

**BRAIN Biotech AG**

**Zwingenberg**

WKN 520394

ISIN DE0005203947

## **Invitation to the Annual General Meeting**

We hereby invite the shareholders to the Annual General Meeting (AGM) to be held on Wednesday, 8 March 2023, at 10:00 hours.

This year's AGM will be held as a virtual meeting without the physical attendance by its shareholders and proxies.

The meeting venue in the meaning of the German Stock Corporation Act (AktG) and the Company's bylaws is:

KNOLLE® SOCIETÄT Rechtsanwälte PartGmbH, Berliner Strasse 40, 63065 Offenbach am Main, Germany.

### **A.**

#### **Agenda**

- 1. Submission of the adopted separate annual financial statements and of the approved consolidated financial statements of BRAIN Biotech AG for the fiscal year ending 30 September 2021, the separate management report and the Group management report for the fiscal year from 1 October 2021 until 30 September 2022 with the explanatory reports relating to disclosures pursuant to Sections 289a and 315a of the German Commercial Code (HGB), as well as the report by the Supervisory Board for the fiscal year from 1 October 2021 to 30 September 2022**

The aforementioned documents can be viewed and downloaded from the Company's website at <https://www.brain-biotech.com/investors/annual-general-meetings>. They will also be available and explained during the AGM. These documents serve to inform the AGM about the past fiscal year as well as about the position of the Company and the Group. Legislation does not require a resolution on this agenda item as the Supervisory Board has approved the separate annual financial statements, which have already been adopted as a consequence.

**2. Resolution concerning discharging the Management Board for the fiscal year from 1 October 2021 to 30 September 2022**

The Management and Supervisory boards propose that the Management Board members holding office during the fiscal year from 1 October 2021 to 30 September 2022 be discharged for this period.

**3. Resolution concerning discharging the Supervisory Board for the fiscal year from 1 October 2021 to 30 September 2022**

The Management and Supervisory boards propose that the Supervisory Board members holding office during the fiscal year from 1 October 2021 to 30 September 2022 be discharged for this period.

**4. Election of the auditor of the separate financial statements and the auditor of the consolidated financial statements for the fiscal year from 1 October 2022 to 30 September 2023**

Pursuant to the recommendation of its Audit Committee, the Supervisory Board proposes electing

Baker Tilly GmbH & Co KG Wirtschaftsprüfungsgesellschaft (Düsseldorf),

to be the auditor of the separate and consolidated financial statements for the fiscal year from 1 October 2022 to 30 September 2023.

For the aforementioned audit services, the Audit Committee, pursuant to Article 16 (2) of EU Directive No. 537/2014 of the European Parliament and of the Council dated 16 April 2014 concerning specific requirements made of the auditing of financial statements of public-interest entities, and replacing resolution 2005/909/EC of the Commission, has recommended that the Supervisory Board renew the audit mandate of Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft (Düsseldorf). The Audit Committee has stated that its recommendation is free from undue influence by third parties and that no restrictive clause in the meaning of Article 16 (6) of the aforementioned Regulation (EU) No 537/2014 of 16 April 2014 has been imposed upon it.

**5. Elections to the Supervisory Board**

The term of office of the Chairman of the Supervisory Board, Dr. Georg Kellinghusen, and the term of office of the chair of the Audit Committee, Dr. Michael Majerus, will end at the close of the Annual General Meeting on 8 March 2023. In addition, Prof. Dr. Bernhard Hauer resigned from his mandate with effect from the end of 31 May 2022. New elections by the Annual General Meeting are consequently required in order to fill these three Supervisory Board mandates.

Dr. Georg Kellinghusen is not available for re-election for reasons of age.

Pursuant to Section 96 (1) AktG, the Company's Supervisory Board consists of the shareholders' Supervisory Board members, and pursuant to Section 95 AktG and Section 9 (1) of the Company's bylaws, it consists of six members elected by the AGM. The AGM is not tied to nominations.

Pursuant to the recommendation of its Nomination Committee, the Supervisory Board proposes electing

- a) Mr. Dr. Michael Majerus, Munich, Consultant,
- b) Mrs. Christine Uekert, Berlin, Managing Director nsight consulting GmbH,
- c) Mr. Dr. Florian Schnabel, Munich, Managing Director MP Beteiligungs-GmbH,

as Supervisory Board members with effect from the end of the AGM on 8 March 2023 until the end of the AGM that passes a resolution concerning the discharge of the Supervisory Board for the fiscal year from 1 October 2025 until 30 September 2026.

It is intended that Dr. Michael Majerus will be proposed as a candidate to be the Chairman of the Supervisory Board if he is elected. It is further intended that, if elected, Ms. Christine Uekert shall be proposed as a candidate for the chair of the Audit Committee and that, if elected, Dr. Schnabel shall be proposed as a candidate as a member of the Audit Committee.

It is intended that the Supervisory Board elections be implemented as individual elections.

Dr. Michael Majerus and Dr. Florian Schnabel have expertise in the area of accounting in the meaning of Section 100 (5) AktG. Ms. Christine Uekert has expertise in the area of the auditing of financial statements in the meaning of Section 100 (5) of the German Stock Corporation Act (AktG). Such expertise in each case also relates to the non-financial statement to be included in the management report, as well as the auditing of the non-financial statement.

The nominations take into consideration the targets that the Supervisory Board has approved for its composition, and aim to satisfy the competency profile developed for the plenary board. The targets and the competency profile are published in the corporate governance declaration for the 2021/22 fiscal year, which are included in the 2021/22 annual report and which form part of the documents submitted in relation to agenda item 1.

To a large extent, all of the proposed candidates possess the experience and expertise required to exercise the Supervisory Board mandate, as well as the necessary sector, specialist and corporate knowledge. All of the candidates are familiar both with the business area in which the Company operates and with the capital market environment. The Supervisory Board has satisfied itself that the candidates can devote the expected requisite amount of time to the mandate.

Supplementary disclosures and information about the proposed candidates, especially information pursuant to Section 125 (1) Sentence 5 AktG, the candidates' CVs of as well as further information relating to the recommendations of the German Corporate Governance Code are reproduced in Section C.1 of this invitation and can also be viewed on the Company's website at

<https://www.brain-biotech.com/investors/annual-general-meetings>

**6. Resolution concerning the cancellation of the existing authorization to issue convertible bonds and / or bonds with warrants with the possibility of excluding subscription rights, concerning the granting of a new authorization to issue convertible bonds and / or bonds with warrants with the possibility of excluding subscription rights, concerning the cancellation of Conditional Capital 2021 / I and the creation of a new Conditional Capital 2023 / I, and concerning the amendment to the bylaws required for this purpose**

The authorization of the Management Board approved by the Annual General Meeting on 10 March 2021 under agenda item 6 to issue convertible bonds and bonds with warrants has not yet been utilized. No convertible bonds and/or bonds with warrants were issued on the basis of the existing authorization. The existing authorization is also no longer to be utilized. Subscription rights to the Company's shares deriving from the exercise of the aforementioned authorization, which would have had to be secured by Conditional Capital 2021 / I, which was also approved by the Annual General Meeting on 10 March 2021, have consequently not arisen and will not arise again. For this reason, both the existing authorization to issue convertible bonds and bonds with warrants in accordance with the resolution of the Annual General Meeting on 10 March 2022 and the Conditional Capital 2021 / I are to be cancelled.

In order to enable the Company to continue to be able to cover its financial requirements quickly and flexibly by issuing convertible bonds and/or bonds with warrants in the coming years, the Management Board is to be authorized to do so again. In order to secure the conversion and warrant rights or conversion obligations arising from the bonds that can be issued on the basis of the proposed new authorization, a new Conditional Capital 2023 / I is to be approved at the same time, while taking the Company's current share capital into consideration.

The Management and Supervisory boards propose passing the following resolution:

- a) The authorization to issue convertible bonds and/or bonds granted by the resolution of the Annual General Meeting on 10 March 2021 under agenda item 6 shall be revoked with effect from the date of entry in the Company's commercial register of the new Conditional Capital 2023 / I set out below in letter d) of this proposed resolution and the corresponding amendment to the bylaws.
- b) Authorization to issue new convertible bonds and/or bonds with warrants

With effect from the time of the entry in the Company's commercial register of the new Conditional Capital 2023 / I regulated in letter c) of this resolution proposal below, and the corresponding amendment to the bylaws, the Management Board shall be authorized, during the period until 7 March 2028 to issue once or on several occasions, including simultaneously in different tranches, subordinated or non-subordinated bearer or registered bonds carrying conversion and/or warrant rights and/or conversion rights, or a combination of such instruments (including all "bonds" specified below in structuring possibilities envisaged in this resolution) – in each case with or without term restriction, in the total nominal amount of up to € 40,000,000.00 against cash and/or non-cash capital contributions, and to grant or impose warrant rights on the holders or creditors of bonds with warrants, or conversion rights or conversion obligations on the holders or creditors of convertible bonds, for ordinary registered shares in BRAIN Biotech AG (hereinafter referred to as the "Company") with a proportional amount of the share capital totaling up to

€ 2,184,749.00 according to the more detailed specifics of the terms to be set by the Management Board for these bonds or warrants (hereinafter referred to uniformly as the “bond terms and conditions”).

The following provisions shall apply to the issue of the bonds:

*(1) General provisions*

The authorization shall extend to all bonds that are subject to the legal requirements set out in Section 221 AktG. The bonds may be issued for financing purposes (raising of debt and/or equity), as well as for other purposes, such as optimizing the Company’s capital structure.

The bonds may be issued in euros or in other legal currencies of OECD countries; in the event of an issue in a foreign currency, the nominal amount of the bonds shall be converted into euros on the date of the decision to issue them, in order to comply with the total nominal amount limit laid down in this authorization.

The bonds may be issued by the Company or by Group companies managed by the Company (hereinafter referred to as “Group companies”). In the event that the bonds are issued by Group companies, the Management Board shall be authorized, with the approval of the Supervisory Board, to assume the guarantee for the bonds and to grant or impose conversion or warrant rights, or conversion obligations, on the holders for no-par-value registered shares in the Company.

*(2) Convertible and warrant bonds*

The bonds shall be divided into fractional bonds.

If bonds are issued with warrants, one warrant or several warrants shall be attached to each partial bond, which shall entitle the holder to subscribe to registered no-par-value shares in the Company in accordance with the more detailed provisions of the bond terms and conditions. The bond terms and conditions can provide that the warrant price can also be fulfilled by transferring partial bonds and, if necessary, by making an additional cash payment. The term of the warrant right may not exceed the maturity of the bond with warrants. To the extent that fractions of shares arise, the bond terms and conditions may provide that such fractions may be added together in accordance with the terms and conditions of the bonds for the subscription of whole shares, if necessary against an additional cash payment.

If convertible bonds are issued, in the case of bearer bonds their holders, or otherwise the creditors of the fractional bonds, shall receive the right to convert their fractional bonds into no-par-value registered shares in the Company in accordance with the bond terms and conditions. The conversion ratio shall be calculated by dividing the nominal amount or the issue amount of a fractional bond that lies below the nominal amount by the fixed conversion price for a registered no-par-value share in the Company, and can be rounded up or down to a whole number. Furthermore, an additional cash payment, as well as the combination of, or compensation for, non-convertible fractions, may be determined. The bond terms and conditions may provide for a variable conversion ratio and determination of the conversion price within a defined range depending on the stock market performance of the Company’s no-par-value share during the bond’s term. The proportionate amount of the share capital of the shares to be issued upon conversion may not exceed the nominal amount of the fractional bond.

The provisions of Sections 9 (1) and 199 AktG shall remain unaffected.

*(3) Conversion obligation*

The convertible bond terms and conditions may also provide for a conversion obligation at maturity, or at an earlier date, or given the occurrence of a specific event. The proportionate amount of the share capital of the shares to be issued upon conversion may not exceed the nominal amount of the fractional bond. In the bond terms and conditions, the Company may be granted the right to render compensation in cash, in whole or in part, for any difference between the nominal amount or a lower issue amount from the convertible bond and the product of the conversion price and exchange ratio. The provisions of Sections 9 (1) and 199 AktG shall remain unaffected.

*(4) Substitution authorization*

In the event of conversion or exercise of the warrant, the bond terms and conditions may grant the Company the right to pay a cash amount instead of granting new no-par-value shares, which, in accordance with the more detailed provisions of the bond terms and conditions, shall correspond to the arithmetic mean, rounded up to whole cents, of the closing auction prices of the Company's no-par-value shares of the same class in the XETRA trading system (or a comparable successor system) on the Frankfurt Stock Exchange during a period to be specified in the bond terms and conditions.

The bond terms and conditions may also provide for the right for the Company to grant to the creditors of bonds shares in the Company in whole or in part rather than payment of the monetary amount due. In this case, the shares shall be credited at a value which, in accordance with the more detailed provisions of the bond terms and conditions, shall correspond to the arithmetic mean, rounded up to whole cents, of the closing auction prices of the Company's no-par-value shares of the same class in the XETRA trading system (or a comparable successor system) on the Frankfurt Stock Exchange during a period to be specified in the bond terms and conditions.

Furthermore, the bond terms and conditions may provide that the bonds may, at the Company's option, be converted into existing shares in the Company or into shares of another listed company instead of into new shares from conditional or authorized capital, or that the warrant right may be fulfilled by the delivery of such shares.

The bond terms and conditions may also provide for a combination of such forms of settlement.

*(5) Conversion or warrant price*

The warrant or conversion price to be determined in each case for a no-par-value share in the Company must, with the exception of cases where a substitution authorization or conversion obligation is provided for, amount to at least 80% of the arithmetic mean of the closing auction prices for the Company's no-par-value shares of equal class in the XETRA trading system (or a comparable successor system) on the Frankfurt Stock Exchange on the last ten (10) trading days before the date on which the Management Board passes a resolution concerning the issuing of the bonds, or for the instance of the granting of a subscription right, to at least 80% of the arithmetic mean of the closing auction prices for

the Company's no-par-value shares of equal class in the XETRA trading system (or a comparable successor system) on the Frankfurt Stock Exchange during the subscription period, with the exception of those days during the subscription period that are required in order to announce the warrant or conversion price pursuant to Section 186 (2) Sentence 2 AktG. The provisions of Sections 9 (1) and 199 AktG shall remain unaffected.

In cases of the substitution authorization or conversion obligation, the warrant or conversion price may, in accordance with the more detailed provisions of the bond terms and conditions, either be the aforementioned minimum price or correspond to the arithmetic mean of the closing auction prices of the Company's no-par-value shares of the same class in the XETRA trading system (or a comparable successor system) on the Frankfurt Stock Exchange during the ten (10) trading days prior to the final maturity date or the other specified date, even if this mean lies below the aforementioned minimum price. The provisions of Sections 9 (1) and 199 AktG shall remain unaffected.

(6) *Dilution protection*

Notwithstanding Section 9 (1) AktG, the warrant or conversion price may be reduced on the basis of an anti-dilution clause in accordance with the more detailed provisions of the bond terms and conditions if the Company, during the warrant or conversion period

- (i) increases the share capital through a capital increase from Company funds,
  - (ii) increases the share capital or sells treasury shares, thereby granting its shareholders exclusive subscription rights,
- or
- (iii) issues, grants or guarantees further bonds with warrant rights, conversion rights or conversion obligations, granting their shareholders exclusive subscription rights,

and, in the cases mentioned in (ii) and (iii), the holders of existing warrant rights, conversion rights or conversion obligations are not granted subscription rights for these shares as they would be entitled to after exercising the warrant rights or conversion rights or after fulfilling their conversion obligations. The reduction of the warrant or conversion price may also be realized by a cash payment upon exercise of the warrant or conversion right, or upon fulfilment of the conversion obligation. The bond terms and conditions may also provide for an adjustment of the warrant rights, conversion rights or conversion obligations in the event of a capital reduction or other measures or events that lead to an economic dilution of the value of the warrant rights, conversion rights or conversion obligations, such as deriving from a dividend payment or the attainment of control by third parties. The provisions of Sections 9 (1) and 199 AktG shall remain unaffected.

