dr. Michael Majerus, Ottobrunn (Chair)
team neusta SE, Bremen (Deputy Supervisory Board Chairman)

Dr. Anna C. Eichhorn, Frankfurt am Main (Deputy Chair)
Frankfurter Innovationszentrum Biotechnologie GmbH, Frankfurt a. M. (member of the Supervisory Board)
Initiative Gesundheitswirtschaft Rhein-Main e.V., Frankfurt am Main (Deputy CEO)
House of Pharma & Healthcare e.V., Frankfurt am Main (member of the Management Board)

Stephen Catling, Cambridge, UK
Cambridgeshire Community Foundation, UK (Advisory Board Chairman)
Condimentum Ltd., UK (Director)
Arborea Ltd., UK (Director)

Dr. Florian Schnabel, Munich
None

Christine Uekert, Berlin
None

Prof. Dr.-Ing. Wiltrud Treffenfeldt, Oberrieden, Switzerland (until 3 October 2024)
ProBioGen AG, Berlin, Supervisory Board member

Ursula LaCognata, Berlin (from 11 July 2025)
None

The compensation of the Supervisory Board in the year under review was as follows:

€ thousand	**2024/25**	**2023/24**
Fixed compensation*	277	295
of which allowance for special functions	*75*	*70*
Attendance fees*	122	129
Total compensation	**399**	**429**

The Supervisory Board indirectly holds 27,000 shares in the company as at the reporting date.

Further information is presented in the compensation report.

OTHER RELATIONSHIPS WITH RELATED PARTIES

In the 2024/25 and 2023/24 financial years, the following supplies or purchases of goods and services occurred between the members of the governing bodies (Management and Supervisory board members) and their related parties and associated companies of the BRAIN Biotech Group and entities with significant influence over BRAIN Biotech AG.

A license agreement was concluded with SolasCure Ltd. in the 2017/18 financial year as part of the investment, for which BRAIN Biotech AG was paid with shares in the company equivalent to an amount of € 3,919 thousand. These have been deferred and will be recognized as revenue until September 2024 in the amount of the other shareholders' interests, as BRAIN Biotech AG will be closely involved in the approval process until then and will render further services. In connection with the license, a service agreement was also concluded with an anticipated total volume of around € 5.3 million. In the 2024/25 financial year, revenue was generated with the company in the context of the transaction described above in the amount of € 0 thousand (previous year: 468 thousand). In addition, BRAIN Biotech AG performed research and development work for SolasCure Ltd. in the financial year under review, which generated revenue of € 0.8 million (previous year: € 0.4 million).

Until 30 June 2025, a loan facility of € 7.0 million existed with MP-Beteiligungs-GmbH, Kaiserslautern, a company that holds an interest of more than 25 %. The loan bore interest at a rate of 3.5 %. The amount drawn down as at the previous year's reporting date of € 5,000 thousand was repaid in full on 1 October 2024, and subsequently no longer utilized. In the 2024/25 financial year, the interest cost amounted to € 21 thousand (previous year: € 222 thousand). No interest liabilities existed as at the reporting date.

No receivables were due from directors of BRAIN Biotech AG or individuals related to these directors as of 30 September 2025. As at the 30 September 2025 reporting date, the following outstanding balances existed in relation to the aforementioned parties, which are reported under other liabilities, and aforementioned compensation elements:

- Supervisory Board compensation: € 399 thousand (previous year: € 424 thousand),
- Management Board compensation: € 133 thousand (previous year: € 126 thousand),
- Deferrals for outstanding vacation (Management Board): € 16 thousand (previous year: € 14 thousand).

No other obligations exist in relation to the key management personnel of BRAIN Biotech AG.

CONTINGENCIES AND OTHER FINANCIAL COMMITMENTS

As in the previous year, as of the 30 September 2025 balance sheet date no obligations exist from contracts entered into for third-party work in the area of research and development contracts.

As was the case at the end of the previous financial year, as at 30 September 2025 no obligations exist arising from investment projects that have been commenced.

Contingent purchase price obligations exist for intangible assets that depend on the achievement of specific future revenue using these intangible assets up to a maximum amount of € 160 thousand (previous year: € 160 thousand).

The Management Board is not aware of other facts or circumstances that could lead to material additional financial commitments.

EMPLOYEES

The number of employees reports the following changes:

	2024/25	2023/24
Total employees, of whom	281	307
Salaried employees	275	301
Industrial employees	6	6

The BRAIN Biotech Group also employs scholarship / grant holders (3, previous year: 4), temporary employees (4, previous year: 7), and trainees (8, previous year: 7).

STATEMENT OF CONFORMITY TO THE GERMAN CORPORATE GOVERNANCE CODE

The statement of conformity to the German Corporate Governance Code as required by Section 161 of the German Stock Corporation Act (AktG) was issued by the Management and Supervisory boards and published on the company's website.

