



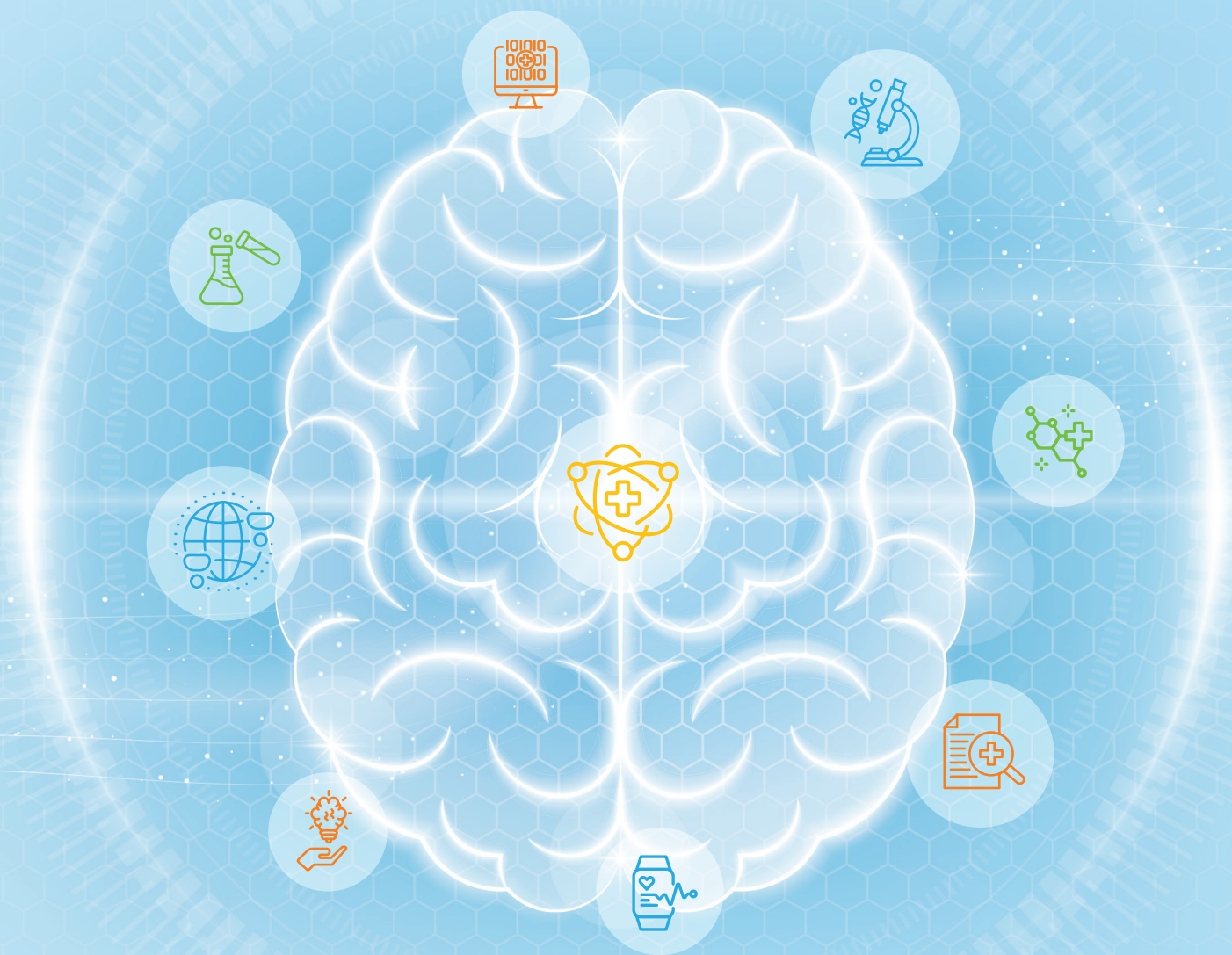
脑动极光
BRAIN AU

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



2026 INTERIM
REPORT

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CORPORATE INFORMATION

EXECUTIVE DIRECTOR

Mr. Tan Zheng (譚錚)
(Chairman of the Board)

NON-EXECUTIVE DIRECTORS

Mr. Li Sirui (李思睿)
(resigned with effect from April 15, 2026)
Ms. Li Mingqiu (李明秋)
(resigned with effect from April 15, 2026)
Mr. Deng Feng
Mr. Yang Fan (楊帆)
(appointed on April 15, 2026)
Ms. Wang Jingbo (王晶菠)
(appointed on April 15, 2026)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lam Yiu Por (林曉波)
Dr. Duan Tao (段濤)
Mr. Tu Lei (涂雷)

AUDIT COMMITTEE

Mr. Lam Yiu Por (林曉波) (Chairman)
Dr. Duan Tao (段濤)
Mr. Tu Lei (涂雷)

REMUNERATION COMMITTEE

Mr. Tu Lei (涂雷) (Chairman)
Mr. Lam Yiu Por (林曉波)
Dr. Duan Tao (段濤)

NOMINATION COMMITTEE

Mr. Tan Zheng (譚錚) (Chairman)
Ms. Wang Jingbo (王晶菠)
(appointed on April 15, 2026)
Mr. Tu Lei (涂雷)
Mr. Lam Yiu Por (林曉波)
Dr. Duan Tao (段濤)
Ms. Li Mingqiu (李明秋)
(ceased with effect from April 15, 2026)

JOINT COMPANY SECRETARIES

Mr. Wang Junjie (王俊傑)
Ms. Sham Ying Man (岑影文)

AUTHORIZED REPRESENTATIVES

Mr. Tan Zheng (譚錚)
Ms. Sham Ying Man (岑影文)

CORPORATE HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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PRC

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Grand Cayman KY1-1209
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CORPORATE INFORMATION

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HONG KONG SHARE REGISTRAR

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PRINCIPAL SHARE REGISTRAR

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Grand Cayman KY1-9006

Cayman Islands

PRINCIPAL BANKS

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Shaoxing City

Zhejiang Province

China

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Building 4, No. 36, Anhuidongli

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China

STOCK CODE

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COMPANY WEBSITE

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LISTING DATE

January 8, 2025

FINANCIAL HIGHLIGHTS

	Six months ended June 30,		Period-
	2026	2025	on-Period
	RMB'000	RMB'000	change
			%
Revenue	119,883	100,051	19.82%
Loss and total comprehensive expense for the period	(134,581)	(126,881)	-6.07%
Adjusted net loss for the period*	(99,185)	(88,022)	-12.68%

* Adjusted net loss for the period is not defined under the International Financial Reporting Standard (the “IFRS”), it represents the loss for the period excluding the effect brought by expenses under the employee long-term incentive plans.

BUSINESS HIGHLIGHTS

We have long been deeply committed to the field of cognitive impairment digital therapeutics. Building on “medical-grade” products and evidence-based medicine, and leveraging our proprietary large AI model technology, we have established a continuous, long-term and personalized AI digital health platform, thereby establishing a four-in-one closed-loop ecosystem that integrates “medical, users, data and AI”. In the first half of 2026, we made significant progress in both scientific research innovation and business expansion, continuously solidifying our global leadership in the field of cognitive impairment digital therapeutics. Specifically, we have made progress in the following areas:

1. Important Progress was Made in Scientific Research and Clinical Trials for the Core Product Pipeline

(1) Dyslexia adjunctive recovery training product

Our Company’s dyslexia adjunctive recovery training product has completed clinical trials at the main center, Beijing Children’s Hospital, Capital Medical University, while its clinical trials at the other three sub-centers are currently undergoing patient enrollment. We plan to complete the clinical trials in December 2026, submit the registration application in the first quarter of 2027, and expect to obtain the medical device registration certificate in the third quarter of 2027.

(2) Randomized controlled trials of cognitive digital therapeutics in patients with hypertension, coronary heart disease, and atrial fibrillation accompanied by cognitive impairment but without dementia

This research series consists of three sub-studies and has enrolled a cumulation of 649 patients, with follow-up for all patients being completed in 2024, yielding significant scientific achievements, which include:

- a. On June 23, 2026, the research paper titled “Ultra-high-field 7 T MRI reveals neural abnormalities of attention networks in relation to cognitive impairment in hypertension”, a collaborative effort involving the team led by Professor Ma Changsheng (馬長生) from Beijing Anzhen Hospital, Capital Medical University, the team led by Professor Wang Jiguang (王繼光) from Ruijing Hospital, Shanghai Jiao Tong University School of Medicine, and the active participation and support of our Group’s research team, was published online in Brain Research, an internationally renowned journal in neuroimaging. Using 7T ultra-high-field magnetic resonance imaging (MRI) technology, this study provided the first detailed mapping of microstructural and functional abnormalities in the brain’s attention networks of patients with hypertension and cognitive impairment. It not only reveals how blood pressure fluctuations, particularly an increase in pulse pressure, can “slow down” thinking speed by affecting specific brain regions, thus providing a new perspective for understanding early cognitive decline associated with hypertension, but also lays a scientific foundation for developing more precise early warning and intervention strategies.

BUSINESS HIGHLIGHTS

- b. The research paper on a multi-center randomized controlled trial conducted by the Group in collaboration with eight domestic medical centers including Beijing Anzhen Hospital, Capital Medical University, titled "Efficacy of computerised cognitive training in patients with coronary heart disease and mild cognitive impairment: a randomised controlled trial", was officially published in *Heart*, an internationally renowned journal in cardiovascular field. The study enrolled a total of 224 patients with coronary heart disease accompanied by MCI, with results showing that both multi-domain adaptive cognitive training and traditional cognitive training can significantly improve patients' cognitive function. In particular, adaptive cognitive training demonstrated superior benefits in terms of treatment adherence, health-related quality of life, and brain structural plasticity, further validating the clinical value of cognitive impairment digital therapeutics for individuals with cardiovascular disease accompanied by cognitive impairment.
- c. The research paper titled "Neural changes after computerized cognitive training in coronary heart disease with mild cognitive impairment: secondary analysis of a randomized clinical trial" on the clinical study hosted by the team led by Professor Zeng Yong (曾勇) from Beijing Anzhen Hospital, Capital Medical University and with the active participation of our Group, was published online in *Alzheimer's Research & Therapy*, an internationally renowned academic journal. The study showed that multi-domain adaptive computerized cognitive training can promote functional and structural neuroplasticity in memory-related circuits among patients with coronary heart disease and mild cognitive impairment. Changes in functional connectivity were associated with cognitive improvement and may mediate blood pressure reduction, suggesting that adaptive cognitive training may be involved in "brain-cardiac axis" interactions. This breakthrough in "brain-cardiac axis" theory provides high-level evidence supporting the dual benefits of digital therapeutics for patients with cardiovascular and cerebrovascular comorbidities, while demonstrating the potential of digital therapeutics for synergistic intervention at the "brain-cardiac axis" level, thus offering novel clinical insights for proactive health management and precision non-pharmacological interventions in patients with cardiovascular and cerebrovascular comorbidities.

