
Annual General Meeting 2019/20

on Wednesday, 10 March 2021, at 11:00 hours



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 Wednesday, 10 March 2021, at 11:00 hours.

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

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

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

A. **Agenda**

1. Submission of the adopted separate annual financial statements and approved consolidated financial statements of B.R.A.I.N. Biotechnology Research and Information Network AG for the fiscal year ending 30 September 2020, the separate management report and Group management report for the fiscal year from 1 October 2019 until 30 September 2020, with the explanatory reports relating to disclosures pursuant to Sections 289a and 315a of the German Commercial Code (HGB), as well as the report by the Supervisory Board for the fiscal year from 1 October 2019 to 30 September 2020

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

2. Resolution concerning discharging the Management Board for the fiscal year from 1 October 2019 to 30 September 2020

The Management and Supervisory boards propose that the Management Board members in the fiscal year from 1 October 2019 to 30 September 2020 be discharged for this period.

3. Resolution concerning discharging the Supervisory Board for the fiscal year from 1 October 2019 to 30 September 2020

The Management and Supervisory boards propose that the Supervisory Board members in the fiscal year from 1 October 2019 to 30 September 2020 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 2020 to 30 September 2021

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

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft,
Mannheim, Germany,

to be the auditor of the separate and consolidated financial statements for the fiscal year from 1 October 2020 to 30 September 2021.

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 in the meaning of Article 16(6) of the aforementioned Regulation (EU) No 537/2014 of 16 April 2014 has been imposed upon it.

5. Elections to the Supervisory Board

The period of office of Deputy Supervisory Board Chair Dr. Anna Carina Eichhorn ends with the conclusion of the AGM on 10 March 2021. Furthermore, the terms of office of Supervisory Board members Prof. Dr.-Ing. Wiltrud Treffenfeldt and Mr. Stephen Catling, who were appointed as members of the Supervisory Board by resolution of the Darmstadt District Court dated 14 October 2020 pursuant to Section 104 (2), Clause 1 of the German Stock Corporation Act (AktG), will end on this date.

Three Supervisory Board members are to be elected by the AGM as a consequence.

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

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

- a) Dr. Anna Carina Eichhorn, Frankfurt am Main, Germany,
CEO of Humatrix AG,
 - b) Prof. Dr.-Ing. Wiltrud Treffenfeldt, Oberrieden, Switzerland,
consultant
- and
- c) Mr. Stephen Catling, Cambridge, Great Britain,
Managing Director of SJ Catling Ltd.

as Supervisory Board members with effect from the end of the AGM on 10 March 2021 until the end of the AGM that decides on the discharge of the Supervisory Board for the fiscal year from 1 October 2023 until 30 September 2024. It is intended that Dr. Anna Carina Eichhorn will again be proposed to the Supervisory Board as candidate for the position of Deputy Chair of the Supervisory Board in the event that she is elected.

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

The aforementioned election proposals take into consideration the targets the Supervisory Board has approved for its composition, and aim to satisfy the competency profile developed for the plenary board. The targets and competency profile are published in the declaration on corporate governance for the 2019/20 fiscal year, which are included in the 2019/20 annual report and which form part of the documents submitted in relation to agenda item 1.

All of the proposed individuals are members of the Company's Supervisory Board that is currently in office. To a large extent, all of them possess the experience and expertise required to exercise the Supervisory Board mandate, as well as the necessary sector, specialist and corporate knowledge. They are all familiar both with the business area in which the Company operates and with the capital market environment. The Supervisory Board has satisfied itself that the candidates can 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 Sub-section 6 of this invitation and can also be viewed on the Company's website at

www.brain-biotech.com/investors/annual-general-meetings

6. Resolution on 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 2021 / 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 ended on 7 July 2020. This authorization was not utilized. Subscription rights to the Company's shares deriving from the exercise of the aforementioned authorization, which would have had to be secured by Conditional Capital 2015 / I, also approved by the Annual General Meeting on 8 July 2015, have therefore not arisen and will not arise again. Conditional Capital 2015 / I is therefore no longer required and is to be cancelled.

In order to enable the Company to continue to be able to cover its financial requirements quickly and flexibly by issuing convertible bonds and/or bonds with warrants in the coming years, the Management Board is to be authorized to do so again. In order to secure the conversion and warrant rights or conversion obligations arising from the bonds that can be issued on the basis of the proposed new authorization, a new Conditional Capital 2021 / I is to be approved at the same time.

The Management and Supervisory boards propose passing the following resolution:

- (a) Authorization to issue new convertible bonds and/or bonds with warrants

With effect from the time of the entry in the Company's commercial register of the new Conditional Capital 2021 / I regulated in letter c) of this resolution proposal below, and the corresponding amendment to the bylaws, the Management Board shall be authorized, during the period until 9 March 2026 to issue once or on several occasions, including simultaneously in different tranches, subordinated or non-subordinated bearer or registered bonds carrying conversion and/or warrant rights and/or conversion rights, or a combination of such instruments (including all "bonds" specified below in structuring possibilities envisaged in this resolution) – in each case with or without term restriction, in the total nominal amount of up to EUR 50,000,000.00 against cash and/or non-cash capital contributions, and to grant or impose warrant rights on the holders or creditors of bonds with warrants, or conversion rights or conversion obligations on the holders or creditors of convertible bonds, for ordinary registered shares in 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 1,986,136.00 according to the more detailed specifics of the terms to be set by the Management Board for these bonds or warrants (hereinafter referred to uniformly as the "bond terms and conditions").

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

(1) General provisions

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

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

The bonds may be issued by the Company or by Group companies managed by the Company (hereinafter referred to as

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

(2) *Convertible and warrant bonds*

The bonds shall be divided into fractional bonds.

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

If convertible bonds are issued, in the case of bearer bonds their holders, or otherwise the creditors of the fractional bonds, shall receive the right to convert their fractional bonds into no-par-value registered shares in the Company in accordance with the bond terms and conditions. The conversion ratio shall be calculated by dividing the nominal amount or the issue amount of a fractional bond that lies below the nominal amount by the fixed conversion price for a registered no-par-value share in the Company, and can be rounded up or down to a whole number. Furthermore, an additional cash payment, as well as the combination of, or compensation for, non-convertible fractions, may be determined. The bond terms and conditions may provide for a variable conversion ratio and determination of the conversion price within a defined range depending on the stock market performance of

the Company's no-par-value share during the bond's term. The proportionate amount of the share capital of the shares to be issued upon conversion may not exceed the nominal amount of the fractional bond.

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

(3) *Conversion obligation*

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

(4) *Substitution authorization*

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

The bond terms and conditions may also provide for the right for the Company to grant to the creditors of 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 obligations, granting their shareholders exclusive subscription rights,

and, in the cases mentioned in (ii) and (iii), the holders of existing warrant rights, conversion rights or conversion obligations are not granted subscription rights for these shares as they would be entitled to after exercising the warrant rights or conversion rights or after fulfilling their conversion obligations. The reduction of the warrant or conversion price may also be realized by a cash payment upon exercise of the warrant or conversion right, or upon fulfilment of the conversion obligation. The bond terms and conditions may also provide for an adjustment of the warrant rights, conversion rights or conversion obligations in the event of a capital reduction or other measures or events that lead to an economic dilution of the value of the warrant rights, conversion rights or conver-

sion 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 corporate mergers or for the (also indirect) acquisition of companies, operations, parts of companies, equity interests or other assets or claims to the acquisition of assets, including claims against the Company or its Group companies;
- (iv) insofar as bonds are issued against cash payment, and the Management Board, after due examination, arrives at

the conclusion that the bonds' issue price is not significantly lower than their theoretical market value determined in accordance with generally accepted methods of financial mathematics. However, this authorization to exclude the subscription right shall apply only to bonds with a warrant right, conversion right or conversion obligation for shares with a proportionate amount of the share capital that in total may not exceed 10% of the share capital, 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 in analogous application of the provisions of Section 186 (3) Clause 4 AktG during the period of this authorization was granted until the date on which it is exercised on the basis of another authorization of the Management Board to exclude subscription rights in direct or analogous application of the provisions of Section 186 (3) Clause 4 AktG 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.

