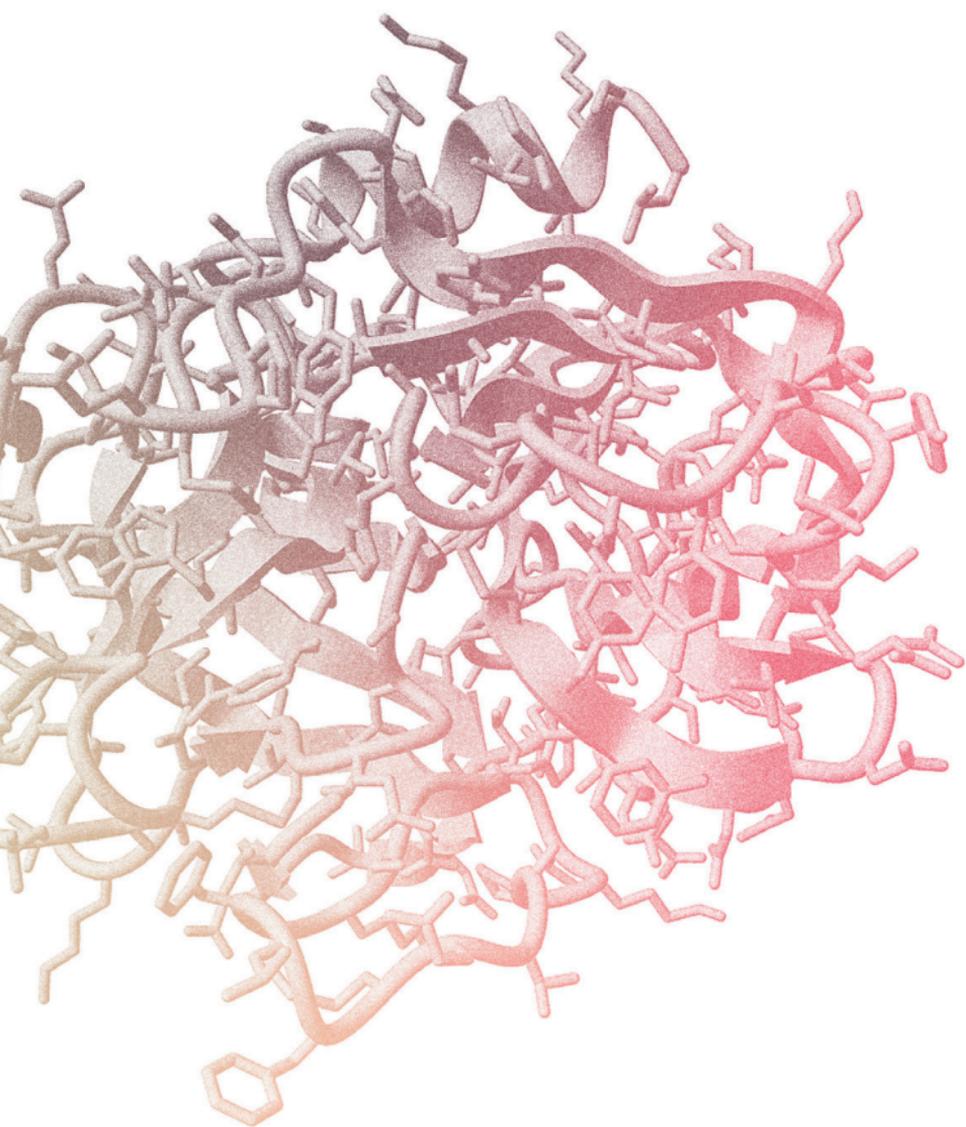


---

# Ordinary Annual General Meeting Financial Year 2018/19

on 5 March 2020 in Zwingenberg (Bergstraße)



B•R•A•I•N

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

We hereby invite the shareholders to the Ordinary Annual General Meeting (AGM) to be held