(3) Depression Treatment Software

The Company's Depression Treatment Software product has undergone updates and iterations, has been re-submitted for type testing, and has had its clinical trial protocol revised in accordance with the requirements of national regulatory authorities. The Company expects to initiate the clinical study by the end of September 2026, complete it by September 2027, submit the registration application in November 2027, and expects to obtain the medical device registration certificate in July 2028.

(4) Cognitive function assessment product for depression

The Company received its clinical statistics report on cognitive function assessment product for depression in May 2026, with its registration application being accepted in June 2026 and its registration verification passed. The product has now entered the technical approval phase. The Company expects to obtain the medical device registration certificate by the end of November 2026.

BUSINESS HIGHLIGHTS

2. Scientific Research Innovation and Academic Achievements

(1) Research topic under national major science and technology project approved and launched

From late 2025 through the first half of 2026, Beijing Zhijingling Technology Co., Ltd. (北京智精靈科技有限公司), a wholly-owned subsidiary of the Company, participated in the major national science and technology project of the "Prevention, Treatment and Research of Cancer, Cardiovascular and Cerebrovascular, Respiratory and Metabolic Diseases", with successfully approved research topic titled "Establishment and Scenario-based Application of Key Technologies for Digital Diagnosis and Treatment of Intracranial Atherosclerotic Stenosis-Related Cognitive Impairment Based on Deep Reasoning Large Models" (Project No.: 2025ZD0546200), which was officially commenced in the first half of 2026. Led by Xuanwu Hospital, Capital Medical University, this project is jointly tackled by Peking Union Medical College Hospital of Chinese Academy of Medical Sciences, Institute of Psychology of Chinese Academy of Sciences, Jilin University, Beijing Normal University and the Company. This project marks the first research topic included in major national science and technology project in the field of digital diagnosis and treatment for neurocognitive disorders in China, indicating that such direction has been acknowledged as part of national strategic scientific research.

This research topic focuses on the diagnostic and therapeutic challenges of Intracranial Atherosclerotic Stenosis (ICAS)-related cognitive impairment. Its core research directions include: (a) establishing an three-tiered assessment technology spectrum and a deep reasoning prediction large model for ICAS-related cognitive impairment; (b) developing and validating key technologies for digital interventions based on deep reasoning and feedback control using large model; (c) building a multi-device interactive digital diagnosis and treatment platform based on large-model cloud-edge collaboration technology and digital doctors; (d) promoting a full-scenario closed-loop management system for ICAS-related cognitive impairment centered on "embodied diagnosis and treatment".

(2) Two Beijing key laboratories approved for establishment

- (a) The joint application for the "Beijing Key Laboratory for Digital Healthcare for Cognitive Impairment" by Beijing Zhijingling Technology Co., Ltd. (北京智精靈科技有限公司), a wholly-owned subsidiary of the Company, and Xuanwu Hospital, Capital Medical University, has been successfully approved and established, forming a synergistic innovation model characterized by "clinical-driven, basic research support, software-hardware integration, and seamless translation". The laboratory focuses on three main areas: refining a standardized multi-modal dataset for cognitive impairment; developing intelligent, multidimensional assessment technologies based on deep reasoning large model; and building a multi-modal intelligent diagnosis and treatment platform that covers the entire disease course from "assessment, intervention to management", and full scenario from "hospitals, communities to home".

BUSINESS HIGHLIGHTS

- (b) The “Beijing Key Laboratory for Innovation and Translation of Precision and Intelligent Diagnosis and Treatment for Mental Disorders (精神疾病精準智能診療創新轉化北京市重點實驗室)” jointly declared by the Company, Peking University Sixth Hospital and National Engineering Research Center for Software Engineering of Peking University has obtained official approval for establishment. Research scope includes, among others, R&D and clinical application of digital therapeutics, research on the effectiveness of cognitive digital therapeutics for attention deficit hyperactivity disorder and precision and intelligent diagnosis and treatment system for depression. The research will cover the development of digital therapeutics products for emotional behavior problems throughout the lifespan and clinical verification, including the effectiveness and compliance study of cognitive digital therapeutics in enhancing the learning abilities among children with attention deficit hyperactivity disorder (ADHD), the R&D and effectiveness study of “home-school-hospital” digital collaborative intervention therapy for emotional disorders in children and adolescents, the R&D and clinical validation of cognitive digital therapeutics products for adults with ADHD, the R&D and clinical research of ADHD coaching courses and digital products; the development of multi-modal diagnosis technology for depression, in particular, the development of a hierarchical intervention system based on depression severity to establish a precise, accessible and safe stepped-care intervention platform for depression providing digital therapeutics solutions; and the further optimization of electronic cognitive assessment and intervention tasks and personalized recommendation algorithms to improve targeted cognitive digital therapeutics.

(3) Continuous Breakthroughs in Large AI Model Technology

AlphaCog, the large medical model independently developed by the Company, continued to undergo iterative upgrades. Following the acceptance in 2025 of the paper by the Company’s R&D team titled “Improve Decoding Factuality by Token-wise Cross Layer Entropy of Large Language Models” by NAACL 2025, a top international conference in the field of natural language processing, the Company further advanced the practical application of large models in medical scenarios and cutting-edge technological innovations in the first half of 2026.

In June 2026, the paper by the Group’s technical team titled “Dual-Enhancement Product Bundling: Bridging Interactive Graph and Large Language Model” was published in the “Electronics”, an international journal, and was awarded the “Best Researcher Award”. This research introduced a dual-enhancement training framework for large models for the first time, which integrates interactive graph knowledge with the semantic understanding of large language model (LLM) for combined task recommendations, and the proposed Dynamic Concept Binding Mechanism (DCBM) effectively alleviated the cold-start problem. This method consistently outperformed all baseline methods on three public datasets, achieving relative improvements ranging from 6.3% to 26.5%, and made a valuable contribution to the advancement of large language models in the application fields of reasoning systems.

BUSINESS HIGHLIGHTS

Meanwhile, in the 2026 Xiong'an International Medical and Big Health Technology Application Competition, the Group's project titled "Application of a Large Model-Based Digital Diagnosis and Treatment Platform for Cognitive Impairment Diseases in the Medical Field" (《基於大模型的認知障礙疾病數字診療平台在醫療領域的應用》) participated in the competition of smart hospital new scenarios against 40 teams including Tsinghua University, Peking University, Beijing Tongren Hospital affiliated to Capital Medical University and Hebei Medical University, and ultimately secured first place and was honored as the champion.

Furthermore, in the 3rd Collection of Future City in Xiong'an • Xiong'an Vertical Large Model (AI Agent) Application Competition (第三屆雄安未來之城場景匯雄安垂直大模型(智能體)應用大賽), the Group's project titled "Exploration and Application of Personalized Intervention Technology Based on Cognitive Deep-Reasoning Large Models in the Medical Field" (《基於認知深度推理大模型的個性化干預技術在醫療領域探索及應用》) secured second place in the "AI+" new scenarios sector with its self-developed BrainAuGPT cognitive deep reasoning large model. Based on BrainAuGPT, the team built an industry-unique "cloud-edge-end" intelligent assessment system and a "precise prescription tailored to each individual" personalized AI intervention system. Leveraging three original technologies of LLM fine-tuning based on second-order knowledge representation, decoding using Monte Carlo Tree Search under spatiotemporal uncertainty and cross-layer entropy-enhanced hallucination mitigation for large models based on graph-structured behavioral data, a closed-loop system of "perception-reasoning-decision-making-feedback-optimization" was formed.

3. Continuous Acceleration of Commercialization and Rapid Growth of Revenue

The Company's revenue increased by RMB19.83 million from RMB100.05 million for the six months ended June 30, 2025 to RMB119.88 million for the six months ended June 30, 2026, representing a year-on-year increase of 19.82%.

(1) Continued Expansion of Business Partner Network

The Company has also made substantial progress in expanding its business partner network. As of June 30, 2026, the number of partner institutions adopting the Company's core system increased to 322, representing a 29% increase from 249 as at June 30, 2025. Its partner institutions are widely distributed, mainly covering the Pearl River Delta, Beijing-Tianjin-Hebei region, Sichuan, Henan and other regions, and gradually expanding into key central and northern cities, laying a solid channel foundation for the nationwide large-scale application of the Company's products.

(2) Rapid Growth in User Base

With continuous enhancement of product capabilities and rising market awareness, BrainAurora's digital therapeutics solutions have gained recognition among a broader user base. On the home-based client side, core operating metrics achieved an overall jump: (i) The number of patient system accesses increased from approximately 2,595,554 for the six months ended June 30, 2025 to approximately 7,630,305 for the same period in 2026; (ii) Monthly active users reached 10,885 in June 2026, an increase compared with 8,156 in the same period of 2025.

BUSINESS HIGHLIGHTS

(3) Commercial Breakthroughs in the Pediatric Business

Based on the evidence-based results from the RCT of the ADHD digital therapeutics published by the Group in 2025, the Group accelerated the expansion of its commercial footprint in the pediatric field from 2025 to the first half of 2026. It has established cooperation with leading children's specialized hospitals in China, including Children's Hospital of Capital Institute of Pediatrics, Beijing Haidian Maternal & Child Health Care Hospital, Shanghai Children's Medical Center affiliated to Shanghai Jiao Tong University School of Medicine, Children's Hospital, Children's Hospital of Soochow University, Changchun Children's Hospital, Henan Children's Hospital (Zhengzhou Children's Hospital) and Hunan Children's Hospital. As a result, the business related to children's developmental disorders has entered a stage of rapid growth.

(4) Commercialization of Digital Health Integrated Platform

In March 2026, the Company entered into a strategic cooperation agreement with Tokyo Lifestyle Co., Ltd. to jointly build an AI digital health integrated platform for the elderly and explore an innovative model of "online cognitive assessment, training and rehabilitation + offline functional health products". Business process trials were completed in the first half of the year, and commercial sales and operational cooperation have commenced. Meanwhile, the Company is exploring the development of a digital health integrated platform in China, which is expected to provide digital health services to domestic users in the second half of 2026, covering digital cognitive assessment and training, digital motion monitoring, digital sleep monitoring, digital metabolic products and personalized functional health products.

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 report, 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 report, 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 report. 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 report. We enjoy rights with respect to our products and product candidates in jurisdictions where we receive regulatory approvals.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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 neural 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Our Other Key Products and Product Candidates

As of the date of this report, 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

Our Company’s dyslexia adjunctive recovery training product has completed clinical trials at the main center, Beijing Children’s Hospital, Capital Medical University, while its clinical trials at the other three sub-centers are currently undergoing patient enrollment. We plan to complete the clinical trials in December 2026, submit the registration application in the first quarter of 2027, and expect to obtain the medical device registration certificate in the third quarter of 2027.

MANAGEMENT DISCUSSION AND ANALYSIS

Quantitative Cognitive Assessment Software for Depression

The Company received its clinical statistics report on cognitive function assessment product for depression in May 2026, with its registration application being accepted in June 2026 and its registration verification passed. The product has now entered the technical approval phase. The Company expects to obtain the medical device registration certificate by the end of November 2026.