b) 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 2021 / I regulated below in letter c) of this resolution proposal and of the corresponding amendment to the bylaws.

c) Creation of Conditional Capital 2021 / I

The share capital shall be conditionally increased by up to EUR 1,986,136.00 through issuing up to 1,986,136 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 9 March 2026 on the basis of the authorization approved in a) above. According to the bond terms and conditions, the conditional capital increase shall also serve the issuing of shares to holders of convertible bonds with conversion obligations. The conditional capital increase is to be implemented only to the extent that the holders of convertible bonds and/or bonds with warrants utilize their conversion rights or warrant rights, or the holders of

convertible bonds that are obligated to convert 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 2021 / 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.

d) Amendment to the bylaws

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

“The share capital shall be conditionally increased by up to EUR 1,986,136.00 through issuing up to 1,986,136 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 9 March 2026 by the Company or a Group company on the basis of the authorization of the Management Board by the AGM resolution of 10 March 2021. According to the bond terms and conditions, the conditional capital increase shall also serve the issuing of shares to holders of convertible bonds with conversion obligations. The conditional capital increase is to be implemented only to the extent that the holders of convertible bonds and/or bonds with warrants utilize their conversion rights or warrant rights, or the holders of convertible bonds that are obligated to convert 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 2021 / I). The Management Board shall be authorized, with the

approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.”

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

www.brain-biotech.com/investors/annual-general-meetings

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

7. Resolution concerning cancellation of Authorized Capital 2018 / I, the creation of a new Authorized Capital 2021 / I against cash and/or non-cash capital contributions with the authorization to exclude subscription rights as well as the related requisite bylaw amendment

The Company has partially utilized in an amount of EUR 1,805,578.00 the authorization contained in Section 5 (2) of the bylaws to increase the share capital (Authorized Capital 2018 / I) by Management Board resolution of 3 June 2020, with Supervisory Board assent. For this reason, the Authorized Capital remains available in an amount of EUR 7,222,313.00. To enable the Company to continue to cover its financing requirements in the future through drawing down authorized share capital quickly and flexibly, the existing Authorized Capital 2018 / I is to be cancelled, and a new Authorized Capital 2021 / I is to be created equivalent to 30% of the current share capital with a term until 9 March 2026, which otherwise as far as possible corresponds in terms of content to the Authorized Capital 2018 / I.

The Management and Supervisory boards propose passing the following resolution:

- a) Pursuant to Section 5 (2) of the bylaws, Authorized Capital 2018 / I, to the extent that it has not yet been utilized, shall be cancelled with effect of the date of the entry of the following re-regulated

Authorized Capital 2021 / I and corresponding bylaw amendment in the Company's commercial register.

- b) The Management Board shall be authorized, with Supervisory Board assent, to increase the Company's share capital once or on several occasions until 9 March 2026, albeit by up to a maximum of nominal EUR 5,958,408.00 through issuing up to 5,958,408 new ordinary registered shares against cash and/or non-cash capital contributions (Authorized Capital 2021 / I). The Management Board shall be authorized, with Supervisory Board assent, to determine the further content of the share rights and further details of the implementation of the capital increase from authorized capital.

Subscription rights shall be granted to the shareholders in this context as a matter of principle. For this purpose, the new shares can also be transferred to banks or companies in the meaning of Section 186 (5) Clause 1 AktG with the obligation to offer them to shareholders for subscription (indirect subscription right). However, the Management Board shall be authorized to partially or wholly exclude shareholders' statutory subscription rights with Supervisory Board assent

- (i) if the capital increase is implemented against non-cash capital contributions, especially as part of business combinations or for the purpose of acquiring companies, parts of companies, interests in companies or other assets, or entitlements to acquire other assets, including receivables due from the Company;
- (ii) to the extent required to exclude fractional amounts from shareholders' subscription rights arising on the basis of the subscription ratio;
- (iii) to the extent required to grant subscription rights to the holders of conversion or warrant rights to the Company's shares or to the creditors of corresponding conversion obligations to offset dilutions in the scope to which they would be entitled after exercising such rights or satisfying such obligations;
- (iv) if the new shares are issued against cash capital contributions, and the issue price of the new shares is not significantly less than the stock market price of the already listed shares of the Company on the date when the issue price is finally

determined; the number of shares issued in this manner under exclusion of subscription rights may in total not be less than 10 percent of the share capital, neither at the time when this authorization becomes effective nor at the time when this authorization is exercised; to this maximum limit of 10 percent of the share capital are other shares to be attributed that are issued or sold during the duration of this authorization under exclusion of subscription rights in direct or corresponding application of Section 186 (3) Clause 4 AktG, as well as shares that are to be issued to service warrant or conversion rights or warrant or conversion obligations from convertible bonds and/or bonds with warrants and/or participation rights, if such bonds or participation rights are issued during the duration of this authorization under exclusion of subscription rights in corresponding application of Section 186 (3) Clause 4 AktG.

C) Section 5 (2) of the bylaws shall be amended as follows:

“The Management Board shall be authorized, with Supervisory Board assent, to increase the Company’s share capital once or on several occasions until 9 March 2026, albeit by up to a maximum of nominal EUR 5,958,408.00 through issuing up to 5,958,408 new ordinary registered shares against cash and/or non-cash capital contributions (Authorized Capital 2021 / I). The Management Board shall be authorized, with Supervisory Board assent, to determine the further content of the share rights and further details of the implementation of the capital increase from authorized capital.

Subscription rights shall be granted to the shareholders in this context as a matter of principle. For this purpose, the new shares can also be transferred to banks or companies in the meaning of Section 186 (5) Clause 1 AktG with the obligation to offer them to shareholders for subscription (indirect subscription right). However, the Management Board shall be authorized to partially or wholly exclude shareholders’ statutory subscription rights with Supervisory Board assent

(i) if the capital increase is implemented against non-cash capital contributions, especially as part of business combinations or for the purpose of acquiring companies, parts of companies, interests in companies or other assets, or entitlements to acquire other assets, including receivables due from the Company;

- (ii) to the extent required to exclude fractional amounts from shareholders' subscription rights arising on the basis of the subscription ratio;*
- (iii) to the extent required to grant subscription rights to the holders of conversion or warrant rights to the Company's shares or to the creditors of corresponding conversion obligations to offset dilutions in the scope to which they would be entitled after exercising such rights or satisfying such obligations;*
- (iv) if the new shares are issued against cash capital contributions, and the issue price of the new shares is not significantly less than the stock market price of the already listed shares of the Company on the date when the issue price is finally determined; the number of shares issued in this manner under exclusion of subscription rights may in total not be less than 10 percent of the share capital, neither at the time when this authorization becomes effective nor at the time when this authorization is exercised; to this maximum limit of 10 percent of the share capital are other shares to be attributed that are issued or sold during the duration of this authorization under exclusion of subscription rights in direct or corresponding application of Section 186 (3) Clause 4 AktG, as well as shares that are to be issued to service warrant or conversion rights or warrant or conversion obligations from convertible bonds and/or bonds with warrants and/or participation rights, if such bonds or participation rights are issued during the duration of this authorization under exclusion of subscription rights in corresponding application of Section 186 (3) Clause 4 AktG."*

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

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

8. Resolution concerning the approval of the compensation scheme for the members of the Management Board

Pursuant to Section 120 a (1) AktG, shareholders' general meetings of listed companies are to pass a resolution concerning the approval of compensation schemes for members of management boards, as submitted by supervisory boards, whenever a material change occurs to the compensation scheme, albeit at least every four years. Pursuant to the transitional provisions of the German Act Implementing the Second Shareholders' Rights Directive (ARUG II), the cited provision is mandatory for the first time for the Company's AGM this year. To date, the Company's Shareholders' General Meeting has not passed a resolution approving the compensation scheme for the members of the Management Board in accordance with the previously applicable legal situation.