(7) *Subscription rights and exclusion of subscription rights*

As a matter of principle, the shareholders shall be entitled to a subscription right to the bonds. To the extent that the shareholders are not permitted to directly subscribe to the bonds, the shareholders shall be granted the statutory subscription right in such a manner that the bonds shall be underwritten by one or more banks or one or more companies operating in accordance with Section 53 (1) Sentence 1 of the German Banking Act (KWG) or Section 53 b (1) Sentence 1 or (7) KWG as determined by the Management Board, with

the obligation to offer them to the shareholders for subscription (indirect subscription right). If bonds are issued by a Group company, the Company must ensure that the statutory subscription right is granted to the Company's shareholders.

However, the Management Board shall be authorized to exclude the subscription right with the approval of the Supervisory Board,

- (i) insofar as this is necessary for fractional amounts arising from the subscription ratio;
- (ii) to the extent necessary in order to grant subscription rights to holders or creditors of warrant rights, conversion rights or conversion obligations from bonds issued or guaranteed by the Company or Group companies to compensate for dilution to the extent to which they would be entitled after exercising the warrant rights or conversion rights or fulfilling the conversion obligation;
- (iii) insofar as bonds are issued in return for non-cash contributions, in particular in the context of corporate mergers or for the (also indirect) acquisition of companies, operations, parts of companies, equity interests or other assets or claims to the acquisition of assets, including claims against the Company or its Group companies, whereby, however, this authorization to exclude the subscription right shall apply only to bonds with a warrant right, conversion right or conversion obligation for shares with a proportionate amount of the share capital that in total may not exceed 10% of the share capital, either at the time of this authorization becoming effective or, if this value is lower, at the time of exercising this authorization; towards this limit shall count the pro rata amount of share capital represented by shares, or to which conversion and/or warrant rights or conversion obligations from bonds relate, that were issued in analogous application of the provisions of Section 186 (3) Sentence 4 AktG during the period of this authorization was granted until the date on which it is exercised on the basis of another authorization of the Management Board to exclude subscription rights in direct or analogous application of the provisions of Section 186 (3) Sentence 4 AktG or that were sold from treasury shares in analogous application of the provisions of Section 186 (3) Sentence 4 AktG;
- (iv) insofar as bonds are issued against cash payment, and the Management Board, after due examination, arrives at the conclusion that the bonds' issue price is not significantly lower than their theoretical market value determined in accordance with generally accepted methods of financial mathematics. However, this authorization to exclude the subscription right shall apply only to bonds with a warrant right, conversion right or conversion obligation for shares with a proportionate amount of the share capital that in total may not exceed 10% of the share capital, either at the time of this authorization becoming effective or, if this value is lower, at the time of exercising this authorization. Towards this limit shall count the pro rata amount of share capital represented by shares, or to which conversion and/or warrant rights or conversion obligations from bonds relate, that were issued in analogous application of the provisions of Section 186 (3) Sentence 4 AktG during the period of this authorization was granted until the date on which it is exercised on the basis of another authorization of the Management Board to exclude subscription rights in direct or analogous application of the provisions of

Section 186 (3) Sentence 4 AktG or that were sold from treasury shares in analogous application of the provisions of Section 186 (3) Sentence 4 AktG.

(8) *Further structuring possibilities*

The Management Board shall be authorized to determine the issue conditions as well as the further terms and conditions of the bonds, or to determine them in agreement with the respective issuing Group company. The bond terms and conditions may, in particular, also contain the following provisions:

- (i) the further details of the issue and terms of the bonds, in particular the coupon rate, the issue price, the (also unlimited or different) term of the bonds, as well as their denomination;
- (ii) the number and form of the warrants to be attached to each bond (even if they have different structures), and whether they are separable at or after issue;
- (iii) the structure of the bond component, which may, in particular, also include so-called exchangeable, mandatory exchangeable or hybrid bonds;
- (iv) whether in the case of warrant bonds, payment of the warrant price can be made in full or in part by transferring bond certificates (trade-in / part-exchange);
- (v) how, in the case of mandatory conversions or the fulfilment of warrant obligations or rights to tender, the details of the exercise, the fulfilment of obligations or rights, the time limits, and the fixing of conversion or warrant prices are to be determined.
- (vi) whether the conversion or warrant price(s), or the conversion, subscription or exchange ratios, are to be determined when the bonds are issued or during the term of the bonds or warrants, and how these prices or ratios are to be determined in each case (in each case including any minimum and maximum prices and variable arrangements or determination on the basis of future stock exchange prices);
- (vii) further provisions on protection against dilution.

c) Cancellation of Conditional Capital 2021 / I

The Conditional Capital 2021 / I of € 1,986,136.00 approved by the Annual General Meeting on 10 March 2021 under agenda item 6 shall be cancelled with effect from the time of the entry in the Company's commercial register of the new Conditional Capital 2023 / I regulated below in letter c) of this resolution proposal and of the corresponding amendment to the bylaws.

d) Creation of Conditional Capital 2023 / I

The share capital shall be conditionally increased by up to € 2,184,749.00 through issuing up to 2,184,749 new no-par-value registered shares. The conditional capital increase shall serve exclusively to grant shares to the holders or creditors of bonds with warrants and convertible bonds issued by the Company or a Group company by 7 March 2028 on the basis of the authorization approved in b) above. According to the bond terms and conditions, the conditional capital increase shall also serve the issuing of shares to holders

of convertible bonds with conversion obligations. The conditional capital increase is to be implemented 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 fulfil their obligation to convert, and to the extent that other forms of fulfilment are not deployed to service the bonds. The new shares shall be issued at the conversion or warrant prices to be determined in each case in accordance with the aforementioned authorization resolution in the bond terms and conditions. The new shares shall participate in profits from the start of the fiscal year in which they are created through the exercise of conversion or warrant rights or through the fulfilment of conversion obligations (Conditional Capital 2023 / I). The Management Board shall be authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

e) Amendment of the bylaws

Section 5 (3) of the bylaws shall be amended as follows:

*“The share capital shall be conditionally increased by up to € 2,184,749.00 through issuing up to 2,184,749 new no-par-value registered shares. The conditional capital increase shall serve exclusively to grant shares to the holders or creditors of bonds with warrants and convertible bonds issued until 7 March 2028 by the Company or a Group company on the basis of the authorization of the Management Board by the AGM resolution of 8 March 2023. According to the bond terms and conditions, the conditional capital increase shall also serve the issuing of shares to holders of convertible bonds with conversion obligations. The conditional capital increase is to be implemented 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 fulfil their obligation to convert, and to the extent that other forms of fulfilment are not deployed to service the bonds. The new shares shall be issued at the conversion or warrant prices to be determined in each case in accordance with the aforementioned authorization resolution in the bond terms and conditions. The new shares shall participate in profits from the start of the fiscal year in which they are created through the exercise of conversion or warrant rights or through the fulfilment of conversion obligations (Conditional Capital 2023 / I). The Management Board shall be authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.”*

On the basis of the authorization proposed here to issue convertible bonds and/or bonds with warrants, the Management Board has submitted a written report on the reasons why it should be authorized to exclude shareholders' subscription rights in certain cases. The report is included in Section B of this invitation and is also available on the Company's website at

<https://www.brain-biotech.com/investors/annual-general-meetings>

Upon request, each shareholder will be provided without delay with a free copy of the report.

## **7. Resolution concerning the approval of the compensation scheme for the members of the Management Board**

Pursuant to Section 120 a (1) AktG, shareholders' general meetings of listed companies are to pass a resolution concerning the approval of compensation schemes for members of management boards, as submitted by supervisory boards, whenever a material change occurs to the compensation scheme, albeit at least every four years.

On 19 January 2023, the Supervisory Board, acting on the recommendation of its Personnel Committee, approved several changes to the compensation scheme for Management Board members currently in force and approved by the Annual General Meeting on 10 March 2021 under agenda item 8. The amendments mainly concern the following points:

- The ratio of performance-related, variable compensation to non-performance-related, fixed compensation was redefined.
- The performance-related variable compensation was restructured with regard to both the short-term, one-year variable compensation (Short Term Award, STI) and the long-term, multi-year variable compensation (Long Term Award, LTI).
- The amount of the maximum compensation was redefined.

The compensation scheme is reproduced in **Section C.2** of this invitation and is also available on the Company's website at

<https://www.brain-biotech.com/investors/annual-general-meetings>

The Supervisory Board proposes that the compensation scheme for the members of the Management Board, which was modified by the Supervisory Board on 19 January 2023, be approved.

## **8. Resolution concerning the adjustment of the regulations on the compensation of the Supervisory Board and corresponding amendment of Section 14 (1) of the Company's bylaws**

The compensation of the Supervisory Board is set out in Section 14 of the bylaws. The amount and structure of compensation has remained unchanged since the IPO in 2016. By way of an amendment to the bylaws in accordance with the resolution of the Annual General Meeting on 10 March 2021 in relation to agenda item 9, only a clarifying provision was added to Section 14 of the bylaws regarding attendance fees for participation in video or telephone conferences of the Supervisory Board.

The level of compensation set out in Section 14 of the bylaws stands far below the compensation received by supervisory board members at comparable public stock corporations in the market environment. It lies in the well-understood interest of both the Company and its shareholders that Supervisory Board members should receive compensation commensurate with the steadily increasing duties and responsibilities of the supervisory board of a listed company. At the same time, the Company relies on staffing its Supervisory Board with excellently qualified members who are experienced in the capital market environment. This applies to the complex areas of

accounting and auditing as well as to expertise in an innovative research environment and in challenging markets.

Adjusting the compensation to a level in line with the market will enable the Annual General Meeting and thereby the shareholders to continue to fill the Supervisory Board with qualified members in the future, and to remunerate the members already elected appropriately for their commitment. Accordingly, the fixed compensation of Supervisory Board members is to be increased to € 30,000.00, compensation for serving on a committee is to be introduced in the amount of € 5,000.00, and compensation for attendance at meetings is to be increased to € 2,000.00.

Other compensation components and the structure of compensation are otherwise to remain unchanged.

The Management and Supervisory boards propose passing the following resolution:  
Section 14 (1) of the bylaws shall be amended as follows:

*“The members of the Supervisory Board shall receive annual compensation of € 30,000.00, with the Chair of the Supervisory Board receiving double this amount and the Deputy Chair of the Supervisory Board receiving one and a half times this amount. In addition, the chairs of Supervisory Board committees shall receive annual compensation of € 15,000.00 and all members of a committee shall receive € 5,000.00. All Supervisory Board members shall receive a meeting fee of € 2,000 for each face-to-face meeting of the Supervisory Board and its committees they attend. The members of the Supervisory Board shall 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 compensation shall be payable after the end of the Company’s Annual General Meeting that receives or approves the annual financial accounts for the fiscal year then ended.”*

**9. Resolution concerning the cancellation of the authorization resolution of the Annual General Meeting of 7 March 2019 on the issuance of a stock option plan, concerning the reduction of the Conditional Capital 2019/I, concerning the reduction of the Conditional Capital 2015 / II, furthermore on the authorization to issue a new stock option plan under issuance of stock options with subscription rights to shares in BRAIN Biotech AG, concerning the creation of a Conditional Capital 2023 / II as well as concerning the amendments to the bylaws required for this purpose**

On 7 March 2019, the Company’s Annual General Meeting authorized the Management Board under agenda item 6, with the approval of the Supervisory Board, to establish a stock option plan and to issue up to a total of 1,682,578 stock options with subscription rights to shares in the Company with a term of up to eight years to members of the Management Board as well as to selected executives and other top performers at the Company. The Conditional Capital 2019 / I approved to cover the stock options to be issued was entered in the Commercial Register on 8 April 2019. Pursuant to the aforementioned resolution of the Annual General Meeting of 7 March 2019, a stock option plan was set up, on the basis of which a total of 1,233,600 stock options have currently been issued to former and currently serving members of the Management Board and to executives of the Company.

The deliberations of the Supervisory Board as part of drawing up a new compensation scheme for the members of the Management Board revealed that, in order to improve the sustainable incentivization of the members of the Management Board, the performance targets for the exercise of stock options should be redefined. In particular, the impact of the absolute share price hurdle established to date is to be significantly reduced in favor of relative share price hurdles (benchmarking) and internal corporate performance targets, which can have a positive impact on the Company's share price and valuation. With regard to the performance targets for the Company's executive employees, the Management Board has endorsed the Supervisory Board's considerations regarding share price hurdles and is consequently in favor of supplementing the absolute share price hurdle with relative share price hurdles (benchmarking) for this group of beneficiaries.

For the aforementioned reasons, the currently applicable stock option plan shall not be continued and shall be replaced by a new stock option plan so that stock options can continue to be issued in subsequent years, with new performance targets and, with regard to the issue to Management Board members, also taking into account the new compensation scheme pursuant to Section 87 a AktG. At the same time, the total number of stock options to be issued is to be adjusted to the currently existing share capital within the framework of statutory provisions and thereby increased to a reasonable extent. In order to achieve the greatest possible incentive for the Company's top performers, the total volume of stock options will be available for issue to members of the Management Board and other selected executives and top performers of the Company.

The Management and Supervisory boards agree that stock options form an elementary component of incentives for the Company's executives and significantly strengthen executives' loyalty to the Company. The Company depends on its top performers collaborating with the highest degree of motivation and loyalty in order to tangibly and sustainably improve the results of its operations and the Company's value. As a consequence, the issuance of stock options to the Management Board and other executives of the Company also lies within the well-understood interest of all shareholders.

The 1,233,600 stock options currently issued on the basis of the authorization resolution of 7 March 2019 may not be affected in their validity and effectiveness by the introduction of a new stock option plan. As a consequence, Conditional Capital 2019 / I must remain in place to the extent of the stock options actually issued; however, it may be reduced to this extent. Conditional Capital 2019 / I is consequently to be reduced to € 1,233,600.00. As a consequence, the holders of the stock options issued on the basis of the authorization of 7 March 2019 are not impaired in relation to their rights associated with the stock options, and are protected even after a reduction of the Conditional Capital 2019 / I.

Furthermore, 63,000 stock options are currently still issued on the basis of an earlier AGM authorization resolution concerning the establishment of a stock option plan dated 8 July 2015. The authorization had already been revoked by the AGM resolution of 7 March 2019 in relation to agenda item 6. The remaining Conditional Capital 2015 / II, which had been reduced to the currently applicable amount of € 123,000.00 by resolution of the AGM on 7 March 2019, is consequently no longer required to this extent and is consequently to be reduced to € 63,000.00. As a consequence, the holders of the stock options issued on the basis of the authorization of 8 July 2015 are not impaired in relation to their rights associated with these stock options, and are protected including after a further reduction of Conditional Capital 2015 / II.