**on 5 March 2020, at 10:30 a.m.  
in the Melibokushalle, Melibokusstrasse 10,  
64673 Zwingenberg, Germany.**

---

## **A.** **Agenda**

**1. Submission of the adopted separate annual financial statements and approved consolidated financial statements of B.R.A.I.N. Biotechnology Research and Information Network AG for the fiscal year ending 30 September 2019, the separate management report and Group management report for the fiscal year from 1 October 2018 until 30 September 2019 with the explanatory reports relating to disclosures pursuant to Section 289a (1) and Section 315a (1), of the German Commercial Code (HGB), as well as the report by the Supervisory Board for the fiscal year from 1 October 2018 to 30 September 2019**

The aforementioned documents can be viewed and downloaded from the Company's website at [www.brain-biotech.com/investors/annual-general-meetings](http://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. Statutory 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 2018 to 30 September 2019**

The Management and Supervisory boards propose that the Management Board members in the fiscal year from 1 October 2018 to 30 September 2019 be discharged for this period.

**3. Resolution concerning discharging the Supervisory Board for the fiscal year from 1 October 2018 to 30 September 2019**

The Management and Supervisory boards propose that the Supervisory Board members in the fiscal year from 1 October 2018 to 30 September 2019 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 2019 to 30 September 2020**

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

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft,  
Mannheim,

to be the auditor of the separate and consolidated financial statements for the fiscal year from 1 October 2019 to 30 September 2020.

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 Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Mannheim. The Audit Committee has stated that its recommendation is free from undue influence by third parties and that no restrictive clause within the meaning of Article 16(6) of the aforementioned Regulation (EU) No 537/2014 of 16 April 2014 has been imposed upon it.

#### **5. Election to the Supervisory Board**

The period of office of Supervisory Board Chairman Dr. Georg Kellinghusen ends with the conclusion of the AGM on 5 March 2020. One Supervisory Board member is to be elected by the AGM as a consequence.

Pursuant to Section 96 (1) of the German Stock Corporation Act (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 election proposals.

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

---

Dr. Georg Kellinghusen,  
Munich, consultant

as a Supervisory Board member with effect from the end of the AGM on 5 March 2020 until the end of the AGM that decides on the discharge of the Supervisory Board for the fiscal year from 1 October 2021 until 30 September 2022. At his request, Dr. Georg Kellinghusen is to be elected for a shorter term of office than that permitted under Section 9 (2) of the bylaws for reasons of age and due to the fact that he has already been a member of the Company's management bodies for several years. It is intended that Dr. Kellinghusen will again be proposed to the Supervisory Board as candidate for the chair of the Supervisory Board in the event that he is elected.

The aforementioned election proposal takes into consideration the targets the Supervisory Board has approved for its composition, and aim to satisfy the competency profile developed for the Supervisory Board plenum. The targets and competency profile are published in the corporate governance report for the 2018/19 fiscal year, which are included in the 2018/19 annual report and which form part of the documents submitted in relation to agenda item 1.

Dr. Kellinghusen is a member of the Company's Supervisory Board that is currently in office. To a large extent, he has the experience and expertise required to exercise the Supervisory Board mandate, as well as the necessary sector, specialist and corporate knowledge. He is 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 candidate can continue to devote to the mandate the expected requisite amount of time.

Supplementary disclosures and information about the proposed candidates, especially information pursuant to Section 125 (1) Clause 5 AktG, a curriculum vitae of the candidate as well as further information relating to the recommendations of the German Corporate Governance Code are reproduced in Section C Subsection 6 of this invitation and can also be viewed on the Company's website at

[www.brain-biotech.com/investors/annual-general-meetings](http://www.brain-biotech.com/investors/annual-general-meetings)

**6. Resolution on the cancellation of an existing authorization and the granting of a new authorization to issue convertible bonds and/or bonds with warrants with the option to exclude subscription rights, on the cancellation of Conditional Capital 2015 / I and the creation of new Conditional Capital 2020 / I, and on the amendment to the bylaws required for this purpose**

The term of the authorization of the Management Board approved by the Annual General Meeting on 8 July 2015 under agenda item 3 to issue convertible bonds and bonds with warrants ends on 7 July 2020. The authorization has not been utilized to date and is not to be utilized during the short period remaining until the end of its term. Subscription rights to the Company's shares resulting from the exercise of the aforementioned authorization, which would have had to be secured by Conditional Capital 2015 / I, also approved by the Annual General Meeting on 8 July 2015, have therefore not arisen and will not arise. Both the authorization to issue convertible bonds and bonds with warrants still effective until 7 July 2020 and the Conditional Capital 2015 / I are therefore no longer required and 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, and to a sufficient extent. 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 2020 / I is to be approved at the same time.