The Supervisory Board proposes that the compensation scheme for the members of the Management Board described below, which was last modified by the Supervisory Board on 11 December 2020, be approved.

Compensation scheme for the members of the Management Board

A. Objective and strategic reference of the compensation scheme

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

The compensation scheme therefore provides incentives to successfully implement the Company's business strategy. Variable compensation is intended to reward, in particular, the improvement of organic growth, EBITDA and cash flow, as well as the achievement of various strategic, non-financial targets, which also contribute to an

improvement of the aforementioned financial ratios. Furthermore, by participating in the Company's stock option program, the members of the Management Board are to be encouraged to make long-term plans and decisions that support and promote continued growth in the Company's value and share price in the coming years. Participation in the stock option program also enhances the Management Board members' commitment to the Company.

Finally, when determining the compensation scheme, the Supervisory Board ensured that no unnecessarily complex compensation models were chosen, and that the compensation scheme was appropriate in relation to the Company's size. As a consequence, the compensation scheme (i) includes the necessary strategy-related incentive for the members of the Management Board, which is oriented to the Company's long-term development and growth; (ii) is in line with the Company's size and situation. At the same time, the Supervisory Board aims to offer the members of the Management Board a compensation scheme that is appropriate for the Company and is in line with the market, which enables competitive and performance-enhancing compensation, and which strengthens Management Board members' loyalty to the Company.

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

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

In order to avoid potential conflicts of interest and to ensure sufficient transparency, the members of the Supervisory Board are obligated to disclose to the Supervisory Board (for the attention of the Chair of the Supervisory Board) all conflicts of interest, in particular those that may arise as a consequence of an advisory or directorship role with customers, suppliers, lenders or other business partners of the Com-

pany. In the case of conflicts of interest that are significant or not solely of a temporary nature, the respective Supervisory Board members must step down from office. In its report to the AGM, the Supervisory Board provides information on conflicts of interest and how they are handled.

Taking into account the contractual agreements, the Supervisory Board has determined the total amount of the annual non-performance-related and performance-related compensation components for each member of the Management Board as well as the total number of stock options to be allocated annually. With regard to the stock options, the option conditions stipulate a maximum limit for the value of the individual option or the grant price, or a limit for extraordinary developments ("cap"), which the Supervisory Board adopts as binding for the members of the Management Board. The Supervisory Board may also set the targets and conditions for the granting of the annual performance-related compensation for several consecutive financial years in order to achieve a continuous, transparent increase in the targets over a longer period of time, based on the same criteria.

When determining and reviewing the non-performance-related fixed compensation, the performance-related variable compensation and all other compensation components, the Supervisory Board pays particular attention to ensuring that the total compensation of the members of the Management Board is commensurate with the tasks and performance of the respective Management Board member and the Company's situation, and corresponds to standard compensation. The Supervisory Board assesses the standard level of compensation on the basis of a horizontal and a vertical comparison. For the horizontal comparison, the Supervisory Board has formed a peer group consisting of five nationally and internationally active companies which were selected as a basis of comparison for the assessment of Management Board compensation based on their size and/or business area. In addition, the average of the total compensation of the companies listed in the SDAX equity index is included in the assessment as a control value. For the vertical comparison, the Supervisory Board takes into account the level of employee salaries by comparing both the level of total compensation and the level of non-performance-related compensation of the Management Board members with the corresponding highest, lowest and average employee salaries.

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

In accordance with statutory provisions, the Supervisory Board may temporarily diverge from the compensation scheme if this is necessary in the Company's long-term interests. A divergence may relate in particular to the structure, amount and term of variable compensation and ancillary benefits. To this end, the Supervisory Board, if necessary also on the basis of a preparatory examination by its Personnel Committee, will examine any extraordinary business and/or financial developments of the Company, and evaluate them with a view to an adjustment, and especially in relation to the incentives of the Management Board members.

C. Compensation structure and maximum compensation

The Management Board members' compensation comprises fixed non-performance-related compensation, variable performance-related compensation, the allocation of stock options in accordance with the Company's stock option program, and various customary other benefits (ancillary benefits).

The share of the annual fixed non-performance-related compensation in the highest possible total annual compensation lies (on a rounded basis) between 31% and 42%. The share of the annual variable performance-related compensation in the highest possible total annual compensation lies (on a rounded basis) between 27% and 35%. The share of the stock options to be allocated from the long-term incentive program in the highest possible total annual compensation currently amounts (on a rounded basis) to between 21% and

25%, for which fair values from 2020 were applied as the basis of measurement.

In accordance with legal requirements and the recommendations of the Corporate Governance Code, the compensation structure is oriented towards the Company's sustainable and long-term development and growth. With regard to variable performance-related compensation, the Supervisory Board only sets targets that are based on demanding financial and strategic performance parameters. The performance parameters must be related to the Company's strategy, and must be suitable for incentivizing the Management Board members to achieve a sustainable and positive business and financial performance by the Company in the medium and long term.

The Supervisory Board has determined the maximum annual amounts of the variable performance-related compensation for the members of the Management Board as well as the maximum annual amounts of the sum of the fixed, non-performance-related compensation and the variable, performance-related compensation. Taking into account the value of the stock options to be allocated in accordance with the stock option plan, which is currently calculated on the basis of fair values from 2020, as well as all ancillary benefits, the Supervisory Board's determinations in accordance with the contractual agreements result in a theoretically achievable maximum annual compensation for the Management Board Chair / CEO of (on a rounded basis) EUR 1,133,000.00, and for the other Management Board member / CFO of (on a rounded basis) EUR 598,000.00. It is also to be noted that the amount of the theoretically achievable maximum annual compensation may change as a consequence of the valuation of the stock options in later years.

D. Individual compensation components

1. Fixed, performance-independent compensation
For their activity, the members of the Management Board receive annual fixed non-performance-related compensation, which is defined in the respective employment contract and paid in twelve equal monthly instalments in arrears at the end of each month.
2. Variable, performance-related compensation
In addition, the members of the Management Board each receive

annual variable performance-related compensation in accordance with the targets and conditions set for this purpose. The amount is specified in the respective employment contract. If the defined targets are significantly overachieved as a consequence of the performance of the respective member of the Management Board, the Supervisory Board may increase the respective performance-related compensation to an appropriate extent up to twice the amount. If the defined targets are not met, the Supervisory Board may nevertheless grant an appropriately reduced performance-related compensation in the respective case, in particular if failure to meet the targets is due to extraordinary developments.

For the current fiscal year and the two subsequent fiscal years, the Supervisory Board has defined and set three financial and two strategic performance targets on the basis of the medium-term goals developed by the Management Board in its corporate planning. All performance targets are directly related to strategy and are oriented in particular to the Company's sustainable and positive business and financial performance in the medium and long term, as described in section A of this compensation scheme.

The financial performance targets relate to (i) organic growth, (ii) EBITDA and (iii) cash flow, in each case in relation to the Group; the strategic performance targets are defined as (i) projects for the Group's strategic further development, and (ii) successful commercialization of the project development pipeline. All five performance targets are initially considered individually when measuring the variable compensation and then weighted equally in relation to each other (20% each). In the event of target achievement of between 100% and 200%, the share of the variable compensation for the respective performance target is increased in accordance with the contractual provisions to the corresponding extent up to a maximum of 200% of the agreed pro rata compensation amount. If the defined performance targets are not met or not met in full, the share of the variable compensation for the respective performance target is reduced to 0% if necessary.

As all financial performance targets are based on business and financial indicators that are readily available from the Company's

financial accounting records and financial statements, the Supervisory Board can clearly and unambiguously determine whether and to what extent the performance criteria have been met. This also applies to the strategic performance targets, which the Supervisory Board always defines on a project-related basis, and with a clear description of the objectives. The Supervisory Board decides on the achievement of targets and the granting or amount of variable compensation following the resolution on the approval of the Company's respective annual financial statements. The variable compensation is paid at the end of the month in which the Supervisory Board has approved the granting of the variable compensation.