The Management and Supervisory boards propose passing the following resolution:

1. Cancellation of the currently existing authorization to issue stock options, reduction of Conditional Capital 2019 / II and the amendment of the bylaws required for this purpose
  - a) To the extent that it has not been exercised, the authorization passed a resolution under agenda item 6 of the AGM of 7 March 2019 to issue stock options with subscription rights to shares in BRAIN Biotech AG shall be cancelled with effect from the date of entry in the Company's commercial register of the new Authorized Capital 2023 / II regulated below and the corresponding amendment to the bylaws.
  - b) Conditional Capital 2019 / I shall be reduced by € 448,978.00 from € 1,682,578.00 to € 1,233,600.00 with effect from the date of entry in the Company's commercial register of the new Authorized Capital 2023 / II regulated below and the corresponding amendment to the bylaws.
  - c) Section Article 5 (5) of the bylaws shall be amended with effect from the date of entry in the Company's commercial register of the new Authorized Capital 2023 / II regulated below and the corresponding amendment to the bylaws, and shall in future read as follows:

*“The Company's share capital shall be conditionally increased by up to € 1,233,600.00 through issuing up to 1,233,600 new no-par-value registered shares. The conditional capital shall serve exclusively to service subscription rights from stock options that have been granted to members of the Company's Management Board as well as to other employees of the Company in senior positions on the basis of the authorization issued by the AGM resolution of 7 March 2019. The conditional capital increase shall 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 such subscription rights. The new shares shall participate in profits from the beginning of the fiscal year for which a resolution on the appropriation of net retained profits has not yet been passed at the time the subscription rights are exercised (Conditional Capital 2019 / II). The Management Board shall be authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.”*
2. Reduction of Conditional Capital 2015 / II and the amendment to the bylaws required for this purpose
  - a) Conditional Capital 2015 / II shall be reduced by € 60,000.00 from € 123,000.00 to € 63,000.00 with effect from the date of registration of the new Authorized Capital 2023 / II regulated below and the corresponding amendment to the bylaws in the Company's commercial register.
  - b) Section Article 5 (4) of the bylaws shall be amended with effect from the date of entry of the new Authorized Capital 2023 / II regulated below and the corresponding amendment to the bylaws in the Company's commercial register and shall in future read as follows:

*“The Company’s share capital shall be conditionally increased by up to € 63,000.00 through issuing up to 63,000 new no-par-value registered shares. The conditional capital shall serve exclusively to service subscription rights from stock options that have been granted to members of the Company’s Management Board as well as managers and other employees of the Company in senior positions on the basis of the authorization by resolution of the AGM of 8 July 2015. The conditional capital increase shall 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 such subscription rights. The new shares shall participate in profits from the beginning of the fiscal year for which a resolution on the appropriation of net retained profits has not yet been passed at the time the subscription rights are exercised (Conditional Capital 2015 / II). The Management Board shall be authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.”*

3. Authorization to issue stock options with subscription rights to shares in BRAIN Biotech AG, creation of a new Conditional Capital 2023 / II and the necessary amendments to the bylaws

- a) With effect from the date of registration of the new Authorized Capital 2023 / II regulated below and the corresponding amendment to the bylaws in the Company’s commercial register, the Management Board shall be authorized, with the approval of the Supervisory Board, to issue up to 888,148 stock options with subscription rights to shares in BRAIN Biotech AG with a term of up to six (6) years by 7 March 2028 as part of a stock option plan and in compliance with the following provisions, with the proviso that each stock option grant the right to subscribe to one share. As far as issuing stock options to members of the Management Board of BRAIN Biotech AG is concerned, this authorization shall be valid for the Supervisory Board alone. The stock options can also be assumed by a credit institution with the obligation to transfer them to beneficiaries who shall be solely entitled to exercise the subscription rights, as instructed by BRAIN Biotech AG.

The following additional provisions must be adhered to when issuing subscription rights:

(1) Beneficiaries

Subscription rights may only be issued to members of the Management Board and selected executives and other top performers of BRAIN Biotech AG. The selection of persons and the determination of the number of subscription rights to be issued in each case shall be the responsibility of the Company’s Management Board; to the extent that subscription rights are allocated to members of the Management Board, the Supervisory Board shall be responsible for determining such allocations.

The following can be issued:

- to the members of the Management Board of BRAIN Biotech AG, a maximum total of up to 444,074 subscription rights;
- to selected executives and other top performers of BRAIN Biotech AG, a maximum total of up to 444,074 subscription rights.

The beneficiaries must be members of the Management Board of BRAIN Biotech AG or be in a non-terminated employment relationship with BRAIN Biotech AG at the time when the stock options are issued. For members of the Management Board of BRAIN Biotech AG, the Supervisory Board must agree a limitation (“cap”) for extraordinary, unforeseen developments.

The reference value for a stock option shall be the simple (not sales-weighted) arithmetic mean, rounded to two decimal places, of the closing prices of the ordinary shares of BRAIN Biotech AG determined in the XETRA trading system (or a comparable successor system) of FWB Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange) in the closing auction during the last thirty (30) trading days prior to the issue of the respective stock option.

The following must be reported annually in the notes to the annual financial statements

- the issue of stock options to Management Board members, stating the names of the beneficiaries and the number of stock options granted;
- the number of subscription rights from stock options exercised by members of the Management Board in the past fiscal year, whereby the exercise prices paid and the number of stock options held by members of the Management Board at the time of the annual financial statements must be stated.

## (2) Subscription right

Each stock option shall grant the holder the right to subscribe to one ordinary registered share in BRAIN Biotech AG after the expiry of the vesting period and within an exercise period against payment of the exercise price, provided that the performance targets have been met. The new shares shall participate in profits from the start of the fiscal year for which a resolution on the appropriation of net retained profits has not yet been passed at the time when the subscription rights are exercised.

The subscription conditions can provide that the Company may also grant treasury shares to the beneficiaries to satisfy the subscription right instead of new shares from conditional capital; to the extent that a decision is to be made to grant treasury shares to members of the Management Board, this decision shall be taken solely by the Supervisory Board. Moreover, the subscription conditions may grant the Company the right to make an optional cash settlement to satisfy the subscription right; to the extent that a decision is to be made in favor of a cash settlement for Management Board members, such a decision shall be the sole responsibility of the Supervisory Board.

## (3) Purchasing periods

The stock options may be issued during the term of the authorization at up to three points in time during a fiscal year, whereby an issue must occur in at least three fiscal years during the term of the authorization. No more than 50% of the total volume of stock options may be issued within a fiscal year. An issue shall be excluded during the following periods:

- in the period from one month prior to the publication of a quarterly report, a half-yearly financial report or annual financial statements, up to and including the first banking day following the publication of the respective financial report;
- in the period between the day of convening the AGM of BRAIN Biotech AG and including the first banking day after the respective AGM.

The date of issue shall be the date of acceptance of the subscription declaration of the beneficiary by BRAIN Biotech AG or the credit institution appointed by BRAIN Biotech AG for the settlement.

(4) Waiting period, exercise periods and option term

The subscription rights from the stock options may be exercised for the first time after the expiration of a waiting period of at least four (4) years. The waiting period shall begin on the date when the respective stock options are issued. After the expiry of the waiting period, the subscription rights from the stock options can be exercised during the following exercise periods on any day on which commercial banks in Frankfurt am Main are open for normal banking business ("bank working days"). The exercise periods shall be twenty (20) bank working days each and shall commence on the following bank working days (inclusive):

- on the third banking day following an annual press conference or an analysts' conference;
- on the third banking day following the publication of a quarterly report, a half-yearly financial report or annual financial statements, or, if the Company publishes preliminary figures for the past fiscal year, following the publication of such figures;
- on the third banking day after the Company's AGM.

However, an exercise shall not be possible if a bank working day on which the exercise would in principle be possible occurs during one of the *blackout* periods listed below. The *blackout* periods shall commence and conclude on the following bank working days which are to be included in the calculation:

- on the last bank working day on which shareholders can register to attend the AGM until the second bank working day after the Company's AGM;
- on the date of publication of a subscription offer for new shares or for bonds with conversion and/or option rights to shares in the Company in a statutory gazette until the day on which the subscription rights to shares of the Company are first officially listed "ex subscription right" on the Frankfurt Stock Exchange.

Including the waiting period, the subscription rights can be exercised within a maximum of six (6) years from the issue date of the respective stock options. A shorter exercise period can be specified in the subscription conditions. Statutory restrictions, especially restrictions pursuant to the German Securities Trading Act (WpHG) and the Market Abuse Regulation (EU) No. 596/2014 (MAR), shall be hereby unaffected.

(5) Exercise price

The exercise price for one ordinary share shall correspond to the simple (not turnover-weighted) arithmetic mean rounded to two decimal places of the closing prices of the BRAIN Biotech AG shares in the closing auction of the XETRA trading system (or a comparable successor system) of the Frankfurt Stock Exchange during the last thirty (30) trading days prior to the issue of the respective stock option. In any instance, the minimum exercise price shall be the lowest issue price in the meaning of Section 9 (1) of the German Stock Corporation Act (AktG).

(6) Performance target

The stock options and the resultant subscription rights can be exercised only if the performance targets have been achieved.

- For members of the Management Board, the performance targets shall be met if and to the extent that the following cumulative conditions are fulfilled within a performance measurement period of three (3) fiscal years after the respective issue of stock options and in accordance with the further terms and conditions of subscription as well as the further specifications of the Supervisory Board:

- Appreciation in the value of the R&D development pipeline and product business

The value of the R&D development pipeline and the product business of BRAIN Biotech AG has been increased.

- Share price performance

(i) Absolute share price performance

The simple (not sales-weighted) arithmetic mean, rounded commercially to two decimal places, of the closing prices of the ordinary shares of BRAIN Biotech AG determined in the XETRA trading system (or a comparable successor system) of FWB Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange) in the closing auction during the last thirty (30) trading days prior to the end of the respective performance measurement period

exceeds

the simple (not sales-weighted) arithmetic mean, rounded commercially to two decimal places, of the closing prices of the ordinary shares of BRAIN Biotech AG determined in the XETRA trading system (or a comparable successor system) of FWB Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange) in the closing auction during the last thirty (30) trading days prior to the beginning of the same performance measurement period, taking into account any dividend payments per share accumulated in the period between these two dates by at least

- (a) 10% p.a. if the share price at the time of issue of the stock options is lower than the first price at the time of listing in the course of the IPO;
- (b) 6% p.a. if the share price at the time of issue of the stock options is equal to or higher than the first price at the time of listing in the course of the IPO.

(ii) Relative share price performance

The performance of the BRAIN Biotech AG share price, measured as the difference between

the simple (not sales-weighted) arithmetic mean, rounded commercially to two decimal places, of the closing prices of the ordinary shares of BRAIN Biotech AG determined in the XETRA trading system (or a comparable successor system) of FWB Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange) in the closing auction during the last thirty (30) trading days prior to the end of the respective performance measurement period

and the

simple (not sales-weighted) arithmetic mean, rounded commercially to two decimal places, of the closing prices of the ordinary shares of BRAIN Biotech AG determined in the XETRA trading system (or a comparable successor system) of FWB Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange) in the closing auction during the last thirty (30) trading days prior to the start of the same performance measurement period

exceeds the index price performance of the DAX 100 price index and the NASDAQ Biotechnology Index in the same performance measurement period.

- Meeting ESG targets

The Management Board met defined ESG targets during the performance measurement period.

- For selected executives and other top performers, the performance target is achieved if and to the extent that within a performance measurement period of three (3) fiscal years commencing after the respective issue of stock options, and subject to further conditions of subscription, the following cumulative conditions are met:

- (i) Absolute share price performance

The simple (not sales-weighted) arithmetic mean, rounded commercially to two decimal places, of the closing prices of the ordinary shares of BRAIN Biotech AG determined in the XETRA trading system (or a comparable successor system) of FWB Frankfurter Wertpapierbörse (the Frankfurt

Stock Exchange) in the closing auction during the last thirty (30) trading days prior to the end of the respective performance measurement period

exceeds

the simple (not sales-weighted) arithmetic mean, rounded commercially to two decimal places, of the closing prices of the ordinary shares of BRAIN Biotech AG determined in the XETRA trading system (or a comparable successor system) of FWB Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange) in the closing auction during the last thirty (30) trading days prior to the beginning of the same performance measurement period, taking into account any dividend payments per share accumulated in the period between these two dates by at least

- (a) 10% p.a. if the share price at the time of issue of the stock options is lower than the first price at the time of listing in the course of the IPO;
- (b) 6% p.a. if the share price at the time of issue of the stock options is equal to or higher than the first price at the time of listing in the course of the IPO.

(ii) Relative share price performance

The performance of the BRAIN Biotech AG share price, measured as the difference between

the simple (not sales-weighted) arithmetic mean, rounded commercially to two decimal places, of the closing prices of the ordinary shares of BRAIN Biotech AG determined in the XETRA trading system (or a comparable successor system) of FWB Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange) in the closing auction during the last thirty (30) trading days prior to the end of the respective performance measurement period

and the

simple (not sales-weighted) arithmetic mean, rounded commercially to two decimal places, of the closing prices of the ordinary shares of BRAIN Biotech AG determined in the XETRA trading system (or a comparable successor system) of FWB Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange) in the closing auction during the last thirty (30) trading days prior to the start of the same performance measurement period

exceeds the index price performance of the DAX 100 price index and the NASDAQ Biotechnology Index in the same performance measurement period.

(7) Dilution protection

If, during the term of the stock options, the Company increases its share capital by issuing new shares or issues bonds with conversion or option rights while granting

direct or indirect subscription rights to its shareholders, and the conversion or option price per share determined in this connection lies below the subscription rights' exercise price, the Company's Management Board shall be authorized, with the assent of the Supervisory Board or, insofar as members of the Company's Management Board are affected, the Supervisory Board, to treat the beneficiaries equally in financial terms. This equivalence can be achieved by reducing the exercise price or by adjusting the number of subscription rights, or by a combination of both such measures. However, the beneficiaries are not entitled to financial equality in this respect.

In the event of a capital increase from Company funds by issuing new shares, the conditional capital shall be increased in the same ratio as the share capital in accordance with Section 218 of the German Stock Corporation Act (AktG). The beneficiaries' entitlement to subscribe for new shares by exercising their subscription rights shall increase in the same proportion, and the exercise price per share shall be reduced in the same proportion. If the capital increase is realized from Company funds without issuing new shares in accordance with Section 207 (2) Sentence (2) of the German Stock Corporation Act (AktG), the subscription right and the exercise price shall be unchanged. In the event of a capital reduction, the exercise price or the subscription right ratio shall not be adjusted if the total number of shares is unchanged by the capital reduction, or if the reduction is associated with a capital repayment or a purchase of treasury shares against payment. In the event of a capital reduction by way of share consolidation without capital repayment and in the event of an increase in the number of shares without capital change (share split), the number of shares that can be acquired for one subscription right each at the exercise price shall be reduced or increased in proportion to the capital reduction or share split; the exercise price for one share shall be adjusted in the same proportion. If an adjustment is made in accordance with the above paragraphs, fractions of shares shall not be granted on exercise of the subscription right; no cash settlement shall be made in this respect.

#### (8) Non-transferability and expiry of subscription rights

The stock options shall be non-transferable.

The subscription conditions can provide for special regulations with regard to the exercisability and expiration of the stock options in the event that the holder of the respective stock options is no longer a member of the Management Board or no longer employed by BRAIN Biotech AG . Furthermore, the subscription conditions can include special provisions for the decease or retirement of the holder of the respective stock options. As far as members of the Management Board of BRAIN Biotech AG are concerned, the Supervisory Board is responsible for determining such special regulations.

#### (9) Further regulations

The Management Board shall be authorized, with Supervisory Board consent, to determine the further details of the subscription conditions as well as the issue and structure of the subscription rights; insofar as members of the Company's Management Board are affected, the Supervisory board shall be responsible for determining such further details.

b) Creation of Conditional Capital 2023 / II

The Company's share capital shall be conditionally increased by up to € 888,148.00 through issuing up to 888,148 new no-par-value registered shares. The conditional capital shall serve exclusively to service subscription rights from stock options that have been granted to members of the Company's Management Board as well as to other employees of the Company in senior positions on the basis of the authorization issued by the AGM resolution of 8 March 2023. The conditional capital increase shall 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 such subscription rights. The new shares shall participate in profits from the beginning of the fiscal year for which a resolution on the appropriation of net retained profits has not yet been passed at the time the subscription rights are exercised (Conditional Capital 2023 / II). The Management Board shall be authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

c) After Article 5 (5) of the bylaws, a new Article 5 (6) shall be inserted with the following wording:

*“The Company's share capital shall be conditionally increased by up to € 888,148.00 through issuing up to 888,148 new no-par-value registered shares. The conditional capital shall serve exclusively to service subscription rights from stock options that have been granted to members of the Company's Management Board as well as to other employees of the Company in senior positions on the basis of the authorization issued by the AGM resolution of 8 March 2023. The conditional capital increase shall 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 such subscription rights. The new shares shall participate in profits from the beginning of the fiscal year for which a resolution on the appropriation of net retained profits has not yet been passed at the time the subscription rights are exercised (Conditional Capital 2023 / II). The Management Board shall be authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.”*

d) The wording of the provision previously contained in Article 5 (6) of the bylaws shall be adopted unchanged in a new Article 5 (7) of the bylaws, which is to be inserted. The new Article 5 (7) of the bylaws, which is to be inserted, shall be worded as follows:

*“When new shares are issued, the commencement of profit participation can be determined by way of divergence from Section 60 of the German Stock Corporation Act (AktG).”*

## 10. Resolution concerning the approval of the compensation report

Pursuant to Section 162 AktG, the Management and Supervisory boards are required to prepare an annual report on the compensation granted and owed to each individual current or former member of the Management and Supervisory boards in the past fiscal year (compensation

report) and to submit this compensation report to the AGM for approval in accordance with Section 120a (4) AktG.

The compensation report prepared by the Management and Supervisory boards for the 2021/22 fiscal year was audited by the auditors pursuant to the requirements of Section 162 (3) AktG. The auditor's report is attached to the compensation report.