The Management and Supervisory boards propose passing the following resolution:

- a) Cancellation of the existing authorization to issue convertible bonds and bonds with warrants

*The authorization of the Management Board approved by the Annual General Meeting on 8 July 2015 under agenda item 3 to issue convertible bonds and bonds with warrants shall be cancelled with effect from the time of the entry in the Company's commercial register of the new Conditional Capital 2020 / I*

---

*regulated below in letter d) of this resolution proposal and the corresponding amendment to the bylaws.*

*b) Authorization to issue 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 2020 / I regulated in letter d) of this resolution proposal below and the corresponding amendment to the bylaws, the Management Board shall be authorized, during the period until 4 March 2025 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 obligations, or a combination of such instruments (including all the options provided for in this resolution, hereinafter referred to as the "bonds") – in each case with or without term restriction, in the total nominal amount of up to EUR 200,000,000.00 against cash and/or non-cash 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 B.R.A.I.N. Biotechnology Research and Information Network AG (hereinafter referred to as the "Company") with a proportional amount of the share capital totaling up to EUR 7,222,313.00 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 terms and conditions of the bonds 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 bonds' terms and conditions may provide that such fractions can 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 bonds' 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 compara-

ble successor system) on the Frankfurt Stock Exchange during a period to be specified in the bond terms and conditions.

The bonds' terms and conditions may also provide for the right for the Company to grant to the creditors of the 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) Clause 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 obliga-

---

tions, 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

The shareholders shall be entitled to a subscription right to the bonds, as a matter of principle. 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 way that the bonds shall be underwritten by one or more banks or one or more companies operating in accordance with Section 53 (1) Clause 1 of the German Banking Act (KWG) or Section 53 b (1) Clause 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 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 company 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;
- (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 in the share capital which in total may not exceed 10% of the share capital, neither at the time of this authorization becoming effective nor, 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 or

sold from treasury shares in analogous application of the provisions of Section 186 (3) Clause 4 AktG between the date this authorization was granted and 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) Clause 4 AktG that already existed at the date this authorization was granted, or that were sold from treasury shares in analogous application of the provisions of Section 186 (3) Clause 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 2015 / I

The Conditional Capital 2015 / I of EUR 5,090,328.00 approved by the Annual General Meeting on 8 July 2015 under agenda item 3 shall be cancelled with effect from the time of the entry in the Company's commercial register of the new Conditional Capital 2020 / I regulated below in letter d) of this resolution proposal and of the corresponding amendment to the bylaws.

d) Creation of Conditional Capital 2020 / I

The share capital shall be conditionally increased by up to EUR 7,222,313.00 through issuing up to 7,222,313 new ordinary 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 4 March 2025 on the basis of the authorization approved in b) above. According to the bonds' 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 satisfy their obligation to convert, and to the extent that other forms of

satisfaction 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 2020 / 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 EUR 7,222,313.00 through issuing up to 7,222,313 new ordinary 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 4 March 2025 by the Company or a Group company on the basis of the authorization of the Management Board by the AGM resolution of 5 March 2020. According to the bonds’ 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 satisfy their obligation to convert, and to the extent that other forms of satisfaction 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 2020 / 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 printed in Section B of this invitation and is also available on the Company's website at

[www.brain-biotech.com/investors/annual-general-meetings](http://www.brain-biotech.com/investors/annual-general-meetings)

Upon request, each shareholder will be provided without delay with a free copy of the report. The report will also be available for inspection at the Annual General Meeting.

## B.

### **Written report by the Management Board pursuant to Sections 221 (4) Clause 2, 186 (4) Clause 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, and the creation of a new conditional capital. The authorization to issue convertible bonds and/or bonds with warrants (hereinafter also referred to jointly as "bonds") approved by the Annual General Meeting on 8 July 2015 and effective only until 7 July 2020, as well as the Conditional Capital 2015 / I, are to be cancelled and replaced by the proposed new authorization and a new conditional capital. The new authorization also allows the conditional capital to be adjusted to the level of share capital, which was increased in 2015.