EVENTS AFTER THE REPORTING DATE

On 3 December 2025, our licensee Pharvaris announced positive clinical trial results from the RAPIDe-3 pivotal trial of deucrictibant. Under the license and monetization agreements entered into with Pharvaris and Royalty Pharma, the company will receive milestone payments in the low single-digit-million range in the new financial year.

No further significant events or developments of material importance to the company's financial position and performance have occurred since the 30 September 2025 balance sheet date.

Zwingenberg, January 12, 2026

Adriaan Moelker
Chief Executive Officer

Michael Schneiders
Chief Financial Officer

Responsibility statement

We declare that, to the best of our knowledge, the consolidated financial statements convey a true and fair view of the Group's financial position and performance in accordance with applicable accounting principles, the progress of business including the business results and the Group's position are presented in the Group management report so as to convey a true and fair view, and the significant opportunities and risks pertaining to the Group's prospective development are described.

Independent auditor´s report

(„Free Translation of the Original German Auditor's Report")

To BRAIN Biotech AG

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of BRAIN Biotech AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at September 30, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from October 1, 2024 to September 30, 2025, and notes to the consolidated financial statements, including material accounting accounting policy information. In addition, we have audited the group management report of BRAIN Biotech AG for the financial year from October 1, 2024 to September 30, 2025. In accordance with German legal requirements, we have not audited the content of the internet site for the published Group declaration on corporate governance, as stated in the group management report under Section "Corporate Governance Statement pursuant to § 289f and § 315d of the German Commercial Code" as well as chapters 2.1. "Risk Management System ('RMS')", 2.2. "Internal Control System" ('ICS')", 2.4. "Overall Assessment of the Risk Management System and the Internal Control System" and 3.4 "Sustainability and ESG" which are part of the group management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereafter "IFRS Accounting Standards"), as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e paragraph 1 HGB [German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at September 30, 2025, and of its financial performance for the financial year from October 1, 2024 to September 30, 2025, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the above "Group declaration on corporate governance" pursuant to § 289f and § 315d HGB" as well as chapters 2.1. "Risk Management System ('RMS')", 2.2. "Internal Control System" ('ICS')", 2.4. "Overall Assessment of the Risk Management System and the Internal Control System" and 3.4 "Sustainability and ESG" which form part of the group management report.

Pursuant to § 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 paragraph 2 point f of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 paragraph 1 of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from October 1, 2024 to September 30, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate audit opinion on these matters.

In our opinion, the following issue was most important in our audit:

- Impairment of goodwill

We have structured our presentation of this key audit matter as follows:

1.) Facts and problem definition.
2.) Audit procedures and findings
3.) Reference to further information

In the following we present the key audit matter:

Impairment of goodwill

1.) In the consolidated financial statements of BRAIN Biotech AG, a total of kEUR 6,626 (previous year: kEUR 6,806) of goodwill is reported under the balance sheet item "intangible assets and goodwill". Goodwill therefore represents a significant component of total assets.
2.) In the context of the preparation of the consolidated financial statements, the impairment testing of goodwill is of major importance. The legal representatives carry out an annual impairment test based on a valuation model using the discounted cash flow method. This model is based on data from corporate planning for the future development of the Company, which are influenced by general market and economic developments. In addition, the value of goodwill depends to a large extent on the discount rates and growth rates applied. These factors are subject to the decision of the legal representatives and therefore subject to discretion. Due to the existing scope of discretion, there is a risk that changes will have a material impact on goodwill. Therefore, this fact is of particular importance in the context of our audit.

3.) As part of our audit, we obtained an understanding of the processes involved in the relevant corporate planning and goodwill valuation. First, we reviewed the planning process and the assumptions made by the legal representatives regarding the future development of the companies concerned and compared them with general market expectations. Furthermore, we reproduced the valuation models used with regard to the correct calculations and checked that the valuation models meet the basic requirements of the relevant valuation standards. Furthermore, we have checked the underlying valuation parameters by comparing them with market data.
4.) Furthermore, we have methodically and mathematically assessed the Company's sensitivity analyses to be able to assess a possible impairment risk of goodwill in the event of changes in key assumptions. We consider the valuation process and the assumptions and parameters used therein to be an appropriate and sufficient basis for the impairment test of the goodwill recognised in the balance sheet. Based on the values determined and further documentation, there was no need for impairment for the fiscal year.
5.) Regarding the accounting and valuation principles applied, we refer to the disclosures in the notes under section "Impairment Test".

Other Information

The supervisory board is responsible for the Report of the Supervisory Board. Apart from that, the legal representatives are responsible for the other information.

The other information comprises the above-mentioned corporate governance statement as well as chapters 2.1. "Risk Management System ('RMS')", 2.2. "Internal Control System" ('ICS')", 2.4. "Overall Assessment of the Risk Management System and Internal Control System" and 3.4 "Sustainability and ESG" which are part of the group management report.