Subsequent modification of the performance targets or comparison parameters of the performance-related compensation is not permitted.

If a member of the Management Board steps down from the Management Board, the Supervisory Board will prepare a forecast of target achievement for assessment periods not yet expired at the time of termination of the Management Board appointment and, if necessary, decide on the amount of variable compensation. The amount of variable compensation to be paid out before the end of an assessment period as a consequence of the termination of the Management Board appointment is to be discounted.

3. Stock options

In addition, the members of the Management Board receive stock options based on the Company's stock option plan, the key points of which were approved by the AGM on 7 March 2019 under agenda item 6. The number of stock options to be allocated annually is specified in the respective employment contracts for the members of the Management Board.

A share price hurdle is set in the stock option plan as the performance target entitling the holder to exercise the stock options, in accordance with the resolution adopted at the AGM on 7 March 2019. For the members of the Management Board, the Supervisory Board has agreed a limitation ("cap") for extraordinary, unforeseen developments, which limits the difference between the subscription value and the exercise price for a stock option.

The stock options can be exercised for the first time after the expiry of a waiting period of four years, and subsequently within the exercise periods specified in the subscription conditions, as well as in accordance with the further provisions specified in the subscription conditions if the performance target has been achieved. In accordance with the provisions of the stock option plan, the stock options may be exercised, taking into account the vesting period, within a maximum of eight years from the date of issue of the respective stock options. In the event that a member of the Management Board leaves the Company, the subscription conditions provide for various exclusions of exercise, in particular as a consequence of a resignation from office, dismissal for exceptional reasons, or as a consequence of a mutually agreed termination of the employment relationship or position on the Management Board at the instigation of the Management Board member. Shareholding provisions are not provided for and have not been agreed.

The inclusion of the members of the Company's Management Board in the stock option plan is intended to loyalize them to the Company for as long as possible. The Management Board members' high level of personal performance and commitment is to be maintained and enhanced in order to ensure the Company's positive performance in the future, and to achieve the goals described in section A of this compensation scheme.

The inclusion of the Management Board members in the stock option plan is also intended to ensure long-term incentives in line with the shareholders' interests. With regard to the ratios of the stock options to the fixed non-performance-related compensation and to the annual variable performance-related compensation set out in section C, it is to be noted that the value of the stock options is measured in line with market practice, applying fair values. The future value of the shares acquired through the exercised stock options can therefore represent a greater increase in value if the share price trend is positive. This is intended to ensure that long-term incentives ultimately outweigh short-term incentives.

4. Other benefits

Finally, the Management Board members receive other benefits,

the amount and scope of which are contractually agreed differently for some of the Management Board members. These other benefits may include payments for retirement and surviving dependents' pensions, subsidies for pension insurance, payments for accident or disability insurance, inclusion in a D&O insurance policy, subsidies for the cost of tax advice, the provision of a company car and extended continued payment of wages in the event of illness. If a Management Board member dies during the term of the contract, his or her surviving dependents receive a one-off payment amounting to half of the annual fixed, non-performance-related compensation at the end of the month in which the member dies.

E. Information on compensation-related transactions

The contractual term of the employment contracts of the Management Board members is contractually fixed for the duration of their appointment to the Management Board and complies with the statutory provisions.

In the event of early termination of their Management Board activities, Management Board members do not receive any payments and/or ancillary benefits that exceed the value of two years' compensation (severance payment cap), or that compensate more than the remaining term of the employment contract. If the employment contract is terminated for an exceptional reason for which the Management Board member concerned is responsible, the Management Board member will not receive any payments. The calculation of the severance pay cap is based on the total compensation for the respective financial year elapsed, and, where relevant, also on the basis of the prospective total compensation for the current financial year. No commitment exists for benefits in the event of early termination of a Management Board member's contract due to a change of control.

The Management Board members may only engage in remunerated and unremunerated secondary activities after the Company's Supervisory Board has approved the exercise of such activities. Voluntary work in associations and organizations with charitable or social aims or in the area of sports is permitted, provided that this does not restrict the individual's working capacity and activities for the Company. Supervisory board, administrative board or advisory board man-

dates or comparable offices in other companies as well as offices in associations and industry-related scientific institutions may only be assumed after the Company's Supervisory Board has approved the assumption of such roles. If, at the Supervisory Board's request, a Management Board member assumes management duties as a managing director or member of the management board or other activities in the Company's Group companies, the Management Board member shall not receive any additional or separate compensation for such activities.

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

9. Resolution on the adjustment of the regulations on the compensation of the Supervisory Board and corresponding amendment of Section 14 (1) of the Company's bylaws, as well as on the compensation of the Supervisory Board

Pursuant to Section 113 (3) Clause 1 AktG, the shareholders' general meetings of listed companies are to approve supervisory board compensation at least every four years. Pursuant to the transitional provisions of the German Act Implementing the Second Shareholders' Rights Directive (ARUG II), the cited provision is applicable for the first time for the Company's AGM this year.

The Management and Supervisory boards are in agreement that the compensation for the members of the Supervisory Board as set out in Section 14 of the bylaws should be retained in its structure, which also complies with recommendation G.18 Clause 1 of the GCGC. In

light of the Company's business and financial situation, the amount of compensation is also not to be adjusted at present.

However, as a result of the increasing use of modern means of communication for the consultations and resolutions of the Supervisory Board (video and telephone conferences), a clarifying provision shall be included in the bylaws, whereby the members of the Supervisory Board shall receive an attendance fee corresponding to the attendance fee for normal meetings in the amount of EUR 1,000.00 for participation in a video conference, and an attendance fee of EUR 500.00 for participation in a telephone conference.

a) The Management and Supervisory boards propose passing the following resolution:

In Section 14 (1) of the bylaws, a new Clause 3 shall be inserted with the following wording:

"The members of the Supervisory Board shall receive an attendance fee of EUR 1,000.00 for participating in a meeting of the Supervisory Board or its committees conducted as a video conference, and an attendance fee of EUR 500.00 for participating in a conference call of the Supervisory Board or its committees."

The wording of the provision previously contained in Section 14 (1) Clause 3 of the bylaws shall be adopted unchanged in a new Section 14 (1) Clause 4 of the bylaws, which is to be inserted. The newly added Section 14 (1) Clause 4 of the bylaws shall thus read as follows:

"The compensation shall be payable after the end of the Company's Annual General Meeting that receives or approves the annual financial accounts for the fiscal year then ended."

b) The Management and Supervisory boards propose that the following resolution be passed on the compensation of the Supervisory Board in accordance with Section 113 (3) AktG:

(i) The members of the Supervisory Board shall be responsible for advising and supervising the Management Board. For the performance of this task, the members of the Supervisory Board shall receive appropriate compensation, the structure and amount of which shall be commensurate with the responsibility, the time required and the general requirements associated with the office of a member of the Supervisory Board.

