BrainAurora Medical Technology Limited
脑动极光医疗科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6681)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

The board (the "**Board**") of directors (the "**Director(s)**") of BrainAurora Medical Technology Limited 脑动极光医疗科技有限公司 (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce the audited consolidated results of the Group for the year ended December 31, 2025 (the "**Reporting Period**"), together with the comparative figures for the year ended December 31, 2024. These annual results have been reviewed by the Company's Audit Committee and audited by the Company's auditor, Deloitte Touche Tohmatsu.

In this announcement, "we", "us" and "our" refer to the Company and where the context otherwise requires, the Group. Certain amount and percentage figure included in this announcement have been subject to rounding adjustments or have been rounded to one or two decimal places, as appropriate. Any discrepancies in any table, chart or elsewhere totals and sums of amounts listed therein are due to rounding.

FINANCIAL HIGHLIGHTS

	For the year ended		
	December 31, 2025	December 31, 2024	Year-on-year change
	RMB'000	*RMB'000*	*%*
Revenue	**220,049**	122,311	79.91%
Loss and total comprehensive expense for the year	**(316,364)**	(198,610)	59.29%
Adjusted net loss for the year* (non-IFRS measure)	**(239,153)**	(161,959)	47.66%

* Adjusted net loss for the year is not defined under the International Financial Reporting Standard (the "**IFRS**"), it represents the loss and total comprehensive expense for the year adjusted by adding back fair value loss of financial liabilities at FVTPL and share-based payments, both being non-cash in nature.

BUSINESS HIGHLIGHTS

In 2025, we made significant progress in business operations, product pipeline advancement, AI technology innovation, and the construction of an AI digital health integrated management platform. Specifically, we made progress in the following areas:

1. Steady and Rapid Business Development

(1) Revenue continued to grow at a high speed

Our revenue increased by RMB97.74 million from RMB122.31 million for the year ended December 31, 2024 to RMB220.05 million for the year ended December 31, 2025, representing a year-on-year increase of 79.91%.

(2) User numbers climbed rapidly

With the continuous enhancement of product strength and the constant improvement of market awareness, BrainAurora's DTx solutions have been recognized by a broader user group. At the home user end, core operational metrics achieved a comprehensive leap: (i) an increase in the number of times patients used the System from approximately 1,800,000 times in 2024 to approximately 3,300,000 times by the end of 2025; (ii) average monthly active users increased by 99.14% from 2,154.67 in 2024 to 4,290.75 in 2025; (iii) monthly active users reached 10,229 in December 2025, an increase of 72.52% compared to 5,929 in the same period of 2024; (iv) the average daily usage time of users in 2025 was 23.29 minutes, reflecting strong user stickiness and intervention compliance.

(3) The number of commercial partners continued to expand

The Company also made substantial progress in expanding commercial partners. As of the end of 2025, the number of hospitals with which we have formally established cooperative relationships increased to 206, an increase of 44% compared to 143 in 2024. The cooperating hospitals are widely distributed, mainly concentrated in regions such as the Pearl River Delta, Beijing-Tianjin-Hebei, Sichuan, and Henan, and gradually covering core cities in the central and northern regions, laying a solid channel foundation for the large-scale application of the product nationwide.

2. Important progress was made in scientific research and clinical trials for the core product pipeline

(1) Clinical trials of Dyslexia Assisted Recovery Training Software advanced smoothly

Currently, it has entered clinical research, and the enrollment of 43 subjects has been completed. The project is advancing smoothly. We plan to complete the registration clinical research by the end of 2026, submit the registration application in the first quarter of 2027, expect to obtain the medical device registration certificate in the third quarter of 2027, and achieve commercialization by the end of 2027.

(2) Cardiovascular disease with cognitive impairment clinical trials basically completed

The scientific research of cognitive DTx in patients with hypertension, coronary heart disease, and atrial fibrillation accompanied by cognitive impairment but without dementia has been fully completed. Relevant scientific research literature is being published. We plan to submit registration documents in the second quarter of 2026, expect to obtain the medical device registration certificate by the end of 2026, and achieve commercialization in the first quarter of 2027.

(3) Depression Treatment Software is about to enter the clinical trial stage

The Company has completed pre-registration communication with relevant regulatory authorities and is currently optimizing the clinical trial protocol. We plan to initiate the registration clinical research in the second quarter of 2026, expect to complete the registration clinical trial by the end of 2027, submit the registration application in the first quarter of 2028, and expect to obtain the medical device registration and commence commercialization by the end of 2028.

(4) The digital-drug combination for children's Attention Deficit Hyperactivity Disorder (ADHD) achieved a breakthrough

The Company collaborated with Peking University Sixth Hospital to complete the "Development and Application of Electronic Targeted Intervention Technology for Attention Deficit Hyperactivity Disorder Based on Multi-dimensional Cognitive Function Assessment," which is the first multi-center randomized controlled trial in China to validate the therapeutic effect of digital-drug combination therapy on core symptoms of children with ADHD. The research results were officially published in BMC Medicine. The study randomized 124 children with ADHD into a monotherapy group (atomoxetine) and a combined targeted cognitive DTx and drug therapy group for an 8-week intervention. The results showed that compared with the monotherapy group taking atomoxetine alone, the combination group showed significant improvements in multiple core symptoms: the score improvement rate for the attention deficit dimension increased from 23.3% to 34.6%, the score improvement rate for the hyperactivity-impulsivity dimension increased from 18.0% to 34.6%, and the overall score improvement rate for overall core symptoms increased from 21.5% to 34.3%. This study successfully validated the significant improvement effect of the digital-drug combination on core symptoms of ADHD, filled the blank in evidence-based research of ADHD DTx in China, and marked that the digital-drug combination therapy has officially entered a new stage of synergistic enhancement. This therapy breaks through the limitations of traditional drugs, demonstrating the precise potential of digital therapeutics in neurodevelopmental disorders.

(5) The bone trauma and pain cognitive impairment digital therapeutics product completed preclinical research

The Company has completed the R&D of the bone trauma and pain digital therapeutics product, and plans to initiate the registration clinical trial in the second quarter of 2026, expects to complete it in the second quarter of 2027, submit the registration application in the third quarter of 2027, and expects to obtain the medical device registration certificate and commence commercialization in the first quarter of 2028.

3. Continuously promoting the innovation and application of AI in the medical field

(1) The paper by the Company titled "Improve Decoding Factuality by Token-wise Cross Layer Entropy of Large Language Models" proposes a cross-layer entropy-enhanced decoding method that effectively mitigates hallucination issues without requiring additional training of large language model parameters. The paper has been accepted by the North American Chapter of the Association for Computational Linguistics (NAACL2025). NAACL is one of the top three international conferences in the field of natural language processing. Large models have broad application scenarios in the medical field, but issues such as large model hallucinations have always been a key obstacle to their application. This research result provides a new solution path for dealing with large model hallucination issues.

(2) The Company's self-developed medical large model, BrainAuGPT, was granted a national invention patent for proposing a large language model training task combination recommendation method based on GBR second-order knowledge representation for the first time. Supported by the large model, the virtual human intelligent assessment system was comprehensively upgraded, supporting multiple languages with more precise intent understanding, capable of capturing patients' emotional changes and conducting empathetic interactions. The personalized cognitive training intervention system based on the cognitive deep reasoning large model represents the cutting-edge direction of digital transformation in the medical and health field. By leveraging Monte Carlo Tree Search hybrid inference techniques and dynamic feedback control mechanisms, it achieves high-dimensional parameter optimization and personalized matching of intervention plans, delivering "precise prescription tailored to each individual" for patients with cognitive impairment. Additionally, the BrainAu Onebox M1, an all-in-one smart medical large model device developed based on BrainAuGPT, was successfully launched in 2025.

(3) The Company's self-developed temporal cognitive graph covers over 21 million nodes and over 43 million relationship types, achieving precise and dynamic profiling of patients' intervention effects and training compliance, providing strong decision-making support for the formulation of personalized and refined intervention plans, and effectively solving the cold-start problem of task recommendation. The AI team proposed a method based on high-quality meta-path analysis, utilizing the rich knowledge of the temporal cognitive graph to construct a positive and negative case library, training the counterfactual reasoning ability of the large language model, and further enhancing the pushing effect and interpretability of intervention tasks.

(4) The Company actively explored and made significant progress in multi-modal multi-Agents practices, gradually forming comprehensive AI capabilities covering cognitive impairment disease diagnosis and treatment technology research, product design and R&D, and AI Coding, with an overall R&D efficiency improvement of over 30%.

4. Preliminary exploration of the AI digital health integrated platform

Relying on its technology accumulation in the field of cognitive impairment digital diagnosis and treatment, the Group will deeply empower platform operations through multi-modal large language models:

(1) Building a comprehensive health status assessment and tracking system: The Group integrates multi-dimensional data – including cognitive assessment results completed by users through DTx products, daily training data, and physiological indicators collected by wearable devices (such as smartwatches and smart headbands)—to form personalized, full-time health profiles. Through AI intelligent analysis capabilities, the platform can help users interpret health data, monitor health status changes in real time, and issue early risk warnings.

(2) Building an integrated platform fusing multi-dimensional health modules: The Group has broken through the limitations of single cognitive function intervention, forming a comprehensive health system that fuses cognitive DTx, digital exercise, and digital health popularization and management modules, initially building a closed loop of health services encompassing "assessment, diagnosis, intervention, and management." In the future, we will continue to explore the integration of multi-dimensional health modules such as digital sleep, digital metabolism, brain-computer interfaces, functional health products, and drugs, to build a full-dimensional, personalized AI digital health integrated platform for users.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	**For the year ended December 31, 2025** ***RMB'000***	For the year ended December 31, 2024 *RMB'000*
Revenue	*4*	**220,049**	122,311
Cost of sales		**(130,595)**	(68,298)
Gross profit		**89,454**	54,013
Other income	*5*	**15,937**	1,710
Other expenses and other gains and losses, net	*6*	**(14,591)**	3,326
Fair value gain of financial liabilities at fair value through profit or loss ("**FVTPL**")	*25*	**–**	30,116
Impairment loss under expected credit loss ("**ECL**") model, net of reversal		**(38,923)**	(11,480)
Selling and distribution expenses		**(74,884)**	(48,017)
Administrative expenses		**(100,697)**	(59,925)
Research and development expenses		**(165,904)**	(119,424)
Finance costs	*7*	**(23,986)**	(22,025)
Listing expenses		**(2,670)**	(26,852)
Loss before tax		**(316,264)**	(198,558)
Income tax expense	*8*	**(100)**	(52)
Loss and total comprehensive expense for the year	*9*	**(316,364)**	(198,610)
Loss for the year attributable to:			
Owners of the Company		**(314,861)**	(198,282)
Non-controlling interests		**(1,503)**	(328)
		(316,364)	(198,610)
Loss per share (RMB)	*13*		
Basic		**(0.27)**	(0.22)
Diluted		**(0.27)**	(0.23)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	As at December 31, 2025 RMB'000	As at December 31, 2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	*14*	**27,114**	23,386
Right-of-use assets	*15*	**18,107**	21,039
Intangible assets	*16*	**12,671**	2,909
Prepayments and other receivables	*17*	**13,539**	4,029
		71,431	51,363
CURRENT ASSETS			
Contract costs		**–**	534
Trade and other receivables and prepayments	*17*	**128,749**	134,221
Restricted bank deposits	*18*	**101,193**	69,495
Bank balances and cash	*19*	**430,358**	343,882
Tax recoverable		**1,157**	–
		661,457	548,132
CURRENT LIABILITIES			
Trade and other payables	*20*	**51,366**	56,090
Contract liabilities	*23*	**17,817**	10,075
Tax Liabilities		**10**	–
Receipts in advance from cornerstone investors		**–**	320,971
Lease liabilities	*22*	**7,621**	11,823
Bank and other borrowings	*24*	**346,089**	21,261
Deferred income		**1,038**	1,696
Long-term bond – due within one year	*21*	**–**	74,663
Financial liabilities at FVTPL	*25*	**–**	285,428
		423,941	782,007
NET CURRENT ASSETS (LIABILITIES)		**237,516**	(233,875)
TOTAL ASSETS LESS CURRENT LIABILITIES		**308,947**	(182,512)

	NOTES	As at December 31, 2025 RMB'000	As at December 31, 2024 RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities	*22*	**9,498**	8,918
Long-term bond	*21*	**202,314**	271,617
Deferred income		**1,664**	977
		213,476	281,512
NET ASSETS (LIABILITIES)		**95,471**	(464,024)
CAPITAL AND RESERVES			
Share capital	*26*	**1**	1
Reserves		**97,344**	(463,654)
Equity attributable to owners of the Company		**97,345**	(463,653)
Non-controlling interests		**(1,874)**	(371)
TOTAL EQUITY (DEFICITS)		**95,471**	(464,024)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

BrainAurora Medical Technology Limited ("the **Company**") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law section 165 of the Cayman Islands on April 25, 2023. The address of the Company's registered office is at 3-212 Governors Square, 23 Lime Tree Bay Avenue, P.O. Box 30746, Seven Mile Beach, Grand Cayman KY1-1203, Cayman Islands. The principal place of business of the Company is Block A, Dongsheng Science and Technology Park & Fengyeyuan Digital Industry Economic Park, Zhongguancun, 135 Qinghe Road, Haidian District, Beijing, the People's Republic of China (the "**PRC**").

