

Regarding Item 1

Explanatory report of the management board pursuant to Sections 289a and 315a of the German Commercial Code (HGB) for the financial year 2024/25

Composition of subscribed share capital (No. 1)

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

Restrictions affecting voting rights or transfer of shares (No. 2)

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

Shareholdings with more than 10 % of the voting rights (No. 3)

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

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

Holders of shares with special rights (No. 4)

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

Voting rights control of employees who are shareholders (No. 5)

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

Rules concerning the appointment and recall from office of Management Board members (No. 6)

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

Rules concerning amendments to the bylaws (No. 6)

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

Management Board authorizations concerning issuing and repurchasing shares (No. 7)

BRAIN Biotech AG has the following authorized and conditional capital:

Authorized capital

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

company's shares already listed on the date when the issue price is finally determined and the total number of shares issued in this manner under exclusion of subscription rights does not exceed 10 % of the share capital.

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

Conditional capital

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

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

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

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

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

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

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

subscription rights. An increase in the share capital from Conditional Capital 2025/I had not been implemented as at the 30 September 2025 reporting date.

Stock options

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

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

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