Depression Treatment Software

The Company's Depression Treatment Software product has undergone updates and iterations in accordance with the requirements of national regulatory authorities, has been re-submitted for type testing, and has had its clinical trial protocol revised. The Company expects to initiate the clinical study by the end of September 2026, complete it by September 2027, submit the registration application in November 2027, and expects to obtain the medical device registration certificate in July 2028.

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 third quarter of 2026, and expects to complete the registration clinical research in the third quarter of 2027. We plan to submit the registration application in the fourth quarter of 2027, and expect to obtain the medical device registration certificate and commence commercialization in the second quarter of 2028.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR OTHER KEY PRODUCTS AND PRODUCT CANDIDATES SUCCESSFULLY.

RESEARCH AND DEVELOPMENT CAPABILITY

We believe that our continued research and development ("R&D") is the key driver of our business 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 report. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 report, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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

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.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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”.

FINANCIAL REVIEW

Overview

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

Revenue

Our revenue increased by RMB19.83 million from RMB100.05 million for the six months ended June 30, 2025 to RMB119.88 million for the six months ended June 30, 2026, representing a year-on-year increase of 19.82%.

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 the following reasons: (i) As of June 30, 2026, the number of partner institutions adopting the Company’s core system increased to 322, representing a 29% increase from 249 as at June 30, 2025. Its partner institutions are widely distributed, mainly covering the Pearl River Delta, Beijing-Tianjin-Hebei region, Sichuan, Henan and other regions, and gradually expanding into key central and northern cities, laying a solid channel foundation for the nationwide large-scale application of the Company’s products; (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 2,595,554 times for the six months ended June 30, 2025 to approximately 7,630,305 times for the same period in 2026; (2) monthly active users reached 10,885 in June 2026, an increase of 33.5% compared to 8,156 in the same period of 2025; (3) average daily usage time per user was 23.06 minutes for the six months ended June 30, 2026, reflecting strong user stickiness and intervention compliance.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of Sales

Our cost of sales increased from RMB59.20 million for the six months ended June 30, 2025 to RMB65.27 million for the six months ended June 30, 2026, representing an increase of 10.25%. The increase in our cost of sales was primarily due to an RMB9.15 million increase in operational costs, incurred by third-party service providers that provide operational support in cognitive centers on our behalf.

Gross Profit

Our gross profit increased from RMB40.85 million for the six months ended June 30, 2025 to RMB54.61 million for the six months ended June 30, 2026, representing an increase of 33.68%. 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 and restricted bank deposit; (ii) interest income from rental deposits; (iii) interest income from loans receivable; (iv) government grants related to R&D activities; and (v) income from sales of health products.

Our other income increased from RMB7.28 million for the six months ended June 30, 2025 to RMB12.36 million for the six months ended June 30, 2026, representing an increase of 69.78%. The increase in our other income was mainly attributable to (i) the increase in interest income on bank balances and restricted bank deposits of RMB1.45 million (the interest income amounted RMB7.77 million in the first half of 2026, as compared to RMB6.32 million in the first half of 2025); (ii) the increase in government grants related to research and development activities of RMB1.74 million and (iii) the increase in income from sales of health products of RMB1.33 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 RMB-4.42 million for the six months ended June 30, 2025 to RMB-23.63 million for the six months ended June 30, 2026. The increase in our other expenses and other gains and losses, net was primarily attributable to (i) the increase in net foreign exchange loss of RMB18.1 million (the net foreign exchange loss amounted RMB19.37 million in the first half of 2026, as compared to RMB1.27 million in the first half of 2025); and (ii) the donation expenditure of RMB4 million (RMB1.5 million to Wu Jieping Medical Foundation and RMB2.5 million to the Education Foundation of Capital Medical University (首都醫科大學教育基金會)).

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 RMB30.45 million for the six months ended June 30, 2025 to RMB36.35 million for the six months ended June 30, 2026. The increase of 19.38% 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 RMB46.01 million for the six months ended June 30, 2025 to RMB53.03 million for the six months ended June 30, 2026, representing an increase of 15.26%. The increase in our administrative expenses was primarily attributable to (i) the increase in professional service expenses of RMB3.07 million, which was primarily the consultants' fees arising from a top-up subscription; (ii) the increase in depreciation and amortization expenses of RMB2.32 million.

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 decreased from RMB68.15 million for the six months ended June 30, 2025 to RMB63.45 million for the six months ended June 30, 2026, representing a decrease of 6.90%. The decrease in our R&D expenses was primarily due to the fact that service fee and cloud service fee decreased by RMB4.53 million as compared with the same period last year, representing a decrease of 66.63%. Among them, the cloud service fee included service fee for cloud service providers and other service fee.

Finance Costs

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

Our finance costs decreased from RMB11.98 million for the six months ended June 30, 2025 to RMB10.91 million for the six months ended June 30, 2026, representing a decrease of 8.93%. The decrease in our finance costs was primarily due to the decrease in interest on long-term bond.

Loss for the period

As a result of the above, we recorded a loss of RMB126.88 million for the six months ended June 30, 2025, as compared to a loss of RMB134.58 million for the six months ended June 30, 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

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 six months ended June 30, 2026.

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 June 30, 2026, the current assets of the Group were RMB959.60 million, of which cash and cash equivalents amounted to RMB658.44 million, which were primarily held in RMB, and other current assets amounted to RMB301.16 million. The Group's cash and cash equivalent increased by RMB370.52 million to RMB658.44 million as at June 30, 2026 from RMB287.92 million as at June 30, 2025. The increase was mainly due to net proceeds from the Top-up Subscription.

As of June 30, 2026, the current liabilities of the Group were RMB414.65 million, including trade payables of RMB50.39 million, contract liabilities of RMB21.69 million, bank and other borrowings of RMB333.88 million and lease liabilities of RMB8.00 million.

Borrowings

As of June 30, 2026, the Group had outstanding borrowings of approximately RMB333.88 million (June 30, 2025: RMB143.10 million) which were denominated in RMB and USD and bearing interest at fixed interest rates ranging from 2.10% to 3.30% per annum.

Charges on Group Assets

As of June 30, 2026, there were no charges on assets of the Company (June 30, 2025: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Key Financial Ratios

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

	For the six months ended June 30/ As at June 30,	
	2026	2025
Gross margin	45.6%	40.8%
Current ratio ⁽¹⁾	2.3	2.4
Average trade payables turnover days ⁽²⁾	49.9	15.8
Average trade receivables turnover days ⁽³⁾	264.0	219.4
Gearing ratio ⁽⁴⁾	0.8	0.58

Notes:

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

Significant Investments

As at June 30, 2026, the Group did not hold any significant investments. The Group does not have other plans for significant investments or capital assets as of the date of this report.

Contingent Liabilities

The Group did not have any material contingent liabilities as of June 30, 2026.

Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures for the six months ended June 30, 2026.

Capital Expenditure and Commitments

Our capital expenditure for the six months ended June 30, 2026 was RMB10.82 million, compared to RMB21.55 million for the six months ended June 30, 2025. The increase was primarily due to (i) capital expenditures related to purchase of right-of-use assets decreased by RMB4.13 million as compared with last period; and (ii) capital expenditures related to purchase of intangible assets decreased by RMB5.87 million as compared with last period.

As of June 30, 2026, we had capital commitments of RMB0.28 million, primarily in connection with expenditures in respect of the acquisition of equipment and machineries and renovation of leasehold properties.

MANAGEMENT DISCUSSION AND ANALYSIS

Foreign Currency Risk

As at June 30, 2026, 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 the 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 period adjusted by adding back fair value loss of financial liabilities at FVTPL and share-based payments, both being non-cash in nature.

MANAGEMENT DISCUSSION AND ANALYSIS

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

	For the six months ended June 30	
	2026 RMB'000	2025 RMB'000
Reconciliation of loss and total comprehensive expense for the period to adjusted net loss (non-IFRS measure)		
Loss and total comprehensive expense for the period	(134,581)	(126,881)
Add:		
Fair value loss of financial liabilities at FVTPL	—	—
Share-based payments	35,396	38,859
Adjusted net loss (non-IFRS measure)	(99,185)	(88,022)

Employees and Remuneration Policy

As of June 30, 2026, 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 June 30, 2026 and June 30, 2025.

	Number of employees as of June 30, 2026	Number of employees as of June 30, 2025
Management and Administrative	31	31
R&D	118	128
Marketing	16	14
Total	165	173

The total remuneration cost incurred by the Group was RMB77.13 million for the six months ended June 30, 2026, and RMB77.49 million for the six months ended June 30, 2025. The decrease in remuneration cost was primarily attributable to a decrease in the number 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 a 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**") and the section headed "Incentive Plans Adopted by the Company" in this report.

CHARGE ON ASSETS

As of June 30, 2026, there was no charge on assets of our Group (June 30, 2025: nil).

CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS

We make capital expenditures to expand our operations, upgrade our property, plant and equipment and facilities, and increase our operating efficiency. We expect to incur capital expenditures primarily in relation to, among others, purchase of property, plant and equipment. We expect to finance such capital expenditures through a combination of operating cash flows, net proceeds from the Global Offering and bank and other borrowings. We also made capital commitment primarily in connection with expenditures in respect of the acquisition of equipment and machineries and leasehold improvements. Details of our capital commitments are set out in Note 22 to the financial statements.

TREASURY POLICY

Our management performs the treasury functions and continues to monitor our cash requirements from time to time. If our cash requirements exceed the liquidity we hold at the time, our Company may seek credit facilities and external borrowings or issue securities as it considers necessary and appropriate.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As at June 30, 2026, we did not hold any significant investments. For the Reporting Period, we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR SIGNIFICANT INVESTMENTS AND CAPITAL ASSETS

As at June 30, 2026, save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus and the sections headed "Use of Proceeds from the Global Offering" and "Use of Proceeds from the Top-up Subscription" in this report, we did not have any other future plans for significant investments or capital assets.

FINANCIAL RATIOS

As at June 30, 2026, our gearing ratio, calculated as total borrowings divided by total equity attributable to equity holders of the Company, was 80.08% (June 30, 2025: 58.03%).

MANAGEMENT DISCUSSION AND ANALYSIS

PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties facing the Group, some of which are beyond its control.

- If we are unable to successfully complete clinical development, obtain regulatory approval and commercialize our product candidates, or experience significant delays in doing so, our business and financial prospects will be materially adversely affected.
- If we are not able to develop and release new products that are competitive in the market, or develop successful enhancements or indication expansions of our System or any future products in a timely manner our products may become obsolete and our business, operating results and financial condition could be materially adversely affected.
- Clinical development is a lengthy, expensive and uncertain process, and unsuccessful clinical trials or procedures relating to products and indications under development could have a material adverse effect on our prospects.
- Our algorithms and methodologies are complex and may contain errors or may not operate properly, which could adversely affect our business, financial condition and results of operations.
- Some of our current and future products may be classified or reclassified as Class III medical devices under relevant PRC laws and regulations.
- If we are unable to develop and successfully maintain adequate sales and commercial distribution capabilities, our business and results of operations could be adversely affected. If we are unable to maintain and expand our relationships with qualified third-party service providers, or to attract, motivate and retain a sufficient number of qualified personnel to support our selling and distribution efforts, sales volumes or margin of our System and other products may be adversely affected and we may be unable to extend our market coverage and deepen our market penetration as contemplated.
- There is also no assurance that we will be able to maintain our sales, which may be adversely affected by many factors outside of our control.
- Increasingly stringent regulatory requirements could create barriers to our development and introduction of new products.
- You may lose substantially all your investments in us given the high risks and uncertainties associated with our business operations and the cognitive impairment DTx industry.
- Our relationships with customers will be subject to applicable anti-bribery, anti-kickback, fraud and abuse and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, exclusion from government healthcare programs, contractual damages, reputational harm and diminished profits and future earnings.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares. For further details, please refer to the section headed "Risk Factors" in the Prospectus.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CHANGES IN DIRECTORS' INFORMATION

The change in information of Directors during the Report Period is as follows:

- Mr. Tu Lei, an independent non-executive director, has been appointed as a director and managing partner of Jing Street Capital (Asia) Limited since February 2026.