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with effect from January 8, 2025.

On August 6, 2023, the acting in concert parties, namely Mr. Tan Zheng, Dr. Wang Xiaoyi, ZTan Limited, a company wholly owned by Mr. Tan Zheng, and Wispirits Limited, a company wholly owned by Dr. Wang Xiaoyi (collectively referred to as the "**the Offshore AIC Parties**"), entered into another acting in concert agreement, pursuant to which, among others, the Offshore AIC Parties (i) acknowledged and confirmed that, the Offshore AIC Parties have acted in concert with respect to the management of BrainAurora Zhejiang during the period when BrainAurora Zhejiang was the holding company of the Group and with respect to the management of the Company since it became the holding company of the Group; and (ii) agreed to act in concert for so long as they remain interested in the shares of the Company, consult each other and reach a consensus before voting at the board meetings and shareholders' meetings of the Company, and in case the parties fail to reach a consensus, vote based on the opinion of Mr. Tan Zheng.

The Company is an investment holding company. Its subsidiaries are principally engaged to offer cognitive impairment digital therapeutics ("**DTx**") integral software solutions in the PRC. The Company and its subsidiaries are hereinafter collectively referred to as the "Group".

The consolidated financial statements for the year ended December 31, 2025 are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "**IASB**"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

The Group recorded loss and negative operating cashflows during the year ended December 31, 2025. The Group has performed a working capital forecast for the next twelve months. Taking into account the financial resources available to the Group, including cash and cash equivalents and the financing in February 2026, the Directors believe that the Group will have sufficient cash resources to satisfy its future working capital in the next twelve months.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

(a) Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the IASB for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

(b) New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]

1. Effective for annual periods beginning on or after a date to be determined.
2. Effective for annual periods beginning on or after January 1, 2026.
3. Effective for annual periods beginning on or after January 1, 2027.

Except as described below, the directors of the Company (the "**Directors**") anticipate that the application of the above new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7 *Financial Instruments: Disclosures.* Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue

	For the year ended December 31, 2025 ***RMB'000***	For the year ended December 31, 2024 *RMB'000*
Provision of the brain function information management platform software system (the "**System**") integral software solutions		
In hospitals	**113,925**	79,316
Out of hospitals	**53,302**	26,789
	167,227	106,105
Research projects	**2,134**	15,942
Medical artificial intelligence ("**AI**") language model solutions	**49,776**	–
Others *(Note)*	**912**	264
Total	**220,049**	122,311

Note: Others mainly represent revenue generated from sales of software systems and electronic equipment with software systems.

	For the year ended December 31, 2025 ***RMB'000***	For the year ended December 31, 2024 *RMB'000*
Timing of recognition		
At a point in time	**166,183**	95,311
Over time	**53,866**	27,000
	220,049	122,311
Geographical market		
Mainland China	**220,049**	122,311

(ii) Performance obligations for contracts with customers and revenue recognition policies

(a) Provision of the System integral software solutions

The Group earns revenue by (i) provision of the System integral software solutions through the Group's core product, the System in hospitals which enable hospitals to offer assessment and intervention to their cognitive impairment patients; (ii) provision of the System integral software solutions out of hospitals to individual patients. Revenue relating to provision of the System integral software solutions in hospitals is recognized at a point in time when performance obligation is completed and the Group has a present right to collect payment for the services performed. The revenue relating to provision of the System integral software solutions out of hospitals is generated from subscription contracts under which a prepayment was received from a customer for unlimited number of services provided during the subscription period. The revenue relating to provision of the System integral software solutions out of hospitals is recognized over time and prepayment received is recognized as a contract liability and is released on a straight-line basis over the period of services.

(b) Research projects

The Group provides software development and data analysis service according to the customer's requirements.

Revenue relating to most of the research projects is recognized at a point in time when the software development or the data analysis report is completed and accepted by customers. The Group incurs costs to fulfil a contract in such research projects. The Group first assesses whether these costs qualify for recognition as an asset in terms of other relevant standards, failing which it recognizes an asset for these costs only if they meet all of the following criteria: (a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify; (b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) the costs are expected to be recovered. The asset so recognized is subsequently amortized to profit or loss when the research project is completed and the relevant software or data analysis report is accepted by customers. The asset is subject to impairment review.

Revenue from certain research project is recognized over time as performance obligation is satisfied, because the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognize revenue on the basis of the Group's actual costs incurred on the relevant projects relative to the total expected costs to the completion of the research projects, that best depict the Group's performance in transferring control of research services.

(c) Medical AI language model solutions

During the year ended December 31, 2025, the Group entered into two contracts to provide multiple deliverables to the customer, including sales of hardware, a self-developed general medical and cognitive large-scale AI model software license, installation and deployment services. Each of the deliverables mentioned above was accounted for as a separate performance obligation because they have standalone functionality and are capable of being distinct. Revenue from sales of hardware and software is recognized upon the receipt of customer acceptance after the installation and deployment. Such acceptance is acknowledged through a signed document verifying that the hardware and software are fully operational to the customer's satisfaction. The Group also provide after-sales maintenance services during the warranty period, which is considered as an assurance-type warranty. The management of the Group has assessed that the financial impact of warranty are expected to be insignificant.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

For the services related to provision of the System integral software solutions in hospitals, the Group is entitled to bill a fixed amount for each time of the assessment and intervention provided. The Group elected to apply the practical expedient by recognizing revenue in the amount to which the Group has right to invoice. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Provision of the System integral software solutions out of hospitals, sales of medical AI language model solutions and most of research projects are for periods of one year or less. As permitted by IFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

The transaction price of research projects for the period over one year allocated to the remaining performance obligations and the expected timing of recognizing revenue are as follows:

	As at December 31, 2025	As at December 31, 2024
	RMB'000	*RMB'000*
Within one year	**217**	2,186

(iv) Segment information

Information reported to the executive directors, being the chief operating decision makers (the "**CODM**") for the purpose of resources allocation and assessment of segment performance, focuses on types of goods or services delivered or provided. The CODM assesses the operating performance and allocates resources of the Group as a whole, as all of the Group's activities are considered to be primarily the provision of cognitive impairment DTx integral software solutions. Accordingly, the executive directors consider there is only one operating segment under the requirements of IFRS 8 *Operating Segments*. In this regard, no segment information is presented.

Geographic information

The Group's operations are mainly located in Chinese Mainland. All of the revenue is derived from the customers located in Mainland China. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Non-current Assets	
	December 31, 2025	December 31, 2024
	RMB'000	*RMB'000*
Chinese Mainland	**48,604**	44,499
Hong Kong	**9,852**	4,082
Japan	**1,876**	–
	60,332	48,581

Note: Non-current assets excluded financial instruments.

(v) Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	For the year ended December 31, 2025 ***RMB'000***	For the year ended December 31, 2024 *RMB'000*
Customer A	**43,222**	31,303
Customer B	**24,997**	–
Customer C	**24,779**	–

The revenue from customer A represents revenue from provision of the System integral software solutions in hospitals and research projects. The revenue from customer B and customer C represent revenue from sales of medical AI language model solutions.

5. OTHER INCOME

	For the year ended December 31, 2025 ***RMB'000***	For the year ended December 31, 2024 *RMB'000*
Interest income on bank balances, term deposits and restricted bank deposits	**12,665**	518
Interest income from rental deposits	**114**	109
Interest income from loan receivables	**873**	–
Government grants related to research and development activities	**2,285**	1,083
Total	**15,937**	1,710

6. OTHER EXPENSES AND OTHER GAINS AND LOSSES, NET

	For the year ended December 31, 2025 ***RMB'000***	For the year ended December 31, 2024 *RMB'000*
Fair value gains on financial assets at FVTPL	**1,116**	5
Loss on early repayments of long-term bond *(Note 21)*	**(3,263)**	–
Gain on re-estimated repayments of long-term bond *(Note)*	**–**	4,161
(Losses) gains on disposal of property, plant and equipment	**(63)**	2
Losses on lease modifications and lease terminations	**(876)**	(9)
Net foreign exchange loss	**(8,833)**	(328)
Loss on prepayment to a service vendor upon cancellation of a conference	**(2,500)**	–
Others	**(172)**	(505)
Total	**(14,591)**	3,326

Note: The repayments of long-term bond are re-estimated according to the expected listing date as the long-term bond will mature on the fifth anniversary of a qualified IPO (as detailed in Note 21).

7. FINANCE COSTS

	For the year ended December 31, 2025 ***RMB'000***	For the year ended December 31, 2024 *RMB'000*
Interest on bank borrowing	**3,979**	517
Interest expense on long-term bond	**19,452**	21,003
Interest on lease liabilities	**555**	505
Total	**23,986**	22,025

8. INCOME TAX EXPENSE AND DEFERRED TAXATION

Income tax expense

	For the year ended December 31, 2025 ***RMB'000***	For the year ended December 31, 2024 *RMB'000*
Current tax:		
PRC Enterprise Income Tax	**10**	4
Under provision in respect of prior year:		
PRC Enterprise Income Tax	**90**	48
Total	**100**	52

The Company was incorporated in the Cayman Islands and is exempted from income tax.

No Hong Kong profit tax was provided for as there was no estimated assessable profit of the Group's Hong Kong subsidiary that was subject to Hong Kong profit tax during the year ended December 31, 2025 (2024: nil).

Under the law of the PRC on Enterprise Income Tax (the "**EIT Law**") and implementation regulations of the EIT Law, the statutory tax rate of the PRC subsidiaries is 25%.

Beijing Zhijingling Technology Co., Ltd.* (北京智精靈科技有限公司) ("**Beijing Zhijingling**") have been accredited as a High-New Technology Enterprise (the "**HNTE**") by the Science and Technology Bureau of Beijing and relevant authorities in December 2019 for a term of three years ended December, 2021. The HNTE qualification of Beijing Zhijingling was further renewed and extended to October 2028. Beijing Zhijingling was subject to a preferential income tax rate of 15% from year 2019 to 2028. Pursuant to the notice of the Ministry of Finance and the State Administration of Taxation on extending the loss carrying forward period of HNTE and high-tech small and medium enterprises (Cai Shui 2018 No. 76), with effect from January 1, 2018, for qualified HNTE and high-tech small and medium enterprises, the unutilized tax losses incurred in the previous 5 years can be utilized in 10 years from the year of loss. The unutilized tax losses of Beijing Zhijingling incurred since year 2014 will be expired in 10 years from the year of loss.

Income tax expense can be reconciled to loss before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	For the year ended December 31, 2025 ***RMB'000***	For the year ended December 31, 2024 *RMB'000*
Loss before tax	**(316,264)**	(198,558)
Tax at the statutory tax rate of 25%	**(79,066)**	(49,640)
Effect of preferential tax rates	**20,307**	13,651
Tax effect of expenses not deductible for tax purpose *(Note i)*	**17,617**	12,953
Under provision in respect of prior year	**90**	48
Tax effect of super deduction for research and development expenses *(Note ii)*	**(6,989)**	(5,030)
Tax effect of deductible temporary differences not recognized	**5,686**	2,014
Tax effect of tax losses not recognized and utilization of tax losses not recognized previously	**42,455**	26,056
	100	52

Notes:

i. Tax effect of expenses not deductible for tax purpose mainly includes share-based payments and the listing expenses of the Company.

ii. Pursuant to Caishui 2023 circular No. 7, Beijing Zhijingling, the PRC subsidiary of BrainAurora Zhejiang enjoy accelerated deduction of 200% on qualifying research and development expenses from January 1, 2023.

Deferred taxation

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at December 31, 2025 ***RMB'000***	As at December 31, 2024 *RMB'000*
Deferred tax assets	**4,575**	3,363
Deferred tax liabilities	**(4,575)**	(3,363)
	–	–

The followings are the deferred tax liabilities and assets recognized and movements thereon:

	Tax losses *RMB'000*	**Right-of-use assets** *RMB'000*	**Lease liabilities** *RMB'000*	**Total** *RMB'000*
At January 1, 2024	98	(3,237)	3,139	–
(Charge) credit to profit or loss	(94)	(126)	220	–
At December 31, 2024	4	(3,363)	3,359	–
Credit (charge) to profit or loss	541	(1,212)	671	–
At December 31, 2025	**545**	**(4,575)**	**4,030**	**–**

As at December 31, 2025, the Group had estimated unused tax losses of approximately RMB739,267,000 (2024: RMB506,304,000), respectively, which are available for offset against future profits. Deferred tax asset has been recognized in respect of approximately RMB2,180,000 of such losses as at December 31, 2025 (2024: RMB16,000). No deferred tax asset has been recognized in respect of the remaining approximately RMB737,087,000 due to the unpredictability of future profit streams as at December 31, 2025 (2024: RMB506,288,000).