- (ii) The compensation of the members of the Supervisory Board is set out in Section 14 of the bylaws. In accordance with the statutory provisions, modifications to the compensation shall therefore require a resolution of the Shareholders' General Meeting amending the bylaws. The compensation of the members of the Supervisory Board shall be reviewed on a regular basis, for which recourse to the expertise of an external compensation consultant may also be made, if necessary. If and to the extent that a modification in the compensation regulations appears necessary or expedient, the Management and Supervisory boards shall submit a corresponding resolution proposal to the Shareholders' General Meeting. When reviewing the compensation regulations and preparing proposals for modifications, it is inevitable that the members of the Supervisory Board will also act on their own behalf; for this reason, potential conflicts of interest cannot be ruled out in principle. However, it should be noted here that the decision on modifications to the compensation regulations is the sole responsibility of the Shareholders' General Meeting and that the members of the Supervisory Board can only formulate proposals. In addition, the compensation actually granted to the members of the Supervisory Board is publicly known and transparent in accordance with statutory provisions. The compensation is paid by the Company, whose employees – and primarily the Management Board – are also bound in this respect by statutory regulations and the provisions of the bylaws. For the reasons stated above, the risk that potential conflicts of interest on the part of Supervisory Board members in connection with their compensation could have an unlawful effect to the detriment of the Company is considered to be very low.
- (iii) The compensation of the members of the Supervisory Board is exclusively regulated as fixed compensation, which is supplemented by attendance fees. No plans exist for variable compensation or compensation that is otherwise performance-related. The Management and Supervisory boards are in agreement that an exclusively fixed, non-performance-related compensation of the members of the Supervisory Board, which is not linked to the Company's performance or to specific key financial figures, is appropriate for the position and the tasks of the Supervisory Board as an

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- independent advisory and supervisory body of the Company.
- (iv) In accordance with the provisions of Article 14 (1) of the by-laws, the members of the Supervisory Board receive annual compensation of EUR 15,000.00. Supervisory Board members receive increased compensation for certain functions within the Supervisory Board: the Chair of the Supervisory Board receives EUR 30,000.00 annually, the Deputy Chair of the Supervisory Board EUR 22,500.00 annually, and the chair of a committee EUR 30,000.00 annually. The increased compensation is justified and appropriate, taking into account the greater responsibility and time required to perform the respective functions.
 - (v) In addition, each member of the Supervisory Board receives an attendance fee of EUR 1,000.00 for attending meetings of the Supervisory Board and its committees. The granting of attendance fees to supplement the fixed compensation is appropriate and customary, not least in view of the considerable effort required to prepare the consultations and resolutions scheduled for the meetings. For the purpose of clarification, a new provision shall be included in Section 14 of the bylaws, according to which the attendance fee is also to be paid in full for participation in video conferences of the Supervisory Board and in the amount of half of the attendance fee for participation in telephone conferences of the Supervisory Board.
 - (vi) It follows from the determinations of the annual compensation for the members of the Supervisory Board and the attendance fees described above that the maximum amount of compensation for a member of the Supervisory Board varies according to his or her function, and the number of meetings of the Supervisory Board and its committees in which the respective member participated. Similarly, the maximum total amount of compensation that the Company pays to the Supervisory Board each year depends on the number of meetings of the Supervisory Board and its committees and, in this respect, cannot be definitively determined. It does not appear expedient to set an upper limit on compensation for individual Supervisory Board members or for the Supervisory Board as a whole, especially as no performance-related compensation is granted.

10. Resolution on the modification of the Company's name and on the amendment of Article 1 (1) of the bylaws

The Company's name is B.R.A.I.N. Biotechnology Research and Information Network AG. This corporate name, which dates back to the Company's founding days, does not reflect the Company's second business pillar, the "BioIndustrial" product business. In order to take this development into account, and also to meet the requirements of Internet search engines which now have to be taken into consideration, as well as the use of the Company's name on stock exchanges, the following modification to the Company's name is proposed. It is expected that the future corporate name will make the Company even more visible to shareholders, customers and partners.

The Management and Supervisory boards propose passing the following resolution:

The Company's name shall be modified and will henceforth be BRAIN Biotech AG. Section 1 (1) of the bylaws shall be amended as follows:

*"The name of the Company shall be
BRAIN Biotech AG."*

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

As a result of the COVID-19 pandemic, the legislator has, inter alia, provided temporary relief for the shareholders' general meetings of public companies such as the Company. Given this, the Management Board has decided, with the approval of the Supervisory Board, to hold the Company's Annual General Meeting this year as a virtual Annual General Meeting without the physical attendance of the shareholders or their proxies. In anticipation of the legislator introducing the possibility of a virtual Shareholders' General Meeting on a permanent basis as an option for holding a Shareholders' General Meeting, the Company's bylaws are therefore to be amended in advance to include a corresponding authorization. This is subject to legal admissibility to be established by the legislator. The reservation ensures that the future holding of a virtual Shareholders' General Meeting of the Company, building on the experience gained from the

first virtual Annual General Meeting, will only be considered if the legislator allows this accordingly beyond 2021, and the interests of the shareholders are safeguarded in the process.

The Management and Supervisory boards therefore propose that the following new paragraph 5 be added to Section 18 of the bylaws (Participation in the Shareholders' General Meeting):

"(5) To the extent legally permissible, the Management Board shall be authorized, with the consent of the Supervisory Board, to decide that a Shareholders' General Meeting may be held as a virtual Shareholders' General Meeting, including without the physical attendance of the shareholders and their proxies, in compliance with the legal requirements."

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 (hereinafter referred to collectively as “bonds”), and the creation of a new conditional capital. Conditional Capital 2015 / I is to be cancelled and replaced by a new conditional capital in accordance with this authorization. The new authorization also allows the conditional capital to be adjusted to the level of share capital, 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 50,000,000.00, and to the issuing of up to 1,986,136 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 struc-

turing 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 short-term 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 corporate mergers or for the (also indirect) acquisition of companies, operations, parts of companies, equity interests or other assets or claims to the acquisition of assets, including claims against the Company or its Group companies;
- (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 obliga-

tion 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 in analogous application of the provisions of Section 186 (3) Clause 4 AktG during the period of this authorization was granted until the date on which it is exercised on the basis of another authorization of the Management Board to exclude subscription rights in direct or analogous application of the provisions of Section 186 (3) Clause 4 AktG 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 enabled to exclude share-holders' 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 modifications in prices during the subscription period. Furthermore, in the case of an issue of bonds with subscription rights, the successful placement would be jeopardized due to the uncertainty regarding the utilization of the subscription rights, or would in any case be associated with additional expenses and significantly longer lead or preparation times. As market conditions may change during this period as well as during a subscription period, a not inconsiderable safety margin would have to be granted in order to ensure the attractiveness of the conditions, and thereby the prospects of success of the respective issue for the entire offer period. As the Management Board will not set the issue price of the bonds significantly below their notional market value determined in accordance with recognized financial mathematical methods, shareholders will be adequately and sufficiently protected with regard to a dilution of their participation in the share capital. When fixing the price, the Management Board will keep the discount from this market value as low as possible, taking into account the respective situation 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 consequence of the exclusion of subscription rights. Shareholders who wish to maintain their interest in the Company's share capital can do so by purchasing additional shares 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 general percentage limit to an exclusion of subscription rights based on the level of share capital, as the proposed Conditional Capital 2021 / I would already be limited to 10% of the share capital. Given the comparatively low level of share capital, a limit beyond this level 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.

Written report by the Management Board pursuant to Sections 203 (2) Clause 2, 186 (4) Clause 2 AktG relating to item 7 on the agenda concerning the reasons to authorize the Management Board to exclude shareholders' subscription rights when utilizing Authorized Capital 2021 / I

Agenda item 7 includes the management's proposal to cancel Authorized Capital 2018 / I and create a new Authorized Capital 2021 / I, which is to comprise an authorization of the Management Board to exclude shareholders' subscription rights.

The Company's AGM on 8 March 2018 approved Authorized Capital 2018 / I in an amount of originally EUR 9,027,891.00. By resolution of 3 June 2020, the Management Board, with Supervisory Board approval, partially utilized the Authorized Capital 2018 / I in an amount of EUR 1,805,578.00. The capital increase from authorized capital was entered in the commercial register on 5 June 2020. Accordingly, Authorized Capital 2018 / I is currently now available pursuant to Section 5 (2) of

the bylaws in amount of EUR 7,222,313.00; it can be utilized in this amount until 7 March 2023.