Save as disclosed above, there was no change in the Directors' information since the publication of the Company's 2025 annual report up to the date of this report which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at June 30, 2026, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interest in our Company

Name of Director/ Chief Executive	Capacity/Nature of interest	Number of Shares held ⁽⁴⁾	Approximate percentage of shareholding ⁽⁵⁾
Director			
Mr. Tan ⁽¹⁾	Interest in controlled corporation	275,468,000(L)	20.28%
	Interest of spouse	6,699,000(L)	0.49%
	Beneficial owner	18,990,000(L)	1.40%
		301,157,000(L)	22.17%
Mr. Deng Feng ⁽²⁾	Interest in controlled corporation	126,854,000(L)	9.34%
Chief Executive			
Mr. Cai Longjun ⁽³⁾	Beneficial owner	8,842,000(L)	0.65%

Notes:

(1) Mr. Tan is interested in 275,468,000 Shares held by ZTan Limited, his controlled corporation.

Mr. Tan and Ms. Wei Anping are spouses, and hence are deemed to be interested in the interest of each other under the SFO.

Mr. Tan was granted 27,129,000 Awarded Shares under the Pre-IPO Share Award Scheme and the outstanding Awards as at June 30, 2026 was 18,990,000 Shares.

CORPORATE GOVERNANCE AND OTHER INFORMATION

- (2) Mr. Deng Feng is interested in 126,854,000 Shares held by Northern Light Strategic Fund IV L.P., Northern Light Venture Fund IV L.P. and Northern Light Partners Fund IV L.P.
- (3) Mr. Cai Longjun was granted 12,631,000 Awarded Shares under the Pre-IPO Share Award Scheme and the outstanding Awards as at June 30, 2026 was 8,842,000 Shares.
- (4) The letter "L" denotes the person's long position in the Shares.
- (5) As at June 30, 2026, the Company has a total of 1,358,278,000 Shares in issue.

Interest in associated corporation

Name of Director	Nature of interest	Associated corporation	Amount of registered capital/shares held	Approximate percentage of interest in the associated corporation
Mr. Tan	Beneficial owner	Beijing Yihui Technology Co. Ltd. (北京益慧科技有限公司)	RMB385,936 registered capital	0.76%

Save as disclosed in this interim report and to the best knowledge of the Directors, as at June 30, 2026, none of the Directors or the chief executive of the Company has any interests and/or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2026, the following persons (other than the Directors and chief executives whose interests have been disclosed in this report), had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Interest in our Company

Name of Substantial Shareholder	Capacity/Nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of shareholding ⁽²⁾
ZTan Limited ⁽³⁾	Beneficial owner ⁽³⁾	275,468,000(L)	20.28%
Mr. Tan ⁽³⁾⁽⁴⁾⁽⁵⁾	Interest in controlled corporation ⁽³⁾	275,468,000(L)	20.28%
	Interest of spouse ⁽⁴⁾	6,699,000(L)	0.49%
	Beneficial owner ⁽⁵⁾	18,990,000(L)	1.40%
		301,157,000(L)	22.17%
Ms. Wei Anping ⁽⁴⁾	Interest of spouse ⁽⁴⁾	294,458,000(L)	21.68%
	Beneficial owner	6,699,000(L)	0.49%
		301,157,000(L)	22.17%
Wispirits Limited ⁽⁶⁾	Beneficial owner ⁽⁶⁾	72,832,000(L)	5.36%
Dr. Wang ⁽⁶⁾⁽⁷⁾	Interest in controlled corporation ⁽⁶⁾	147,735,000(L)	10.88%
	Beneficial owner ⁽⁷⁾	17,005,504(L)	1.25%
		164,740,504(L)	12.13%
Northern Light Venture Fund IV L.P. ("NLVF") ⁽⁸⁾	Beneficial owner ⁽⁸⁾	115,729,000(L)	8.52%
Northern Light Partners IV L.P. ("NL Partners") ⁽⁸⁾	Interest in controlled corporation ⁽⁸⁾	126,854,000(L)	9.34%
Northern Light Venture Capital IV, Ltd. ⁽⁸⁾	Interest in controlled corporation ⁽⁸⁾	126,854,000(L)	9.34%
Mr. Deng Feng ⁽⁸⁾	Interest in controlled corporation ⁽⁸⁾	126,854,000(L)	9.34%
Crusky Limited ⁽⁹⁾	Beneficial owner ⁽⁹⁾	123,527,000(L)	9.09%
Mr. Jin Yedong ⁽⁹⁾	Interest in controlled corporation ⁽⁹⁾	168,030,000(L)	12.37%
Wisdomspirit Holding Limited ⁽¹⁰⁾	Beneficial owner ⁽¹⁰⁾	85,166,000(L)	6.27%
Trident Trust Company (HK) Limited ("Trident") ⁽¹⁰⁾	Interest in controlled corporation ⁽¹⁰⁾	85,166,000(L)	6.27%

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Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) As at June 30, 2026, the Company has a total of 1,358,278,000 Shares in issue.
- (3) ZTan Limited was wholly owned by Mr. Tan. Therefore, Mr. Tan is deemed to be interested in the Shares held by ZTan Limited under the SFO.
- (4) Mr. Tan and Ms. Wei Anping are spouses, and hence are deemed to be interested in the interest of each other under the SFO.
- (5) Mr. Tan was granted Awards to acquire 27,129,000 Shares under the Pre-IPO Share Award Scheme and the outstanding Awards as at June 30, 2026 was 18,990,000 Shares.
- (6) Wispirits Limited was wholly owned by Dr. Wang. Therefore, Dr. Wang is deemed to be interested in the Shares held by Wispirits Limited under the SFO.

Each of the shareholders of Wiseforward Limited entered into proxy arrangement with Dr. Wang respectively, to allow Dr. Wang to have control over the entire voting power thereof, and as such Wiseforward Limited is a controlled corporation of Dr. Wang. Therefore, Dr. Wang is deemed to be interested in all the interests of Wiseforward Limited in our Company under the SFO.

Neurobright Limited was owned as to approximately by 32.82% by Dr. Wang, and each of the shareholders of Neurobright Limited entered into proxy arrangement with Dr. Wang respectively, to allow Dr. Wang to have control over the entire voting power thereof, and as such Neurobright Limited is a controlled corporation of Dr. Wang. Therefore, Dr. Wang is deemed to be interested in all the interests of Neurobright Limited in our Company under the SFO.

- (7) Dr. Wang was granted Awards to acquire 26,946,000 Shares under the Pre-IPO Share Award Scheme and the outstanding Awards as at June 30, 2026 was 17,005,504 Shares.
- (8) Each of Northern Light Strategic Fund IV L.P. (“NLSF”), NLVF and Northern Light Partners Fund IV L.P. (“NLPF”) is an exempted limited partnership established in the Cayman Islands, whose general partner is NL Partners. NL Partners is an exempted limited partnership established in the Cayman Islands, whose general partner is Northern Light Venture Capital IV, Ltd., a company controlled by Mr. Deng Feng, our non-executive Director. Therefore, each of NL Partners, Northern Light Venture Capital IV, Ltd. and Mr. Deng Feng is deemed to be interested in the Shares held by NLSF, NLVF and NLPF.
- (9) Crusky Limited was wholly owned by Mr. Jin Yedong. Wiseforward Limited which held 44,503,000 Shares was owned as to 37.12% by Mr. Jin Yedong. Therefore, Mr. Jin Yedong is deemed to be interested in the Shares held by Crusky Limited and Wiseforward Limited under the SFO.
- (10) Wisdomspirit Holding Limited is a company wholly owned by Trident, the trustee of the trust set up by the Company to facilitate the administration of the Pre-IPO Share Award Scheme, of which the Company is the settlor. Therefore, Trident is deemed to be interested in the Shares held by Wisdomspirit Holding Limited under the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Interest in Members of our Group