The unrecognized tax losses with expiry dates are disclosed in the following table:

	As at December 31, 2025 ***RMB'000***	As at December 31, 2024 *RMB'000*
2026	**1,877**	1,877
2027	**3,477**	3,477
2028	**41,730**	42,326
2029	**28,001**	31,524
2030	**85,753**	3,282
2031	**63,785**	63,785
2032	**146,218**	146,218
2033	**120,737**	120,737
2034	**93,062**	93,062
2035	**152,447**	–
Total	**737,087**	506,288

As at December 31, 2025, the Group has deductible temporary differences of RMB38,486,000 (2024: RMB13,352,000) in relation to the impairment loss under ECL model and certain expenses. No deferred tax asset has been recognized in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilized.

9. LOSS FOR THE YEAR

	For the year ended December 31, 2025 ***RMB'000***	For the year ended December 31, 2024 *RMB'000*
Loss for the year has been arrived at after charging:		
Staff costs, including directors' remuneration		
– salaries and other allowances	**82,652**	67,653
– performance related bonuses	**4,141**	3,284
– retirement benefits	**7,789**	7,219
– equity-settled share-based payments included in selling and distribution expenses	**14,395**	12,382
– equity-settled share-based payments included in administrative expenses	**31,723**	27,273
– equity-settled share-based payments included in research and development expenses	**31,093**	27,112
Total staff costs	**171,793**	144,923
Auditor's remuneration	**1,800**	1,800
Listing expenses	**2,670**	26,852
Depreciation of property, plant and equipment	**13,449**	16,847
Depreciation of right-of-use assets	**11,243**	8,718
Amortization of intangible assets	**1,487**	1,580
Total depreciation and amortization	**26,179**	27,145
Short-term lease expense	**108**	97
Sub-contracting costs in relation to clinical trials included in research and development expenses	**3,047**	1,912

10. DIRECTORS', CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance are as follows:

Year ended December 31, 2025

	Salaries and other allowances *RMB'000*	Performance related bonuses *RMB'000*	Retirement benefits *RMB'000*	Equity Settled Share-based payments *RMB'000*	Total *RMB'000*
Executive directors:					
Mr. Tan Zheng	**14,446**	**200**	**16**	**26,198**	**40,860**
Dr. Wang Xiaoyi *(Note a)*	**547**	**–**	**47**	**12,119**	**12,713**
Sub-total	**14,993**	**200**	**63**	**38,317**	**53,573**
Non-executive directors:					
Mr. Li Sirui	**–**	**–**	**–**	**–**	**–**
Ms. Li Mingqiu	**–**	**–**	**–**	**–**	**–**
Mr. Deng Feng	**–**	**–**	**–**	**–**	**–**
Sub-total	**–**	**–**	**–**	**–**	**–**
Independent non-executive directors:					
Mr. Lam Yiu Por *(Note b)*	**273**	**–**	**–**	**–**	**273**
Dr. Duan Tao *(Note b)*	**273**	**–**	**–**	**–**	**273**
Mr. Li Yuezhong *(Notes b&c)*	**250**	**–**	**–**	**–**	**250**
Mr. Tu Lei *(Note c)*	**23**	**–**	**–**	**–**	**23**
Sub-total	**819**	**–**	**–**	**–**	**819**
Chief executive officer:					
Mr. Cai Longjun *(Note c)*	**1,227**	**94**	**70**	**13,840**	**15,231**
Total	**17,039**	**294**	**133**	**52,157**	**69,623**

Year ended December 31, 2024

	Salaries and other allowances *RMB'000*	Performance related bonuses *RMB'000*	Retirement benefits *RMB'000*	Equity Settled Share-based payments *RMB'000*	Total *RMB'000*
Executive directors:					
Mr. Tan Zheng	1,022	–	47	22,538	23,607
Dr. Wang Xiaoyi	818	60	68	22,386	23,332
Sub-total	1,840	60	115	44,924	46,939
Non-executive directors:					
Mr. Li Sirui	–	–	–	–	–
Ms. Li Mingqiu	–	–	–	–	–
Mr. Deng Feng	–	–	–	–	–
Sub-total	–	–	–	–	–
Independent non-executive directors:					
Mr. Lam Yiu Por *(Note b)*	–	–	–	–	–
Dr. Duan Tao *(Note b)*	–	–	–	–	–
Mr. Li Yuezhong *(Note b)*	–	–	–	–	–
Sub-total	–	–	–	–	–
Total	1,840	60	115	44,924	46,939

Notes:

a. Dr. Wang Xiaoyi resigned from his position as executive director and chief executive officer of the Company on June 19, 2025.

b. Mr. Lam Yiu Por, Dr. Duan Tao and Mr. Li Yuezhong were appointed as independent non-executive directors on December 19, 2024.

c. Mr. Li Yuezhong resigned from his position as independent non-executive director of the Company on November 18, 2025 and Mr. Tu Lei was appointed as independent non-executive director on the same day. Mr. Cai Longjun was appointed as the chief executive officer of the Company on November 18, 2025.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Group.

Mr. Tan Zheng, Mr. Cai Longjun and Dr. Wang Xiaoyi were granted equity interest in the Company at a discount to the fair value, in respect of their services to the Group.

There was no arrangement under which a director of the Company or the chief executive of the Group waived or agreed to waive any remuneration during the year ended December 31, 2025 (2024: nil).

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group included three directors or chief executive for the year ended December 31, 2025 (2024: two), respectively, details of whose remuneration are set out in Note 10 above. Details of the remuneration for the remaining two employees who are not a director of the Company or chief executive of the Group for the year ended December 31, 2025 (2024: three) were as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024
	RMB'000	*RMB'000*
Salaries and other allowances	**1,908**	3,119
Performance related bonuses	**212**	180
Retirement benefits	**140**	204
Equity-settled share-based payments	**2,179**	12,873
Total	**4,439**	16,376

The number of the highest paid employees who are not the directors of the Company or chief executive of the Group whose remuneration fell within the following bands is as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024
	No. of employees	No. of employees
Hong Kong dollar ("**HKD**") 2,000,001 to HKD2,500,000	**1**	–
HKD2,500,001 to HKD3,000,000	**1**	2
HKD16,500,001 to HKD17,000,000	**–**	1
Total	**2**	3

During the year ended December 31, 2025, no emoluments were paid by the Group to the directors of the Company or the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office (2024: nil).

12. DIVIDENDS

No dividend has been paid or declared by the Company during the year ended December 31, 2025, nor has any dividend declaration been proposed since the end of the reporting period (2024: nil).

13. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	For the year ended December 31, 2025 ***RMB'000***	For the year ended December 31, 2024 *RMB'000*
Loss		
Loss for the purpose of basic loss per share	**(314,861)**	(198,282)
Effect of dilutive potential ordinary shares:		
Adjustment of fair value gain on Series A-1 Preferred Shares	**–**	(30,116)
Loss for the purpose of diluted loss per share	**(314,861)**	(228,398)

	For the year ended December 31, 2025 Shares ***('000)***	For the year ended December 31, 2024 Shares *('000)*
Number of shares		
Weighted average number of Ordinary Shares (defined in Note 25) for the purpose of basic loss per share	**1,175,800**	904,122
Effect of dilutive potential ordinary shares:		
Conversion of Series A-1 Preferred Shares	**–**	95,878
Weighted average number of ordinary shares for the purpose of diluted loss per share	**1,175,800**	1,000,000

The weighted average number of Ordinary Shares for the purpose of calculating basic loss per share for the years ended December 31, 2025 has been determined on the assumptions that the Share Subdivision as set out in Note 26 had been effective since January 1, 2025 and the ordinary shares issued to Wisdomspirit Holding Limited ("HoldCo") are not treated as outstanding Ordinary Shares and excluded in the calculation of basic loss per share.

The weighted average number of Ordinary Shares for the purpose of calculating basic loss per share for the years ended December 31, 2024 has been determined on the assumptions that the Share Subdivision as set out in Note 26 had been effective since January 1, 2024 and the Series A-1 Preferred Shares and the ordinary shares issued to HoldCo are not treated as outstanding Ordinary Shares and excluded in the calculation of basic loss per share.

For the purpose of calculation of diluted loss per share for the year ended December 31, 2025 and 2024, it did not take into account the effect of the share awards of the Company since the assumed vesting would result in a decrease in loss per share.

14. PROPERTY, PLANT AND EQUIPMENT

	Office equipment *RMB'000*	Machineries *RMB'000*	Vehicles *RMB'000*	Leasehold improvement *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
COST						
At January 1, 2024	9,385	9,767	1,142	22,703	472	43,469
Additions	5,626	4,657	733	–	5,777	16,793
Transfer	–	–	–	3,479	(3,479)	–
Disposals	(35)	(41)	–	–	–	(76)
At December 31, 2024	14,976	14,383	1,875	26,182	2,770	60,186
Additions	6,766	4,924	2,093	1,335	2,689	17,807
Transfer	–	–	–	5,037	(5,037)	–
Disposals	(6)	(61)	(733)	(17,371)	–	(18,171)
At December 31, 2025	21,736	19,246	3,235	15,183	422	59,822
ACCUMULATED DEPRECIATION						
At January 1, 2024	3,989	3,054	110	12,813	–	19,966
Provided for the year	3,246	4,044	137	9,420	–	16,847
Disposals	(7)	(6)	–	–	–	(13)
At December 31, 2024	7,228	7,092	247	22,233	–	36,800
Provided for the year	3,777	5,286	264	4,122	–	13,449
Disposals	(3)	(21)	(146)	(17,371)	–	(17,541)
At December 31, 2025	11,002	12,357	365	8,984	–	32,708
CARRYING VALUES						
At December 31, 2025	10,734	6,889	2,870	6,199	422	27,114
At December 31, 2024	7,748	7,291	1,628	3,949	2,770	23,386

Property, plant and equipment other than construction in progress are depreciated using the straight-line method after taking into account of their estimated residual values with the following useful lives:

Office equipment	3 years to 5 years
Machineries	3 years
Vehicles	5 years
Leasehold improvement	Shorter of lease terms or cooperation terms with hospitals and 5 years

15. RIGHT-OF-USE ASSETS

	Leasehold properties *RMB'000*
COST	
At January 1, 2024	22,646
Additions	8,316
Early termination of a lease	(1,891)
Reduction of the leased space	(2,673)
Lease modified	10,786
At December 31, 2024	37,184
Additions	9,356
Early termination of a lease	(19,010)
Lease modified	7,645
At December 31, 2025	35,175
ACCUMULATED DEPRECIATION	
At January 1, 2024	9,491
Charge for the year	8,718
Early termination of a lease	(806)
Reduction of the leased space	(1,258)
At December 31, 2024	16,145
Charge for the year	11,243
Early termination of a lease	(10,320)
At December 31, 2025	17,068
CARRYING VALUES	
At December 31, 2025	18,107
At December 31, 2024	21,039

	For the year ended December 31, 2025 *RMB'000*	For the year ended December 31, 2024 *RMB'000*
Short-term lease expense	**108**	97
Total cash outflow for leases	**12,031**	8,948

Right-of-use assets are depreciated on a straight-line basis over the lease terms.

The Group leases properties to operate its business. These leases are made for fixed terms of 2 to 4 years. Lease terms are negotiated on an individual basis and contain different payment terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group's lease agreements do not contain any contingent rent nor any extension, termination option or purchase option for lessee. The lease agreements do not impose any covenants other than the security interests in the leased properties that are held by the lessor. Leased properties may not be used as security for borrowing purposes.

The Group regularly entered into short-term leases for properties. As at December 31, 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense is disclosed in Note 9.

16. INTANGIBLE ASSETS

	Software *RMB'000*	**Patent** *RMB'000*	**Data package** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
COST					
At January 1, 2024	3,236	2,000	–	200	5,436
Additions	267	–	–	–	267
At December 31, 2024	3,503	2,000	–	200	5,703
Additions	5,560	500	5,189	–	11,249
At December 31, 2025	9,063	2,500	5,189	200	16,952
AMORTIZATION					
At January 1, 2024	986	128	–	100	1,214
Charge for the year	880	600	–	100	1,580
At December 31, 2024	1,866	728	–	200	2,794
Charge for the year	661	436	390	–	1,487
At December 31, 2025	2,527	1,164	390	200	4,281
CARRYING VALUE					
At December 31, 2025	6,536	1,336	4,799	–	12,671
At December 31, 2024	1,637	1,272	–	–	2,909

The above intangible assets have finite useful lives, and are amortized on a straight-line basis over the following periods:

Software	3 years to 10 years
Patent	5 years
Data package	10 years
Others	2 years

17. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at December 31, 2025 ***RMB'000***	As at December 31, 2024 *RMB'000*
Trade receivables	**143,491**	105,312
Less: allowance for credit losses	**(50,346)**	(12,371)
	93,145	92,941
Prepayments to suppliers and service providers	**9,687**	19,453
Deferred share issue costs	**–**	8,206
Rental deposits	**3,735**	4,117
Short-term loan receivables *(Note i)*	**20,853**	4,400
Long-term loan receivables *(Note ii)*	**6,000**	–
Receivables from third party payment platforms	**629**	2,879
Advances to employees/a related party	**1,919**	2,059
Value added tax recoverable	**3,115**	1,541
Prepayments for purchase of property, plant and equipment	**183**	1,146
Prepayments for purchase of intangible assets	**2,257**	101
Other deposits	**433**	616
Others	**332**	791
Total	**142,288**	138,250
Analyzed as:		
Non-current	**13,539**	4,029
Current	**128,749**	134,221
Total	**142,288**	138,250
Trade and other receivables and prepayments denominated in:		
USD	**14,058**	–
HKD	**1,585**	842
RMB	**126,645**	137,408
	142,288	138,250

Notes:

i. These receivables were short-term loans to non-related parties and employees, with fixed interest rates from nil to 5.6%, and repayable within one year. The amount of RMB14,300,000 is guaranteed by third parties and the remaining are unsecured and unguaranteed. As the date of this report, RMB15,978,000 (including USD2,131,000, approximately to RMB14,058,000) has been repaid.

ii. This receivable was long-term loan to a non-related party, with fixed interest rate 2.3% per annum, and repayable in five years for both principal and interest. The amount is unsecured and unguaranteed.