The Management and Supervisory boards are in agreement that the Company must be able at all times to respond rapidly and flexibly in national and international markets in the interests of its shareholders, and cover any financing requirements, potentially also without ordinary capital increases, including the expense and time loss connected with subscription rights processes. A sufficient level of authorized capital forms an important foundation for this. For this reason, the management proposes to the shareholders to cancel the existing Authorized Capital 2018 / I to the extent that it was not utilized, and create a new Authorized Capital 2021 / I whose level is to be adjusted to the Company's increased share capital, and which can be utilized until 9 March 2026, albeit otherwise largely corresponding in content, apart from the maximum scope, to the currently still existing Authorized Capital 2018 / I. The Management Board is consequently to be authorized, with Supervisory Board assent, to increase the Company's share capital once or on several occasions until 9 March 2026, albeit by up to a maximum of nominal EUR 5,958,408.00 through issuing up to 5,958,408 new ordinary registered shares. For reasons of flexibility, it is to be possible to utilize Authorized Capital 2021 / I for both cash and non-cash capital increases.

In principle, a subscription right pursuant to statutory regulations is to be granted to all shareholders in capital increases from Authorized Capital 2021 / I. 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 short-term 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 only

- if the capital increase is implemented against non-cash capital contributions, especially as part of business combinations or for the purpose of acquiring companies, parts of companies, interests in companies or other assets, or entitlements to acquire other assets, including receivables due from the Company;

- to the extent required to exclude fractional amounts from shareholders' subscription rights arising on the basis of the subscription ratio;
- to the extent required to grant subscription rights to the holders of conversion or warrant rights to the Company's shares or to the creditors of corresponding conversion obligations to offset dilutions in the scope to which they would be entitled after exercising such rights or satisfying such obligations;
- if the new shares are issued against cash capital contributions, and the issue price of the new shares is not significantly less than the stock market price of the already listed shares of the Company on the date when the issue price is finally determined; the number of shares issued in this manner under exclusion of subscription rights may in total not be less than 10 percent of the share capital, neither at the time when this authorization becomes effective nor at the time when this authorization is exercised; to this maximum limit of 10 percent of the share capital are other shares to be attributed that are issued or sold during the duration of this authorization under exclusion of subscription rights in direct or corresponding application of Section 186 (3) Clause 4 AktG, as well as shares that are to be issued to service warrant or conversion rights or warrant or conversion obligations from convertible bonds and/or bonds with warrants and/or participation rights, if such bonds or participation rights are issued during the duration of this authorization under exclusion of subscription rights in corresponding application 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:

- (a) Excluding subscription rights pursuant to the proposed resolution should be possible if the capital increase occurs against non-cash capital contributions, especially as part of business combinations or for the purpose of acquiring companies, parts of companies, interests in companies or other assets, or entitlements to acquire other assets, including receivables due from the Company.

The Company faces global competition and must always be intent on improving its competitive position and on strengthen-

ing 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. It should be noted in this context that very high considerations must be rendered in most such transactions, which are not always to be fulfilled in cash, or which cannot always be fulfilled in cash. Moreover, the owners of companies or acquisition assets that are for sale occasionally take the initiative in demanding voting shares in the acquirer as consideration. So that the Company can acquire attractive entities or acquisition assets in such cases too, it must be possible for it to offer shares as consideration. This requires the creation of authorized capital, in utilizing which the Management Board, with Supervisory Board assent, can exclude shareholders' subscription rights. The possibility to exclude subscription rights thereby opens up for the Company the requisite scope for maneuver to acquire companies, parts of companies, interests in companies or other assets connected with an acquisition.

Although excluding subscription rights when utilizing authorized capital results in a reduction of shareholders' relative shareholding interests and relative voting rights interests, the acquisition of companies, parts of companies, interest in companies or other assets connected with an acquisition would frequently be impossible for the aforementioned reasons if statutory subscription rights were granted. The benefits connected with the acquisition for the Company and its shareholders would be unachievable as a consequence. If subscription rights are excluded, the Management Board will nevertheless ensure when setting the valuation ratios that shareholders' interests are appropriately protected; it will also take the stock market price of the Company's share into consideration in this context, although a schematic connection to the stock market price is not planned.

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. Specific acquisition plans in the sense presented, which require

utilization of authorized capital and the exclusion of subscription rights, do not exist at present.

- b) Furthermore, 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. Without excluding subscription rights in relation to the fractional amount, the technical implementation of the capital increase would be significantly more difficult especially for a capital increase with round sums. The new shares excluded as fractional amounts from shareholders' subscription rights are to be realized as best as possible by the Company either through sale through the stock market or in another manner. A potential dilution effect is only very minor due to the restriction to fractional amounts.
- c) Subscription rights are also to be excluded to the extent required to grant subscription rights to the holders of conversion or option rights to the Company's shares or to the creditors of corresponding conversion obligations – hereinafter referred to together as "bonds" – to offset dilutions in the scope to which they would be entitled after exercising such rights or satisfying such obligations.

The terms and conditions of the bonds generally include dilution protection in order to make it easier to place the bonds on the capital market. One possibility to ensure protection against dilution is to grant holders or creditors of bonds a subscription right to new shares in subsequent share issues, as shareholders are entitled to. To furnish bonds with such dilution protection, shareholders' subscription rights to the new shares must be excluded. Alternatively, solely the warrant or conversion price could be reduced for the purpose of dilution protection, to the extent the terms and conditions of the bonds permit. This would be much more laborious for the Company to process and in any case connected with higher costs, however. It would also diminish the capital inflow from exercising warrant or conversion rights, or from satisfying warrant or conversion obligations. Issuing bonds without dilution protection would be significantly less attractive for the market and would consequently not serve shareholders' interests in appropriate and coherent financial backing for the Company.

- d) Finally, exclusion of subscription rights should be possible if the new shares pursuant to Sections 203 (1), 186 (3) Clause 4 AktG are issued against cash capital contributions at an amount that is not significantly less than the stock market price, and if the total proportional amount of the share capital attributable to the issued shares does not exceed 10 percent of the share capital, either of the time when the authorization becomes effective or at a time when the authorization is exercised. The Company can procure additional equity capital for any financing requirements short-term on this basis, and also quickly and flexibly exploit market opportunities to optimally strengthen its equity base in the interests of the Company and its shareholders, without having to implement a subscription rights process entailing high expense. Excluding subscription rights also serves the Company's interest in achieving the highest possible issue price, as a placing of new shares is enabled close to the stock market price without the discount that is usual for subscription issues. New shareholder groups domestically and abroad can also be acquired.

When utilizing the authorization, the Management Board, with Supervisory Board assent, will keep any discount to the stock market price as small as possible according to the market conditions prevailing at the time when the issue price is finally determined. As price fluctuations within very short periods cannot be excluded due to market volatility, it should be determined in advance whether for this purpose an average price calculated on the basis of a period of just a few days preceding the resolution on the authorized capital utilization is taken as the basis, or the current price on the resolution date. In no instance shall a discount to the stock market price amount to more than five percent of the stock market price, however. The Management and Supervisory boards will carefully examine the setting of the issue price on an individual case basis, taking the respective current circumstances into account. The Management Board will endeavor to achieve the highest possible selling price in this context, and to minimize a discount to the price at which existing shareholders can buy additional shares through the stock market.

The scope of the cash capital increase under exclusion of subscription rights pursuant to Section 186 (3) Clause 4 AktG shall also be limited to 10 percent of the share capital when the autho-

rization becomes effective, if this amount is lower, when exercising the authorization to exclude subscription rights. To this 10 percent limit shall be attributed those shares issued or sold during the duration of this authorization under exclusion of subscription rights in direct or corresponding application of Section 186 (3) Clause 4 AktG, as well as shares that are to be issued to service warrant or conversion rights, or warrant or conversion obligations, arising from convertible bonds or bonds with warrants and/or participation rights, if such bonds or participation rights are issued during the duration of this authorization under exclusion of subscription rights in corresponding application of Section 186 (3) Clause 4 AktG.

Shareholders are appropriately protected from value dilution of their shares through limiting the number of shares to be issued and the obligation to set the issue price of the new shares close to the stock market price. The reduction in the relative shareholding ratio and relative voting rights interest that is necessarily connected with the exclusion of subscription rights can otherwise be offset by shareholders that wish to maintain their shareholding ratio and voting rights interest through purchasing new shares through the stock market on approximately equivalent terms.