Name	Nature of Interest	Name of member of our Group	Amount of registered capital held (RMB)	Approximate percentage of interest in the member of our Group (%)
Shenyang Youyang Future Technology Co., Ltd. (瀋陽優陽未來科技有限公司) ⁽¹⁾	Beneficial owner	Brain Aurora Medical Technology (Liaoning) Co., Ltd. (腦動極光醫療科技(遼寧)有限公司) (“ BrainAurora Liaoning ”) ⁽¹⁾	150,000	15%
Wang Ningning (王寧寧) ⁽¹⁾	Interest in controlled corporation	BrainAurora Liaoning ⁽¹⁾	150,000	15%
Zhang Zhiwei (張志偉) ⁽²⁾	Beneficial owner	Brain Aurora Medical Technology (Shaanxi) Co., Ltd. (“ BrainAurora Shaanxi ”) (腦動極光醫療科技(陝西)有限公司) ⁽²⁾	200,000	20%
Beijing Ruian Enzhuo Biotechnology Co., Ltd. (北京瑞安恩卓生物科技有限公司) ⁽³⁾	Beneficial owner	Beijing Wanxiang Aurora Technology Co., Ltd. (北京萬相極光科技有限公司) (“ Wanxiang Aurora ”) ⁽³⁾	300,000	30%
Beijing Fanhai Wanxiang Technology Co., Ltd. (北京泛海萬象科技有限公司) ⁽³⁾	Interest in controlled corporation	Wanxiang Aurora ⁽³⁾	300,000	30%
Li Deming (李德名) ⁽³⁾	Interest in controlled corporation	Wanxiang Aurora ⁽³⁾	300,000	30%
Chengdu Kerui Dite Enterprise Management Co., Ltd. (成都克瑞帝特企業管理有限公司) ⁽⁴⁾	Beneficial owner	Sichuan Huiyu Aurora Medical Technology Co., Ltd. (四川慧譽極光醫療科技有限公司) (“ Sichuan Huiyu ”) ⁽⁴⁾	200,000	20%
Cao Jiaxuan (曹家宣) ⁽⁴⁾	Interest in controlled corporation	Sichuan Huiyu ⁽⁴⁾	200,000	20%
Wang Xiumin (王秀敏) ⁽⁴⁾	Interest in controlled corporation	Sichuan Huiyu ⁽⁴⁾	200,000	20%
Beijing Anyi Huidong Medical Technology Co., Ltd. (北京安醫匯動醫學科技有限公司) ⁽⁵⁾	Beneficial owner	Beijing Hongze Technology Development Co., Ltd. (北京宏澤科技發展有限公司) (“ Hongze Technology ”) ⁽⁵⁾	428,600	30%
Shoudu Huizhi Medical Technology Outcome Transformation Academy (首都匯智醫療科技成果轉化研究院) ⁽⁵⁾	Interest in controlled corporation	Hongze Technology ⁽⁵⁾	428,600	30%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) BrainAurora Liaoning is owned as to (i) 85% by Beijing Zhijingling, an indirectly wholly-owned subsidiary of the Company, and (ii) 15% by Shenyang Youyang Future Technology Co., Ltd. (瀋陽優陽未來科技有限公司), which is controlled by Wang Ningning (王寧寧). To the best knowledge of our Directors, each of Shenyang Youyang Future Technology Co., Ltd. and Wang Ningning is an Independent Third Party and not a connected person at the subsidiary level, taking into account that BrainAurora Liaoning is an insignificant subsidiary for the purpose of Rule 14A.09 of the Listing Rules.
- (2) BrainAurora Shaanxi is owned as to (i) 80% by Beijing Zhijingling, an indirectly wholly-owned subsidiary of the Company, and (ii) 20% by Zhang Zhiwei (張志偉). To the best knowledge of our Directors, Zhang Zhiwei is an Independent Third Party, and not a connected person at the subsidiary level, taking into account that BrainAurora Shaanxi is an insignificant subsidiary for the purpose of Rule 14A.09 of the Listing Rules.
- (3) Wanxiang Aurora is owned as to (i) 70% by Beijing Zhijingling, an indirectly wholly-owned subsidiary of the Company, and (ii) 30% by Beijing Ruian Enzhao Biotechnology Co., Ltd. (北京瑞安恩卓生物科技有限公司), which is wholly owned by Beijing Fanhai Wanxiang Technology Co., Ltd. (北京泛海萬象科技有限公司), and thus in turn controlled by Li Deming (李德名). To the best knowledge of our Directors, each of Beijing Ruian Enzhao Biotechnology Co., Ltd. and Li Deming is an Independent Third Party, and not a connected person at the subsidiary level, taking into account that Wanxiang Aurora is an insignificant subsidiary for the purpose of Rule 14A.09 of the Listing Rules.
- (4) Sichuan Huiyu is a limited liability company established in the PRC on May 22, 2023. As at June 30, 2026, it is owned as to (i) 80% by Beijing Zhijingling, an indirectly wholly-owned subsidiary of the Company, and (ii) 20% by Chengdu Kerui Dite Enterprise Management Co., Ltd. (成都克瑞帝特企業管理有限公司), a company owned as to 50% and 50% by Cao Jiaxuan (曹家宣) and Wang Xiumin (王秀敏) respectively. To the best knowledge of our Directors, each of Chengdu Kerui Dite Enterprise Management Co., Ltd., Cao Jiaxuan and Wang Xiumin is an Independent Third Party, taking consideration that Sichuan Huiyu is an insignificant subsidiary for purpose of Rule 14A.09 of the Listing Rules.
- (5) Hongze Technology is owned as to approximately (i) 70% by Beijing Zhijingling, an indirectly wholly-owned subsidiary of the Company, and (ii) 30% by Beijing Anyi Huidong Medical Technology Co., Ltd. (北京安醫匯動醫學科技有限公司), which is wholly owned by Shoudu Huizhi Medical Technology Outcome Transformation Academy (首都匯智醫療科技成果轉化研究院), a social institute under the authority of Beijing Municipal Health Commission, a PRC government body. To the best knowledge of our Directors, Shoudu Huizhi Medical Technology Outcome Transformation Academy and its ultimate beneficial owner is an Independent Third Party, and not a connected person at the subsidiary level, taking into account that Hongze Technology is an insignificant subsidiary for the purpose of Rule 14A.09 of the Listing Rules.

Save as disclosed above, as at June 30, 2026, no person, other than the Directors and chief executives whose interests are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares and Debentures of the Company or any of its Associated Corporations" had an interest or short position in the Shares or underlying Shares which would fall to be recorded in the registry required to be kept by the Company pursuant to Section 336 of the SFO.

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INCENTIVE PLANS ADOPTED BY THE COMPANY

Pre-IPO Share Award Scheme

The Pre-IPO Share Award Scheme was adopted by the Company and took effect on July 30, 2023 (the “**Adoption Date**”). The terms of the Pre-IPO Share Award Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of awards by our Company to subscribe for new Shares after the Listing. All Awarded Shares available for grant have been granted to specific individuals under the Pre-IPO Share Award Scheme, and no further grant will be made under the Pre-IPO Share Award Scheme after the Listing. All the Shares underlying the Awards granted under the Pre-IPO Share Award have been issued to Wisdomspirit Holding Limited to hold on behalf and for the benefit of the specified grantees thereunder. The following is a summary of the principal terms of the Pre-IPO Share Award.

(a) Purpose

The specific objectives of the Pre-IPO Share Award Scheme aims to (i) recognise and reward the contributions of certain eligible employees of the Group; and (ii) incentivize them for their future contribution to the continual operation and development of the Company.

(b) Eligibility

Any individual(s) being an employee (including without limitation any executive director) (other than any employee(s) who is resident in a place where the grant of the Awards and/or the vesting and transfer of the Awards pursuant to the terms of the Pre-IPO Share Award Scheme is not permitted under the laws or regulations of such place or where in the view of the Board, compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such employee (the “**Excluded Employee**”)) of any member of the Group at any time during the trust period.

(c) Duration

Subject to any early termination as may be determined by the Board, the Pre-IPO Share Award Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date.

(d) Maximum Number of Shares

Under the Pre-IPO Share Award Scheme, the maximum number of Awards that may be granted under the Pre-IPO Share Award Scheme in aggregate (excluding the Awards that have lapsed or been cancelled in accordance with the rules of the Pre-IPO Share Award Scheme) shall be 85,166,000, held or to be held by Wisdomspirit Holding Limited (the “**HoldCo**”) for the purpose of the Pre-IPO Share Award Scheme representing 6.27% of the total share capital of the Company as at the date of this interim report.

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(e) Administration

The Pre-IPO Share Award Scheme shall be subject to the administration of the Board in accordance with the rules of the Pre-IPO Share Award Scheme. The Board will make all determination in relation to the Pre-IPO Share Award Scheme. The Board may delegate the authority to administer this Pre-IPO Share Award Scheme to any committee thereof or any third party duly appointed thereby, including without limitation third party service providers and professional trustees (collectively, the “**Authorized Administrators**”). Any decision of the Board with respect to any matter arising under the Pre-IPO Share Award Scheme (including the interpretation of any provision) shall be final and binding on all parties.

(f) Price

Subject to the provisions of the Pre-IPO Share Award Scheme, the Board may, from time to time, at its absolute discretion select any employee (other than any Excluded Employee) for participation in the Pre-IPO Share Award Scheme as a selected employee (the “**Selected Employee**”), and grant such number of Awards to any Selected Employee at a consideration as the Board may determine from time to time and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine.

(g) Vesting

Unless the Board determines otherwise, the Awards shall be vested according to the following schedule (the “**Vesting Schedule**”):

- (i) 30% of such Awards shall be vested on the date of the first anniversary of the Listing;
- (ii) 30% of such Awards shall be vested on the date of the second anniversary of the Listing; and
- (iii) 40% of such Awards shall be vested on the date of the third anniversary of the Listing.

Upon the vesting of the Awards, (i) the Board may decide at its absolute discretion to send the Selected Employees (with a copy to the Trident Trust Company (HK) Limited (the “**Trustee**”), within a reasonable time, a vesting notice (the “**Vesting Notice**”) together with such prescribed transfer documents which require the Selected Employee to execute to effect the vesting and transfer of the Awards and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those the Shares underlying the Awards, as the case may be, subject to the Selected Employees paying all tax, stamp duty, levies and charges applicable to such transfer to the Trustee or as the Trustee directs and complying with all the applicable laws and regulations. The Selected Employees shall be responsible for conducting all necessary filings, registration or other administrative proceedings as required by applicable laws, rules or regulations, including but not limited to foreign exchange registration, for their obtaining of the Awards; (ii) upon receipt of the Vesting Notice, the Selected Employee (or his legal representative or lawful successor, as the case

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may be) is required to return to the Board the reply slip attached to the Vesting Notice to confirm the securities account details, together with the relevant duly signed transfer documents. In the event that the Board does not receive the reply slip and the transfer form from the Selected Employee within the period stipulated in the Vesting Notice, the Awards which would have otherwise vested in such Selected Employee shall be automatically forfeited and remain as part of the trust fund and be held by the Trustee or HoldCo. The Trustee may, under the Board's instructions re-allocate or procure the HoldCo to re-allocate such Shares underlying the Awards granted to other Selected Employees, or in case no other Selected Employees can be identified, reallocate such Shares underlying the Awards granted to any other person designated by the Company; and (iii) subject to the receipt by the Trustee of (a) the reply slip to the Vesting Notice and transfer documents prescribed by the Trustee and duly signed by the Selected Employee within the period stipulated in the Vesting Notice, (b) a confirmation from the Board that all vesting conditions having been fulfilled, and (c) certified copies of the identification documents of the Selected Employee and/or the special purpose vehicle wholly owned by the Employee(s) established for the purpose of holding the Awards (the "**SPV**") at least ten (10) business days prior to the Vesting Date, the Trustee shall or procure the HoldCo to transfer the relevant Awards to the relevant Selected Employee or the SPV as designated by the Selected Employee as soon as practicable on or after the Vesting Date and in any event not later than ten (10) business days after the Vesting Date.

The Board may at its discretion, with or without further conditions, grant additional Shares out of the trust fund (including but not limited to the cash or non-cash income, dividends or distributions and/or the cash income or net proceeds of sale of non-cash and non-scrip distribution) declared by the Company or derived from such Shares underlying the Awards granted during the period from the grant date to the Vesting Date to a Selected Employee upon the vesting of any Awards. In such case the Board shall deliver a grant notice to the Selected Employee and the Trustee specifying the number of additional Shares and cash amount to be granted to the Selected Employee. The Trustee shall or shall procure the HoldCo to transfer the specified number of additional Shares, together with the Shares underlying the Awards granted, to the Selected Employee or the SPV as designated by the Selected Employee on the Vesting Date.

The Board and/or the Authorised Administrator have absolute discretion in determining whether the vesting conditions applicable to a Selected Employee are satisfied. The vesting conditions include but not limited to: (i) the Selected Employee shall remain an employee of the Group on the relevant vesting dates; (ii) there shall be no occurrence of any triggering events for the surrender of the Awards; and (iii) the Selected Employee and his associate(s) shall not be employed by or operate or invest in any entity, during the period from the grant date to the relevant Vesting Dates, the business of which competes with the core business of the Group.