The compensation report together with the auditor's report is reproduced in **Section C.3** of this invitation and is also available on the Company's website at

<https://www.brain-biotech.com/investors/annual-general-meetings>

The Management and Supervisory boards propose that the compensation report for the 2021/22 fiscal year, prepared and audited in accordance with Section 162 AktG, be approved.

#### **11. Resolution concerning an amendment to Section 18 of the bylaws (participation in the Shareholders' General Meeting)**

Section 118a of the German Stock Corporation Act (AktG), newly introduced by the Act on the Introduction of Virtual General Meetings of Public Stock Corporations and the Amendment of Further Provisions of 20 July 2022 (Federal Law Gazette [BGBl.] of 26 July 2022, page 1166 et seq.), makes it possible to provide in the bylaws for the shareholders' general meeting to be held without the physical presence of the shareholders or their authorized representatives at the location of the shareholders' general meeting (so-called virtual shareholders' general meeting). The bylaws may also authorize the Management Board to provide for the holding of a virtual Shareholders' General Meeting. A corresponding provision in the bylaws must be limited in time, with a maximum period of five years from the date of entry of the corresponding amendment to the bylaws in the Company's commercial register.

The Management and Supervisory boards are of the opinion that the virtual Shareholders' General Meeting format as such has proven its worth in the past two years and that the option of holding Shareholders' General Meetings virtually should be retained in the future. This also applies in particular in the event of persistent pandemic or endemic special situations, in order to be able to conduct a Shareholders' General Meeting in a legally secure manner and in compliance with the health protection of employees and shareholders.

A further argument in favor of holding the Shareholders' General Meeting as a virtual Shareholders' General Meeting is that this form of Shareholders' General Meeting is more sustainable in terms of results than a Shareholders' General Meeting held in person.

Finally, the virtual Shareholders' General Meeting offers foreign as well as German shareholders who have their habitual residence further away from the Company's registered office an easy way to participate in a Shareholders' General Meeting.

The virtual Shareholders' General Meeting in the format provided for by the corresponding new provisions in the German Stock Corporation Act (AktG) adequately safeguards the rights of shareholders and, in particular, provides for direct interaction between shareholders on the one hand and the management on the other during the meeting via video communication and electronic communication channels, in approximation of the conventional face-to-face Shareholders' General Meeting. The possibility of direct communication in the virtual Shareholders' General Meeting is also expressly regarded as a preferred format for answering shareholders' questions.

However, there may be Shareholders' General Meetings with agenda items where interaction with shareholders and their authorized representatives present in person is more appropriate than virtual interaction. For this reason, it appears reasonable not to stipulate directly in the bylaws that a virtual Shareholders' General Meeting should be held, but to authorize the Management Board to decide in advance of each Shareholders' General Meeting whether the meeting should be held as a virtual meeting or as a meeting where shareholders are present.

In the case of the virtual Shareholders' General Meeting, the members of the Supervisory Board are to be permitted to participate in the Shareholders' General Meeting by means of video and audio transmission.

The Management and Supervisory boards consequently propose to amend Section 18 (5) of the bylaws (Attendance at the Shareholders' General Meeting) by adding sentences 2 and 3 as follows:

*“This provision relating to the virtual Shareholders' General Meeting and the authorization of the Management Board to decide on holding the Shareholders' General Meeting as a virtual Shareholders' General Meeting shall be limited until the end of 31 March 2025. Members of the Supervisory Board shall be permitted to participate in the Shareholders' General Meeting by means of video and audio transmission in the event of a virtual Shareholders' General Meeting .”*

B.

**Written report by the Management Board pursuant to Sections 221 (4) Sentence 2, 186 (4) Sentence 2 AktG relating to agenda item 6 concerning the reasons to authorize the Management Board to exclude shareholders in the case of the issuance of convertible bonds or bonds with warrants**

Under agenda item 6, the management proposes a new authorization to issue convertible bonds and/or bonds with warrants (hereinafter referred to collectively as “bonds”), and the creation of a new conditional capital. Conditional Capital 2021 / I is to be cancelled and replaced by a new conditional capital in accordance with this authorization. The new authorization also allows the conditional capital to be adjusted to the level of share capital that was increased in 2021.

The Management and Supervisory boards are in agreement that the Company must be able at all times to respond rapidly and flexibly in national and international markets in the interests of its shareholders, and cover any financing requirements, potentially also without ordinary capital increases, including the expense and time loss connected with subscription rights processes. Appropriate capital resources and adequate financing are essential to the Company's development and growth. Depending on the market situation and taking into account the Company's specific financing needs, attractive financing opportunities can be exploited by issuing convertible bonds or bonds with warrants or by a combination of such instruments, if necessary in addition to other financing instruments such as a capital increase. In this way, the Company can be provided with low-interest debt capital and, if necessary, the Company's capital structure can be optimized. In addition, the issuing of bonds opens up an opportunity to attract new investors, including so-called anchor investors. Bonds thereby offer an attractive financing alternative in the capital market in addition to, or together with, other common forms of raising equity or debt capital.

In the proposed authorization, the total nominal amount of the bonds is to be limited to € 40,000,000.00, and to the issuing of up to 2,184,749 new registered no-par-value shares. The possibilities included in the proposed resolution for granting conversion or warrant rights, for establishing conversion obligations and for further structuring of the financing instrument, give the Company the necessary flexibility to successfully place bonds itself, or via Group companies managed by the Company, at market conditions.

As a matter of principle, shareholders have a subscription right in accordance with statutory provisions if the Company issues bonds. In order to facilitate processing, it should also be possible to utilize the option to issue the bonds to banks or comparable institutions with the obligation to offer them to the shareholders for subscription in accordance with the respective subscription right.

In the cases listed in the proposed resolution, however, the Company's Management Board is to be granted the possibility, with Supervisory Board assent, to wholly or partially exclude shareholders' statutory subscription rights in order not only to respond to short-term financing requirements in the Company's well-understood interest but also to rapidly implement strategic decisions. Pursuant to the proposed resolution, excluding subscription rights is to be permitted only

- (i) insofar as this is necessary for fractional amounts arising from the subscription ratio;
- (ii) to the extent necessary to grant subscription rights to holders or creditors of warrant rights, conversion rights or conversion obligations from bonds issued or guaranteed by the Company or Group companies to compensate for dilution to the extent to which they would be entitled after exercising the warrant rights or conversion rights or fulfilling the conversion obligation;
- (iii) insofar as bonds are issued in return for non-cash contributions, in particular in the context of corporate mergers or for the (also indirect) acquisition of companies, operations, parts of companies, equity interests or other assets or claims to the acquisition of assets, including claims against the Company or its Group companies, whereby, however, this authorization to exclude the subscription right shall apply only to bonds with a warrant right, conversion right or conversion obligation for shares with a proportionate amount of the share capital that in total may not exceed 10% of the share capital, either at the time of this authorization becoming effective or, if this value is lower, at the time of exercising this authorization; towards this limit shall count the pro rata amount of share capital represented by shares, or to which conversion and/or warrant rights or conversion obligations from bonds relate, that were issued in analogous application of the provisions of Section 186 (3) Sentence 4 AktG during the period of this authorization was granted until the date on which it is exercised on the basis of another authorization of the Management Board to exclude subscription rights in direct or analogous application of the provisions of Section 186 (3) Sentence 4 AktG or that were sold from treasury shares in analogous application of the provisions of Section 186 (3) Sentence 4 AktG.
- (iv) insofar as bonds are issued against cash payment, and the Management Board, after due examination, arrives at the conclusion that the bonds' issue price is not significantly lower than their theoretical market value determined in accordance with generally accepted methods of financial mathematics. However, this authorization to exclude the subscription right shall apply only to bonds with a warrant right, conversion right or conversion obligation for shares with a proportionate amount of the share capital that in total may not exceed 10% of the share capital, either at the time of this authorization becoming effective or, if this value is lower, at the time of exercising this authorization. Towards this limit shall count the pro rata amount of share capital represented by shares, or to which conversion and/or warrant rights or conversion obligations from bonds relate, that were issued in analogous application of the provisions of Section 186 (3) Sentence 4 AktG during the period of this authorization was granted until the date on which

it is exercised on the basis of another authorization of the Management Board to exclude subscription rights in direct or analogous application of the provisions of Section 186 (3) Sentence 4 AktG or that were sold from treasury shares in analogous application of the provisions of Section 186 (3) Sentence 4 AktG.

The Management Board wishes to explain the authorization to exclude subscription rights for the aforementioned cases as follows:

Provision is initially to be made to implement exclusions for fractional amounts. This authorization should enable a subscription ratio that can be implemented in technical terms. The exclusion of fractional amounts is reasonable and in line with market conditions in order to be able to establish a practicable subscription ratio. In addition, the potential dilution effect is generally very low due to the limitation to fractional amounts.

The exclusion of subscription rights in favor of the holders or creditors of already issued bonds in line with standard market practice may be advantageous, so that the conversion or option price for already issued bonds, which are normally endowed with an anti-dilution protection mechanism, does not need to be reduced. The exclusion of subscription rights proposed here consequently lies in the interest of the Company and its shareholders.

Furthermore, the Management Board is to be enabled to exclude shareholders' subscription rights, with the approval of the Supervisory Board, if the bonds are issued against non-cash capital contributions. In particular, this is intended to enable the Management Board to also utilize the bonds as acquisition currency in order to be able to acquire, in suitable individual cases as part of mergers, or in the course of the (also indirect) acquisition of companies, operations, parts of companies, equity interests or other assets or claims to the acquisition of assets, including claims against the Company or its Group companies. The Company faces global competition and must always be intent on improving its competitive position and on strengthening its profitability. To this end, it can make sense to acquire other companies, interests in companies or attractive assets, such as assets connected with acquisition projects. If such an opportunity arises, the Company must be able to realize such an acquisition rapidly, flexibly and in a manner that conserves liquidity, including in the interests of its shareholders. The proposed authorization will enable the Management Board to respond quickly and flexibly to advantageous offers or opportunities on the national or international market and to take advantage of opportunities to expand the Company in return for issuing bonds in the interests of the Company and its shareholders. The issuance of shares on the basis of conversion or warrant rights or conversion obligations is also to be limited to 10% of the Company's share capital in return for non-cash capital contributions. Any other issue of shares against cash capital contributions and any sale of treasury shares is to be counted towards this restriction, provided that such sale is effected during the term of this authorization on the basis of another authorization, already existing at the time this authorization is granted, of the Management Board to exclude subscription rights under exclusion of subscription rights in accordance with Section 186 (3) Sentence 4 AktG. These deductions ensure that no convertible bonds and/or bonds with warrants are to be issued if this would result in the exclusion of shareholders' subscription rights for a total of more than 10% of the share capital in direct or indirect application of Section 186 (3) Sentence 4 AktG. The Management Board will only utilize this authorization if the exclusion of subscription rights lies in the well-understood interests of the Company and its shareholders in the specific case. At present, no specific acquisition plans in the aforementioned sense exist.

Finally, it is proposed that the Management Board be authorized, subject to the consent of the Supervisory Board, to exclude shareholders' subscription rights to the extent that the issuing of shares based on conversion or warrant rights or conversion obligations is limited to up to 10% of the Company's

share capital. Any other issuance of shares against cash capital contributions and any sale of treasury shares are to be counted towards this restriction, provided that such sale is effected during the term of this authorization on the basis of another authorization (already existing at the time when this authorization is granted) of the Management Board to exclude subscription rights under exclusion of subscription rights in accordance with Section 186 (3) Sentence 4 AktG. These deductions ensure that no convertible bonds and/or bonds with warrants are to be issued if this would result in the exclusion of shareholders' subscription rights for a total of more than 10% of the share capital in direct or indirect application of Section 186 (3) Sentence 4 AktG. In this case, the exclusion of the subscription right gives the Company the necessary flexibility to take advantage of favorable capital market situations at short notice and to achieve better conditions in determining the coupon rate and issue price of the bond and, if necessary, a significantly higher inflow of funds by fixing the conditions in line with the market. In this context, it must also be taken into account that, in the case of a subscription rights issue of bonds, the issue price can generally only be determined immediately prior to placement in order to avoid risks relating to modifications in prices during the subscription period. Furthermore, in the case of an issue of bonds with subscription rights, the successful placement would be jeopardized due to the uncertainty regarding the utilization of the subscription rights, or would in any case be associated with additional expenses and significantly longer lead or preparation times. As market conditions may change during this period as well as during a subscription period, a not inconsiderable safety margin would have to be granted in order to ensure the attractiveness of the conditions, and thereby the prospects of success of the respective issue for the entire offer period. As the Management Board will not set the issue price of the bonds significantly below their notional market value determined in accordance with recognized financial mathematical methods, shareholders will be adequately and sufficiently protected with regard to a dilution of their participation in the share capital. When fixing the price, the Management Board will keep the discount from this market value as low as possible, taking into account the respective situation in the capital market, so that the arithmetical value of a subscription right to the bonds reduces to almost zero. Accordingly, the shareholders cannot suffer any significant economic disadvantage as a consequence of the exclusion of subscription rights. Shareholders who wish to maintain their interest in the Company's share capital can do so by purchasing additional shares in the market, at approximately the same conditions, promptly after the terms of issue of the bonds have been fixed.

Considering all of the aforementioned circumstances, the Company's Management and Supervisory boards regard the exclusion of shareholders' statutory subscription rights in the aforementioned instances as objectively justified and appropriate for shareholders for the reasons set out in each case.

In each case, the Management and Supervisory boards are to examine carefully whether and to what extent use can be made of the authorization to issue convertible bonds or bonds with warrants under exclusion of subscription rights. Such a possibility is to be utilized only if the Management and Supervisory boards believe that it lies in the well-understood interest of the Company and consequently of its shareholders.

The Management Board will inform the next Ordinary AGM concerning utilization of the above authorizations to exclude subscription rights.

**C.****Further documents for the Annual General Meeting****C.1 Supplementary disclosures and information about agenda item 5 (Supervisory Board elections)**

Disclosures pursuant to Section 125 (1) Sentence 5 AktG on memberships in other statutory supervisory boards and comparable domestic and foreign controlling bodies of business enterprises.

a) Dr. Michael Majerus

Dr. Michael Majerus is not a member of any other statutory supervisory boards.

Dr. Michael Majerus is not a member of any comparable domestic and foreign controlling bodies of business enterprises.

Curriculum vitae of the proposed candidate Dr. Michael Majerus

Dr. Michael Majerus, born 1961 in Cologne, studied business administration at the University of Cologne, graduating with a degree in business administration. After completing his doctorate in economics at the University of Siegen, he began his professional career in controlling at Mannesmann AG in 1989. In the following years, he held various management positions in Mannesmann Group's finance department. From 1999 to 2000, he was responsible for controlling and accounting at Mannesmann Group as the central divisional head and, following the takeover by Vodafone, worked in the same function for the industrial companies grouped under ATECS Mannesmann AG.

From the end of 2000 to 2006, he was a member of the Management Board and CFO of the Memory Products Division of Infineon Technologies AG. When the division became legally independent as Qimonda AG in 2006, he was appointed as the company's CFO and investor relations director, and implemented the company's IPO in New York. After leaving Qimonda AG, he was a member of the Management Board (CFO) of PHOENIX Pharmahandel GmbH & Co KG from 2009 to 2013.

In July 2014, he assumed the role of Chief Financial Officer of SGL Carbon SE, a post which he held up to and including November 2020. In addition, he led the company as CEO from September 2019 to May 2020. Dr. Majerus is a shareholder of Neofon GmbH and has held various mandates on the supervisory board or comparable bodies of companies in several European countries as well as in the USA, China and Taiwan over the past twenty years.

Dr. Majerus has been a member of the BRAIN Supervisory Board since 7 March 2019 and is currently chair of the Audit Committee.

b) Christine Uekert

Ms. Christine Uekert is a member of the following statutory supervisory board:

- Member of the Supervisory Board of Titanium Textiles AG, Rostock

Ms. Christine Uekert is not a member of any comparable domestic and foreign controlling bodies of business enterprises.