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 general percentage limit to an exclusion of subscription rights based on the level of share capital, which is less than the 30% limit of Conditional Capital 2021 / I already proposed. Given the comparatively low level of share capital, a limit beyond this level 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 utilize conditional capital, 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 increase the share capital from conditional capital 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**

3 March 2021, by 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, Germany
Fax: +49 (89) 889 690 633
Email: BRAIN@better-orange.de

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

www.brain-biotech.com/investors/annual-general-meetings

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

entered in the share register will receive their shareholder number and an access password with the convening letter to the AGM. The registration form can be downloaded from the Company's website at 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 (Wednesday, 3 March 2021; so-called Technical Record Date) until the end of the AGM (so-called reregistration stop). The status of the share register on the AGM date consequently corresponds to its status on Wednesday, 3 March 2021, 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 3 March 2021, 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.

Special features of the virtual Annual General Meeting

The Annual General Meeting is to be held as a virtual General Meeting without the physical attendance of the shareholders or their proxies on the basis of a decision taken by the Management Board with the consent of the Supervisory Board pursuant to Section 1 (2) Clause 1 and (6) Clause 1 of the Act on Measures in Company, Cooperative, Association, Foundation and Residential Property Law to Combat the Effects of the COVID-19 Pandemic (GesRuaCOVBekG [BGBl. I 2020, 569 et seq.]) as amended on 22 December 2020 (BGBl. I 2020, 3328 et seq.). Shareholders and their proxies (with the exception of the

proxies appointed by the Company) have no right or opportunity to be present at the venue of the Annual General Meeting.

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

- follow the entire meeting in person or by proxy by way of video and audio transmission via the password-protected Internet service set up specially for the AGM at the Internet address www.brain-biotech.com/investors/annual-general-meetings;
- exercise their voting rights themselves or through a proxy by postal vote. Votes may also be cast by postal vote using the password-protected Internet service at the Internet address www.brain-biotech.com/investors/annual-general-meetings in accordance with the procedure provided for this purpose, including on the day of the Annual General Meeting until immediately before voting begins;
- exercise their voting rights in accordance with their instructions through the Company proxies. The issuing of authorizations with instructions can also be realized using the password-protected Internet service at the Internet address www.brain-biotech.com/investors/annual-general-meetings in accordance with the procedure provided for this purpose, including on the day of the Annual General Meeting until immediately before voting begins;
- submit questions themselves or through an authorized representative.

Questions must be submitted no later than 11:00 hours on 9 March 2021, using the password-protected Internet service at the Internet address www.brain-biotech.com/investors/annual-general-meetings in accordance with the procedure provided for that purpose.

If they have exercised their voting rights themselves or through a proxy, shareholders may announce an objection to an AGM resolution by way of divergence from Section 245 No. 1 AktG, waiving the requirement to be present at the AGM.

The objection can be announced using the password-protected Internet service at the Internet address www.brain-biotech.com/investors/annual-general-meetings in accordance with the procedure provided for this purpose until the end of the AGM

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 in the meaning of Section 135 AktG or other persons equivalent to those as set out in Section 135 AktG, their revocation, and the proof of authorization to the Company 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. Proof of a power of attorney granted to the proxy may be furnished to the Company by sending the proof to the Company. The revocation of a proxy already granted may also be declared directly to the Company by the aforementioned means of transmission. 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, with receipt at the latest by Tuesday, 9 March 2021, 18:00 hours:

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

Similarly, the password-protected Internet service on the Company's website at www.brain-biotech.com/investors/annual-general-meetings is available for this purpose until voting begins during the AGM. If the authorization is issued by a statement to the Company, separate proof of issuing the authorization is dispensed with.

In all instances, a proxy can only exercise the exercisable shareholder

rights electronically if he or she has received the personal access data to the Company's password-protected Internet service from the shareholder.

A form that can be utilized to issue an authorization will be sent to shareholders receiving the invitation letter by post together with the invitation letter. In addition, the form is reproduced on the AGM ticket and can also be downloaded from the Company's website at 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 in the meaning of Section 135 AktG and other persons and institutions deemed equivalent in Section 135 AktG, as well as to the revocation and proof of such 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 in the meaning of Section 135 AktG and other persons deemed equivalent in Section 135 AktG are not entitled to cast votes for shares not owned by them, but recorded under their names in the Company's share register, unless they have the shareholder's authority.

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 letter to shareholders that also receive invitation letters by post. In addition, the form is reproduced on the AGM ticket and can also be downloaded from the Company's website at

or can be filled out and submitted electronically through the password-protected Internet service. 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 Internet service.

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 **Tuesday, 9 March 2021, 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 München
Telefax: +49 (89) 889 690 633
E-Mail: BRAIN@better-orange.de

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

www.brain-biotech.com/investors/annual-general-meetings

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

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

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 re-

stricted 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 Tuesday, 9 March 2021, 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

to complete it and send it by post 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, Germany

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

www.brain-biotech.com/investors/annual-general-meetings

by the start of voting during the AGM. 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.

Authorized banks, shareholder associations, other intermediaries in 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**

Sunday, 7 February 2021, 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, Germany

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

Shareholders can submit to the Company countermotions against a proposal by the Management Board and/or Supervisory Board on a particular agenda item as well as proposals relating to the election of Supervisory Board members and auditors. Pursuant to Section 126 (1) AktG, the Company will make countermotions including the name of the shareholder, the related explanation and any opinion of the management accessible on the Company's website at www.brain-biotech.com/investors/annual-general-meetings, if counter-

motions are submitted to it with a justification of these 14 days before the AGM, whereby the AGM date and the date of receipt shall not be included in the calculation, **in other words, at the latest by**

Tuesday, 23 February 2021, 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, Germany
Fax: +49 (89) 889 690 633
Email: BRAIN@better-orange.de

Motions submitted to other addresses shall not be considered. For shareholder proposals relating to the election of Supervisory Board members and auditors, the aforementioned regulations pursuant to Section 127 AktG will 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 by-laws. 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.

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

Right to information pursuant to Section 131 (1) AktG

Pursuant to Section 131 (1) AktG, in response to a request at the AGM, the Management Board must provide all shareholders with informa-

tion 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.

As the AGM on 10 March 2021 will be held as a virtual Annual General Meeting and the physical attendance of the shareholders is not permitted, shareholders will not be able to request information at the AGM venue. Therefore, the special provision of Section 1 (2) Clause 1 No. 3 and Clause 2 of the Act on Measures in the Law on Companies, Cooperatives, Associations, Foundations and Condominiums to Combat the Effects of the COVID-19 Pandemic (GesRuaCOVBekG), as amended on or after 28 February 2021, shall apply to the present virtual AGM. Pursuant to Section 1 (2) Clause 1 No. 3 GesRuaCOVBekG, shareholders are to be granted the right to submit questions by electronic communication, which are to be answered by the Management Board. Pursuant to Section 1 (2) Clause 2 GesRuaCOVBekG, the Management Board shall apply its due discretion in deciding how to respond to questions; it may also stipulate that questions be submitted by electronic communication no later than one day before the AGM. Provided that the conditions for participation and the exercise of voting rights described under "Preconditions for AGM participation and exercising voting rights" are met, shareholders may submit questions themselves or through a proxy.

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

6. Supplementary disclosures and information about agenda item 5 (Supervisory Board elections)

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

a) Dr. Anna C. Eichhorn

Dr. Anna C. Eichhorn is not a member of any other statutory supervisory boards.

Dr. Anna C. Eichhorn is a member of the following comparable domestic and foreign controlling bodies of business enterprises.