As at January 1, 2024, trade receivables from contracts with customers amounted to RMB78,062,000.

Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. The Group allows a credit period of 30 to 180 days to its customers. The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the respective revenue recognition dates at the end of the reporting period:

	As at December 31, 2025	As at December 31, 2024
	RMB'000	*RMB'000*
Trade receivables		
0~90 days	**34,884**	33,425
91~180 days	**25,237**	18,545
181~270 days	**16,166**	14,654
271~360 days	**6,474**	10,546
361~720 days	**10,384**	15,771
Total	**93,145**	92,941

As at December 31, 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB78,082,000 (2024: RMB78,845,000) which are past due as at the reporting date. Out of the past due balances, RMB47,899,000 (2024: RMB51,094,000) has been past due 90 days or more and is not considered as in default because the customers are mainly state-owned hospitals which are with high credit ratings and frequently repay after due dates but usually settle the amounts in full and the amounts are still considered recoverable.

18. RESTRICTED BANK DEPOSITS

	As at December 31, 2025	As at December 31, 2024
	RMB'000	*RMB'000*
Restricted bank deposits for bank borrowings *(Note 24)*	**101,026**	–
Restricted bank deposits for long-term bond *(Note 21)*	**–**	69,495
Others	**167**	–
	101,193	69,495
Analyzed as:		
Non-current	**–**	–
Current	**101,193**	69,495
	101,193	69,495
Restricted bank deposits denominated in:		
USD	**101,026**	-
RMB	**167**	69,495
	101,193	69,495

Restricted bank deposits for bank borrowings carried fixed interest rates which range from 0.05% to 4.23% per annum as at December 31, 2025 (2024: 0.10%).

19. BANK BALANCES AND CASH

	As at December 31, 2025 ***RMB'000***	As at December 31, 2024 *RMB'000*
Cash on hand	**42**	3
Bank balances *(Note i)*	**225,061**	343,879
Cash and cash equivalents	**225,103**	343,882
Term deposits with original maturity over three months and within one year *(Note ii)*	**205,255**	–
	430,358	343,882
Bank balances and cash denominated in:		
RMB	**80,546**	22,742
HKD	**11,582**	–
USD	**338,230**	321,140
	430,358	343,882

Notes:

i Bank balances carried interest at prevailing market rate of nil to 3.39% per annum as at December 31, 2025 (2024: nil to 1.05% per annum).

ii Term deposits carried fixed interest rates which range from 3.20% to 3.70% per annum as at December 31, 2025.

20. TRADE AND OTHER PAYABLES

	As at December 31, 2025 ***RMB'000***	As at December 31, 2024 *RMB'000*
Trade payables	**18,759**	3,419
Accrued salaries and other allowances	**9,964**	10,259
Refund payables *(Note)*	**703**	3,242
Deposits for the hardware for cognitive training out of hospital	**12,707**	7,043
Payables for acquisition of property, plant and equipment	**3,796**	1,265
Accrued listing expenses and share issue costs	**–**	25,255
Other tax payables	**2,302**	1,860
Payables for research and development activities	**1,776**	1,353
Others	**1,359**	2,394
	51,366	56,090
Trade and other payables denominated in:		
USD	**–**	19,717
HKD	**–**	378
RMB	**51,366**	35,995
	51,366	56,090

Note: In December 2020, the Group terminated certain contracts related to sales of the System with distributors and a contract related to service for software development. These balances represent refundable prepayments received from distributors and customer as agreed compensation for the early termination of contracts.

The credit period granted by service providers is generally within 30 days. The following is an aged analysis of trade payables based on the date when service provided at the end of the reporting period:

	As at December 31, 2025 ***RMB'000***	As at December 31, 2024 *RMB'000*
Trade payables		
within 1 year	**18,711**	3,419
over 1 year	**48**	–
Total	**18,759**	3,419

21. LONG-TERM BOND

	As at December 31, 2025 *RMB'000*	As at December 31, 2024 *RMB'000*
Carrying amounts repayable:		
Within one year	**–**	74,663
Between two to five years	**202,314**	–
More than five years	**–**	271,617
	202,314	346,280
Less: Amounts due within one year shown under current liabilities	**–**	(74,663)
Amounts shown under non-current liabilities	**202,314**	271,617

In July 2021, BrainAurora Zhejiang entered into a long-term bond subscription agreement and a supplementary agreement with Shaoxing Binhai New Area Biomedical Industry Equity Investment Fund Partnership (LP)* (紹興濱海新區生物醫藥 產業股權投資基金合夥企業(有限合夥)) ("**Shaoxing Fund**"). The aggregate subscription amount was RMB300 million. The long-term bond carries nominal interests of 6% per annum and will mature on the fifth anniversary of a qualified IPO of the Group (since the Company have been listed on January 8, 2025, the long-term bond will mature on January 8, 2030). BrainAurora Zhejiang shall pay the nominal interest of 6% per annum calculated on a simple basis up to December 31, 2025 no later than December 31, 2025. The principal and the interest from January 1, 2026 to the maturity date shall be settled within seven working days from the maturity date. The total subscription amount of RMB300 million was received in August 2021. Shaoxing Fund may exercise its conversion option in relation to the long-term bond of no more than RMB100 million before the submission of the listing application which no later than December 31, 2025 and the conversion price is subject to further negotiation between the Shaoxing Fund and BrainAurora Zhejiang. The long-term bond includes conversion option that do not meet equity instrument classification by applying IAS 32 Financial Instruments: Presentation. The host debt component is measured at amortized cost and the derivative component of the conversion option is measured at fair value. Since there is no specific conversion price in the agreement, the fair value of the conversion option is considered nil. Therefore, the financial liability is measured at amortized cost and the effective interest rate calculated after taking into account of nominal interest rate and other directly related issue costs is 6.23%.

In June 2023, the Group and Shaoxing Fund signed a supplementary agreement, pursuant to which the conversion right, and the original guarantee obligation of certain shareholders and their close family members and friends were cancelled. The Group set up a new bank account and made deposits of RMB300,000,000 to this account according to the above supplementary agreement and the withdrawal from the account is subject to approval of Shaoxing Fund. The restriction of withdrawal endorsement was waived on January 14, 2025. In June 2025, BrainAurora Zhejiang and Shaoxing Fund signed another supplementary agreement, pursuant to which, all early repaid principal before December 31, 2025 will cease to accrue interest from the date of repayment. BrainAurora Zhejiang repaid the principal of RMB90,000,000 to Shaoxing Fund on June 27, 2025 and the adjustment of RMB3,263,000 to the carrying amount of the long-term bond is recognized in profit or loss at the date of modification. BrainAurora Zhejiang paid RMB76,680,000 interest in December 2025.

* English names are for identification purpose only.

22. LEASE LIABILITIES

The exposure of the Group's lease liabilities are as follows:

	As at December 31, 2025 ***RMB'000***	As at December 31, 2024 *RMB'000*
Lease liabilities payable:		
Within one year	**7,621**	11,823
Within a period of more than one year but not more than two years	**5,444**	6,255
More than two years, but not exceeding five years	**4,054**	2,663
	17,119	20,741
Less: Amount due for settlement with 12 months shown under current liabilities	**(7,621)**	(11,823)
Amount due for settlement after 12 months shown under non-current liabilities	**9,498**	8,918
Lease liabilities denominated in:		
USD	**4,509**	2,588
Japanese yen ("JPY")	**1,644**	-
RMB	**10,966**	18,153
	17,119	20,741

The lease liabilities are measured at the present value of the lease payments that are not yet paid. The incremental borrowing rates applied to lease liabilities range from 2.60% to 4.00% per annum as at December 31, 2025 (2024: 3.50% to 4.00% per annum).

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

23. CONTRACT LIABILITIES

	As at December 31, 2025 ***RMB'000***	As at December 31, 2024 *RMB'000*
Research projects	**169**	1,099
Provision of the System integral software solutions in hospitals	**387**	168
Provision of the System integral software solutions out of hospitals	**17,251**	8,697
Other sales	**10**	111
	17,817	10,075

As at January 1, 2024, contract liabilities from customers amounted to RMB3,930,000.

Revenue recognized during the year ended December 31, 2025 related to contract liabilities balance at the beginning of the period amounted to RMB9,965,000 (2024: RMB3,804,000).

24. BANK AND OTHER BORROWINGS

	As at December 31, 2025	As at December 31, 2024
	RMB'000	*RMB'000*
Other borrowing *(Note i)*	**7,029**	7,189
Bank borrowings *(Note ii)*	**339,060**	14,072
	346,089	21,261
Bank and other borrowings denominated in:		
USD	**7,029**	7,189
RMB	**339,060**	14,072
	346,089	21,261

Notes:

i. In December 2022, BrainAu Medical Technology (Delaware) Co., LLC ("**BrainAu (Delaware)**"), a subsidiary of the Group, entered into a financing agreement with China Frontier Capital Holding Ltd., a shareholder of the Group. According to the original financing agreement, the borrowing amounted to USD1 million and is interest free and is due after the U.S. Food and Drug Administration approves the Section 510(k) registration for the Cognitive Impairment Assessment Software and Cognitive Impairment Treatment Software in the United States of America. During the year ended December 31, 2025, the payment term of the borrowing has been modified to payable no later than December 2027.

ii. All the bank borrowings carried fixed interests and will mature within one year. The interest rate of the bank borrowings as at December 31, 2025 ranged from 2.10% to 3.40% (December 31, 2024: 3.00% to 5.00%) per annum. As at December 31, 2025, bank borrowing of RMB90,330,000 was secured by bank deposits amounted to USD14,373,000 (approximately to RMB101,026,000) as disclosed in Note 18. The rest of bank borrowings of RMB248,730,000 are unsecured and unguaranteed.

25. FINANCIAL LIABILITIES AT FVTPL

	As at December 31, 2025 *RMB'000*	As at December 31, 2024 *RMB'000*
Series A-1 Preferred Shares	–	285,428

On July 30, 2023, as part of the reorganization, the Company issued 95,878 series A-1 preferred shares ("**Series A-1 Preferred Shares**") which had preferential rights including liquidation preferences, anti-dilution right and redemption right and 30,976 series A-2 preferred shares ("**Series A-2 Preferred Shares**") which had priority to sell shares to new investors. The Group has no contractual obligation to deliver cash or a variable number of shares to shareholders of Series A-2 Preferred Shares and thus the Series A-2 Preferred Shares meet the definition of equity. The Company's ordinary shares and Series A-2 Preferred Shares are collectively referred to as "Ordinary Shares".

The shareholders of Series A-1 Preferred Shares Preferred Shares have the rights to convert their respective Series A-1 Preferred Shares into ordinary shares at any time after the date of issuance. Series A-1 Preferred Shares shall be automatically converted into ordinary shares upon the closing of the listing. The conversion ratio for Series A-1 Preferred Shares to ordinary shares is 1:1.

The key terms of preferential rights for Series A-1 Preferred Shares are summarized as follows:

(a) Liquidation preferences

In the event of any liquidation including deemed liquidation, dissolution or winding up of the Company, the shareholders of Series A-1 Preferred Shares ("**Series A-1 Preferred Shareholders**") shall be entitled to receive the amount equal to USD3 million principal investment plus interest of 12% per annum calculated on a simple basis from the issue date of the Series A Financing and no greater than USD6 million.

(b) Anti-dilution right

If without the prior written consent of the Series A-1 Preferred Shareholders, the Company issues new share(s) at a price less than Series A-1 Preferred Shareholders (except for the price of shares pursuant to or in connection with the global offering under the listing, restructuring, and employee share incentive plan), the Series A-1 Preferred Shareholders shall have the right to request for the Company or founder parties ("**Founder Parties**") including ZTan Limited, Wispirits Limited, Wiseforward Limited or Neurobright Limited (companies wholly owned by or controlled by Mr. Tan Zheng or Dr. Wang Xiaoyi) to compensate in cash, so that the amount paid by the Series A-1 Preferred Shareholders divided by the total shares obtained is not higher than the price of the newly issued shares.