(h) Disqualification of Selected Employee

In the event that prior to or on the Vesting Date, a Selected Employee is found to be an Excluded Employee or is deemed to cease to be an Employee, the relevant grant made to such Selected Employee shall automatically lapse forthwith and the relevant Awards shall not vest on the relevant Vesting Date but shall remain part of the trust fund and be held by the Trustee or the HoldCo.

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Unless the Board determines otherwise, the unvested Awards will be deemed to have been surrendered by a Selected Employee upon the occurrence of any of the following events: (i) termination of employment with or without any cause; (ii) unsatisfactory performance leading to demotion; (iii) failure to meet performance appraisal rating for the previous year according to the performance appraisal rating policy of the Company (as amended from time to time); (iv) no renewal of the employment contract upon the expiration; or (v) any other event to be determined by the Board.

(i) Voting Rights

A Selected Employee shall not have the voting rights or any interest or rights (including the right to receive dividends or other distributions) in respect of the Awards prior to the Vesting Date. The Trustee shall not exercise the voting rights in respect of any Shares held by it under the Trust.

All the Awards available for granting under the Pre-IPO Share Award Scheme have been granted before the Listing and there are no further awards available for grant pursuant to the Pre-IPO Share Award Scheme since the Listing. During the Reporting Period, details of the movements in the Awards granted under the Pre-IPO Share Award Scheme are as follows pursuant to Rule 17.12 of the Listing Rules.

Name/Category of grantees	Number of Shares underlying the relevant Awards									Approximate percentage in the issued Shares as at June 30, 2026
	Number of outstanding Shares underlying the Awards granted as at January 1, 2026	Effect on the Share Subdivision and the global offering ⁽²⁾	Re-allocated to the grantee during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding Awards as at June 30, 2026 ⁽²⁾	Date of grant/re-allocation	Vesting period	
1. Directors, Chief executive or our Substantial Shareholders ⁽¹⁾										
Mr. Tan	27,129	27,101,871	–	8,139,000	–	–	18,990,000	July 31, 2023	Note (3)(6)	1.40%
Dr. Wang	26,946	26,919,054	–	8,084,000	1,856,496	–	17,005,504	July 31, 2023	Note (3)(4)(6)	1.25%
Mr. Cai Longjun	12,631	12,618,369	–	3,789,000	–	–	8,842,000	July 31, 2023	Note (3)(6)	0.65%
Subtotal of Directors, Chief executive or our Substantial Shareholders	66,706	66,639,294	–	20,012,000	1,856,496	–	44,837,504	–	–	3.30%

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Name/Category of grantees	Number of Shares underlying the relevant Awards							Approximate percentage in the issued Shares as at June 30, 2026		
	Number of outstanding Shares underlying the Awards granted as at January 1, 2026	Effect on the Share Subdivision and the global offering ⁽²⁾	Re-allocated to the grantee during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding Awards as at June 30, 2026 ⁽²⁾	Date of grant/re-allocation	Vesting period	
2. Other employees										
Wang Junjie	1,266	1,264,734	–	380,000	–	–	886,000	July 31, 2023	Note (3)(6)	0.07%
Wang Junjie	–	–	542,571	542,571	–	–	–	April 15, 2026	Note (5)(6)	–
Lai Zhiyuan	1,266	1,264,734	–	380,000	–	–	886,000	July 31, 2023	Note (3)(6)	0.07%
Li Tianyou	1,266	1,264,734	–	380,000	–	–	886,000	July 31, 2023	Note (3)(6)	0.07%
Yang Xuewen	1,085	1,083,915	–	326,000	–	–	759,000	July 31, 2023	Note (3)(6)	0.06%
Ma Xiaohui	940	939,060	–	282,000	–	–	658,000	July 31, 2023	Note (3)(6)	0.05%
Liu Chenyang	723	722,277	–	217,000	–	–	506,000	July 31, 2023	Note (3)(6)	0.04%
Zhang Kun	723	722,277	–	217,000	–	–	506,000	July 31, 2023	Note (3)(6)	0.04%
Wang Peng	–	–	652,000	195,600	–	–	456,400	April 15, 2026	Note (5)(6)	0.03%
Guan Song	543	542,457	–	163,000	–	–	380,000	July 31, 2023	Note (3)(6)	0.03%
Liu Yanling	543	542,457	–	163,000	–	–	380,000	July 31, 2023	Note (3)(6)	0.03%
Qing Li	543	542,457	–	163,000	–	–	380,000	July 31, 2023	Note (3)(6)	0.03%
Bian Zhiming	543	542,457	–	163,000	–	–	380,000	July 31, 2023	Note (3)(6)	0.03%
Zhang Maowen	543	542,457	–	163,000	–	–	380,000	July 31, 2023	Note (3)(6)	0.03%
Zhang Maowen	–	–	108,514	108,514	–	–	–	April 15, 2026	Note (5)(6)	–
Ma Zhujiang	543	542,457	–	163,000	–	–	380,000	July 31, 2023	Note (3)(6)	0.03%
Dong Yuehui	–	–	543,000	162,900	–	–	380,100	April 15, 2026	Note (5)(6)	0.03%
Hu Erbiao	–	–	543,000	162,900	–	–	380,100	April 15, 2026	Note (5)(6)	0.03%
Du Xin	543	542,457	–	163,000	–	–	380,000	July 31, 2023	Note (3)(6)	0.03%
Qi Yujuan	543	542,457	–	163,000	–	–	380,000	July 31, 2023	Note (3)(6)	0.03%
Huang Jianxing	543	542,457	–	163,000	–	–	380,000	July 31, 2023	Note (3)(6)	0.03%
Dong Ming	543	542,457	–	163,000	–	–	380,000	July 31, 2023	Note (3)(6)	0.03%
Zhou Bing	543	542,457	–	163,000	–	–	380,000	July 31, 2023	Note (3)(6)	0.03%
Wang Yunxia	362	361,638	–	109,000	–	–	253,000	July 31, 2023	Note (3)(6)	0.02%
Pan Xingliang	362	361,638	–	109,000	–	–	253,000	July 31, 2023	Note (3)(6)	0.02%
Dong Xiao	181	180,819	–	54,000	–	–	127,000	July 31, 2023	Note (3)(6)	0.01%
Luo Chuan	181	180,819	–	54,000	–	–	127,000	July 31, 2023	Note (3)(6)	0.01%
Li Guohua	181	180,819	–	54,000	–	–	127,000	July 31, 2023	Note (3)(6)	0.01%
Zhang Feng	181	180,819	–	54,000	–	–	127,000	July 31, 2023	Note (3)(6)	0.01%
Sun Yuewen	181	180,819	–	54,000	–	–	127,000	July 31, 2023	Note (3)(6)	0.01%
Li Yaoyu	181	180,819	–	54,000	–	–	127,000	July 31, 2023	Note (3)(6)	0.01%
Li Yaoyu	–	–	118,591	118,591	–	–	–	April 15, 2026	Note (5)(6)	–
Gao Wei	181	180,819	–	54,000	–	–	127,000	July 31, 2023	Note (3)(6)	0.01%
Liu Chuan	181	180,819	–	54,000	–	–	127,000	July 31, 2023	Note (3)(6)	0.01%
Liu Chuan	–	–	361,714	108,514	–	–	253,200	April 15, 2026	Note (5)(6)	0.02%
Li Hai	109	108,891	–	33,000	–	–	76,000	July 31, 2023	Note (3)(6)	0.01%
Li Qingsong	109	108,891	–	33,000	–	–	76,000	July 31, 2023	Note (3)(6)	0.01%
Wei Mingyue	109	108,891	–	33,000	–	–	76,000	July 31, 2023	Note (3)(6)	0.01%
Cheng Zhenzhen	109	108,891	–	33,000	–	–	76,000	July 31, 2023	Note (3)(6)	0.01%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name/Category of grantees	Number of outstanding Shares underlying the Awards granted as at January 1, 2026	Effect on the Share Subdivision and the global offering ⁽²⁾	Number of Shares underlying the relevant Awards							Approximate percentage in the issued Shares as at June 30, 2026
			Re-allocated to the grantee during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding Awards as at June 30, 2026 ⁽²⁾	Date of grant/ re-allocation	Vesting period	
Zhang Baoyue	109	108,891	–	33,000	–	–	76,000	July 31, 2023	Note (3)(6)	0.01%
Li Penghui	109	108,891	–	33,000	–	–	76,000	July 31, 2023	Note (3)(6)	0.01%
Zheng Miao	109	108,891	–	33,000	–	–	76,000	July 31, 2023	Note (3)(6)	0.01%
Chang Sijia	109	108,891	–	33,000	–	–	76,000	July 31, 2023	Note (3)(6)	0.01%
Tong Chuantao	109	108,891	–	33,000	–	–	76,000	July 31, 2023	Note (3)(6)	0.01%
Fan Guoping	109	108,891	–	33,000	–	–	76,000	July 31, 2023	Note (3)(6)	0.01%
Li Ruixuan	109	108,891	–	33,000	–	–	76,000	July 31, 2023	Note (3)(6)	0.01%
Dai Tian	109	108,891	–	33,000	–	–	76,000	July 31, 2023	Note (3)(6)	0.01%
Wang Danyang	–	–	108,514	32,554	–	–	75,960	April 15, 2026	Note (5)(6)	0.01%
Li Shiyi	–	–	361,714	108,514	–	–	253,200	April 15, 2026	Note (5)(6)	0.02%
Zhang Qingge	–	–	108,514	32,554	–	–	75,960	April 15, 2026	Note (5)(6)	0.01%
Zhang Ziheng	–	–	108,514	32,554	–	–	75,960	April 15, 2026	Note (5)(6)	0.01%
Yao Yachen	–	–	37,850	37,850	–	–	–	April 15, 2026	Note (5)(6)	0.00%
Subtotal of other employees	16,722	16,705,278	3,594,496	6,664,616	–	–	13,651,880	–	–	1.01%
Total	83,428	83,344,572	3,594,496	26,676,616	1,856,496	–	58,489,384	–	–	4.31%

Notes:

- (1) Mr. Tan is our executive Director and one of our Substantial Shareholders. Dr. Wang is one of our Substantial Shareholders. Mr. Cai Longjun is our CEO.
- (2) After the Share Subdivision and the global offering, each such Share was split into 1,000 Shares.
- (3) The Awarded Shares granted shall vest in the following manner:
 - (i) 30% of such Awarded Shares shall be vested on the date of the first anniversary of the Listing;
 - (ii) 30% of such Awarded Shares shall be vested on the date of the second anniversary of the Listing; and
 - (iii) 40% of such Awarded Shares shall be vested on the date of the third anniversary of the Listing.
- (4) The grant of the Awarded Shares to such grantee were cancelled during the Reporting Period and the Awarded Shares shall remain as part of the Trust Fund and subject to re-allocation in accordance with the Pre-IPO Share Award Scheme.
- (5) Upon cessation of employment of certain previous grantees, certain Shares underlying the Awards granted to such grantees on July 31, 2023 have been re-allocated to this Selected Employee on the date set out here in accordance with the terms of the Pre-IPO Share Award Scheme and under the Board's instructions.
- (6) These Award Shares were only deemed vested as at June 30, 2026, pending receipts of the corresponding Vesting Notices by the Board within the period stipulated therein, failing which the corresponding Award Shares shall be forfeited and subject to re-allocation in accordance with the terms of the Pre-IPO Share Award Scheme and under the Board's instruction.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Interim dividend

The Board resolved not to declare any interim dividend for the Reporting Period.

