
Item 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).”