In addition, the other information comprises the following sections intended for the annual report, the version of which we obtained prior to the issuance of the audit opinion:

- Chapter "To our shareholders",
- Chapter "Company",
- Chapter "Responsibility statement",
- Chapter "Services".

Our audit opinions on the consolidated financial statements and the group management report do not cover the other information and, accordingly, we do not express an opinion or any other form of audit conclusion thereon.

In connection with our audit, our responsibility is to read the other information and assess whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards, as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e paragraph 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e paragraph 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the audit of the electronic reproductions of the consolidated financial statements and the group management report prepared for disclosure purposes pursuant to § 317 paragraph 3a HGB

Audit opinion

In accordance with § 317 paragraph 3a of the German Commercial Code (HGB), we have performed a reasonable assurance audit to determine whether the data contained in the file 391200JKPVHLD6JLZ107-2025-09-30-1-de.zip prepared for the purpose of publication of the consolidated financial statements and the group management report (hereinafter referred to as "ESEF documents") comply in all material respects with the requirements of the electronic reporting format ("ESEF format") pursuant to § 328 paragraph 1 HGB. In accordance with German legal requirements, this audit covers only the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore does not extend to the information contained in these reproductions or to any other information contained in the aforementioned file.

In our opinion, the reproductions of the consolidated financial statements and the group management report contained in the file referred to above and prepared for disclosure purposes comply, in all material respects, with the requirements of § 328 paragraph 1 HGB for the electronic reporting format. We do not express any opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file beyond this opinion and our opinions on the accompanying consolidated financial statements and the accompanying group management report for the financial year from October 1, 2024 to September 30, 2025 contained in the preceding "Report on the audit of the consolidated financial statements and Group management report".

Basis for the audit opinion

We conducted our audit of the reproductions of the consolidated financial statements and the group management report contained in the above-mentioned file in accordance with § 317 (3a) of the German Commercial Code (HGB) and the IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for Disclosure Purposes in Accordance with § 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibility thereafter is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents". As an auditing firm, we apply the requirements of the IDW Quality Management Standard: Requirements for Quality Management in Auditing Practice (IDW QMS 1), which are consistent with the International Standard on Quality Management 1 (ISQM1) issued by the International Auditing and Assurance Standards Board (IAASB).

Responsibility of the legal representatives and the Supervisory Board for the ESEF documents

The legal representatives of the Company are responsible for the preparation of the ESEF documents with the electronic reproductions of the consolidated financial statements and the group management report in accordance with § 328 paragraph 1 sentence 4 no. 1 HGB and for the markup of the consolidated financial statements in accordance with § 328 paragraph 1 sentence 4 no. 2 HGB.

Furthermore, the legal representatives are responsible for such internal control as they have determined necessary to enable the preparation of the ESEF documents that are free from material non-compliance, whether due to fraud or error, with the electronic reporting format requirements of § 328 paragraph 1 HGB.

The supervisory board is responsible for overseeing the preparation process of the ESEF documents as part of the financial reporting process.

Auditor's responsibility for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance, whether due to fraud or error, with the requirements of § 328 paragraph 1 HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material non-compliance with the requirements of § 328 paragraph 1 HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- Obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documentation, i.e., whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, as applicable at the reporting date, regarding the technical specification for that file.
- We assess whether the ESEF documents allow for a content identical XHTML reproduction of the audited consolidated financial statements and the audited group management report.
- Assess whether the markup of the ESEF documents with inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 as applicable at the reporting date enables an adequate and complete machine-readable XBRL copy of the XHTML reproduction.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on March, 18, 2025. We were engaged by the supervisory board on October 5, 2025. We have been the group auditor of BRAIN Biotech AG without interruption since the financial year 2021/2022.

We declare that the audit opinions expressed in this auditor’s report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER FACTS – USE OF THE AUDIT REPORT

Our audit report must always be read in conjunction with the audited consolidated financial statements and the audited group management report as well as the audited ESEF documents. The consolidated financial statements and group management report converted into ESEF format – including the versions to be published in the Company Register – are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and do not replace them. In particular, the ESEF report and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Andreas Weissinger.