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

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 placing Shares 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 (the **"Top-up Subscription"**). 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.

Save as disclosed above, 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)) during the Reporting Period. As at June 30, 2026, the Company did not hold any treasury shares.

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 during the Reporting Period, 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 Reporting Period. 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 Reporting Period.

Subsequent Event

The Group has no significant event occurred after the Reporting Period which require additional disclosures or adjustments as at the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Material Litigation

The Company was not involved in any material litigation or arbitration during the Reporting Period 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, 2026, and up to the date of this report which could have a material and adverse effect on our financial condition or results of operations.

Use of Proceeds from the Global Offering and Placing

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 of the Company dated December 30, 2024 (the "**Prospectus**"). The net proceeds from the global offering 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 timeframe of full utilization.

	Percentage of the total net proceeds	Net proceeds from the Global Offering (HK\$ in million)	Actual utilized amounts as at the end of the Reporting Period (HK\$ in million)	Unutilized amount as at the end of the Reporting Period (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	200.5	0	N/A
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	N/A
Strengthening our capabilities in AI and related technologies;	15.0%	75.2	75.2	0	N/A
Accelerating the research, development and commercialization of other product candidates in and beyond our current product pipeline;	5.0%	25.1	8.61	16.49	By December 31, 2026
Brain science and DTx research centers in collaboration with academic institutions and hospitals; and	15.0%	75.2	43.52	31.68	By December 31, 2027
Working capital and other general corporate purposes	8.5%	42.6	37.88	4.72	N/A
Total	100.0%	501.3	448.41	52.89	

CORPORATE GOVERNANCE AND OTHER INFORMATION

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.

The Company intends to use the net proceeds of the Top-up Subscription (a) to fund research and development initiatives; (b) for domestic and international market development; (c) for strategic investments and acquisitions; and (d) to supplement the working capital of the Company and its subsidiaries for general corporate purposes. 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.

As at June 30, 2026, the Company utilized a total of approximately HK\$55.34 million of the proceeds. The following table sets forth a summary of the actual use of the net proceeds from the Top-up Subscription and their expected timeframe of full utilization.

	Percentage of the total net proceeds	Net proceeds from the Top-up Subscription (HK\$ in million)	Actual utilized amounts as at the end of the Reporting Period (HK\$ in million)	Unutilized amount as at the end of the Reporting Period (HK\$ in million)	Expected timeframe for full utilization
To fund research and development initiatives;	50.0%	250.34	27.6	222.74	By September 30, 2027
For domestic and international market development;	30.0%	150.20	27.74	122.46	By June 30, 2027
For strategic investments and acquisitions; and	10.0%	50.07	0	50.07	By June 30, 2027
To supplement the working capital of the Company and its subsidiaries for general corporate purposes.	10.0%	50.07	0	50.07	By December 31, 2026
Total	100.0%	500.68	55.34	445.34	

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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Audit Committee and Auditor

As at the date of this report, 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 reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2026 and discussed matters with respect to the accounting policies and practices adopted by the Company with senior management members and the Group’s auditor, Messrs. Deloitte Touche Tohmatsu. The condensed consolidated financial statements of the Group for the six months ended June 30, 2026 have been reviewed by Messrs. Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the International Accounting Standards Board.

Enhanced Internal Control

Reference is made to the disclosure in the section headed “Significant Investments and Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures” of the Company’s 2025 annual report in connection with our subscription of the Wealth Management Product (as defined therein). With a view to ensuring our full and timely compliance with the requirements under Chapter 14 of the Listing Rules, we have implemented the following enhanced internal control procedures as disclosed in the Company’s announcement dated December 15, 2025 and 2025 annual report:

- Our legal advisor has circulated detailed training guidelines and memorandums to the key personnel, directors and senior management of the Company, including those members of the investment planning department, in relation to the notifiable and connected transactions under the Listing Rules, including subscription of wealth management products, and will continue to do so on an as-need basis.
- We have improved our financial control system and the communication, coordination and reporting arrangement for notifiable transactions among the relevant departments. Prior to entering into any relevant potential transactions, the finance team will perform size test analysis during their preparation of the investment proposal and feasibility report for review by the investment planning department, and where notifiable transaction threshold is met, notify the relevant departments, e.g. the legal department, of the details of the proposed transaction and circulate the relevant drafts of transaction agreements for their review. The proposed transaction will then be submitted to the Board if its discussion or approval is needed. This procedure ensures that before any transaction is executed, it is escalated to the relevant departments, including our investment planning department and general manager and, where it requires Board’s discussion or approval, to the Board. Furthermore, the performance of a “size test analysis” under the Listing Rules requires the finance team to correctly classify the nature of the asset (i.e., whether it is a cash equivalent or a financial asset) in order to calculate the applicable percentage ratios under Chapter 14. This mandatory pre-transaction financial control and size test analysis is designed to catch and correct any misclassification by operational staff before the Company commits to a transaction.

CORPORATE GOVERNANCE AND OTHER INFORMATION

- We will continue to arrange training, on a semi-annual basis and/or on ad hoc basis when necessary, covering notifiable transactions and the reporting and disclosure obligations under the Listing Rules, and circumstances when prior consultation with compliance adviser are necessary. The last three training sessions were completed in September 2025, March 2026 and August 2026. The training sessions equip the operational staff with the knowledge to distinguish between transactions involving cash equivalents and those involving financial assets at fair value.
- We will continue to consult our legal adviser and compliance adviser on a weekly basis and prior to conducting any proposed transactions with respect to compliance with the Listing Rules, securities laws and other applicable laws in Hong Kong. We have established an instant messaging chat group to facilitate prompt discussion, information sharing and issue escalation with the compliance adviser, the legal adviser, the auditor and the share registrar. This mechanism shifted the detection mechanism from a retrospective review (e.g., checking monthly account and the annual and interim results after the facts) to a prospective and real-time monitoring framework. Furthermore, this continuous communication channel ensures that any significant cash movement or investment proposal is escalated to the Company's external advisers, providing an additional layer of scrutiny. The "instant messaging chat group" ensures that information flows rapidly, facilitating early detection and escalation.

The Directors, through the Audit Committee of the Company, have reviewed and assessed our risk management, internal control and the results of an independent assessment of selected enhanced internal control policies and procedures above (our **"Enhanced RM and IC Policies and Procedures"**). The scope of the assessment (the **"IC Review Scope"**) covered the period from July 2025 to June 2026 (the **"IC Review Period"**), covering the following key areas: (i) corporate governance and control environment, (ii) financial reporting and disclosure, (iii) treasury and cash management, and (iv) related party management, and testing the design and operating effectiveness of the Company's internal control systems, including the Enhanced RM and IC Policies and Procedures against the risk areas and identifying further enhancements that may be needed to address internal control matter in connection with the classification and subscription of wealth management products and the related monitor and early detection of the cash outflow and the corresponding increase in financial assets arising from any such subscription (the **"Internal Control Matter"**).

Based on their review and assessment within the IC Review Scope during the IC Review Period, the Directors are not aware of any material findings or defects in respect of the Internal Control Matter following implementation of our Enhanced RM and IC Policies and Procedures. On that basis, the Board considered that our Enhanced RM and IC Policies and Procedures that are currently in place are adequate and effective to address the Internal Control Matter.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

All statements in this report that are not historical fact or that do not relate to present facts or current conditions are forward-looking statements. Such forward-looking statements express the Group's current views, projections, beliefs and expectations with respect to future events as of the date of this report. Such forward-looking statements are based on a number of assumptions and factors beyond the Group's control. As a result, they are subject to significant risks and uncertainties, and actual events or results may differ materially from these forward-looking statements and the forward-looking events discussed in this report might not occur. Such risks and uncertainties include, but are not limited to, those detailed under the heading "Principal Risks and Uncertainties" in our most recent annual report and interim report and other announcements and reports made available on our corporate website, 66nao.cn. No representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed on, any projections, targets, estimates or forecasts contained in this report.

By order of the Board

BrainAurora Medical Technology Limited

脑动极光医疗科技有限公司

Tan Zheng

Chairman and Executive Director

September 29, 2026

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



德勤

To the Board of Directors of BrainAurora Medical Technology Limited
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of BrainAurora Medical Technology Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 48 to 77, which comprise the condensed consolidated statement of financial position as at June 30, 2026, and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
August 28, 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	NOTES	For the six months ended June 30, 2026 RMB'000 (unaudited)	For the six months ended June 30, 2025 RMB'000 (unaudited)
Revenue	4	119,883	100,051
Cost of sales		(65,269)	(59,200)
Gross profit		54,614	40,851
Other income	5	12,358	7,281
Other expenses and other gains and losses, net	6	(23,633)	(4,415)
Impairment losses (including reversals of impairment losses) on financial assets	13	(14,159)	(9,684)
Selling and distribution expenses		(36,349)	(30,445)
Administrative expenses		(53,029)	(46,008)
Research and development expenses		(63,445)	(68,149)
Finance costs	7	(10,908)	(11,975)
Listing expenses		—	(2,670)
Loss before tax		(134,551)	(125,214)
Income tax expense	8	(30)	(1,667)
Loss and total comprehensive expense for the period	9	(134,581)	(126,881)
Loss for the period attributable to:			
Owners of the Company		(134,004)	(126,365)
Non-controlling interests		(577)	(516)
		(134,581)	(126,881)
Loss per share (RMB)	11		
Basic		(0.10)	(0.11)
Diluted		(0.10)	(0.11)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	NOTES	As at June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		25,120	27,114
Right-of-use assets		14,533	18,107
Intangible assets		15,290	12,671
Prepayments and other receivables	12	32,188	13,539
		87,131	71,431
CURRENT ASSETS			
Trade and other receivables and prepayments	12	204,196	128,749
Restricted bank deposits	14	95,899	101,193
Bank balances and cash	14	658,436	430,358
Tax recoverable		1,064	1,157
		959,595	661,457
CURRENT LIABILITIES			
Trade and other payables	15	50,394	51,366
Contract liabilities	17	21,691	17,817
Tax liabilities		34	10
Lease liabilities		7,995	7,621
Bank and other borrowings	18	333,884	346,089
Deferred income		651	1,038
		414,649	423,941
NET CURRENT ASSETS		544,946	237,516
TOTAL ASSETS LESS CURRENT LIABILITIES		632,077	308,947

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	NOTES	As at June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
NON-CURRENT LIABILITIES			
Lease liabilities		5,662	9,498
Long-term bond	16	208,695	202,314
Deferred income		781	1,664
		215,138	213,476
NET ASSETS		416,939	95,471
CAPITAL AND RESERVES			
Share capital	19	1	1
Reserves		419,324	97,344
Equity attributable to owners of the Company		419,325	97,345
Non-controlling interests		(2,386)	(1,874)
TOTAL EQUITY		416,939	95,471