#### Curriculum vitae of the proposed candidate Christine Uekert

Christine Uekert, born in 1964, first studied art history and Italian at the Free University of Berlin. In 2004, she graduated with a degree in business administration from Verwaltungs- und Wirtschaftsakademie Berlin. In 2008 she obtained the CINA Certificate in International Accounting (IFRS, US GAAP) at the Akademie für Internationale Rechnungslegung (Academy for International Accounting), Cologne.

Christine Uekert started her professional career in 2000 as Vice President Finance at SAP SI AG / SPM Technologies GmbH and moved to ProBioGen AG, Berlin, in 2006 as Director Finance & Administration. From 2009 to 2011, she was Vice President Finance and an executive holding a general power of attorney at medical technology company OD-OS GmbH. In 2011, she was appointed CFO of global diagnostics company Centogene AG. Until 2016, Ms. Uekert was responsible for developing the latter company's financial architecture and expansion strategy, successfully supporting growth that led to a more than tenfold increase in revenue within five years. In 2016, Christine Uekert founded consulting firm nsight Consulting GmbH in Berlin, within which she has since managed consulting mandates for growing and international technology and biotechnology companies, especially including interim positions as CFO at the listed company Curasan AG and as CSO at genetics startup Arcensus GmbH.

Ms. Christine Uekert is currently not a member of the Supervisory Board.

#### c) Dr. Florian Schnabel

Dr. Florian Schnabel is not a member of any statutory supervisory boards

Dr. Florian Schnabel is not a member of any comparable domestic and foreign controlling bodies of business enterprises.

#### Curriculum vitae of the proposed candidate Dr. Florian Schnabel

Dr. Florian Schnabel, born in 1970, studied law at the universities of Munich and Bayreuth. He received his MBA from the University of Rochester, NY. After completing his legal clerkship, he earned his doctorate at the University of Regensburg.

Dr. Schnabel started his professional career in 1999 as a senior civil servant in Bavaria's fiscal administration, and from 2001 he was a lawyer and tax consultant at Ebner Stolz & Partner, Munich, focusing on tax advice for corporate restructuring and estate planning.

From 2003 to 2017, Dr. Schnabel held various positions at Allianz SE, Munich, where he most recently headed the domestic tax department and was responsible for the tax affairs of all domestic group companies and subgroups of the Allianz Group. From 2017 to 2021, Dr. Schnabel established a new service line for tax consulting services for clients from the insurance and financial services industry as a partner at WTS, Munich. In addition, his responsibilities included the further development of the cross-sector range of business partnering and outsourcing services for corporate tax departments.

Since January 2022, Dr. Schnabel has been Managing Director at MP Beteiligungs-GmbH, Kaiserslautern, and Dr. Schnabel has been Managing Director at BSN GmbH, Kaiserslautern.

Dr. Florian Schnabel is currently not a member of the Supervisory Board.

In addition to the above information, with regard to C.13 of the German Corporate Governance Code, it is stated that Dr. Schnabel is the Managing Director of MP Beteiligungs-GmbH and is consequently not considered independent in the meaning of the German Corporate Governance Code. In the Supervisory Board's opinion, neither Dr. Majerus nor Ms. Uekert has any other personal or business relations with the Company or its Group companies, the corporate bodies of the Company or a shareholder with a significant interest in the Company that would require disclosure under C.13 of the German Corporate Governance Code. In the Supervisory Board's opinion, Dr. Majerus and Ms. Uekert are to be regarded as independent in the meaning of the German Corporate Governance Code. Moreover, the Supervisory Board has assured itself of the proposed candidates' ability to devote the expected amount of time in each case.

The above conveyed information about the candidates nominated for election can also be viewed on the Company's website at

<https://www.brain-biotech.com/investors/annual-general-meetings>

## **C.2 Compensation scheme for the members of the Management Board (relating to agenda item 7)**

### **Compensation scheme for the members of the Management Board of BRAIN Biotech AG**

#### **A. Objectives and principles of the compensation scheme**

The compensation scheme for the members of the Management Board is oriented towards the Company's sustainable and positive business development in the medium to long term, which aims to lead to a long-term appreciation in both the value of the Company and its share price in the interests of the Company and its shareholders. The basis for this is the successful realization of the business strategy and corporate planning in the coming years, which should lead, above all, to continuous revenue growth as well as to a sustained stable improvement in the Company's financial results and cash flow.

BRAIN consistently pursues the goal of being a leading provider in the area of industrial biotechnology. The Company thereby contributes to the accelerated bio-based development of the economy in the areas of nutrition, health and the environment. BRAIN operates in the market as an agile solution provider and partner to industry as well as a producer of its own products. The Management Board publicly communicated the medium-term economic objectives for the Company's development at the Capital Markets Day in September 2020, with the primary goals of growth and profitability. In addition, in June 2022 the company communicated its medium-term sustainability goals as part of its first-ever ESG report. These goals also form an integral part of its business strategy. Achieving these ambitious growth, profitability and sustainability targets requires the commitment of all employees and, in particular, strategic and dedicated leadership by the Management Board.

The Supervisory Board of BRAIN supports the entire strategy and sustainability process of the Management Board. For this reason, it has approved a compensation scheme for the members of the Management Board that is designed to promote BRAIN Group's business and sustainability strategy and, at the same time, BRAIN's long-term development. In addition to helping to further the business strategy, the compensation scheme implements the applicable legal requirements as well as the recommendations of the German Corporate Governance Code ("DCGK"). In this context, the effects and influences of the company's activities on people and the environment have already been taken into consideration.

As a consequence, the compensation scheme provides the incentives that are required in order to successfully implement the Company's business strategy. This is achieved through a clear incentive structure for Management Board compensation. A strong orientation in the short-term variable compensation towards BRAIN Group's growth and EBITDA targets, as well as the clear share price orientation as a key element of the long-term variable compensation, are intended to promote a sustainable appreciation in the Company's value and avoid the misalignment of external and internal incentives. In particular, the aim is to prevent the Management Board from making decisions that prioritize the short-term optimization of compensation over sustainable and long-term business success. In addition, BRAIN's long-term development and growth is promoted through operational, strategic and sustainability-related targets as part of the performance-related variable compensation.

The compensation scheme is thereby related to the challenge the Management Board members face in implementing the corporate strategy and in leading a company that deploys innovative solutions in order to address international competition. Management Board compensation should be both in line with the market and attractive, so that the Company can attract highly qualified candidates for the Management Board and retain its members in the long term. The compensation scheme should be clear and understandable for our shareholders, employees and, of course, the members of the Management Board themselves. Similarly, the compensation scheme is designed to reward exceptional performance appropriately, while falling short of targets will result in a reduction in total compensation.

## **B. Procedures for establishing, implementing and reviewing the compensation scheme**

Pursuant to Section 87 AktG, the Supervisory Board determines the compensation of the members of the Management Board. The Supervisory Board is supported in this by its Personnel Committee, which prepares the resolutions of the Supervisory Board in relation to the compensation scheme, including its implementation in the employment contracts, in relation to the setting of targets for variable compensation, and in relation to the determination and review of the appropriateness of the total compensation for the individual members of the Management Board.

In order to avoid potential conflicts of interest and to ensure sufficient transparency, the members of the Supervisory Board are obligated to disclose to the Supervisory Board (for the attention of the Chair of the Supervisory Board) all conflicts of interest, in particular those that may arise as a consequence of an advisory or directorship role with customers, suppliers, lenders or other business partners of the Company. In the case of conflicts of interest that are significant or not solely of a temporary nature, the respective Supervisory Board members must step down from office. In its report to the AGM, the Supervisory Board provides information on conflicts of interest and how they are handled.

When determining and reviewing the non-performance-related fixed compensation, the performance-related variable compensation and all other compensation components, the Supervisory Board pays particular attention to ensuring that the total compensation of the members of the Management Board is commensurate with the tasks and performance of the respective Management Board member and the Company's situation, and corresponds to standard compensation. In particular, the Supervisory Board regularly reviews the appropriateness of the individual compensation components and the amount of the total compensation.

The Supervisory Board assesses the standard level of compensation on the basis of a horizontal and a vertical comparison. In the horizontal comparison, the Supervisory Board ensures that the target total compensation is commensurate with the duties and performance of the Management Board and the Company's situation. In particular, the compensation levels and structures of comparable companies (peer groups) are examined. For this comparison, suitable companies are used with regard to BRAIN's market position (in particular, sector, size, country). The criteria used to form a peer group are disclosed in the compensation report. In addition to the horizontal comparison, the Supervisory Board takes into account the ratio of Management Board compensation to employee compensation in a vertical comparison, which includes in particular the change of compensation over time. The comparison takes into consideration both the compensation of senior management, which comprises the first management level below the Management Board, as well as the compensation of all employees.

The Supervisory Board regularly reviews the compensation scheme for the members of the Management Board and approves modifications if and to the extent that this appears necessary. If the Supervisory Board makes recourse to an external compensation expert, if required, the Supervisory Board ensures that the expert is independent of the members of the Management Board and the Company. In accordance with the statutory regulations, the Shareholders' General Meeting passes a resolution concerning the approval of the compensation scheme in the event of significant modifications, albeit at least every four years. If the Shareholders' General Meeting does not approve the compensation scheme, a revised compensation scheme must be submitted to the Shareholders' General Meeting for resolution at the latest at the following AGM.

In accordance with statutory provisions, the Supervisory Board may temporarily diverge from the compensation scheme if this is necessary in the Company's long-term interests. A divergence may relate in particular to the structure, amount and term of variable compensation and ancillary benefits. Possible extraordinary developments in the course of a year may, if they were not foreseeable, include, for example, a significant change in the Group's composition (such as due to M&A activities) or extraordinary changes in the economic situation (such as due to an economic crisis, pandemics), as a consequence of which the original corporate targets cannot be achieved. However, generally unfavorable market developments are not regarded as exceptional developments during the year. In all cases, the Supervisory Board, if necessary also following a preparatory examination by its Personnel Committee, will examine any extraordinary business and/or financial developments of the Company, and evaluate them with a view to an adjustment, and especially in relation to the incentives of the Management Board members.

### **C. Compensation structure and maximum compensation**

In accordance with legal requirements and the recommendations of the German Corporate Governance Code (DCKG), the compensation structure is oriented towards the Company's sustainable and long-term development and growth. With regard to variable performance-related compensation, the Supervisory Board only sets targets that are based on demanding financial and

strategic performance parameters. The performance parameters must be related to the Company’s strategy, and must be suitable for incentivizing the Management Board members to achieve a sustainable and positive business and financial performance by the Company in the medium and long term.

The compensation scheme consists of non-performance-related (fixed) and performance-related (variable) compensation components.

- Non-performance-related compensation consists of the basic salary and ancillary benefits (such as insurance premiums, allowances for pension plans and tax advice, company car).
- Performance-related compensation is linked to the achievement of specific targets and is consequently variable. It consists of short-term, one-year compensation (Short Term Award – Bonus) and long-term, multi-year compensation (Long Term Award – ESOP).

The target total compensation is to be determined for each Management Board member on the basis of the agreements on non-performance-related compensation (basic salary including ancillary benefits 100%) and performance-related compensation (Short Term Award 40% of basic salary including ancillary benefits and Long Term Award 60% of basic salary including ancillary benefits).

The compensation structure and its individual components together with their weighting are shown in the following overview:

Compensation Components		Maximum*	Terms and Conditions	
V a r i a b l e	<b>Short Term Award – 40% weighting</b> (assessment period = 1 fiscal year) <ul style="list-style-type: none"> <li>– 40%: Organic growth in annual revenue</li> <li>– 40%: Growth in adjusted EBITDA</li> <li>– 20%: Individual targets (including non-financial targets)</li> </ul>	200 %	Cash based	<u>Subject to:</u>  Clawback  Expiry conditions
	<b>Long Term Award – 60% weighting</b> (assessment period = 3 fiscal years) <ul style="list-style-type: none"> <li>– 40%: Appreciation in the value of the R&amp;D development pipeline and product business</li> <li>– 40%: The share’s absolute and relative positive price performance (50:50)</li> <li>– 20%: Meeting ESG targets</li> </ul>		Pro rata granting  Share Based  Vesting period  Cap	
Fix	<b>Basic salary</b>  ancillary benefits	100 %	* % of annual target compensation	

**Fixed compensation components not linked to performance**

The non-performance-related compensation consists of a fixed basic salary and ancillary benefits.

- **Basic salary:** The basic salary is to be paid in arrears at the end of the month in twelve equal monthly salary instalments with statutory deductions. If the Management Board member joins or leaves the Company during the year, the basic salary is to be granted pro rata temporis.
- **Ancillary benefits:** The ancillary benefits mainly comprise standard additional benefits such as contributions to insurance schemes, travel allowances, pension allowances and the provision of a company car, which may also be used privately. The ancillary benefits do not include the reimbursement of expenses to which Management Board members are entitled in accordance with statutory provisions, or inclusion in a group D&O insurance policy, whereby the Management Board member must bear the deductible prescribed by stock corporation law. The Company does not maintain its own pension scheme. The pension subsidies granted can be converted into an external pension entitlement via deferred compensation.

The minimum compensation in the compensation scheme presented corresponds to the sum of the basic salary and ancillary benefits.

#### Performance-related variable compensation components

The performance-related variable compensation consists of two compensation components:

- short-term, one-year compensation (Short Term Award – Bonus)
- a long-term, multi-year award (ESOP).

The short-term, one-year compensation is to be granted as a cash bonus. The determination of target achievement and the calculation of the bonus amount is to be made following the resolution concerning the approval of the Company's respective annual financial statements. The bonus is then to be paid at the end of the month in which the Supervisory Board has determined that the targets have been achieved.

Long-term, multi-year compensation is to be granted by issuing stock options. The stock options may be exercised at the earliest after the statutory vesting period of four years if and to the extent that the performance targets have been achieved.

#### **Short-term, one-year variable compensation (Short Term Award – Bonus):**

The target amount for the bonus that the Management Board members receive if they achieve exactly 100% of the annual bonus targets is to be equivalent to 40% of the basic salary including ancillary benefits. The payout amount for the bonus is to be limited to a maximum of 200% of the target amount (upper limit). The bonus is calculated for each fiscal year and depends on the achievement of corporate targets. These corporate targets include the following financial and non-financial targets with a performance measurement period of one year:

- Organic growth in annual revenue – 40% weighting
- Growth in adjusted EBITDA – 40% weighting
- Individual targets (including non-financial targets) – 20% weighting

Each year, before or at the beginning of the fiscal year, the Supervisory Board shall determine the targets uniformly for all members of the Management Board at its discretion. In doing so, the

Supervisory Board is to take care to set appropriate and demanding targets that are ambitious but remain achievable for the Management Board so that they do not fail to fulfill their incentive function.

As a matter of principle, the Supervisory Board is to be guided by the budget figures when setting financial targets. The Supervisory Board is to determine target achievement for each individual target in the bonus after the end of the fiscal year. The financial targets are based on the actual figures from the audited consolidated financial statements. Adjusted EBITDA in the meaning of the compensation regulations is the adjusted EBITDA determined and published as part of the annual financial statements, which regularly takes into account the following factors as part of an earnings adjustment:

- Positive or negative effects from employee stock ownership plan (ESOP)
- Expenses in connection with M&A transactions such as consultancy costs, legal and tax consultancy costs, notary fees, one-off performance payments, investment banking fees
- Expenses in connection with capital measures such as consultancy costs, legal and tax consultancy costs, notary costs, bank costs.

The Supervisory Board's Audit Committee is to review the appropriateness of each adjustment as part of its review of the annual financial statements.

The determined target achievement results in a payout factor between 0% and 200% for each individual target. The pro-rata weighting of the payout factors for all targets results in the bonus payout factor, which also ranges from 0% to 200%. The bonus payout factor is multiplied by the bonus target amount to determine the bonus payout amount. As a consequence, the bonus payout amount may be waived or set at a maximum of 200% of the bonus target amount.

If the Management Board member joins the Company during the course of the year, the bonus is to be granted pro rata temporis. If a member of the Management Board leaves the Company during a fiscal year as a so-called "good leaver", the bonus is to be granted pro rata temporis at the due date specified in the service contract, provided that the relevant targets have been achieved after the end of the fiscal year. Management Board members are deemed to be a "good leaver" if they leave the Company by mutual agreement, at the request or instigation of the Company, without having given any reason for this on their part, or if the contractual relationship expires in an orderly manner. In individual cases, however, the Supervisory Board is to remain authorized to settle the existing bonus entitlements of an Management Board member leaving during the fiscal year with a one-off payment. If, on the other hand, the Management Board member leaves the Company's service as a so-called "bad leaver", all claims to the bonus not yet paid out are to be forfeited. Management Board members are considered a "bad leaver" if they leave the Company of their own accord without good grounds or if the Company has terminated the contractual relationship for good grounds caused by the Management Board member.