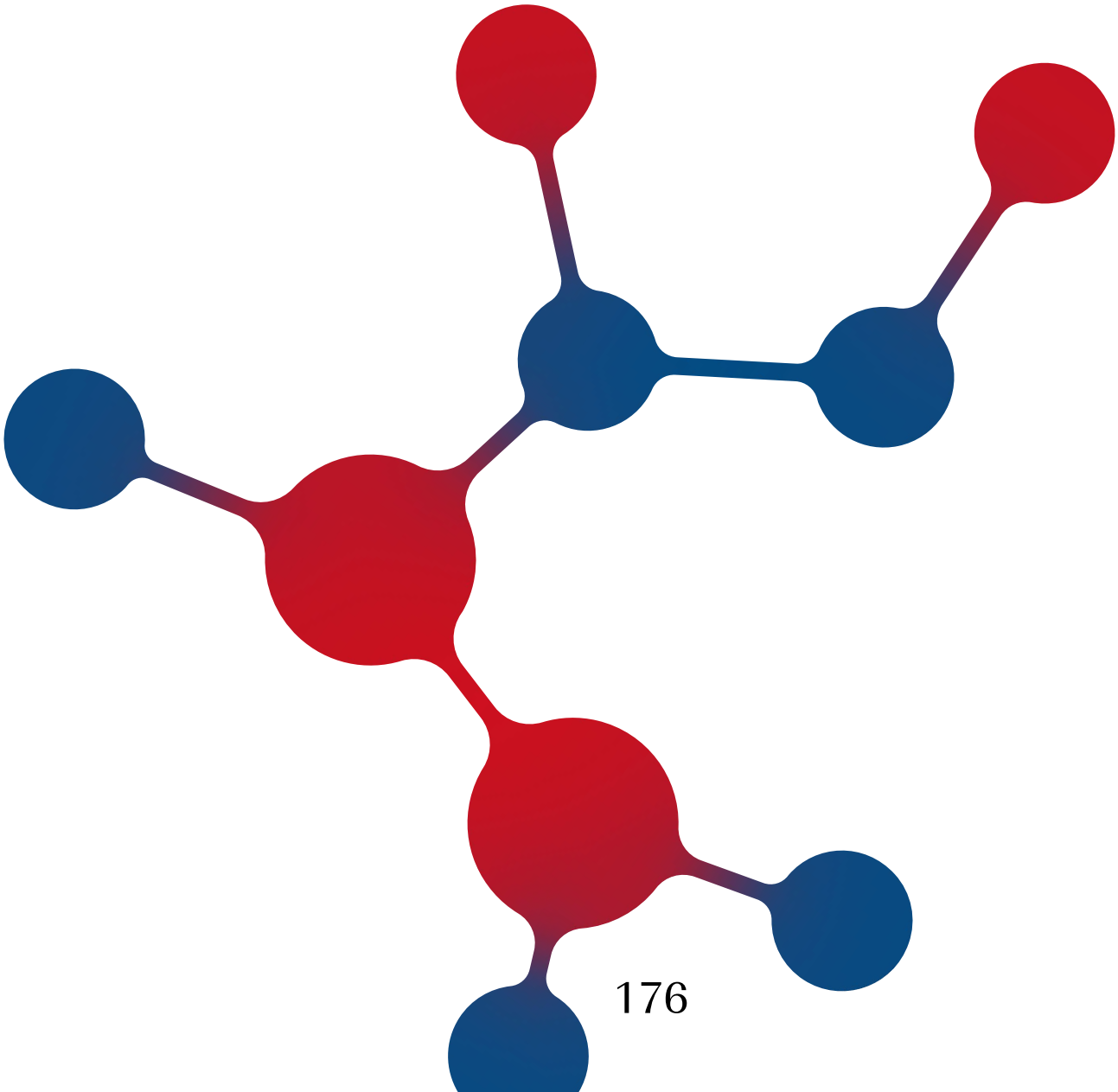
Munich, January 13, 2026

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Weissinger
Wirtschaftsprüfer
[German Public Auditor]

Huber
Wirtschaftsprüferin
[German Public Auditor]

Services



Financial Calendar

FEBRUARY 25, 2026

Publication of the quarterly statement as of December 31st, 2025 (3M)

MARCH 11, 2026

Annual General Meeting of BRAIN Biotech AG for fiscal year 2024/25

MAY 28, 2026

Publication of the half-year report as of March 31st, 2026 (6M)

AUGUST 27, 2026

Publication of the quarterly statement as of June 30th, 2026 (9M)

Legal Notice

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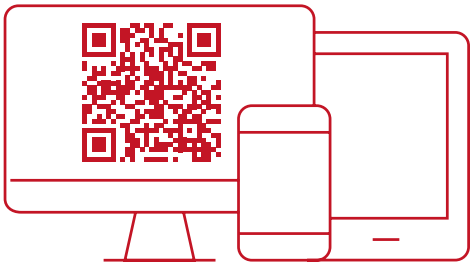
INFORMATION

- This report might contain certain forward-looking statements that are based on current assumptions and forecasts made by the management of the BRAIN Biotech 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 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.
- The annual report is published exclusively in digital form. It is available in PDF format.
- This document is a translation into English of a document originally prepared in German. In the event of any discrepancies, the authoritative German version of the document shall take precedence over the English translation.

Website BRAIN Biotech AG
→ www.brain-biotech-group.com/en/



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