The Management and Supervisory boards agree 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 issue of bonds opens up an opportunity to attract new investors, including so-called anchor investors. Bonds thereby offer an attractive financing alternative on 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 EUR 200,000,000.00, and to the issuing of up to

7,222,313 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 to respond to shortterm financing requirements in the well-understood interests of the Company, on the one hand, and to rapidly implement strategic decisions, on the other. Pursuant to the proposed resolution, excluding subscription rights should be permitted

- (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 company 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;
- (iv) insofar as bonds are issued against cash payment, and the Man-

agement 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, neither at the time of this authorization becoming effective nor, 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 or sold from treasury shares in analogous application of the provisions of Section 186 (3) Clause 4 AktG between the date this authorization was granted and 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) Clause 4 AktG that already existed at the date this authorization was granted, or that were sold from treasury shares in analogous application of the provisions of Section 186 (3) Clause 4 AktG.

The Management Board wishes to explain the authorization to exclude subscription rights for the aforementioned cases as follows: First of all, provision is 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 therefore lies in the interest of the Company and its shareholders.

Furthermore, the Management Board is to be able to exclude shareholders' subscription rights, with the approval of the Supervisory Board, if the bonds are issued against non-cash 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 spares 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. However, 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 issue 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 issue of shares against cash capital contributions and any sale of treasury shares shall 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) Clause 4 AktG. These deductions ensure that no convertible bonds and/or bonds with warrants shall 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) Clause 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 rights issue of bonds, the issue price can generally only be determined immediately prior to placement in order to avoid risks relating to changes 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 on 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 result 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 on the market, at approximately the same conditions, promptly after the terms of issue of the bonds have been fixed.

Considering all 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. The Management and Supervisory boards have also refrained from including in the proposed resolution a gen-

---

eral percentage limit to an exclusion of subscription rights based on the level of share capital – for instance to 20% of the share capital. Given the comparatively low level of share capital, such a limit would limit in advance the Company's options, especially to acquire other companies or interests in companies against non-cash capital contributions. At the same time, this would deprive the Company of opportunities to expand the Company's operating activities through an attractive acquisition, and to sustainably enhance the Company's value, including in the shareholders' interests. For this reason, the Management Board is not to be deprived of the opportunity, through an additional wide-ranging restriction of the exclusion of subscription rights extending beyond statutory requirements, to issue convertible bonds or bonds with warrants, including under exclusion of subscription rights, in the legally envisaged framework and pursuant to the considerations presented here.

In each case, the Management and Supervisory boards shall 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 will only be utilized 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 information about the convening of the AGM**

### **1. Preconditions for AGM participation and exercising voting rights**

Those shareholders are entitled to participate in the AGM and exercise their voting rights that 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 day of the AGM and the day of receipt are not to be included in the calculation, **in other words, at the latest by**

**27 February 2020, 24:00 hours**

at the following address:

B.R.A.I.N. Biotechnology Research and Information Network 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 shareholder portal on the Company's website at

[www.brain-biotech.com/investors/annual-general-meetings](http://www.brain-biotech.com/investors/annual-general-meetings)

Shareholders wishing to utilize the option of registering through the shareholder portal require personal access data. These access data can be found in the documents posted to shareholders together with the invitation. 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 shareholder portal 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. The registration form can be downloaded from the Company's website at [www.brain-biotech.com/investors/annual-general-meetings](http://www.brain-biotech.com/investors/annual-general-meetings), and can also be requested from the registration address above by post, fax or email.

As far as the Company is concerned, pursuant to Section 67 (2) Clause 1 AktG, only those parties shall be deemed to be shareholders that 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 (27 February 2020; 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 27 February 2020, 24:00 hours.

Shareholders can dispose of their shares despite the reregistration stop. Purchasers of shares whose reregistration applications do not reach the Company until after 27 February 2020, however, can only exercise participation rights and voting rights deriving from such shares if the shareholder that 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 that are not yet entered in the share register are consequently requested to submit reregistration applications as quickly as possible.