#### **Long-term, multi-year variable compensation (Long Term Award – ESOP)**

The long-term, multi-year variable compensation is to be granted on a share-based basis as part of a stock option program (Management Board ESOP), the key points of which are determined by the AGM in accordance with statutory requirements. The target amount in the event that the performance targets are achieved at exactly 100% corresponds to 60% of the basic salary including ancillary benefits.

The number of stock options allocated annually to the members of the Management Board is calculated as follows:

Maximum of annual target compensation ./ Reference value at the time of issue.

The reference value is the simple (not sales-weighted) arithmetic mean of the closing prices of the BRAIN share determined in the XETRA trading system (or a comparable successor system) of FWB Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange) in the closing auction during the last thirty (30) trading days prior to the issue of the respective stock option, rounded to two decimal places.

The stock options may only be exercised if and to the extent that the performance targets are achieved within a performance measurement period of three fiscal years. The following performance objectives are to be established:

- Appreciation in the value of the R&D development pipeline and product business – 40% weighting
- The share's absolute and relative positive price performance – 40% weighting
- Meeting ESG targets – 20% weighting

To the extent necessary, the Supervisory Board is to specify the performance targets uniformly for all members of the Management Board before the beginning of each three-year performance measurement period, taking into account the key points of the stock option plan and the stock option plan approved by the AGM.

The Supervisory Board is to regularly monitor progress with the R&D development pipeline and the product business and will set appropriate criteria and milestones in order to appropriately reflect and incentivize the progress of projects and product business development, which is crucial for the Company's valuation, in the long-term compensation. Such criteria and milestones are to include:

With regard to the R&D development pipeline, the following points are to be taken into consideration:

- Progress in market introduction
- Acceleration of project progress
- Expansion of the addressable market
- Development of the pipeline within the planned budget
- Conclusion of partnership agreements for development and market launch
- Sale/joint venture/spin-off of projects with positive value contribution
- Milestone and royalty payments

With regard to the product business, the following points are to be taken into consideration:

- Market entry and development
- Revenue
- Margin

To measure absolute positive share price performance, an increase in the share price over the three-year performance measurement period are to be determined as follows:

- at least 10% p.a. if the share price at the time of issue of the stock options is lower than the first price at the time of listing in the course of the IPO;

- at least 6% p.a. if the share price at the time of issue of the stock options is equal to or higher than the first price at the time of listing in the course of the IPO.

The relative positive price performance is based on a comparison with the performance of the DAX 100 Index and the NASDAQ Biotechnology Index.

In order to set ESG targets, the Supervisory Board will take into account BRAIN's ambitious medium-term sustainability goals as provided for and defined in the respective applicable ESG+ Roadmap. In this respect, too, the Supervisory Board will set the non-financial targets at its due discretion in coordination with the annual planning of the Management Board in such a way that they are as quantifiable as possible and thereby objectively measurable. If objective measurement is not reasonably achievable, the Supervisory Board will determine the extent or degree to which the targets have been met using its professional judgment.

The Supervisory Board shall determine the scope or degree of target achievement for each Management Board member. The determined overall target achievement results in an exercise factor of between 0% and 200% with regard to the stock options issued. According to the respective scope or degree of target achievement, the number of stock options that can be exercised after the expiry of the statutory waiting period may consequently be reduced.

In the event that a member of the Management Board leaves the Company, the subscription conditions are to provide for various exclusions of exercise, in particular as a consequence of a resignation from office, dismissal for exceptional reasons, or as a consequence of a mutually agreed termination of the employment relationship or position on the Management Board at the instigation of the Management Board member. Shareholding provisions may be provided for.

The Supervisory Board will set a limit ("cap") for extraordinary, unforeseen developments in the amount of 250% for the target compensation arithmetically resulting from maximum target achievement (200%).

The inclusion of the members of the Management Board in the stock option plan is intended to loyalize them to the Company for as long as possible. The Management Board members' high level of personal performance and commitment is to be maintained and enhanced in order to ensure the Company's positive performance in the future, and to achieve the corporate goals. In addition, the aim is to ensure long-term incentivization in line with the interests of shareholders.

### **Clawback regulations**

If members of the Management Board seriously violate their legal and/or contractual obligations, the Supervisory Board may partially reduce or completely waive any variable compensation components not yet paid out. The decision by the Supervisory Board shall be made at its due discretion. If a serious breach of statutory and/or contractual obligations subsequently becomes known, the Supervisory Board may demand the full or partial return of variable compensation components already paid out to Management Board members (compliance clawback). In addition, if variable compensation components are paid out on the basis of incorrect consolidated financial statements, the Supervisory Board may reclaim the difference determined on the basis of a corrected determination (performance clawback).

**Maximum compensation**

The maximum compensation is defined as the maximum achievable compensation of a member of the Management Board in a fiscal year. The compensation shall be limited as follows:

- the performance-related variable compensation components are capped at 200% of the annual target amount;
- for the stock options, a limitation (“cap”) is set for extraordinary, unforeseen developments;
- the Supervisory Board has set a maximum compensation pursuant to Section 87 a (1) Sentence 2 No. 1 AktG, which limits the total compensation actually received for a fiscal year.

The maximum compensation set by the Supervisory Board shall be

- € 2.5 million for the Chair of the Management Board (CEO);
- € 1.5 million for each other Management Board member.

#### **D. Information on compensation-related transactions**

The term of the service contracts of the Management Board members is fixed for the duration of their appointment to the Management Board and complies with statutory provisions. The service contracts of Management Board members will generally not exceed a term of three years for initial appointments. In all other respects, the Supervisory Board may exhaust the maximum term of five years under stock corporation law. Ordinary termination of the service contract is excluded for both parties. The right to terminate on good grounds remains unaffected.

When concluding a service contract, the Supervisory Board shall decide at its due discretion whether and to what extent additional compensation benefits (for example relocation allowance, travel allowance or compensation for loss of earnings) are pledged to the Management Board member concerned in an individual contract. Such additional compensation benefits are included in the maximum compensation.

In the event of early termination of their Management Board activities, Management Board members do not receive any payments and/or ancillary benefits that exceed the value of two years' compensation (severance payment cap), or that compensate more than the remaining term of the employment contract. If the service contract is terminated for an exceptional reason for which the Management Board member is responsible, the Management Board member will not receive any payments. The calculation of the severance pay cap is based on the total compensation for the respective fiscal year elapsed, and, where relevant, also on the basis of the prospective total compensation for the current fiscal year. In the event of a change of control, neither termination rights nor commitments for benefits in the event of premature termination of Management Board membership have been agreed.

The Management Board members may only engage in remunerated and unremunerated secondary activities after the Company's Supervisory Board has approved the exercise of such activities. Voluntary work in associations and organizations with charitable or social aims or in the area of sports is permitted, provided that this does not restrict the individual's working capacity and activities for the Company. Supervisory board, administrative board or advisory board mandates or comparable offices in other companies as well as offices in associations and industry-related scientific institutions may only be assumed after the Company's Supervisory Board has approved the assumption of such roles. If, at the Supervisory Board's request, a Management Board member assumes management duties as a managing director or member of the management board or other activities in the Company's Group companies, the Management Board member shall not receive any additional or separate compensation for such activities.

A post-contractual non-competition clause has been agreed with the members of the Management Board for a period of twelve months, which also includes the payment of a waiting allowance. The monthly compensation to be paid amounts to half of the average of the monthly compensation benefits granted to the Management Board member in the last 24 months prior to the termination of the employment contract. Any income earned by the Management Board member during the term of the post-contractual non-competition clause from other activities not subject to the non-competition clause shall be offset against the compensation. The Company is entitled to unilaterally waive compliance with the post-contractual non-competition clause before or simultaneously with the end of the employment contract; in this case, the Company does not owe any compensation.

### **C.3 Compensation report pursuant to Section 162 AktG for the fiscal year from 1 October 2021 to 30 September 2022 (regarding agenda item 10)**

#### **Compensation report**

This compensation report has been prepared pursuant to Section 162 (1) and (2) of the German Stock Corporation Act (AktG). The following sections present the basic elements of the compensation scheme for the Management and Supervisory board members, explain the structure of the compensation and salaries of individual Management and Supervisory board members, and report the level of compensation paid to Management and Supervisory board members.

The compensation scheme was approved by the Annual General Meeting on 10 March 2021.

#### **1 Management Board compensation**

##### **Compensation scheme**

The compensation scheme for the Management Board is oriented towards the company's positive overall financial and business performance in the medium to long term. The Management Board members' overall compensation consequently includes various elements, and consists at present of fixed basic compensation, a performance-based bonus, long-term incentives through an equity option program as well as individually agreed pension commitments, expenses of a provident nature, insurance contributions, and other ancillary benefits.

When setting overall compensation and the individual compensation elements, the Supervisory Board has taken into consideration the company's financial position and business prospects, as well as its compensation structure. For the individual Management Board members, the Supervisory Board has differentiated according to function, areas of responsibility, qualification and personal performance. Where such data and information was available, information about compensation at other companies within the same sector, or competing with the company, was taken into consideration as a further criterion.

The agreements relating to compensation are included in the Management Board members' service contracts. The contractual duration corresponds in each case to the period of office for which the respective Management Board members have been appointed. The service contracts are fixed for this period and cannot be terminated on an ordinary basis.

##### **Notes concerning individual compensation components**

###### **Fixed compensation**

Each Management Board member receives a basic fixed salary that is agreed as fixed cash compensation drawn in relation to the fiscal year, and paid out in twelve equal monthly instalments.

The basic compensation for the CEO is 69% of the target compensation (€ 646 thousand) taking into account a non-increased performance-based bonus assuming 100% target achievement, not including stock options, which may vary in value (according to the respective issue date), and for the other Management Board members 76% of the target compensation (€ 340 thousand) taking

into account a non-increased performance-based bonus assuming 100% target achievement, not including stock options, which may vary in value (according to the respective issue date).

### **Current variable performance-related compensation (profit shares)**

The variable, performance-related compensation is granted in cash and is related to one fiscal year in each case if the Management Board member has achieved the respective predefined targets (parameters of performance-related compensation include both financial and strategic performance targets) in the respective fiscal year. The financial performance targets relate to an improvement in (i) organic growth, (ii) EBITDA and (iii) cash flow, in each case in relation to the Group; the strategic performance targets are defined as (i) projects for the Group's strategic further development and (ii) the successful commercialization of the project development pipeline. The annual bonus level is contractually arranged for each Management Board member for the duration of their service contract. All five performance targets are initially considered individually and then weighted equally in relation to each other (20% each) when measuring the variable compensation. In the event of target achievement from 100% to 200%, the share of the variable compensation for the respective performance target increases in accordance with the contractual provisions to the corresponding extent up to a maximum of 200% of the agreed pro rata compensation amount. If the defined performance targets are not met or not met in full, the share of the variable compensation for the respective performance target is reduced to 0% if necessary.

If the fixed amount bonus is awarded, variable cash compensation for the Management Board Chair (CEO) reaches an amount equivalent to 31% of target compensation, and for the remaining Management Board members an amount equivalent to 22% of target compensation. If the Supervisory Board increases the fixed amount bonus at its discretion, variable cash compensation for the Management Board Chair (CEO) reaches a maximum of 62% of target compensation, and for the other Management Board members a maximum of 44% of target compensation.

### **Share-based compensation (stock options)**

In the 2021/22 fiscal year, the following share-based employee compensation existed:

#### **Employee Stock Ownership Program (ESOP)**

In order to provide incentives and to retain managers and employees of BRAIN Biotech AG long-term, an employee stock ownership program (ESOP 2017/18) for the 2017/18 came into effect on 8 June 2018, and an employee stock ownership program (ESOP 2018/19) for the 2017/18 fiscal year came into effect on 12 March 2019. Under the latter, further options were issued as scheduled in the 2021/22 fiscal year on 8 April 2022 and on 27 September 2022. Managers and employees as well as the Management Board members of BRAIN Biotech AG participate in all ESOPs.

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.

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 the average of the share price ten trading days prior to the contractual grant date. The following overview shows the measurement date and the exercise price.

	Measurement date	Exercise price (EUR)
ESOP 2018/2019 in 2020/2021-Oct (allocated)	2 October 2020	7.37
ESOP 2018/2019 in 2020/2021-Mar (allocated)	15 March 2021	9.03
ESOP 2018/2019 in 2021/2022-Apr (allocated)	8 April 2022	8.71
ESOP 2018/2019 in 2021/2022-Sep (allocated)	27 September 2022	5.43

Along with the share price performance target (performance condition), the exercising of options is also conditional upon the respective beneficiary remaining at the company (service condition). The performance condition means that the share price, taking into account any dividend payments per share to be accumulated, corresponds to an increase in the market price of the ordinary shares of at least 6% per annum in the period between the allocation and the end of the waiting period. 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 amounts to four years after the end 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.

Allocated stock options	Adriaan Moelker (CEO)	Lukas Linnig (CFO) until 30 September 2022
FY 2020/21 – Oct	0 units	50,000 units
FY 2020/21 – Mar	100,000 units	50,000 units
FY 2021/22 – Apr	60,000 units	30,000 units
FY 2021/22 – Sep	40,000 units	20,000 units

The stock options were issued in accordance with the existing service agreements.

### **Pension commitments, expenses of a provident nature and insurance contributions**

The Management Board members' service contracts include the following regulations in relation to pensions and surviving dependents' benefits. The company pays amounts into a pension fund or private pension insurance for its Management Board members. Instead of paying into a pension fund or private pension insurance, these amounts can also be paid out as a salary at the request of the Management Board members. In the case of death, the relatives of a de-ceased Management Board member receive a one-off payment equivalent to 50% of total compensation granted to the deceased Management Board member in the current fiscal year at the time of death, pursuant to related standard contractual regulations.

The company has concluded invalidity insurance policies for the Management Board members for the duration of their service contracts, with the related premiums being paid by the company. The company also grants Management Board members allowances for private health insurance and social security.

### Discontinued employment commitments

In the event of the early termination of their Management Board activities, Management Board members do not receive any payments and/or ancillary benefits that exceed the value of two years' compensation (severance payment cap) or that compensate more than the remaining term of the employment contract. If the employment contract is terminated for an exceptional reason for which the Management Board member concerned is responsible, the Management Board member will not receive any payments. The severance payment cap is calculated on the basis of the total compensation for the past fiscal year and, if applicable, the expected total compensation for the current fiscal year.

No benefits were promised or granted by a third party to any member of the Management Board for their activities.

### Further information about the compensation scheme and Section 120a (4) of the German Stock Corporation Act (AktG)

The compensation scheme and the currently applicable Management Board contracts do not include any so-called claw-back provisions.

The maximum compensation provided for in the compensation scheme for the members of the Management Board was complied with. The maximum compensation is € 1,133,000.00 for the CEO and € 598,000.00 for the other Management Board member. The maximum compensation serves as an absolute limit on compensation. To the extent that the discretionary assessment of variable compensation resulted in higher than target compensation, such as due to special effects, compensation amounts would have to be reduced if the maximum compensation were otherwise exceeded. No such reduction was applied in the past or the previous fiscal year.

The company is not obligated to vote on the approval of a compensation report until the Annual General Meeting in the 2022/23 fiscal year, as a consequence of which no resolution pursuant to Section 120a (4) AktG has been submitted to date.

Comparative presentation of compensation and earnings trends

The following tables compares the change in Management Board compensation, employee compensation (in each case on a full-time equivalent basis) and the company's business performance over the last three fiscal years.

	2019/2020	2020/2021 <sup>1</sup>	2021/2022 <sup>2</sup>
Average employee salary*	€ 49,985 thousand	€ 51,889 thousand	€ 53,445 thousand
Percentage change in employee salary*	n.a.	+4%	+3%
Percentage changes in Management Board salary excluding short-term performance-based compensation**	n.a.	0%	+4%
Percentage change in Supervisory Board compensation***	n.a.	0%	0%
<b>Business performance</b>			
Revenue	n.a.	+0.4%	+29%
Adjusted EBITDA	n.a.	+4%	+104%
Result after taxes	n.a.	+48%	-32%

Footnote 1: The percentage change relates in each case to the previous fiscal year

Footnote 2: The percentage change relates in each case to the previous fiscal year

\* The comparative figure relates to employees of the parent company BRAIN Biotech AG on a full-time equivalent basis.

