
Item 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 the 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.