(c) Redemption right

The investment from the Series A-1 Preferred Shareholders shall be redeemed by the Company and/or the Founder Parties, at the option of the Series A-1 Preferred Shareholders if the Company failed to complete a qualified IPO before December 31, 2024, which was extended to December 31, 2025 in March 2024 and was further extended to June 30, 2026 in October 2024, and/or upon the occurrence of certain contingent events. The Series A-1 Preferred Shareholders shall be entitled to receive the redemption amount equal to the USD3 million principal investment plus interest of 12% per annum or 20% per annum calculated on a simple basis.

Presentation and classification

The Group has designated Series A-1 Preference Shares which contain redemption features and other embedded derivatives as financial liabilities at FVTPL on initial recognition.

The fair value change of Series A-1 Preferred Shares is recognized to profit or loss except for the portion attributable to credit risk change which shall be recognized to other comprehensive income, if any. The Directors considered that the credit risk change on the financial liabilities that drive the fair value change of the financial liabilities during the years ended December 31, 2024 is immaterial.

The movements in the financial liabilities at FVTPL are as follows:

	Series A-1 Preferred Shares *RMB'000*
At January 1, 2024	315,544
Change in fair value	(30,116)
At December 31, 2024	285,428
Reclassification	(285,428)
At December 31, 2025	–

The fair value of the Series A-1 Preferred Shares at December 31, 2024 was determined with reference to the offer price in the prospectus of the Company dated December 30, 2024.

The Series A-1 Preferred Shares have been converted to 95,878,000 ordinary shares upon listing on January 8, 2025 and were reclassified from financial liabilities to equity at their fair value of RMB285,428,000.

26. SHARE CAPITAL

	Number of shares	**Share capital** *USD*
Ordinary shares		
Ordinary shares of USD0.0000001 each	500,000,000,000	50,000
Authorized		
As at January 1, 2024, December 31, 2024 and January 1, 2025	499,904,122	49,990
Reclassification of Series A-1 Preferred Shares *(Note 25)*	95,878	10
Share Subdivision *(Note i)*	499,500,000,000	–
As at December 31, 2025	500,000,000,000	50,000
Issued and fully paid		
As at January 1, 2024, December 31, 2024 and January 1, 2025	989,288	99
Reclassification of Series A-1 Preferred Shares *(Note 25)*	95,878	10
Share Subdivision *(Note i)*	1,084,080,834	–
Issue of shares upon the IPO *(Note ii)*	181,112,000	18
As at December 31, 2025	1,266,278,000	127

	As at December 31, 2025 *RMB'000*	As at December 31, 2024 *RMB'000*
Presented as	**1**	1

Notes:

i. Pursuant to the written resolutions of all shareholders of the Company passed on December 24, 2024, each share in the then issued and unissued share capital with par value of USD0.0001 each has been split into 1,000 shares of the corresponding class with nominal value of USD0.0000001 each effective upon listing (the "**Share Subdivision**").

ii. On January 8, 2025, 181,112,000 ordinary shares with par value of USD0.0000001 each of the Company were issued at HKD3.22 by way of public offer resulting in an increase of the share capital of US$18.1 (equivalent to approximately RMB130). An amount of RMB539,168,000, being the excess of the consideration received of HKD583,181,000 (equivalent to approximately RMB539,168,000) over the par value of the ordinary shares of RMB130, was credited to share premium. On the same date, the Company's shares were listed on the Main Board of the Stock Exchange.

27. EVENTS AFTER THE REPORTING PERIOD

In February 2026, the Company allotted and issued 92,000,000 shares at HKD5.60 per share. After deducting all related fees, costs, and expenses associated with the placing and the subscription, the net proceeds from the subscription amounted to HKD500,680,000 (approximately to RMB445,916,000), which has already been received in February 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

We are a seasoned player in China's cognitive impairment digital therapeutics (the "**DTx**") market. We are the first company in China that has developed a medical-grade DTx product for cognitive impairment, combining brain science with advanced artificial intelligence (the "**AI**") technologies. Our product pipeline covers both the assessment and intervention of a broad range of cognitive impairments induced by vascular diseases, neurodegenerative diseases, psychiatric disorders, and child development deficiencies, among others. Our Core Product (as defined in Chapter 18A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**")), the Brain Function Information Management Platform Software System (the "**System**" or the "**Core Product**"), is the first cognitive impairment DTx product that has obtained regulatory approval in China.

We are a commercial stage company. As of the date of this announcement, our Core Product had been included in the provincial health insurance reimbursement lists of 30 provinces in China. We are committed to assisting medical institutions across the country to establish diagnostic and treatment centers for cognitive impairment, and building long-term business relationships with medical institutions to promote the development of cognitive impairment DTx market in China. As of the date of this announcement, we had helped more than 200 hospitals establish cognitive centers in China, including several leading hospitals with "National Medical Center" (國家醫學中心) certification for various medical specialties by the NHC. We are committed to making achievements in the brain scientific research to DTx products that benefit cognitive impairment patients.

We have established a broad DTx product pipeline. The Core Product had been commercialized for eight indications from four major types of cognitive impairment and is under development for several other cognitive impairment indications as of the date of this announcement. We had three other products with regulatory approvals in China, one other product with regulatory approval in the EU and six product candidates under different stages of preclinical and clinical development or registration process as of the date of this announcement. We enjoy rights with respect to our products and product candidates in jurisdictions where we receive regulatory approvals.

Our Core Product – Brain Function Information Management Platform Software System

Our Core Product, the System, is an evidence-based, medical-grade DTx product, and the first cognitive impairment DTx product in China to receive regulatory approval. In September 2018, we obtained the initial Class II medical device registration certificate from the Hunan Medical Products Administration (the "**Hunan MPA**") for the System. In June 2020, we obtained an amended certificate (the "**2020 Amended Certificate**") from the Hunan MPA to include the screening, assessment, recovery and data analysis of eight specific indications. In May 2023, we renewed the 2020 Amended Certificate with the Hunan MPA (the "**2023 Renewed Certificate**"), which contains the same indication coverage as the 2020 Amended Certificate.

The System is software that combines clinical experience in brain science with deep neutral networks ("**DNN**") algorithms, a powerful category of machine learning algorithms, to assess a patient's cognitive impairment and provide personalized DTx treatment options. The System enables clinical assessment and interventions for various types of cognitive impairment induced by vascular diseases, neurodegenerative diseases, psychological disorders and child development deficiencies, among other types of cognitive impairments. The System incorporates our two underlying technologies, namely virtual human and AI technologies. In particular, our DNN algorithms are trained with a large amount of information on patient demographics, clinical assessment, diagnosis and information collected during patients' participation in training tasks at diverse difficulty levels. Our DNN algorithms undergo constant iteration and training to dynamically adjust the content of the training tasks. The DNN algorithms can identify the most suitable training out of millions of different possible combinations, building on over 300 training modules that are designed to activate the appropriate brain regions for the best therapeutic effect.

Patients that use the System typically suffer from cognitive impairment, which is what the System addresses. Such cognitive impairments may be induced by many classes of diseases, such as vascular diseases, neurodegenerative diseases, psychiatric disorders and child development deficiencies. In addition, the clinical trials that have been undertaken on the System demonstrate the safety and efficacy of the System in improving patients' cognitive functions (such as speed, attention, perception, long-term memory, working memory, calculation, executive control, reasoning and problem solving), not the inducing diseases themselves. Therefore, despite the variety in the diseases that could induce cognitive impairment, the eight existing indications as well as the potential new indications are considered indication expansion of the System and can be added to the same medical device registration certificate.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET THE SYSTEM WITH NEW INDICATIONS SUCCESSFULLY.

Our Other Key Products and Product Candidates

As of the date of this announcement, four of our products besides the System had obtained regulatory approvals in China or abroad, including, among others, BCAT, SAS and DSS (terms defined below).

Basic Cognitive Testing Software (the "BCAT")

BCAT is designed to facilitate healthcare professionals' assessment of patients' basic cognitive capacity by enabling patients to self-administer tests of their cognitive capacities relating to processing speed, working memory, episodic memory, visual-spatial ability and verbal comprehension. We obtained a Class II medical device registration certificate from the Hunan MPA for the BCAT in October 2022. After obtaining regulatory approval in 2022, we have been and are undergoing further research and preparing additional scientific literature with regards to BCAT, which we believe would be conducive to improving its market recognition and acceptance by the medical community. We have commenced the commercialization of BCAT in 2025.

Cognitive Ability Supplemental Screening and Assessment software (the "SAS")

SAS is designed to facilitate healthcare professionals' assessment of patients' cognitive capacity by enabling patients to self-administer Mini-Mental State Examination and Montreal Cognitive Assessment tests. We obtained a Class II medical device registration certificate from the Hunan MPA for the SAS in December 2022 after submitting relevant clinical evaluation materials. After obtaining regulatory approval in 2022, we have been and are undergoing further research and preparing additional scientific literature with regards to SAS, which we believe would be conducive to improving its market recognition and acceptance by the medical community. We have commenced the commercialization of SAS in 2025.

Dyslexia Supplemental Screening and Assessment Software (the "DSS")

DSS is designed to facilitate the assessment of risk of developmental dyslexia in children. We received a Class II medical device registration certificate for DSS in September 2023 from the Hunan MPA. In support of our application for the above Class II medical device registration certificate, we submitted a clinical comparison with the System. DSS was commercialized in 2025.

Dyslexia Adjunctive Recovery Training Software

We are currently conducting a clinical trial for our Dyslexia Adjunctive Recovery Training Software product. The main components of the Dyslexia Adjunctive Recovery Training Software are: 1. perceptual training module; 2. language-based training module. The training task system covers cognitive domains such as perception, reading, attention, and language, aiming to improve reading accuracy and fluency through targeted exercises.

Quantitative Cognitive Assessment Software for Depression

The Quantitative Cognitive Assessment Software for Depression is the first medical device product in China designed to assess the cognitive abilities of patients with depression. We plan to complete the clinical trial study in the third quarter of 2025 and conduct data statistics and analysis. We will formally submit the registration application to the Beijing Municipal Medical Products Administration in the fourth quarter of 2025 and anticipate commercialization in 2026.

Depression Treatment Software

We are currently under preclinical development of the depression treatment software, called "Mind Island Aurora", which is a computerized system utilizing a combination of game-playing and Computerized Cognitive Behavioral Therapy to alleviate symptoms associated with depression. We expect to initiate clinical trial in the first quarter of 2026.

Cognitive Impairment Assessment Software and Cognitive Impairment Treatment Software

In order to expand our international footprint and build global influence, we are developing the following products for the U.S. and the EU: Cognitive Impairment Assessment Software and Cognitive Impairment Treatment Software. On July 22, 2022, we obtained the CE mark in the EU for our Cognitive Impairment Treatment Software, which is exempted from clinical trial requirements under EU's Medical Device Regulation and allows for its commercialization in the EU that is expected to commence in 2026. We are also developing our Cognitive Impairment Treatment Software and Cognitive Impairment Assessment Software in the U.S. in preparation for regulatory filings under Section 510(k).

Bone trauma and pain cognitive impairment digital therapeutics product

The Company has completed the R&D of the bone trauma and pain digital therapeutics product, and plans to initiate the registration clinical research in the second quarter of 2026, and expects to complete the registration clinical research in the second quarter of 2027. We plan to submit the registration application in the third quarter of 2027, and expect to obtain the medical device registration certificate and commence commercialization in the first quarter of 2028.

RESEARCH AND DEVELOPMENT CAPABILITY

We believe that out continued research and development ("**R&D**") is the key driver of our growth and competitiveness.

R&D Team

We have a strong multi-disciplinary in-house R&D team of 128 professionals with 26 holding a master's degree and two holding PhDs as of the date of this announcement. Our R&D team is led by Mr. Cai Longjun ("**Mr. Cai**"), who is our chief executive officer, chief technology officer and chief operating officer. Our key R&D staff have on average over six years of relevant experience in the DTx industry. Our R&D team frequently participates in academic and industry conferences and engages with industry and clinical experts to bring us up-to-date insights and innovations from a global perspective. Our R&D team is divided into the following three groups: (i) Brain Research Institute, (ii) Product Innovation Center, and (iii) Technology Research Center. Externally, we have established long-term relationships with key opinion leaders, including well-known medical professional and clinical experts in China. Leveraging their insights and recommendations, we are able to focus our R&D process on unmet clinical needs and explore frontier and breakthrough technologies.

Product Design and Preclinical Development

We have established and strictly followed an internal protocol that governs the design and development of our products. Our internal protocol was formulated based on applicable National Medical Products Administration of China (國家藥品監督管理局) regulations and ISO 13485. To start with a product development project, we conduct market research to analyze market prospects and patient's need and formulate a development proposal that describes the target medical need, potential risks and specific product functions. After obtaining approvals from our management on the project, we will then formulate a detailed development plan, which includes the product functionalities and applications, labor and budget planning and begin the development process.