The following parameters were used in the analysis:

- All employees were continuously employed for 36 months
- Part-time employees were aggregated to full-time equivalents
- A total of 46 employees were included in the comparison
- Female and male employees are included in the calculation in the same ratio
- Top earners were not included in this analysis

\*\* The comparative calculation of Management Board salaries excludes bonuses paid. Due to the changes on the Management Board, particularly in the 2019/20 fiscal year, comparative figures would otherwise have been unusually high or low and would thereby present a distorted picture. The bonuses paid in cash in the 2020/21 and 2021/22 fiscal years are shown below.

\*\*\* For the Supervisory Board, basic compensation, excluding attendance fees, was taken into account. The Supervisory Board members do not receive any performance-based compensation.

Compensation granted and owed to the Management Board pursuant to Section 162 of the German Stock Corporation Act (AktG)

The following table shows the compensation granted and owed to the members of the Management Board of BRAIN Biotech AG for the current and the previous fiscal year.

<b>Adriaan Moelker (CEO)</b>				
€ thousand	2021/2022	in %	2020/2021	in %
Fixed compensation (including retirement and surviving dependents' benefits)	420	45%	420	46%
Ancillary benefits (including company car and pension insurance)	26	3%	26	3%
<b>Total non-performance-based compensation</b>	<b>446</b>	<b>48%</b>	<b>446</b>	<b>49%</b>
Short-term performance-based compensation (bonus granted) <sup>3</sup>	190	21%	133	15%
Stock options/ long-term performance-based compensation (calculated at fair value at grant)	288	31%	337	37%
<b>Total</b>	<b>924</b>	<b>100%</b>	<b>916</b>	<b>100%</b>
Share of maximum compensation	82%	n.a.	81%	n.a.
<b>Lukas Linnig (CFO) until 30 September 2022</b>				
€ thousand	2021/2022	in %	2020/2021	in %
Fixed compensation (including retirement and surviving dependents' benefits)	260	51%	235	42%
Ancillary benefits (including company car and pension insurance)	25	5%	25	4%
<b>Total non-performance-based compensation</b>	<b>285</b>	<b>56%</b>	<b>260</b>	<b>46%</b>
Short-term performance-based compensation (bonus granted) <sup>4</sup>	76	15%	0	n.a.
Stock options/ long-term performance-based compensation (calculated at fair value at grant)	144	29%	303	54%
<b>Total</b>	<b>505</b>	<b>100%</b>	<b>563</b>	<b>100%</b>
Share of maximum compensation	84%	n.a.	94%	n.a.

Footnote 3: Value according to target achievement paid out for the last fiscal year

Footnote 4: Value according to target achievement paid out for the last fiscal year

In accordance with the compensation scheme, five equally weighted targets are set in relation to organic growth, EBITDA, cash flow, in each case in relation to the Group, as well as projects for the Group's further strategic development and the successful commercialization of the project development pipeline.

For the purpose of measuring variable, performance-based compensation, the Supervisory Board reviews the achievement or fulfillment of each of the targets set for the respective fiscal year after the end of the respective fiscal year and then decides on the determination of the bonus.

The amounts reported here for the bonus correspond to 65% (2019/20) and 95% (2020/21) target achievement for Adriaan Moelker and 95% (2020/21) target achievement for Lukas Linnig.

The following table shows the Management Board's target achievement per objective, for the 2020/21 fiscal year.

	Share per target	of which fulfilled <sup>5</sup>	Result
Improvement in organic growth	20%	0%	0%
Improvement in EBITDA	20%	0%	0%
Improvement in cash flow	20%	200%	40%
BRAIN Group's further strategic development	20%	75%	15%
Commercialization of the project development pipeline	20%	200%	40%
<b>Total</b>			<b>95%</b>

No comparative figures are given for 2019/20 fiscal year because the current compensation scheme was not yet in place at that time.

Footnote 5: In the event of target achievement from 100% to 200%, the share of the variable compensation for the respective performance target increases in accordance with the contractual provisions to the corresponding extent up to a maximum of 200% of the agreed pro rata compensation amount. If the defined performance targets are not met or not met in full, the share of the variable compensation for the respective performance target is reduced correspondingly to 0% if necessary.

#### Compensation of former members of the Management Board

For the former members of the Management Board, Dr. Holger Zinke and Dr. Jürgen Eck, defined contribution pension commitments exist which, in the event of termination of the employment relationship before the contractual retirement age is reached, effectively convert into a defined benefit commitment. No further pension commitments to other members of the Management Board exist.

The present value of the total obligation from pension commitments, calculated in accordance with International Financial Reporting Standards (IFRS), for both former members of the Management Board amounted to € 3,179 thousand as at the reporting date (previous year: € 5,250 thousand). Of this amount, € 1,636 thousand was attributable to Dr. Holger Zinke and € 1,543 thousand to Dr. Jürgen Eck.

Supervisory Board compensation

Pursuant to the company's bylaws, the Supervisory Board members receive annual compensation of € 15,000. The Supervisory Board Chair receives twice this amount, and the Deputy Supervisory Board Chair receives one and a half times this amount. Committee chairs also receive further annual compensation of € 15,000. All Supervisory Board members receive a meeting fee of € 1,000 for each meeting of the Supervisory Board and Committees they attend.

The Supervisory Board members are included in the D&O (directors & officers) insurance cover (asset loss liability insurance) which the company has taken out for its directors, and whose premiums the company pays. Above and beyond this, the company has taken out asset loss liability insurance cover for securities issues ("IPO insurance") without deductibles for the Supervisory Board members as part of the IPO, whose costs the company bears.

The following table shows the cash compensation of the Supervisory Board for the 2021/22 fiscal year:

€ thousand				
Supervisory Board members	Fixed compensation	Allowance for special functions	Meeting fees	Total compensation
Dr. Georg Kellinghusen (Chair)	30	15	28	73
Dr. Anna C. Eichhorn (Deputy Chair)	23	15	13	51
Dr. Michael Majerus	15	15	27	57
Prof. Dr. Bernhard Hauer <sup>6</sup>	10	0	5	15
Stephen Catling	15	0	12	27
Prof. Dr. Wiltrud Treffenfeldt	15	0	21	36
<b>Total</b>	<b>108</b>	<b>45</b>	<b>106</b>	<b>259</b>

Footnote 6: until 31 May 2022

Shares held by the Management and Supervisory boards

As at 30 September 2022, the Management Board members held 23,000 ordinary shares of BRAIN Biotech AG and the Supervisory Board members held 20,000 ordinary shares of BRAIN Biotech AG.

**Independent auditor's report on the audit of the Compensation Report pursuant to Section 162 (3) of the German Stock Corporation Act (AktG)**

To BRAIN Biotech AG, Zwingenberg

**Audit opinion**

We have formally audited the compensation report of BRAIN Biotech AG for the fiscal year from 1 October 2021 to 30 September 2022 to determine whether the disclosures pursuant to Section 162

(1) and (2) AktG have been made in the compensation report. In accordance with Section 162 (3) AktG, we have not audited the content of the compensation report.

In our opinion, the accompanying compensation report complies, in all material respects, with the disclosures pursuant to Section 162 (1) and (2) AktG. Our audit opinion does not cover the content of the compensation report.

### **Basis for the audit opinion**

We conducted our audit of the compensation report in accordance with Section 162 (3) AktG and the Auditing Standard of the Institute of Public Auditors in Germany (IDW): The Audit of the Compensation Report in accordance with Section 162 (3) AktG (IDW PS 870 (08.2021)). Our responsibility under that provision and standard is further described in the Auditor's Responsibility section of our report. As an auditing practice, we have applied the requirements of the IDW Quality Assurance Standard: Requirements for Quality Assurance in Auditing Practice (IDW QS 1). We have complied with the professional duties pursuant to the German Auditors' Code (Wirtschaftsprüferordnung) and the Professional Statutes for Auditors / Certified Public Accountants (Berufssatzung für Wirtschaftsprüfer / vereidigte Buchprüfer), including the independence requirements.

### **Responsibility of the Management Board and the Supervisory Board**

The Management Board and the Supervisory Board are responsible for the preparation of the compensation report, including the related disclosures, in compliance with the requirements of Section 162 AktG. They are also responsible for such internal controls as they determine necessary in order to enable the preparation of a compensation report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

### **Responsibility of the auditor**

Our objective is to obtain reasonable assurance about whether the disclosures pursuant to Section 162 (1) and (2) AktG have been made in all material respects in the compensation report and to express an opinion upon this matter in an audit report.

We planned and performed our audit to obtain evidence about the formal completeness of the compensation report by comparing the disclosures made in the compensation report with the disclosures required by Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we have not audited the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the compensation report.

### **Dealing with any misleading representations**

In connection with our audit, we have a responsibility to read the compensation report in the light of knowledge obtained in the audit of the financial statements, and to remain alert for indications as to whether the compensation report contains misleading representations as to the accuracy of the content of the disclosures, the completeness of the content of the individual disclosures, or the fair presentation of the compensation report.

If, based on the work we have performed, we conclude that such a misleading representation exists, we are required to report that fact. We have nothing to report in this regard.

Frankfurt, 21 December 2022

Baker Tilly GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft  
(Düsseldorf)

Signed

Signed

Roos  
Certified Public Auditor

Weissingner  
Certified Public Auditor

Note:

For technical reasons, linguistic discrepancies may arise between documents contained in this Compensation Report and those published due to legal requirements.

D.

### **Further information about the convening of the AGM**

#### **1. Virtual Annual General Meeting / Transmission with image and sound / Connection**

The Management Board has passed a resolution, with the approval of the Supervisory Board, to hold the AGM in accordance with Section 118a AktG in conjunction with Section 26n (1) of the Introductory Act to the Stock Corporation Act (AktGEG) as a virtual AGM without the physical presence of shareholders or their authorized representatives. Physical presence of the shareholders and their authorized representatives at the location of the AGM is not permitted.

For shareholders who have duly registered for the AGM, or their authorized representatives, the entire AGM, including any answers to questions and the voting, will be broadcast live by video and audio transmission on the Internet on the BRAIN Biotech AG website at

<https://www.brain-biotech.com/investors/annual-general-meetings>

in the password-protected Internet service. The personal access data required for this purpose will be sent to shareholders or their authorized representatives with the "AGM ticket" after registration for the AGM. The use of the password-protected Internet service by the authorized representative requires that the authorized representative receives the corresponding access data. Authorized intermediaries, shareholders' associations, voting rights advisors and other persons treated as such by Section 135 (8) of the AktG may also use the password-protected Internet service. The Company will provide them with electronic access upon request.

If the password-protected Internet service is used during the virtual AGM on 8 March 2023, shareholders or their authorized representatives will be connected electronically to the virtual AGM.

Provided that the requirements described under "Preconditions for AGM participation and exercising voting rights" are met, shareholders may

- follow the entire meeting in person or by authorized representative by way of video and audio transmission via the password-protected Internet service set up specially for the AGM at the Internet address <https://www.brain-biotech.com/investors/annual-general-meetings>;

- exercise their voting rights themselves or through an authorized representative by postal vote. Votes may also be cast by postal vote using the password-protected Internet service at the Internet

address <https://www.brain-biotech.com/investors/annual-general-meetings> in accordance with the procedure provided for this purpose, including on the day of the AGM until the end of voting;

- exercise their voting rights in accordance with their instructions through the Company proxies. The issuing of powers of attorney with instructions to the Company proxies can also be realized using the password-protected Internet service at the Internet address <https://www.brain-biotech.com/investors/annual-general-meetings> in accordance with the procedure provided for this purpose, including on the day of the AGM until the end of voting;

- submit questions themselves or through an authorized representative.

## 2. Preconditions for AGM participation and exercising voting rights

Those shareholders are entitled to participate in the AGM and exercise their voting rights who are registered in the share register and have registered on time for the AGM. Pursuant to Section 18 (2) of the Company's bylaws, such registration must be formulated in textual form in either German or English, and be submitted to the Company at least six days before the AGM, whereby the date of the AGM and the date of receipt are not to be included in the calculation, **in other words, at the latest by**

**Wednesday, 1 March 2023, 24:00 hours**

at the following address:

BRAIN Biotech AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Fax: +49 (89) 889 690 633  
Email: [BRAIN@better-orange.de](mailto:BRAIN@better-orange.de)

or electronically using the password-protected Internet service on the Company's website at

<https://www.brain-biotech.com/investors/annual-general-meetings>

Shareholders wishing to utilize the option of registering through this Internet service require personal access data. These access data can be found in the documents posted to shareholders. Shareholders registering for electronic correspondence will receive access data by email. Shareholders that wish to register via the Internet require for this purpose their shareholder number and the corresponding access password. Those shareholders who have already registered their personally selected password in the Internet service must use their personally selected access password. All other shareholders entered in the share register will receive their shareholder number and an access password with the convening letter to the AGM.

As far as the Company is concerned, pursuant to Section 67 (2) Sentence 1 AktG, only those parties shall be deemed to be shareholders who are registered as shareholders in the share register. The status of the share register on the AGM date is consequently the determining factor for the right to participate as well as for the number voting rights attributable to parties entitled to participate in the AGM. Please note that, pursuant to Section 18 (4) of the bylaws, no reregistrations

can be made in the share register from the end of the last registration day (Wednesday, 1 March 2023; so-called Technical Record Date) until the end of the AGM (so-called reregistration stop). The status of the share register on the AGM date consequently corresponds to its status on Wednesday, 1 March 2023, 24:00 hours.

Shareholders can dispose of their shares despite the reregistration stop. However, purchasers of shares whose reregistration applications do not reach the Company until after 1 March 2023 can only exercise participation rights and voting rights deriving from such shares if the shareholder who is still entered in the share register and properly registered for the AGM authorizes them, or they themselves have authorized the exercise of rights. All purchasers of the Company's shares who are not yet entered in the share register are consequently requested to submit reregistration applications as quickly as possible.

### **3. Procedure for voting by authorized representative**

Shareholders not wishing to participate in the AGM themselves can have their votes be exercised at the AGM by an authorized representative, such as a bank, shareholder association or another person of their choice. In this case, too, entry in the share register and timely registration for the AGM according to the provisions above are required.

Authorized representatives (with the exception of the Company's proxies) may also not physically participate in the virtual AGM. They may only exercise the voting rights for shareholders they represent by means of electronic postal voting or by issuing (sub)powers of attorney to the proxies appointed by the Company.

Issuing powers of attorney that are not issued to a bank, shareholder association, nor other intermediaries in the meaning of Section 135 AktG or other persons equivalent to those as set out in Section 135 AktG, their revocation, and the proof of authorization to the Company requires textual form as the form prescribed by law for listed companies. The statement issuing the power of attorney can be made to the authorized representative or to the Company. Proof of power of attorney issued to the authorized representative may be furnished to the Company by sending the proof to the Company. The revocation of a power of attorney already issued may also be declared directly to the Company by the aforementioned means of transmission. The regulations contained in Section 135 AktG are hereby unaffected.

The Company provides the following address for the statement of issuing a power of attorney to the Company, the revocation of a power of attorney already issued, and the conveying of the proof of the power of attorney by post, fax or email, with receipt at the latest by Tuesday, 7 March 2023, 18:00 hours:

BRAIN Biotech AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Fax: +49 (89) 889 690 633  
Email: BRAIN@better-orange.de

Similarly, the password-protected Internet service on the Company's website at <https://www.brain-biotech.com/investors/annual-general-meetings> is available for this purpose during the AGM until

the end voting. If the power of attorney is issued by a statement to the Company, separate proof of issuing the power of attorney is dispensed with.