## **2. Proxy voting procedure**

Shareholders not wishing to participate in the AGM themselves can have their votes be exercised at the AGM by a proxy, for example 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.

Issuing proxy authorizations that are not issued to a bank, shareholder association, nor other intermediaries within the meaning of Sec-

tion 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 shall require textual form as the form prescribed by law for listed companies. The statement issuing the authorization can be made to the proxy or the Company. The proof of an authorization issued to the proxy can be made to the Company insofar as the proxy presents such authorization to the registration desk on the AGM day or sends the related proof to the Company. The regulations contained in Section 135 AktG shall be hereby unaffected.

The Company provides the following address for the statement of issuing authorization to the Company, the revocation of an authorization already issued, and the conveying of the proof of the authorization by post, fax or email:

B.R.A.I.N. Biotechnology Research and Information Network AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Fax: +49 (89) 889 690 633  
Email: BRAIN@better-orange.de

Likewise, the password-protected shareholder portal on the Company's website at [www.brain-biotech.com/investors/annual-general-meetings](http://www.brain-biotech.com/investors/annual-general-meetings) is available for this purpose. If the authorization is issued by a statement to the Company, separate proof of issuing the authorization is dispensed with.

A form that can be utilized to issue an authorization will be sent to shareholders receiving the invitation by post together with the postal invitation. In addition, the form is reproduced on the entrance ticket and can also be downloaded from the Company's website at [www.brain-biotech.com/investors/annual-general-meetings](http://www.brain-biotech.com/investors/annual-general-meetings). If a shareholder authorizes more than one individual, the Company is entitled to reject one or several such individuals.

Special rules may apply to the authorization of banks, shareholders' associations, other intermediaries within 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 authorization. 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 granting power of attorney. Banks, shareholders' associations as well as other intermediaries within 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.

### 3. 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 to shareholders that also receive invitations by post. In addition, the form is reproduced on the entrance ticket and can also be downloaded from the Company's website at

[www.brain-biotech.com/de/investoren/hauptversammlungen](http://www.brain-biotech.com/de/investoren/hauptversammlungen)

or can be filled out and submitted electronically through the password-protected shareholder portal. Authorizations 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 shareholder portal.

For organizational reasons, shareholders wishing to authorize the Company proxy before the AGM are requested to submit authorizations along with instructions, irrespective of timely registration according to the aforementioned provisions, at the latest by **Wednesday, 4 March 2020, 18:00 hours (receipt)**, by post, fax or email to the following address

B.R.A.I.N. Biotechnology Research and Information Network 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 shareholder portal on the Company's website at

[www.brain-biotech.com/investors/annual-general-meetings](http://www.brain-biotech.com/investors/annual-general-meetings)

zu übermitteln.

Authorization of company proxies does not exclude personal participation at the AGM. If shareholders wish to exercise their voting rights personally or by another proxy, after having already authorized the company proxy, personal participation or participation by another proxy shall be regarded as revocation of the authorization of the company proxy. Forms provided for authorization include corresponding statements. We also offer the opportunity to shareholders that are entered in the share register according to the aforementioned provisions, that have registered on time for the AGM and are also present at the AGM, to also authorize, by the start of the AGM, the company proxy to exercise their voting rights.

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

[www.brain-biotech.com/investors/annual-general-meetings](http://www.brain-biotech.com/investors/annual-general-meetings)

#### **4. Postal voting procedure**

Section 19 (3) of the bylaws enables shareholders to vote by post without participating at the AGM in the manner described below. In this case, too, entry in the share register and timely registration for the AGM according to the provisions above are required. Postal votes that cannot be allocated to a proper registration shall be void. Please note that issuing votes by way of postal voting shall be restricted to voting on the resolutions announced in the convening document as

proposed by the Management Board and/or Supervisory Board as well as any resolutions proposed by shareholders that are announced as part of any supplements to the agenda pursuant to Section 122 (2) AktG.