- Member of the Supervisory Board of the Frankfurter Innovationszentrum Biotechnologie GmbH (FiZ), Frankfurt am Main

Curriculum vitae of the proposed candidate Dr. Anna C. Eichhorn

Dr. Anna C. Eichhorn was born in 1972 in Frankfurt am Main, Germany. After a foundation course in chemistry she received a degree in biochemistry from the Johann Wolfgang Goethe University in Frankfurt am Main in 1998. The academic degree of Disputation followed in 2003. In 2001, Dr. Eichhorn founded the company Humatrix AG in Frankfurt am Main together with partners, assuming the role of Chief Technology Officer (CTO). She has been Chief Executive Officer (CEO) of Humatrix AG since 2012.

In a scientific environment, Dr. Eichhorn acts as a Management Board member of the House of Pharma & Healthcare Association and as Deputy CEO of the Rhine-Main Healthcare Sector Initiative Association – both based in Frankfurt am Main. She is also a scientific consultant to the European Journal of Clinical Pharmacology (EJCP).

Dr. Eichhorn has been a member of the BRAIN Supervisory Board since 9 March 2017 and is currently Deputy Chair of the Supervisory Board

b) Prof. Dr.-Ing. Wiltrud Treffenfeldt

Prof. Dr.-Ing. Wiltrud Treffenfeldt is a member of a statutory supervisory board:

- Member of the Supervisory Board of ProBioGen AG, Berlin

Prof. Dr.-Ing. Wiltrud Treffenfeldt is not a member of any comparable domestic and foreign controlling bodies of business enterprises.

Curriculum vitae of the proposed candidate Prof. Dr.-Ing. Wiltrud Treffenfeldt

Prof. Dr.-Ing. Wiltrud Treffenfeldt was born in 1954 in Ludwigshafen am Rhein, Germany. After studying food technology and biotechnology at the Technical University of Berlin, she received her doctorate from the University of Dortmund in 1983. From 1987 to 2005 she assumed responsibility for the new lecture course in Bioprocess and Biomedical Engineering at the University of Hannover, Faculty of Mechanical Engineering, and was awarded the title of Professor in 1995. After joining Degussa/Evonik in Hanau in 1984, she built up the departments of biotechnology and environmental process engineering – including for the large-scale fermentative production of amino acids and enzymes – and headed these departments until her retirement in 2000. In 2001, she joined Dow Chemicals, first as R&D Manager for Europe, and subsequently as Head of “Biopharma R&D/San Diego/USA” with a focus on the development of microbial expression systems for the pharmaceutical industry. In 2005, Prof. Treffenfeldt moved to the subsidiary Dow AgroSciences in Indianapolis/USA in order to build up and lead the biological research and production for fermentatively produced insecticides as “Global Director Biochemical Engineering”. In 2011, she assumed the role of Chief Technology Officer for Dow Europe, Middle East, Africa and India, and was a member of the global leadership team. In this function, she initiated “Customer Innovation” projects and worked intensively with international research organizations. She actively oversaw the merger between Dow and DuPont to form DowDuPont, and the subsequent split into the three new companies from 2016 to 2019.

Prof. Treffenfeldt has been actively involved in scientific committees and organizations such as Dechema, OECD, GVC and VCI since 1985. She was a member of both bioeconomy councils of the German government and has been a member of the Senate of the Fraunhofer Gesellschaft for six years. She acts as an expert consultant to German and Swiss universities. Since June 2019, she has been working as an independent consultant, in particular for SMEs and scientific organizations.

Prof. Treffenfeldt has been a member of the Company's Supervisory Board since 14 October 2020 and is appointed until the end of the AGM in FY 2020/21.

c) Stephen Catling

Mr. Stephen Catling is not a member of any statutory supervisory boards

Mr. Stephen Catling is not a member of any comparable domestic and foreign controlling bodies of business enterprises.

Curriculum vitae of the proposed candidate Stephen Catling

Mr. Stephen Catling was born in 1965 in Bungay, Suffolk, Great Britain. Mr. Catling studied Nutritional Science and Food Technology at the University of Reading. He gained specialist knowledge of biotechnological food ingredients and graduated in 1987 (BSc, First Class Honors). Mr. Catling began his employment with Kraft General Foods between 1987 and 1991. He subsequently worked for Danisco A/S (now Dupont) from 1991 to 2003, including as Business Manager/Sales Director UK from 1997 to 1999, and subsequently as Divisional Director Flavors from 1999 to 2003. From 2003 to 2014, he was CEO of Associated British Foods (ABF) plc, where he led the ingredients division.

Since 2014, Stephen Catling has advised investors and entrepreneurs on food ingredients and related specialty chemicals as Managing Director of SJ Catling Ltd, particularly with regard to the use of equity capital for start-ups, mergers and acquisitions. In addition to this, Stephen Catling is currently Chairman of the Board of Trustees of FoodCycle, UK, a not-for-profit association in the UK.

Mr. Catling has been a member of the Company's Supervisory Board since 14 October 2020 and is appointed until the end of the AGM in FY 2020/21.

In addition to the above information, it is declared with regard to C.13 of the German Corporate Governance Code that, in the Supervisory Board's opinion, none of the proposed candidates has any other personal or business relationships with the Company or its Group companies, the executive bodies of the Company or a shareholder with a material interest in the Company, that would require disclosure under this provision. In the Supervisory Board's opinion, the candidates are to be regarded as independent in the meaning of the German Corporate Governance Code. Moreover, the Supervisory Board has assured itself of the proposed candidates' ability to devote the expected amount of time in each case.

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

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 19,861,360.00 on the convening date and is divided into 19,861,360 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 19,861,360.

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

Who is responsible for data processing?

B.R.A.I.N. Biotechnology Research and Information Network AG
("the Company")
Darmstädter Strasse 34–36,
64673 Zwingenberg, Germany

You can reach the Company's data protection officer at privacy@brain-biotech.com, or our postal address, marked for the attention of the "Data Protection Officer"

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

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

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

The Company's shares are no-par-value registered shares. In the case of such registered shares, Section 67 of the German Stock Corporation Act (AktG) stipulates that these shares be entered in the Company's share register, stating the name, date of birth and address of the shareholder as well as the number of shares. The shareholder is obligated, as a matter of principle, to provide the Company with this information. The banks involved in the purchase, custody or sale of your BRAIN AG shares regularly forward to the share register this and other information relevant to maintaining the share register (e.g. nationality, gender and submitting bank). This occurs through Clearstream Banking Frankfurt, which acts as the central depository for the technical settlement of securities transactions and the custody of shares for banks.

The Company utilizes your personal data for the purposes specified in the German Stock Corporation Act (AktG). These include, in particular, the maintenance of the share register and processing of shareholders' general meetings. In addition, your data can be utilized to generate statistics, 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, the Company will also process your data to safeguard legitimate interests in accordance with Article 6 (1f) GDPR. This is the case if, for example, in the case of capital increases, individual shareholders must be excluded from information on subscription offers due to their nationality or place of residence in order to comply with securities regulations in the countries concerned.

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

To which categories of recipients might your data be transmitted?

External service providers: The Company utilizes external service providers to maintain the share register and for the technical processing of the 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, the Company stores personal data only if this is necessary in connection with claims asserted against the Company (statutory limitation period of up to 30 years). In principle, your personal data will be deleted or rendered anonymous as soon as they are no longer required for the aforementioned purposes, and legislation relating to the maintenance of evidence and archiving does not require us to continue to store them.

What are your rights?

You can request information about all data archived about your per-

son at the aforementioned address for the Data Protection Officer. Furthermore, under certain circumstances you may request the deletion of your data or a restriction of their processing.

Right to object:

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

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

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

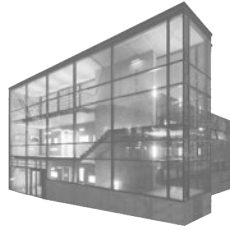
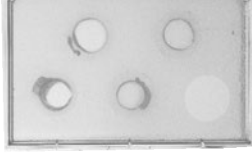
This information is also available at:

www.brain-biotech.com/investors/annual-general-meetings

Zwingenberg, January 2021

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

The Management Board



B·R·A·I·N

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