The use of the password-protected Internet service by the authorized representative requires that the authorized representative receives the corresponding access data. Once the party issuing power of attorney has been determined, the Company will send the authorized representatives their own access data either by mail or by email. For the purpose of transmission, if a power of attorney is issued by declaration to the Company using the form provided by the Company, a postal address of the authorized representative may be provided and, if the password-protected Internet service for issuing a power of attorney is used, either a postal address of the authorized representative or an email address of the authorized representative may be provided. If no postal address or email address of the authorized representative is provided by the party issuing the power of attorney, the authorized representative's access data will be sent by mail to the address of the party issuing the power of attorney. If you provide a postal address, please take into consideration the usual processing and mailing times for the forwarding of access data.

A form that can be utilized to issue a power of attorney will be sent to shareholders receiving the invitation letter by post together with the invitation letter. In addition, the form is reproduced on the AGM ticket and can also be downloaded from the Company's website at <https://www.brain-biotech.com/investors/annual-general-meetings>. If a shareholder authorizes more than one authorized representative, the Company is entitled to reject one or several such authorized representatives.

Special rules may apply to the issuing of a power of attorney to banks, shareholders' associations, other intermediaries in the meaning of Section 135 AktG and other persons and institutions deemed equivalent in Section 135 AktG, as well as to the revocation and proof of such power of attorney. In such a case, shareholders are requested to consult with the person or institution to be authorized in good time about the form and procedure for issuing powers of attorney. Banks, shareholders' associations as well as other intermediaries in the meaning of Section 135 AktG and other persons deemed equivalent in Section 135 AktG are not entitled to cast votes for shares not owned by them, but recorded under their names in the Company's share register, unless they have the shareholder's authority.

#### **4. Procedure for voting by Company proxy**

The Company offers its shareholders the opportunity to authorize the Company proxy to exercise their votes already before the AGM. Shareholders that wish to authorize the Company proxy must be entered in the share register, and register on time for the AGM. If authorized, Company proxies exercise voting rights exclusively on the basis of instructions issued to them. Without instructions from the shareholder, Company proxies are not authorized to exercise voting rights. A form for issuing authorizations and instructions to the Company proxy will be posted together with the invitation letter to shareholders that also receive invitation letters by post. In addition, the form is reproduced on the AGM ticket and can also be downloaded from the Company's website at

<https://www.brain-biotech.com/investors/annual-general-meetings>

or can be filled out and submitted electronically through the password-protected Internet service. Powers of attorney and instructions for the Company proxy must be submitted to the Company in textual form if the submission is not made through the password-protected Internet service.

Shareholders wishing to authorize the Company proxy before the AGM are requested to submit powers of attorney along with instructions, irrespective of timely registration according to the aforementioned provisions, at the latest by **Tuesday, 7 March 2023, 18:00 hours (receipt)** by post, fax or email to the following address

BRAIN Biotech AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Fax: +49 (89) 889 690 633  
Email: BRAIN@better-orange.de

or electronically using the password-protected Internet service until the start of voting during the AGM on the Company's website at:

<https://www.brain-biotech.com/investors/annual-general-meetings>

The same applies to the amendment and revocation of granted powers of attorney and instructions to be given by these means.

More details about AGM participation and proxy voting will be sent to shareholders together with the invitation. Corresponding information is also available on the Company's website at:

<https://www.brain-biotech.com/investors/annual-general-meetings>

## **5. Electronic postal voting procedure**

Shareholders and their authorized representatives may cast their votes by electronic communication (electronic postal vote). Only those shareholders – in person or by authorized representative – who have duly registered are entitled to exercise their voting rights by electronic postal vote. Votes are submitted electronically (with the corresponding access data, see above under D.1.) via the password-protected Internet service in accordance with the procedure provided for this purpose on the website of BRAIN Biotech at

<https://www.brain-biotech.com/investors/annual-general-meetings>

from 15 February 2023 until the time when voting is closed by the chair of the meeting at the virtual AGM on 8 March 2023. Until that time, votes submitted by electronic postal vote can be changed or revoked via the password-protected Internet service.

## **6. Submission of comments**

Properly registered shareholders or their authorized representatives have the right to submit comments on the agenda items in textual form by means of electronic communication in accordance with Section 130a (1) to (4) AktG. For this purpose, the password-protected Internet

service on the BRAIN Biotech AG website is available to them with the corresponding access data (see D.1. above) at

<https://www.brain-biotech.com/investors/annual-general-meetings>

Comments in textual form must be submitted as a file in PDF format in accordance with the procedure provided for this purpose. The submission of multiple comments is possible. By submitting the statement, shareholders or their authorized representatives are to agree that the statement, including their name, may be made available on the password-protected Internet service.

Comments must be submitted no later than five days before the meeting, i.e. no later than 2 March 2023, 24:00 hours. Unless it is exceptionally permissible to refrain from making them available pursuant to Section 130a (3) Sentence 4 AktG, comments submitted on the agenda items will be published no later than four days prior to the AGM, i.e. no later than 3 March 2023, 24:00 hours, in the password-protected Internet service accessible only to properly registered shareholders or their authorized representatives with the relevant access data (see D.1. above) on the website of BRAIN Biotech AG at

<https://www.brain-biotech.com/investors/annual-general-meetings>

Motions and nominations, questions and objections to resolutions of the AGM in the context of comments submitted in text form will not be considered at the AGM; the submission of motions or election proposals (see D.9.), the exercise of the right to information (see D.9.) and the lodging of objections to resolutions of the AGM (see D.8.) is only possible via the channels described separately in this invitation.

## **7. Right to speak**

Shareholders or their authorized representatives who are connected electronically to the AGM have the right to speak at the meeting by means of video communication. As of the beginning of the AGM, a password-protected Internet service will be available on the BRAIN Biotech AG website at

<https://www.brain-biotech.com/investors/annual-general-meetings>

(for the relevant access data see D.1. above), where shareholders or their authorized representatives can register to speak. In particular, the right to speak also includes the right to propose motions and nominations in accordance with Section 118a (1) Sentence 2 No. 3 AktG (see also D.9. below), and the right to request information in accordance with Section 131 (1) AktG (see also D.9. below).

Pursuant to Section 20 (2) of the Company's bylaws, the chair of the meeting may impose reasonable time limits on the shareholders' right to ask questions and speak and may determine further details in this respect. In particular, the chair is entitled to set a reasonable timeframe for the entire course of the AGM, for individual agenda items or for the individual speaker at the beginning of the AGM or during its course.

The entire virtual AGM, including video communication, is handled in the password-protected Internet service via the BetterMeeting system from Better Orange IR & HV AG. Shareholders or

their authorized representatives who wish to register their speech via the virtual registration table require either a non-mobile device (PC, notebook, laptop) with Chrome browser version 89 or higher, Edge version 88 or higher, or Safari version 13.1 or higher, or a mobile device (smartphone) in order to register their speech. Mobile ANDROID smartphones require Chrome version 89 or higher as the installed browser; mobile iOS smartphones require Safari version 13.1 or higher as the installed browser. A camera and microphone that can be accessed from the browser must be available on the devices for speeches. No further installation of software components or apps on the end devices is required. Persons who have registered for a speech via the virtual registration table will be activated for their speech in the password-protected Internet service. The Company reserves the right to check the functionality of the video communication between the shareholder or authorized representative and the Company during the meeting and before the speech, and to reject the speech if such functionality is not ensured.

## 8. Lodging of objections

Shareholders or their authorized representatives who are electronically connected to the AGM have the right to lodge an objection for the record of the notary in relation to a resolution of the AGM via the password-protected Internet service on the BRAIN Biotech AG website at

<https://www.brain-biotech.com/investors/annual-general-meetings>

in accordance with the procedure provided for this purpose using the relevant access data (see D.2. above) during the AGM, i.e. from the start of the AGM until its closing.

## 9. Shareholders' rights

### Motions to supplement the agenda pursuant to Section 122 (2) AktG

Pursuant to Section 122 (2) AktG, shareholders whose shares together reach the twentieth part of the share capital or the proportional amount of € 500,000.00 can request that items be placed on the agenda and be announced. The applicants must prove that they have held their shares for at least 90 days prior to the date on which the supplementary motion is received by the Company, and that they will hold the shares until the Management Board has reached a decision concerning the motion; the date on which the Company receives the supplementary motion shall not be included in the calculation of the aforementioned 90-day period. A reason or proposed resolution must be included with each new item. The request is to be directed in writing to the Management Board and must be submitted to the Company at least 30 days before the AGM, whereby the AGM date and receipt date shall not be included in the calculation, **in other words, at the latest by**

**Sunday, 5 February 2023, 24:00 hours**

at the following address:

BRAIN Biotech AG  
The Management Board  
Darmstädter Strasse 34-36  
64673 Zwingenberg

**Countermotions and election proposals by shareholders pursuant to Sections 126 (1), 127 AktG**

Shareholders can submit to the Company countermotions against a proposal by the Management Board and/or Supervisory Board on a particular agenda item as well as proposals relating to the election of Supervisory Board members and auditors. Pursuant to Section 126 (1) AktG, the Company will make countermotions including the name of the shareholder, the related explanation and any opinion of the management accessible on the Company's website at <https://www.brain-biotech.com/investors/annual-general-meetings>, if countermotions are submitted to it with a justification of these 14 days before the AGM, whereby the AGM date and the date of receipt shall not be included in the calculation, **in other words, at the latest by**

**Tuesday, 21 February 2023, 24:00 hours**

at the following address:

BRAIN Biotech AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Fax: +49 (89) 889 690 633  
Email: BRAIN@better-orange.de

Motions submitted to other addresses shall not be considered. For shareholder proposals relating to the election of the auditors, the aforementioned regulations pursuant to Section 127 AktG apply correspondingly. Shareholders' election proposals do not require explanations, however. The Company can refrain from publishing a countermotion under the preconditions specified in Section 126 (2) AktG because, for example, the countermotion would lead to an AGM resolution in breach of the law or the Company's bylaws. The explanation for a countermotion (or of an election proposal if it includes an explanation) does not need to be published by the Company if it comprises a total of more than 5,000 characters. Except in the instances specified in Section 126 (2) AktG, publication of shareholders' nominations can also be waived if the nomination does not include the name, profession exercised, and place of residence of the proposed candidate, and the information listed in Section 125 (1) Sentence 5 AktG.

Motions or nominations by shareholders that are to be made available pursuant to Section 126 or Section 127 AktG shall be deemed to have been made at the meeting if the shareholder making the motion or nominating the nomination is duly authorized and has registered for the AGM.

**Right to information pursuant to Section 131 (1) AktG**

Pursuant to Section 131 (1) AktG, in response to a request at the AGM, the Management Board must provide all shareholders with information about Company matters, if such information is required to objectively assess an agenda item. This obligation to provide information shall also extend to the Company's legal and business relationships to an associated company, as well as to the situation of the Group and the companies included in the consolidated financial statements, as the consolidated financial statements and Group management report are also submitted to the AGM in relation to agenda item 1. For the reasons specified in Section 131 (3) AktG, the

Management Board can refrain from answering specific questions, because, for instance, reasonable commercial prudence would suggest that issuing such information might cause considerable disbenefit to the Company or an associated company. Pursuant to Section 20 (2) of the bylaws, the AGM chair can place a suitable time restriction on shareholders' rights to pose questions and to speak, and appropriately determine the AGM timeframe, speeches on individual agenda items as well as individual question-based and verbal contributions.

It is intended that the chair of the AGM will stipulate that the aforementioned right to information pursuant to Section 131 (1) AktG may be exercised at the AGM exclusively by way of video communication, i.e., as part of the exercise of the right to speak (see D.7. below).

#### **Notes and information on the corporate website**

Pursuant to Section 124a AktG, information about the AGM is available for shareholders on the Company's website at

<https://www.brain-biotech.com/investors/annual-general-meetings>

#### **10. Total number of shares and voting rights on the AGM convening date**

The Company's share capital amounts to € 21,847,495.00 on the convening date and is divided into 21,847,495 shares which are equally voting-entitled and grant one vote each. The Company holds no treasury shares on the AGM convening date. The total number of shares and voting rights on the AGM convening date consequently amounts to 21,847,495.

#### **11. Information about data protection for shareholders pursuant to the EU GDPR**

Who is responsible for data processing?

BRAIN Biotech AG (the "Company")

Darmstädter Strasse 34–36, 64673 Zwingenberg, Germany

You can reach the Company's data protection officer at

[privacy@brain-biotech.com](mailto:privacy@brain-biotech.com) or our postal address, marked for the attention of the "Data Protection Officer"

The company HV AG, Ursensollen, has been commissioned to maintain the Company's share register.

For what purposes and on what legal basis will your data be processed? From where does the Company obtain your data?

The Company processes your personal data in compliance with the EU General Data Protection Regulation (GDPR), the German Federal Data Protection Act (BDSG), the German Stock Corporation Act (AktG) and all other relevant legal provisions.

The Company's shares are no-par-value registered shares. In the case of such registered shares, Section 67 of the German Stock Corporation Act (AktG) stipulates that these shares be entered in the Company's share register, stating the name, date of birth and address of the shareholder as well as the number of shares. The shareholder is obligated, as a matter of principle, to provide the Company with this information. The banks involved in the purchase, custody or sale of your BRAIN Biotech AG shares regularly forward to the share register this and other information relevant to

maintaining the share register (e.g. nationality, gender and submitting bank). This occurs through Clearstream Banking Frankfurt, which acts as the central depository for the technical settlement of securities transactions and the custody of shares for banks.

The Company utilizes your personal data for the purposes specified in the German Stock Corporation Act (AktG). These include, in particular, the maintenance of the share register and processing of shareholders' general meetings. In addition, your data can be utilized to generate statistics, such as for the analysis of trends. The German Stock Corporation Act (AktG) in combination with Article 6 (1c) and (4) of the EU General Data Protection Regulation (GDPR) forms the legal basis for processing your personal data.

In addition, your personal data might also be processed to fulfill other legal obligations, such as regulatory requirements and obligations under stock corporation law, commercial law and legislation relating to the maintenance of records for tax purposes. For example, when authorizing a Company proxy for the AGM, it is mandatory that the data utilized to prove the authorization be verifiably recorded and stored for three years with access protection (Section 134 (3) Sentence 5 AktG). The respective statutory provisions in combination with Article 6 (1c) GDPR form the legal basis for processing in this case.

In individual cases, the Company will also process your data to safeguard legitimate interests in accordance with Article 6 (1f) GDPR. This is the case if, for example, in the case of capital increases, individual shareholders must be excluded from information on subscription offers due to their nationality or place of residence in order to comply with securities regulations in the countries concerned.

Should the intention exist to process your personal data for another purpose, you will be informed in advance within the scope of the statutory provisions.

To which categories of recipients might your data be transmitted?

External service providers: The Company utilizes external service providers to maintain the share register and for the technical processing of the AGM.

Further recipients: In addition, it may be necessary to transfer your personal data to further recipients, insofar as this is necessary to comply with legal obligations. If you participate in the AGM, other shareholders may view the personal data recorded in the list of participants required under stock corporation law pursuant to Section 129 AktG.

For how long is your data stored?

For the data collected in connection with AGMs, the retention period is regularly up to three years. The data stored in the share register are regularly archived for a period of ten years following the sale of the shares. Moreover, the Company stores personal data only if this is necessary in connection with claims asserted against the Company (statutory limitation period of up to 30 years). In principle, your personal data will be deleted or rendered anonymous as soon as they are no longer required for the aforementioned purposes, and legislation relating to the maintenance of evidence and archiving does not require us to continue to store them.

What are your rights?

You can request information about all data archived about your person at the aforementioned address for the Data Protection Officer. Furthermore, under certain circumstances you may request the deletion of your data or a restriction of their processing.

Right to object:

If your data are processed to protect legitimate interests, you can object to such processing at any time at the aforementioned address of the Data Protection Officer, provided that your particular situation gives rise to reasons that conflict with such data processing. Data processing will then be terminated unless the Company can provide evidence of compelling protection-based grounds for processing which outweigh the interests, rights and freedoms of the person concerned, or if the processing serves the assertion, exercise or defense of legal claims.

You also have the option of contacting the aforementioned Data Protection Officer or a data protection regulator with comments or complaints. The data protection regulator responsible for the Company is:

The Hessian Commissioner for Data Protection and Freedom of Information  
Postfach 3163  
65021 Wiesbaden, Germany  
<https://datenschutz.hessen.de/über-uns/kontakt>

This information is also available at:

<https://www.brain-biotech.com/investors/annual-general-meetings>

Zwingenberg, January 2023

BRAIN Biotech AG

The Management Board