Voting by way of postal voting shall occur in writing or by means of electronic communication and, irrespective of timely registration according to the aforementioned provisions, must be submitted to the Company at the latest by **Wednesday, 4 March 2020, 18:00 hours (receipt)**. Shareholders wishing to vote by postal voting are requested to use either the form sent by post with the invitation, the form on the entrance ticket or the form that can be downloaded from the Company's website at

[www.brain-biotech.com/investors/annual-general-meetings](http://www.brain-biotech.com/investors/annual-general-meetings)

to complete it and send it by post or email to the following address

B.R.A.I.N. Biotechnology Research and Information Network AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Fax: +49 (89) 889 690 633  
Email: BRAIN@better-orange.de

or must submit their postal vote electronically using the password-protected shareholder portal on the Company's website at

[www.brain-biotech.com/investors/annual-general-meetings](http://www.brain-biotech.com/investors/annual-general-meetings)

The aforementioned deadline for receipt shall be valid in all instances. The modification or revocation of already issued postal votes shall be possible in the same manner until the aforementioned date. Further details about postal voting can be found in the form sent by post with the invitation. The information can also be downloaded from the Company's website at [www.brain-biotech.com/investors/annual-general-meetings](http://www.brain-biotech.com/investors/annual-general-meetings).

Postal voting shall not exclude participation at the AGM. If shareholders wish to exercise their voting rights personally or by a proxy, having already voted by post, personal participation or participation by a

proxy shall be regarded as revocation of the postal vote. Forms to be utilized for postal voting include corresponding statements. Authorized banks, shareholder associations, other intermediaries within the meaning of Section 135 AktG and persons and institutions deemed equivalent to these pursuant to Section 135 AktG can utilize postal voting.

## **5. 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 EUR 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**

**Monday, 3 February 2020, 24:00 hours**

at the following address:

B.R.A.I.N. Biotechnology Research and Information Network 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 shall make countermotions including the name of the shareholder, the related explanation and any opinion of the management accessible on the Company's website at [www.brain-biotech.com/investors/annual-general-meetings](http://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**

**Wednesday, 19 February 2020, 24:00 hours**

at the following address:

B.R.A.I.N. Biotechnology Research and Information Network 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)

Motions submitted to other addresses shall not be considered. For shareholder proposals relating to the election of Supervisory Board members and auditors, the aforementioned regulations pursuant to Section 127 AktG shall 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' election proposals can also be waived if the proposal does not include the name, profession exercised, and place of residence of the proposed candidate, and the information listed in Section 125 (1) Clause 5 AktG.

Attention is drawn expressly to the fact that countermotions and election proposals can be taken into consideration at the AGM only if they are submitted or conveyed verbally there, including subject to having been submitted on time in advance to the Company. The right of each shareholder during the AGM to submit countermotions to a particular agenda item or election proposals, including without previous submission to the Company, shall be hereby unaffected.

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

Pursuant to Section 131 (1) AktG, in response to a verbal 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.

### **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

[www.brain-biotech.com/investors/annual-general-meetings](http://www.brain-biotech.com/investors/annual-general-meetings)

## **6. Supplementary disclosures and information about agenda item 5 (Supervisory Board election)**

**Disclosures pursuant to Section 125 (1) Clause 5 AktG on mem-**

---

## **berships in other statutory supervisory boards and comparable domestic and foreign controlling bodies of business enterprises**

### **Dr. Georg Kellinghusen**

Dr. Georg Kellinghusen is not a member of other statutory supervisory boards.

Dr. Georg Kellinghusen is a member of the following comparable domestic and foreign controlling bodies of business enterprises.

- Member of the Bavaria Advisory Board of Deutsche Bank AG, Frankfurt am Main (listed company)
- Member of the Advisory Board of NWB Verlag GmbH & Co. KG, Herne
- Member of the Advisory Board of Advyce GmbH, Munich
- Member of the Advisory Board of Simplifa GmbH, Berlin

### **Curriculum vitae of the proposed candidate Dr. Georg Kellinghusen**

Dr. Georg Kellinghusen was born in 1947 in Maasleben (Schleswig-Holstein). After graduating in business management at the Ludwig-Maximilians University in Munich, he stayed there in order to take his doctorate at the faculty of financial auditing. He started his career 1978 at Bertelsmann AG, Gütersloh, where he was initially controller and Management Board assistant until 1989, before becoming commercial divisional director. Dr. Kellinghusen subsequently held managerial positions at various companies, including within the Keiper Recaro Group and at MP-Beteiligungs-GmbH. To prepare and implement its IPO in February 2016, Dr. Kellinghusen's most recent appointment was as Chief Financial Officer (CFO) of BRAIN AG. Dr. Kellinghusen has been a member of the Company's Supervisory Board since 9 March 2017.