Clinical Development

Our clinical affairs department has significant experience in conducting clinical trials for our products. As of the date of this announcement, we had organized a dedicated regulatory and clinical affairs department consisting of seven members, with extensive experience in medical device industry. We also set up a separate regulatory affairs team in charge of regulatory communications. Our regulatory affairs team is mainly responsible for sorting and reviewing registration materials of our products, as well as submitting such materials to the relevant government agencies. We conduct clinical trials of new indications and products in order to obtain the requisite regulatory approvals and collect access-controlled data that can improve the design and features of our products. The goal of a clinical trial is to measure the clinical safety and efficacy of a device. Primary parameters for clinical trials are selected based on the intended use of the medical device.

FUTURE DEVELOPMENT AND OUTLOOK

Digital therapeutics (DTx) refer to software-driven medical solutions that assess patient conditions by collecting various types of patient data (such as pictures, texts, voices and video feeds) in order to deliver therapeutic interventions that prevent, treat, and manage various types of diseases. DTx digitize medical principles and standardized treatment plans into software-driven interventional measures that improve patients' access to and compliance with treatments. Cognitive impairment DTx, as its subset, focuses on deficits in neurocognitive domains caused by vascular diseases, neurodegenerative diseases, psychiatric disorders, and child development deficiency. Specific types include vascular disease induced cognitive impairment (VDCI), neurodegenerative disease induced cognitive impairment (NCI), psychiatric disorder-related cognitive impairment (PCI), and child development disorders such as Attention Deficit Hyperactivity Disorder (ADHD) and autism. Each category of diseases presents unique treatment challenges, and traditional drug therapies often may not be effective or lack targeted options, therefore there is a growing need for effective, evidence-based solutions. Cognitive impairment DTx leverages cutting-edge technology to provide patients with personalized assessment and intervention tools to improve their cognitive functions and quality of life. As the number of people affected by cognitive impairments continues to increase, the market is experiencing significant growth and is expected to continue to grow.

I. Industry Development: Market demand coupled with policy and technology drivers propels the continuous development of domestic and overseas markets

1. The burden of cognitive impairment related diseases in China continues to increase, and national policies highly support prevention and treatment

China has a massive number of cognitive impairment patients. Among adults, there are currently approximately 38.77 million patients with mild cognitive impairment and approximately 15.07 million patients with dementia in the population aged 60 and above; there are approximately 23 million children with ADHD. The cognitive impairments induced by these diseases have caused a heavy economic burden on patients, families, and society.

The prevention and treatment of cognitive impairment and related psychiatric and psychological disorders have risen to the national strategic level. The National Action Plan for the Prevention and Treatment of Dementia explicitly proposes the establishment of a comprehensive and continuous prevention and control system of "prevention, screening, diagnosis and treatment, recovery, and care"; the Healthy Children Action Enhancement Plan (2021-2025) also emphasizes strengthening the monitoring and assessment of children's psychological and behavioral development.

Traditional cognitive impairment medical services generally face bottlenecks such as uneven distribution of professional resources, low patient accessibility, and high difficulty in long-term management, which restrict the efficiency and quality of prevention and treatment. Cognitive impairment DTx, with evidence-based medicine as its core and relying on information technologies such as cloud computing, big data, and artificial intelligence, can break through time and space limitations, precisely match patient needs, and achieve personalized interventions. With its high accessibility advantage, it is becoming an important breakthrough and core path for solving the prevention and control challenges of cognitive impairment diseases. The DTx products represented by BrainAurora's Core Product have been included in the provincial health insurance reimbursement lists of 30 provinces, marking the wide recognition of its clinical value and fully reflecting the state's high level of attention to psychiatric disorders such as cognitive impairment at the policy level.

2. The accelerated iteration of AI-driven technologies and products brings new opportunities for disease treatment

The cognitive impairment intervention field is currently undergoing profound technological transformations. The industry has gradually shifted from traditional single functional training to a stage of etiology diagnosis and risk prediction integrating multi-modal data. By integrating multi-dimensional data such as medical imaging and physiological indicators, the intervention mode aligns more closely with the essence of the disease, achieving an upgrade from symptom relief to source prevention and control.

Large AI models have become a core driving force, deeply applied in aspects such as the generation of personalized intervention plans, virtual human intelligent assessments, precise prediction of therapeutic efficacy, and continuous iteration of intervention plans, propelling the industry from experience-led to data-driven precise diagnosis and treatment.

At the same time, the establishment of industry standards has become the core commanding height of competition. Building a unified assessment technology system, standardized clinical validation pathways, and standardized application norms are inevitable requirements for the high-quality development of the industry. In the future, enterprises that can deeply participate in the formulation of industry standards will occupy a significant advantage in market access, technological competition, and industry discourse.

3. Leveraging local advantages to empower the globe, the overseas expansion of DTx is a general trend

Many countries around the globe are jointly facing the common challenges of deepening population aging and the continuously rising burden of cognitive impairment diseases. Data shows that the proportion of the population aged 65 and above in Singapore has exceeded 30%, and the population aged 60 and above in Malaysia has reached 3.8 million. The prevention and control of cognitive impairment has become a key topic in the public health sector of many countries. Singapore has successively launched strategic initiatives such as "Healthier SG" and "Dementia-Friendly Singapore," striving to build a health management system of early screening and full-cycle care; although Malaysia faces a dilemma of relatively scarce medical resources, it continues to improve mental health-related policies and increase investments in disease prevention and treatment.

China's cognitive impairment DTx, which have matured in advance, possess core competitiveness for global export by virtue of multiple advantages in technology, products, models, and standards. Based on the massive domestic market and policy dividends, expanding mature technological solutions, service systems, and practical experiences overseas will not only help alleviate the global shortage of cognitive impairment medical resources, but is also an important choice for the industry to break through domestic market boundaries and achieve global development.

II. BrainAurora's Recognition and Outlook on Industry Development Trends

1. "Medical-grade" is the core direction of DTx products, evidence-based medicine is the cornerstone, and standards are the barriers

Building DTx into medical-grade products with clinical value is the core direction of industry development. To achieve medical-grade certification, it is necessary to follow a rigorous evidence-based medicine system: generating high-level academic papers through standardized and scientific clinical trials, and forming authoritative and credible evidence-based medical evidence. On this basis, promoting the formation of expert consensus and clinical guidelines with high-quality clinical evidence, and thereby formulating industry standards to push for the inclusion of products into standardized diagnosis and treatment systems, is the key path for DTx to gain clinical and market recognition. BrainAurora cooperates with top institutions such as Peking University Sixth Hospital to conduct randomized controlled trials (such as the ADHD digital-drug combination therapy), supporting product value with authentic and reproducible clinical data; meanwhile, participating in the formulation of multiple consensuses and standards not only consolidates its technological leadership but also lays the foundation for the development of the DTx industry.

2. Platformization is the ultimate form, and data and AI constitute a flywheel

Cognitive impairment is a typical chronic disease. Its intervention and recovery require continuous, long-term, and personalized full-course management. Single-function products are difficult to meet the long-term needs of clinical practice and patients; platformization is the ultimate form of industry development.

The core barrier of an enterprise lies in building and connecting the four-in-one "Medical-Patient-Data-AI" closed-loop ecological platform. The real-world intervention data of patients are continuously accumulated and fed back, which retrofeeds the iterative upgrading of AI algorithms and models; more precise AI models further enhance intervention effects and clinical value; excellent therapeutic efficacy and empirical evidence attract more medical institutions and clinical experts to carry out in-depth cooperation; broader clinical applications and superior service experiences drive more patients to access and continuously use the platform, forming a positive growth flywheel that builds long-term sustainable core competitiveness for the Company.

3. The overseas expansion of DTx conforms to industry trends and becomes an important direction for expanding business models

Facing the continuously growing global demand for cognitive health, actively promoting the overseas layout of DTx not only complies with industry development trends, but is also an important direction for the Company to expand its business models and broaden its development space. Relying on its core advantages in clinical evidence, technological R&D, and product commercialization, and leveraging China's international influence in the digital health sector, the Company focuses on exploring markets and carrying out business layouts in neighboring countries such as those in Southeast Asia, steadily promoting the outward export of mature medical-grade DTx products and service systems. By pragmatically advancing international practices, the Company further unlocks the value of its technologies and products, assisting the Company in building a more resilient and sustainable global development layout.

III. BrainAurora's Future Strategic Layout: Leading industry development through technological innovation, deepening domestic market cultivation, and exploring global development

(I) Domestic Market: Building an "Industry-Academic-Research-Medical" closed-loop ecosystem to seize the commanding heights of standards and data

1. Vertically deepening cultivation in scientific research commanding heights

Participating in major national specific projects: Through cooperation with "national teams" such as Xuanwu Hospital, focusing on cognitive impairment with specific etiologies such as intracranial atherosclerotic stenosis (ICAS), we are developing digital diagnosis and treatment technologies based on deep reasoning large models to initiate etiology diagnosis from the source.

Co-building key laboratories: Jointly applying for and gaining approval for a Beijing Key Laboratory with top medical institutions such as Xuanwu Hospital and Peking University Sixth Hospital, deeply integrating the enterprise's R&D capabilities into the national scientific research system to ensure continuous technological leadership.

2. Horizontally expanding product application scenarios

Continuously deepening layouts in the psychiatric specialty field, the Company has established in-depth cooperation with core domestic psychiatric specialty institutions such as Peking University Sixth Hospital, Beijing Anding Hospital, and Shandong Mental Health Center, building a three-in-one cooperation network of top-level scientific R&D, clinical validation implementation, and regional large-scale promotion, comprehensively covering key psychiatric and psychological disease fields such as Attention Deficit Hyperactivity Disorder (ADHD) and depression, continuously solidifying clinical and scientific research advantages.

In terms of the public health service system, we actively promote product coverage and scenario extension. The Company collaborates with Beijing Jianguo Medical, a designated project execution unit of the Guokang Center of the Ministry of Civil Affairs, to promote the implementation of products in mental health welfare institutions and grassroots community scenarios. Relying on three core drivers: national standard research, multi-center clinical pilots, and long-term cohort data construction, we assist products in gradually integrating into the public health and social welfare systems.

(II) Overseas Market: Implementing the pragmatic implementation strategy of "Model First, Radiating Regions"

The Company implements an overseas expansion strategy tailored to local conditions in overseas markets. In regions such as Singapore, Malaysia, Macau, and Hong Kong, we integrate product, channel, brand, and technological resources to jointly promote product implementation, explore the sample model, and reserve momentum for long-term growth.

(III) Underlying Technology: Building the "AI Brain" and "Data Flywheel"

Continuously investing in the R&D of large AI models (such as BrainAuGPT), we achieve automated assessments through virtual humans, and utilize AI technology to realize the dynamic recommendation of training plans tailored to each individual. We explore "multi-modal AI cognitive agents" to achieve the leap from assisted assessment to proactive interventional decision-making, integrating EEG, voice, imaging, genomics, and wearable device data to build a full-cycle cognitive health management system covering "assessment – intervention – recovery".

The Company will take real-world data obtained from domestic multi-center pilots as its core asset, utilize knowledge enhancement technology to solve the pain points of real-world data being "unstructured and multi-source heterogeneous," conduct unified integration and build a standardized cognitive data knowledge base, continuously iterate algorithms, optimize products, and generate high-level evidence-based evidence, constructing a dual access barrier of "standards + data".

OUR PRODUCTS AND PRODUCT PIPELINE

The following chart summarizes the development status of our products as of the Latest Practicable Date:

Product	Disease Area	Indication	Assessment/ Intervention	Phase				Upcoming Milestone	Estimated and Actual Time of Commercialization	Commercialization Country/Region
				Preclinical	Clinical Trial	Registration	Commercialization			
Brain Function Information Management Platform Software System ★	Vascular disease induced cognitive impairment	Vascular cognitive impairment	Assessment + Intervention						June 2020	China
		Aphasia	Assessment + Intervention						June 2020	China
		Atrial fibrillation induced cognitive impairment	Assessment + Intervention					2026 Q2 Registration Submission	2026 Q4	China
		Hypertension induced cognitive impairment	Assessment + Intervention					2026 Q2 Registration Submission	2026 Q4	China
		Coronary heart disease induced cognitive impairment	Assessment + Intervention					2026 Q2 Registration Submission	2026 Q4	China
		Heart failure induced cognitive impairment	Assessment + Intervention					2027 Q3 Clinical Trial Initiation	2029	China
	Neurodegenerative disease induced cognitive impairment	Alzheimer's disease	Assessment + Intervention						June 2020	China
		Amnestic mild cognitive impairment	Assessment + Intervention					2027 Q2 Registration Submission	2028	China
		Parkinson's disease	Assessment + Intervention					2027 Q3 Clinical Trial Initiation	2029	China
	Psychiatric disorder induced cognitive impairment	Depression	Assessment + Intervention						June 2020	China
		Schizophrenia	Assessment + Intervention						June 2020	China
		Sleep disorders	Assessment + Intervention						June 2020	China
		Anxiety	Assessment + Intervention					2027 Q3 Clinical Trial Initiation	2029	China

Product	Disease Area	Indication	Assessment/ Intervention	Phase				Upcoming Milestone	Estimated and Actual Time of Commercialization	Commercialization Country/Region
				Preclinical	Clinical Trial	Registration	Commercialization			
	Child development deficiency induced cognitive impairment	Attention deficit hyperactive disorder	Assessment + Intervention						June 2020	China
		Autism	Assessment + Intervention						June 2020	China
		Language delay	Assessment + Intervention					2027 Q3 Clinical Trial Initiation	2029	China
		Cerebral palsy	Assessment + Intervention					2027 Q3 Clinical Trial Initiation	2029	China
		Dyslexia	Intervention					End of 2026 Registration Submission	2027	China
	Other disorders	Epilepsy	Assessment + Intervention					2027 Q3 Clinical Trial Initiation	2029	China
		Bone fracture induced pain	Assessment + Intervention					2027 Q2 Clinical Trial Completion	2029	China
		Diabetes	Assessment + Intervention					2027 Q3 Clinical Trial Initiation	2029	China
		Hepatic encephalopathy	Assessment + Intervention					2027 Q4 Clinical Trial Initiation	2029	China
		Post-breast cancer surgery rehabilitation	Assessment + Intervention					2027 Q4 Clinical Trial Initiation	2029	China
		Post-lung cancer surgery rehabilitation	Assessment + Intervention					2027 Q4 Clinical Trial Initiation	2029	China
		Drug addiction	Assessment + Intervention					2027 Q4 Clinical Trial Initiation	2029	China

Product	Disease Area	Indication	Assessment/ Intervention	Phase				Upcoming Milestone	Estimated and Actual Time of Commercialization	Commercialization Country/Region
				Preclinical	Clinical Trial	Registration	Commercialization			
Basic Cognitive Ability Testing Software		Cognitive impairment	Assessment					2025 H2 Full Commercialization	2025	China
Cognitive Ability Supplemental Screening and Assessment Software		Cognitive impairment	Assessment					2025 H2 Full Commercialization	2025	China
Dyslexia Supplemental Screening and Assessment Software	Child development deficiency induced cognitive impairment	Dyslexia	Assessment					2025 H2 Full Commercialization	2025	China
Attention Deficit Hyperactivity Disorder Assessment and Treatment Software	Child development deficiency induced cognitive impairment	Attention deficit hyperactivity disorder	Assessment + Intervention					2027 Q2 Clinical Trial Initiation	2029	China
Quantitative Cognitive Assessment Software for Depression	Psychiatric disorders	Depression	Assessment					2026 Q2 Registration Submission	2026	China
Depression Treatment Software	Psychiatric disorders	Depression	Intervention					2026 Q2 Clinical Trial Initiation	2029	China
Cognitive Impairment Assessment Software		Cognitive impairment	Assessment					2027 H2 Registration Submission	2028	EU
								2027 H2 Registration Submission	2028	US
Cognitive Impairment Treatment Software		Cognitive impairment	Intervention					2025 Commencement of Commercialization	2025	EU
								2027 H2 Registration Submission	2029	US

★ Core Product

Commercialized Product/Indication

Product exempt from clinical trials under current relevant regulations

Regulatory approvals obtained through submission of clinical evaluation materials on the System conducted by third parties

FINANCIAL HIGHLIGHTS

Overview

The following discussion is based on, and should be read in conjunction with, the financial information and notes included elsewhere in this announcement.

Revenue

Our revenue increased by RMB97.74 million from RMB122.31 million for the year ended December 31, 2024 to RMB220.05 million for the year ended December 31, 2025, representing a year-on-year increase of 79.91%.

We generate revenue from (i) provision of the System integral software solutions in hospitals; (ii) provision of the System integral software solutions out of hospitals to individual patients; (iii) provision of research projects services to research institutions; (iv) sales of medical AI large language model solutions; and (v) others, such as sales of hardware embedded with the System and the related user accounts. The increase in our revenue was primarily due to (i) an increase in the number of hospitals that have formally established cooperative relationships to 206 by the end of 2025. The cooperating hospitals are widely distributed, mainly concentrated in the Pearl River Delta, Beijing-Tianjin-Hebei, Sichuan, Henan and other regions, and gradually covering the core cities in the central and northern regions, which has laid a solid channel foundation for the large-scale application of products nationwide; (ii) on the home-based user end, core operating metrics achieved an overall jump: (1) an increase in the number of times patients used the System from approximately 1,800,000 times in 2024 to approximately 3,300,000 times by the end of 2025; (2) average monthly active users increased from 2,154.67 in 2024 to 4,290.75 in 2025, representing an increase of 99.14%; (3) monthly active users reached 10,229 in December 2025, representing an increase of 72.52% compared to 5,929 in the corresponding period of 2024; (4) average daily usage time per user was 23.29 minutes in 2025, reflecting strong user stickiness and intervention compliance; and (iii) an additional revenue of RMB49.78 million from the sales of medical AI large language model solutions.

Cost of Sales

Our cost of sales increased from RMB68.30 million for the year ended December 31, 2024 to RMB130.60 million for the year ended December 31, 2025, representing an increase of 91.21%. The increase in our cost of sales was primarily due to (i) an RMB32.21 million increase in operational costs, incurred by third-party service providers that provide operational support in cognitive centers on our behalf; and (ii) an increase in the number of cognitive centers from which we incurred construction costs from 107 in 2024 to 160 in 2025, which led to an increase in construction and depreciation costs; and (iii) an addition of RMB47.35 million in hardware equipment procurement costs for the sales business of medical AI large language model solutions.

Gross Profit

Our gross profit increased from RMB54.01 million for the year ended December 31, 2024 to RMB89.45 million for the year ended December 31, 2025, representing an increase of 65.62%. The increase in our gross profit was primarily due to the significant increase in sales volume of the System and the increase in the number of hospitals and patients that used our System.

Other Income

Our other income primarily consists of (i) interest income on bank balances, term deposits and restricted bank deposit; (ii) interest income from rental deposits; (iii) interest income from loans receivable; and (iv) government grants related to R&D activities.

Our other income increased from RMB1.71 million for the year ended December 31, 2024 to RMB15.94 million for the year ended December 31, 2025, representing an increase of 831.99%. The increase in our other income was mainly attributable to the receipt of IPO proceeds in 2025, which resulted in an increase in average balance as compared to 2024, leading to an increase in interest income on bank balances, term deposits and restricted bank deposits of RMB12.15 million.

Other Expenses and Other Gains and Losses, Net

Our other expenses and other gains and losses, net primarily relates to fair value gains on financial assets at FVTPL. Our other expenses and other gains and losses, net changed from a gain of RMB3.33 million for the year ended December 31, 2024 to a loss of RMB14.59 million for the year ended December 31, 2025. The decrease in our other expenses and other gains and losses, net was primarily attributable to a loss of RMB3.26 million on early repayment of long-term bonds in 2025, an increase in net foreign exchange loss of RMB8.51 million, and a loss of RMB2.50 million on prepayment upon to a service vendor upon cancellation of a conference.

Fair Value Changes of Financial Liabilities at FVTPL

Our fair value changes of financial liabilities at FVTPL primarily relates to fair value changes of our redeemable preference shares. Our fair value changes of financial liabilities at FVTPL changed from gain of RMB30.12 million for the year ended December 31, 2024 to gain of RMB nil million for the year ended December 31, 2025, representing a 100% decrease. The decrease in our gain on fair value changes of financial liabilities at FVTPL was primarily attributable to the automatic conversion of redeemable preference shares into ordinary shares upon listing, which no longer involved such changes.

Selling and Distribution Expenses

Our selling and distribution expenses primarily consist of (i) market development and service expenses; (ii) employee benefits expenses; (iii) depreciation and amortization expenses; (iv) share-based payments; and (v) others.

Our selling and distribution expenses increased from RMB48.02 million for the year ended December 31, 2024 to RMB74.88 million for the year ended December 31, 2025, representing an increase of 55.95%. The increase in our selling and distribution expenses was primarily attributable to an increase in market development and service expenses driven by the increasing efforts to explore business cooperation opportunities in order to reach more hospitals and other customers and to enhance industry recognition and awareness of our products.

From the perspective of expenses ratio, the proportion of our selling and distribution expenses to revenue decreased from 39.26% in 2024 to 34.03% in 2025.

Administrative Expenses

Our administrative expenses primarily consist of (i) employee benefit expenses for our administrative staff; (ii) professional service expenses; (iii) utilities and office expenses; (iv) depreciation and amortization expenses; (v) share-based payments; and (vi) others.

Our administrative expenses increased from RMB59.93 million for the year ended December 31, 2024 to RMB100.70 million for the year ended December 31, 2025, representing an increase of 68.03%. The increase in our administrative expenses was primarily attributable to the facts that (i) employee benefit expenses increased from RMB12.82 million in 2024 to RMB25.29 million in 2025, representing an increase of RMB12.47 million or 97%, mainly due to the increase in remuneration for setting up overseas offices in 2025; (ii) professional service expenses increased from RMB3.40 million in 2024 to RMB15.57 million in 2025, representing an increase of RMB12.17 million or 358%, mainly due to the increase in related service fees as the Company was listed in Hong Kong in January 2025; (iii) utilities and office expenses increased from RMB6.17 million in 2024 to RMB9.28 million in 2025, representing an increase of RMB3.11 million or 50%, mainly due to the increase in property management fees and renovation fees resulting from the newly added lease of Chengdu office and overseas offices in the current period; (iv) depreciation and amortization expenses increased from RMB8.96 million in 2024 to RMB9.52 million in 2025, representing an increase of RMB0.56 million or 6%, showing a relatively small fluctuation; (v) an administrative expense of RMB31.72 million recognized in 2025 since an entity awarded 85,166 awarded shares to 46 grantees on July 31, 2023, representing an increase of RMB4.45 million as compared with the RMB27.27 million in 2024; and (vi) other expenses increased by RMB8.02 million, which was primarily generated from the increase in business expansion.

R&D Expenses

Our R&D expenses primarily consist of (i) staff remuneration; (ii) share-based payments; (iii) other miscellaneous purchases and reimbursements; (iv) technical service fee engaging external organization for development; and (v) service fee and cloud service fee.

Our R&D expenses increased from RMB119.42 million for the year ended December 31, 2024 to RMB165.90 million for the year ended December 31, 2025, representing an increase of 38.92%. The increase in our R&D expenses was primarily due to the facts that (i) higher staff remuneration led to an increase of RMB6.62 million in R&D expenses, representing an increase of 12%; (ii) share-based payments increased by RMB3.98 million during the reporting period mainly attributable to the continuing amortisation of the share-based payments granted in July 2023; (iii) other piecemeal procurement and reimbursement increased by RMB1.33 million as compared with last year, representing an increase of 18.04%. The increase was mainly generated from service fees for scientific research projects; (iv) outsourced R&D expenses increased by RMB15.98 million, mainly representing external commissioned projects for art and development of some cognitive impairment treatment training tasks; and (v) service fee and cloud service fee increased by RMB19.69 million as compared with last year, representing an increase of 227%. Among them, the cloud service fee included service fee for Alibaba Cloud, Tencent Cloud and Huawei Cloud, and other service fees were mainly the newly added R&D collaboration expenses of RMB14.15 million with public hospitals and other medical institutions, with the rest being operating system development services, software maintenance service fees, etc.

Finance Costs

Our finance costs primarily consist of (i) interest expense on long-term bond; and (ii) interest on lease liabilities.

Our finance costs increased from RMB22.03 million for the year ended December 31, 2024 to RMB23.99 million for the year ended December 31, 2025, representing an increase of 8.90%. The increase in our finance costs was primarily due to an increase in interest on bank borrowings.

Loss for the Year

As a result of the above, we recorded a loss of RMB316.36 million for the year ended December 31, 2025, as compared to a loss of RMB198.61 million for the year ended December 31, 2024.

Capital Management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize value to our shareholders (the "**Shareholders**").

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may return capital to the Shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended December 31, 2025.

Liquidity and Capital Resources

The Group primarily relied on net proceeds from global offering, long-term bonds, and bank borrowings as major sources of liquidity. The Group has always adopted a prudent treasury management policy. The Group places strong emphasis on having funds readily available and accessible and is in a stable liquidity position with sufficient funds in standby banking facilities to cope with daily operations and meet its future development demands for capital.

As of December 31, 2025, the current assets of the Group were RMB661.46 million, of which restricted bank deposits and bank balances and cash amounted to RMB531.55 million, which were primarily held in RMB, and other current assets amounted to RMB129.91 million. The Group's restricted bank deposits and bank balances and cash increased by RMB118.17 million to RMB531.55 million as of December 31, 2025 from RMB413.38 million as at December 31, 2024. The increase was mainly due to due to the net proceeds received from the Listing and new bank borrowings.