### **Disclosures of personal or business relationships of the proposed candidate Dr. Georg Kellinghusen pursuant to Section 5.4.1 of the German Corporate Governance Code**

According to the Supervisory Board's assessment and knowledge,

the proposed election candidate Dr. Georg Kellinghusen is not in any personal or business relationships with the Company or Group companies, the Company's boards, or a shareholder holding a significant interest in the Company, that would require notification pursuant to Section 5.4.1 of the German Corporate Governance Code.

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

[www.brain-biotech.com/investors/annual-general-meetings](http://www.brain-biotech.com/investors/annual-general-meetings)

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

The Company's share capital amounts to EUR 18,055,782.00 on the convening date and is divided into 18,055,782 shares which are equally voting-entitled and grant one vote each. The Company holds no treasury stock on the AGM convening date. The total number of shares and voting rights on the AGM convening date consequently amounts to 18,055,782.

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

Detailed information about the processing of shareholders' personal data pursuant to the EU General Data Protection Regulation (GDPR) can be viewed on the Company's website at

[www.brain-biotech.com/investors/annual-general-meetings](http://www.brain-biotech.com/investors/annual-general-meetings)

The corresponding data protection notice is appended to the printed invitations.

Zwingenberg, January 2020

B.R.A.I.N. Biotechnology Research and Information Network AG

The Management Board



## **Data protection notice for shareholders**

Since 25 May 2018, new data protection regulations have been in force with the EU General Data Protection Regulation (GDPR). With the following notes, we inform you about the processing of your personal data by B.R.A.I.N. Biotechnology Research and Information Network AG (herein also referred to as "BRAIN AG") and the rights to which you are entitled pursuant to data protection legislation.

### **Who is responsible for data processing?**

B.R.A.I.N. Biotechnology Research and Information Network AG  
Darmstädter Strasse 34 – 36  
64673 Zwingenberg  
Germany

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

HV AG, Ursensollen, has been commissioned to maintain the share register of BRAIN AG.

### **For what purposes and on what legal basis will your data be processed? From where does BRAIN AG obtain your data?**

BRAIN AG 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 shares of BRAIN AG 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 such information. The banks involved in the purchase, custody or sale of your BRAIN 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.

BRAIN AG 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, e.g. for the analysis of trends. The German Stock Corporation Act (AktG) in combination with Article 6 (1c) and (4) 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 shareholders' general meeting, 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) Clause 5 AktG). The respective statutory provisions in combination with Article 6 (1c) EU General Data Protection Regulation (GDPR) form the legal basis for processing in this case.

In individual cases, BRAIN AG 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: BRAIN AG utilizes external service providers to maintain the share register and for the technical processing of the shareholders' general meeting.

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 shareholders' general meeting, other shareholders may view the personal data recorded in the list of participants required under stock corporation law pursuant to Section 129 of the German Stock Corporation Act (AktG).

### **For how long is your data stored?**

For the data collected in connection with shareholders' general meetings, 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, BRAIN AG 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 is 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 BRAIN AG 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 BRAIN AG is:

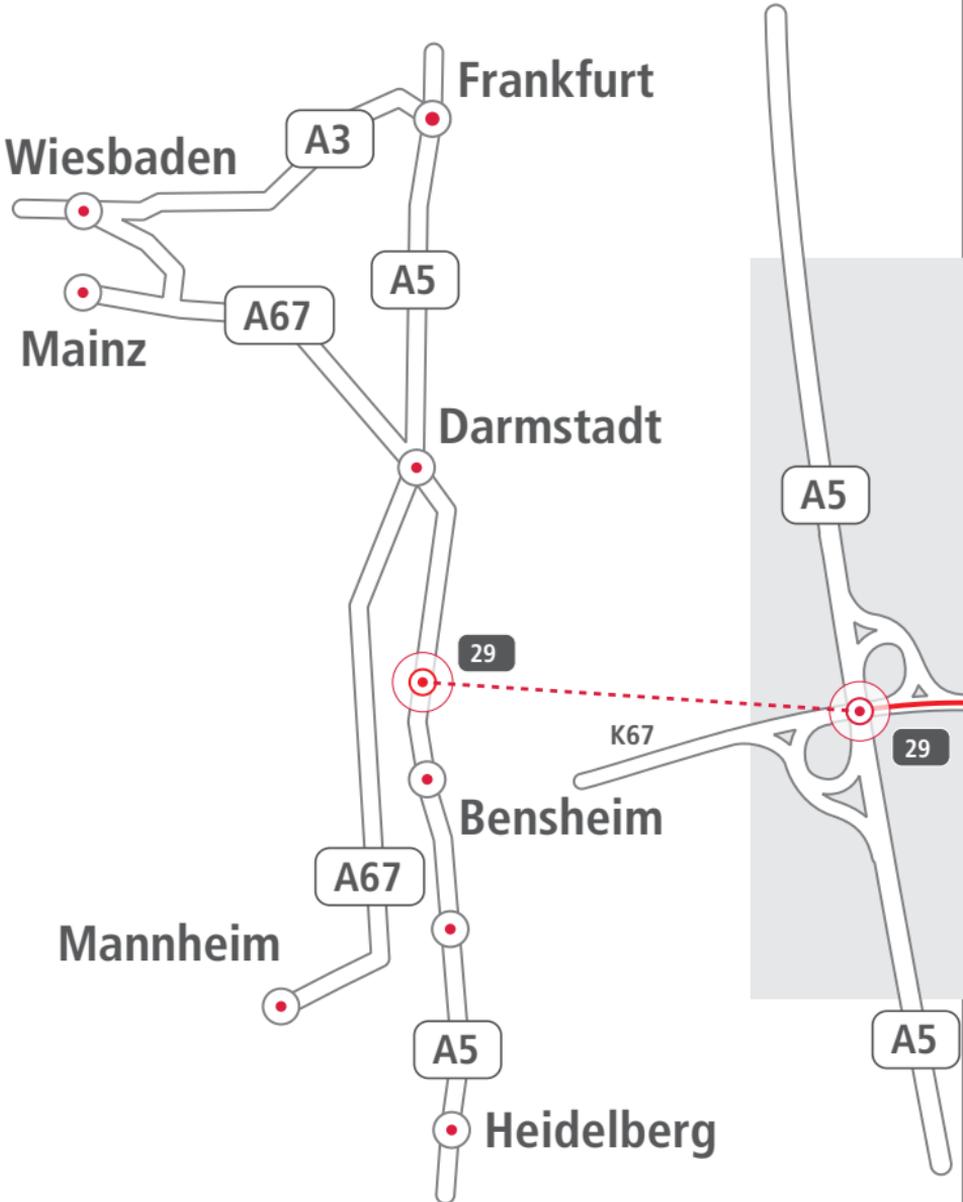
---

The Hessian Commissioner for Data Protection and Freedom  
of Information  
Postfach 3163  
65021 Wiesbaden  
Germany

[www.datenschutz.hessen.de/über-uns/kontakt](http://www.datenschutz.hessen.de/über-uns/kontakt)

Status of this information as of: January 2020

How to get there:



**Note:** The Zwingenberg cross-town link is partly closed due to extensive renovation measures. Please note that it will not be possible to reach the Melibokushalle from the south via the B3 (Darmstädter Strasse). Please follow the detour signs.



Due to the limited parking possibilities caused by the construction work, we recommend traveling by public transport. The Melibokushalle is about 10 minutes' walk from Zwingenberg railway station.



**B·R·A·I·N**

**Biotechnology Research And Information Network AG**

Darmstädter Str. 34 – 36

64673 Zwingenberg

Germany

Tel: +49 (0) 6251 93310

Email: [ir@brain-biotech.com](mailto:ir@brain-biotech.com)

Web: [www.brain-biotech.com](http://www.brain-biotech.com)