As of December 31, 2025, the current liabilities of the Group were RMB423.94 million, including trade payables of RMB51.37 million, contract liabilities of RMB17.82 million, bank and other borrowings of RMB346.09 million and lease liabilities of RMB7.62 million.

Borrowings

As of December 31, 2025, the Group had outstanding borrowings of approximately RMB346.09 million (December 31, 2024: RMB21.26 million) which were denominated in RMB and USD and bearing interest at fixed interest rates ranging from nil to 3.40% per annum.

Charges on Group Assets

As of December 31, 2025, there were no charges on assets of the Company (2024: nil).

Key Financial Ratios

The following table sets forth the key financial ratios of our Group for the dates indicated:

	For the year ended December 31/ As at December 31,	
	2025	2024
Gross margin	**40.7%**	44.2%
Current ratio[(1)]	**1.6**	0.7
Average trade payables turnover days[(2)]	**31.0**	31.2
Average trade receivables turnover days[(3)]	**206.3**	232.8
Gearing ratio[(4)]	**362.5%**	–

Notes:

(1) Current ratio equals current assets divided by current liabilities as of the end of the year.

(2) Trade payable turnover days for a period equals the arithmetic mean of the beginning and ending trade payables balances divided by cost of sales for that period and multiplied by the number of days in that period.

(3) Trade receivable turnover days for a period equals the arithmetic mean of the beginning and ending trade receivable balances divided by revenue for that period and multiplied by the number of days in that period.

(4) Gearing ratio equals total borrowings divided by total equity attributable to equity holders of the Company as of the end of the year.

Significant Investments

On March 31, 2025, April 2, 2025, and April 3, 2025, respectively, the Company, together with its indirectly wholly owned subsidiary, BrainAurora (HK) Medical Technology Limited, subscribed for the Wealth Management Product (the investment scope of which does not include equity securities) for an aggregate principal amount of US$30 million. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, SPDBIIM and its respective ultimate beneficial owner(s) are Independent Third Parties. As of September 3, 2025, all of the principal amounts of the Wealth Management Product had been redeemed. For further details, please refer to the Company's announcement dated December 15, 2025.

Saved as disclosed above, as at December 31, 2025, we did not hold any significant investments. Save as disclosed in this announcement, the Group does not have other plans for significant investments or capital assets as of the date of this announcement.

Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures for the year ended December 31, 2025.

Contingent Liabilities

The Group did not have any material contingent liabilities as of December 31, 2025.

Capital Expenditure and Commitments

Our capital expenditure for the year ended December 31, 2025 was RMB38.41 million, compared to RMB25.38 million for the year ended December 31, 2024. The increase was primarily due to (i) the increased payment for tablets as an addition to fixed assets for the purpose of home-based business development, leading to an increase in capital expenditure of RMB1.01 million as compared with last year; (ii) the increased demand for new office building lease, leading to an increase in capital expenditure for right-of-use assets of RMB1.04 million as compared with last year; and (iii) the increase in intangible asset investment of RMB10.98 million as compared with last year, which was mainly due to the purchase of data packages and software. Our capital expenditure primarily consisted of (i) additions of fixed assets, plant and equipment; (ii) additions of right-of-use assets; and (iii) additions of intangible assets.

As of December 31, 2025, we had capital commitments of RMB0.39 million, primarily in connection with expenditures in respect of the acquisition of equipment and machineries and renovation of leasehold properties.

Foreign Currency Risk

As at December 31, 2025, the Group mainly operated in China and a majority of its transactions were settled in RMB, the functional currency of the Company's primary subsidiaries.

A portion of the Group's transactions were dominated in RMB, Hong Kong dollars, US dollars and Japanese yen. Except for certain restricted bank deposits, bank balances and cash, other receivables, bank and other borrowings and lease liabilities denominated in foreign currencies, the Group did not have significant foreign exchange risk exposure from its operations during the Reporting Period. We currently do not have a foreign currency hedging policy. However, our management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Non-IFRS Measures

To supplement our consolidated statements of profit or loss and other comprehensive income, which are presented in accordance with IFRS, we also use adjusted net loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management in assessing our results of operations. The fair value loss of financial liabilities at FVTPL is adjusted because it will cease upon the completion of this global offering; share-based payments are adjusted because they are non-cash in nature. However, our non-IFRS measure does not have a standardized meaning prescribed by IFRS, and our adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted net loss (non-IFRS measure) as loss and total comprehensive expense for the year adjusted by adding back fair value loss of financial liabilities at FVTPL and share-based payments, both being non-cash in nature.

The following table reconciles adjusted net loss (non-IFRS measure) for the years indicated to the nearest financial measure calculated and presented in accordance with IFRS, which is loss and total comprehensive expense for the year:

	For the year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Reconciliation of loss and total comprehensive expense for the year to adjusted net loss (non-IFRS measure)		
Loss and total comprehensive expense for the year	**(316,364)**	(198,610)
Add:		
Fair value loss of financial liabilities at FVTPL	**–**	(30,116)
Share-based payments	**77,211**	66,767
Adjusted net loss (non-IFRS measure)	**(239,153)**	(161,959)

Employees and Remuneration Policy

As of December 31, 2025, we had 165 employees in total, and all our employees were based in Mainland China. The following table sets forth the number of our employees categorized by function as of December 31, 2024 and December 31, 2025.

	Number of employees as of December 31, 2025	Number of employees as of December 31, 2024
Management and Administrative	**28**	24
R&D	**122**	120
Marketing	**15**	15
Total	**165**	159

The total remuneration cost incurred by the Group was RMB171.79 million for the year ended December 31, 2025, and RMB144.92 million for the year December 31, 2024. The increase in remuneration cost was primarily attributable to an increase in monthly wages of staff.

Our employees' remuneration consists of salaries, bonuses, employees' provident fund and social security contributions and other welfare payments. In accordance with applicable Chinese laws, we have made contributions to social security insurance funds (including pension plan, unemployment insurance, work-related injury insurance, medical insurance and maternity insurance), supplemental medical insurance and housing funds for our employees.

To maintain our workforce's quality, knowledge, and skill levels, we are committed to continuously enhancing our team's technical expertise, continuing education, project management capabilities and service quality with a comprehensive training system, including periodic technical training and regular sharing of industry insight to accelerate the learning progress and improve the knowledge and skill levels of our workforce. We also conduct training for our employees to abide by our anti-bribery and anti-corruption compliance requirements and applicable laws and regulations to eliminate bribery and corruption risks.

Furthermore, we provide various incentives and benefits to our employees, including competitive salaries, bonuses and share-based payment, particularly our key employees. The Company has adopted share award scheme on July 30, 2023. For further details, please refer to the section headed "Pre-IPO Share Award Scheme" in Appendix IV to the prospectus of the Company dated December 30, 2024 (the "**Prospectus**").

OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules as its own code of corporate governance. The Directors are of the view that for the period from the Listing Date, being January 8, 2025, to December 31, 2025, the Company has fully complied with all applicable code provisions as set out in Part 2 of the Corporate Governance Code.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code")

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Company's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company or its securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the period from the Listing Date, being January 8, 2025, to December 31, 2025. In addition, the Company is not aware of any non-compliance of the Model Code by the employees of the Company who are likely to be in possession of inside information of the Company during the period from the Listing Date, being January 8, 2025, to December 31, 2025.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries have purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares (as defined in the Listing Rules)) since the Listing Date, being January 8, 2025, and up to December 31, 2025. As at December 31, 2025, the Company did not hold any treasury shares.

Material Litigation

The Company was not involved in any material litigation or arbitration during the year ended December 31, 2025 which could have a material and adverse effect on our financial condition or results of operations. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Company since January 1, 2025, and up to the date of this announcement which could have a material and adverse effect on our financial condition or results of operations.

Use of Net Proceeds from the Listing

The total net proceeds from the issue of the Company's shares by the Company in its listing on the Stock Exchange amounted to approximately HK$501.3 million, after deducting the underwriting fees and expenses payable by the Company in connection with the global offering. There was no change in the intended use of net proceeds as previously disclosed in the Prospectus. The net proceeds from the global offering have been and will be utilized in that same manner, proportion and the expected timeframe as set out in the Prospectus under the section headed "Future Plans and Use of Proceeds".

The following table sets forth a summary of the actual use of the net proceeds from the Listing and their expected timeline of full utilization.

	Percentage of the total net proceeds	**Net proceeds from the Global Offering** *(HK$ in million)*	**Actual utilized amounts as of December 31 2025** *(HK$ in million)*	**Unutilized amount as of December 31 2025** *(HK$ in million)*	**Expected timeframe for full utilization**
Conducting further R&D activities, advancing clinical trials for more indications, and advancing selling and distribution activities of our Core Product, the System;	40.0%	200.5	157.59	42.91	By December 31, 2027
Helping establish new cognitive centers for more hospitals across China through which hospitals can use our products to diagnose and treat patients with cognitive impairment and/or other disorders;	16.5%	82.7	82.7	0	By December 31, 2027
Strengthening our capabilities in AI and related technologies;	15.0%	75.2	71.06	4.14	By December 31, 2026
Accelerating the research, development and commercialization of other product candidates in and beyond our current product pipeline;	5.0%	25.1	6.55	18.55	By December 31, 2026
Brain science and DTx research centers in collaboration with academic institutions and hospitals;	15.0%	75.2	33.13	42.07	By December 31, 2027
Working capital and other general corporate purposes	8.5%	42.6	34.23	8.37	N/A
Total	100.0%	501.3	385.26	116.04	

The expected timeframe for utilizing the remaining proceeds is based on the best estimation of the future progress of business expansion and market conditions made by the Company. It will be subject to change based on the current and future development of market conditions.

Audit Committee and Auditor

The audit committee of the Board (the "**Audit Committee**") has three members comprising three independent non-executive Directors, being Mr. Lam Yiu Por (林曉波) (chairman of the Audit Committee with the appropriate professional qualifications), Dr. Duan Tao (段濤) and Mr. Tu Lei (涂雷), with terms of reference in compliance with the Listing Rules.

The Audit Committee has considered and reviewed the annual financial results for the year ended December 31, 2025, the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to internal control, risk management and financial reporting with the management. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company. The Audit Committee considers that the annual financial results for the year ended December 31, 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made. The Audit Committee has met with the independent auditor of the Company, Deloitte Touche Tohmatsu, and has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control and financial reporting.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on March 31, 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

Important Events after the Reporting Period

On January 23, 2026 (before trading hours), the Company, ZTan Limited (the "**Seller**") and Guotai Junan Securities (Hong Kong) Limited (the "**Placing Agent**") entered into a placing and subscription agreement (the "**Placing and Subscription Agreement**"). On January 27, 2026, the Company completed the placing of 92,000,000 in accordance with the terms and conditions of the Placing and Subscription Agreement, where an aggregate of 92,000,000 placing Shares were successfully placed by the Placing Agent, on a best effort basis, to not less than six (6) placees, at the placing price of HK$5.6 for each placing Share. On February 5, 2026, as all conditions for the completion of the top-up subscription had been fulfilled, the Company allotted and issued 92,000,000 top-up subscription Shares to the Seller at HK$5.6 per top-up subscription Share under general mandate in accordance with the terms and conditions of the Placing and Subscription Agreement. The newly issued shares represented approximately 7.27% of issued Shares prior to completion, and approximately 6.77% of issued Shares immediately after completion of the top-up subscription. The net proceeds from the top-up subscription amounted to approximately HK$500.68 million. For the detailed breakdown and description of the intended use of the proceeds from the top-up subscription and other details, please refer to the announcements of the Company dated January 23, 2026, January 27, 2026, and February 5, 2026.

Save as disclosed in this announcement, there were no important events affecting the Group occurred since December 31, 2025 and up to the date of this announcement.

Final Dividend

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2025 (2024: nil).

Closure of Register of Members and Record Date

The register of members of the Company will be closed from Monday, June 15, 2026 to Thursday, June 18, 2026, both days inclusive, in order to determine the identity of Shareholders who are entitled to attend and vote at the annual general meeting to be held on Thursday, June 18, 2026. Shareholders whose names appear on the register of members of the Company on Thursday, June 18, 2026 (the record date) will be entitled to attend and vote at the annual general meeting. In order to be eligible to attend and vote at the annual general meeting, all transfer documents accompanied by relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Friday, June 12, 2026.

Publication of Annual Results Announcement and Annual Report

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (66nao.cn).

The annual report for the year ended December 31, 2025 containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course (and will be dispatched to the Shareholders of the Company, where applicable).

By Order of the Board
BrainAurora Medical Technology Limited
Mr. Tan Zheng
Chairman and Executive Director

Hong Kong, March 31, 2026

As of the date of this announcement, the Board of the Company comprises: (i) Mr. Tan Zheng as executive Director; (ii) Mr. Li Sirui, Ms. Li Mingqiu and Mr. Deng Feng as non-executive Directors; and (iii) Mr. Lam Yiu Por, Dr. Duan Tao and Mr. Tu Lei as independent non-executive Directors.