The condensed consolidated financial statements on pages 48 to 77 were approved and authorized for issue by the board of directors on August 28, 2026 and are signed on its behalf by:

Mr. Tan Zheng

DIRECTOR

Ms. Wang Jingbo

DIRECTOR

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	Attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000 (Note i)	Share-based payments reserve RMB'000	Other reserve RMB'000 (Note ii)	Shares held under Pre-IPO Share Award Scheme RMB'000 (Note iii)	Accumulated losses RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
At January 1, 2026 (audited)	1	804,871	1,225,470	188,851	28,938	-*	(2,150,786)	97,345	(1,874)	95,471
Loss and total comprehensive expense for the period	-	-	-	-	-	-	(134,004)	(134,004)	(577)	(134,581)
Recognition of equity-settled share-based payments (Note 20)	-	-	-	35,396	-	-	-	35,396	-	35,396
Disposal of a non-wholly owned subsidiary	-	-	-	-	-	-	-	-	65	65
Issue of shares by way of placing (Note 19)	- ^{###}	458,847	-	-	-	-	-	458,847	-	458,847
Transaction costs attributable to issue of new ordinary shares	-	(38,259)	-	-	-	-	-	(38,259)	-	(38,259)
Vesting of Awarded Shares	-	-	-	(86,710)	86,710	-*	-	-	-	-
At June 30, 2026 (unaudited)	1	1,225,459	1,225,470	137,537	115,648	-*	(2,284,790)	419,325	(2,386)	416,939
At January 1, 2025 (audited)	1	6,223	1,225,470	111,640	28,938	-*	(1,835,925)	(463,653)	(371)	(464,024)
Loss and total comprehensive expense for the period	-	-	-	-	-	-	(126,365)	(126,365)	(516)	(126,881)
Recognition of equity-settled share-based payments (Note 20)	-	-	-	38,859	-	-	-	38,859	-	38,859
Reclassification from financial liabilities at fair value through profit or loss ("FVTPL")	- [#]	285,428	-	-	-	-	-	285,428	-	285,428
Issue of shares upon the initial public offering ("IPO")	- ^{##}	539,168	-	-	-	-	-	539,168	-	539,168
Transaction costs attributable to issue of new ordinary shares	-	(25,948)	-	-	-	-	-	(25,948)	-	(25,948)
At June 30, 2025 (unaudited)	1	804,871	1,225,470	150,499	28,938	-*	(1,962,290)	247,489	(887)	246,602

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2026

* The amount at January 1, 2026 represents 85,166,000 (after Share Subdivision as defined in Note 19) shares of BrainAurora Medical Technology Limited (the "Company") with a par value of United States Dollars ("USD") 0.0000001 each, issued at an amount of USD8.5 (equivalent to approximately RMB61) in August 2023. During the six months ended June 30, 2026, 26,676,616 shares were vested, amounting to USD2.6 (equivalent to approximately RMB21). The amount at June 30, 2026 represents 58,489,384 shares of the Company with a par value of USD0.0000001 each, amounting to USD5.9 (equivalent to approximately RMB40).

The amount at January 1, 2025 and June 30, 2025 represents 85,166 shares of the Company with a par value of USD0.0001 each and 85,166,000 shares (after Share Subdivision) of the Company with a par value of USD0.0000001 each, amounting to USD8.5 (equivalent to approximately RMB61).

The amount represents 95,878 Series A-1 Preferred Shares (defined in Note 27 to the Group's annual consolidated financial statements for the year ended December 31, 2025) of the Company with a par value of USD0.0001 each, amounting to USD9.6 (equivalent to approximately RMB69).

The amount represents 181,112,000 shares of the Company with a par value of USD0.0000001 each, amounting to USD18.1 (equivalent to approximately RMB130) issued in January 2025.

The amount represents 92,000,000 shares of the Company with a par value of USD0.0000001 each, amounting to USD9.2 (equivalent to approximately RMB64) issued in February 2026.

Notes:

- i. Capital reserve represents capital contribution from certain investors of Zhejiang BrainAurora Medical Technology Co., Ltd.* (浙江腦動極光醫療科技有限公司) ("BrainAurora Zhejiang") and the adjustments recognized arising from a group reorganization completed in the year ended December 31, 2023.
- ii. Other reserve represents the balance of equity-settled share-based payments transferred from share-based payments reserve upon vesting.
- iii. On August 2, 2023, a total of 85,166 shares (the "Awarded Shares") of the Company had been allotted and issued to Wisdomspirit Holding Limited ("HoldCo"), a company wholly owned by Trident Trust Company (HK) Limited ("Trident"), to facilitate the administration of the Pre-IPO Share Award Scheme as defined in Note 20. The Award Shares will be held in the HoldCo for the relevant selected participants until such Awarded Shares are vested. Based on the arrangements among the Company and Trident, the Company is able to control Trident and its subsidiary HoldCo. Therefore, the Group (as defined in Note 1) accounts for Trident and HoldCo as consolidated structured entities. The ordinary shares of the Company held by HoldCo are accounted for as a debit to the Group's reserve and are presented under the heading of "Shares held under Pre-IPO Share Award Scheme" in the condensed consolidated statements of changes in equity.

* English names are for identification purpose only.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	For the six months ended June 30, 2026 RMB'000 (unaudited)	For the six months ended June 30, 2025 RMB'000 (unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(138,625)	(110,153)
INVESTING ACTIVITIES		
Interest received	7,549	5,782
Purchases of property, plant and equipment	(17,339)	(7,523)
Proceeds from disposal of property, plant and equipment	54	24
Payments for rental deposits	(81)	(363)
Purchases of term deposits with original maturity over three months	(4,291)	—
Purchases of financial assets at FVTPL	—	(215,810)
Proceeds from disposal of financial assets at FVTPL	—	107,820
Placement of restricted bank deposit	(95,269)	(100,220)
Withdrawal of restricted bank deposit	95,781	69,495
Net cash outflow on disposal of a non-wholly owned subsidiary	(73)	—
Payments for intangible assets	(12,699)	(7,772)
Loans to a related party	(1,539)	—
Loans to third parties	(8,000)	(18,990)
Repayments from third parties	15,803	—
NET CASH USED IN INVESTING ACTIVITIES	(20,104)	(167,557)
FINANCING ACTIVITIES		
Proceeds from bank borrowings	125,154	136,872
Repayment of bank borrowings	(137,142)	(15,000)
Proceeds from issue of shares by way of placing	458,847	—
Proceeds from issue of shares upon IPO	—	218,197
Payments of share issue costs	(38,259)	(19,462)
Interest paid	(4,527)	(1,054)
Repayment of lease liabilities	(4,571)	(6,471)
Repayment of long-term bond	—	(90,000)
NET CASH FROM FINANCING ACTIVITIES	399,502	223,082
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	240,773	(54,628)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	225,103	343,882
Effect of foreign exchange rate changes	(13,947)	(1,332)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	451,929	287,922

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

1. GENERAL INFORMATION

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 Palm Grove Unit 4, 265 Smith Road, George Town, P.O. Box 52A Edgewater Way, #1653, Grand Cayman KY1-9006, 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.

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 condensed consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "IASB") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

3. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values.

Other than additional/change in accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

3. ACCOUNTING POLICIES (CONTINUED)

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on or after January 1, 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standard	Annual Improvements to IFRS Accounting Standards - Volume 11

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

4. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue

	For the six months ended June 30, 2026 RMB'000 (unaudited)	For the six months ended June 30, 2025 RMB'000 (unaudited)
Provision of the brain function information management platform software system (the "System") integral software solutions		
In hospitals	62,400	51,780
Out of hospitals	32,707	23,097
	95,107	74,877
Research projects	2,692	344
Medical artificial intelligence language model solutions	21,593	24,779
Others	491	51
Total	119,883	100,051

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(i) Disaggregation of revenue (Continued)

	For the six months ended June 30, 2026 RMB'000 (unaudited)	For the six months ended June 30, 2025 RMB'000 (unaudited)
Timing of recognition		
At a point in time	87,080	76,903
Over time	32,803	23,148
	119,883	100,051
Geographical market		
Mainland China	119,666	100,051
Macau	217	–
	119,883	100,051

(ii) 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. During the current period, 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(ii) Segment information (Continued)

Geographic information

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

	Revenue from external customers		Non-current assets (Note)	
	For the six months ended June 30, 2026 RMB'000 (unaudited)	For the six months ended June 30, 2025 RMB'000 (unaudited)	As at June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
Chinese Mainland	119,666	100,051	66,212	48,604
Hong Kong	–	–	10,337	9,852
Japan	–	–	1,214	1,876
Macau	217	–	–	–
	119,883	100,051	77,763	60,332

Note: Non-current assets excluded financial instruments.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

5. OTHER INCOME

	For the six months ended June 30, 2026 RMB'000 (unaudited)	For the six months ended June 30, 2025 RMB'000 (unaudited)
Interest income on bank balances and restricted bank deposits	7,772	6,317
Government grants related to research and development activities	2,294	556
Income from sales of health products (Note)	1,328	–
Interest income from short-term loan receivables	906	349
Interest income from rental deposits	58	59
Total	12,358	7,281

Note: During the current period, the Group entered into a sales agreement with a wholly-owned subsidiary of Tokyo Lifestyle Co., Ltd., which is listed on the NASDAQ (stock code: TKLF) of sales of health products. The health products are mainly nutritional supplements and functional food, which is accounted for as a single performance obligation. Income from the sales of health products are recognized upon delivery and acceptance by the customer, when control of the goods has been transferred to the customer. The Group is considered as an agent for its contracts with customers relating to the income from sales of health products as the Group did not obtain the control over health products before passing to the customer.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

6. OTHER EXPENSES AND OTHER GAINS AND LOSSES, NET

	For the six months ended June 30, 2026 RMB'000 (unaudited)	For the six months ended June 30, 2025 RMB'000 (unaudited)
Net foreign exchange loss	(19,366)	(1,270)
Donations	(4,000)	–
Gain on disposal of a non-wholly owned subsidiary	149	–
Fair value gains on financial assets at FVTPL	–	1,012
Losses on early repayments of long-term bond	–	(3,263)
Losses on lease termination and lease modifications	–	(876)
Others	(416)	(18)
Total	(23,633)	(4,415)

7. FINANCE COSTS

	For the six months ended June 30, 2026 RMB'000 (unaudited)	For the six months ended June 30, 2025 RMB'000 (unaudited)
Interest expense on long-term bond	6,381	10,921
Interest on bank borrowings	4,270	759
Interest on lease liabilities	257	295
Total	10,908	11,975

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

8. INCOME TAX EXPENSE

	For the six months ended June 30, 2026 RMB'000 (unaudited)	For the six months ended June 30, 2025 RMB'000 (unaudited)
Current tax:		
PRC Enterprise Income Tax	30	1,577
Under provision in respect of prior period:		
PRC Enterprise Income Tax	—	90
Total	30	1,667

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.

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.

* English names are for identification purpose only.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

9. LOSS FOR THE PERIOD

	For the six months ended June 30, 2026 RMB'000 (unaudited)	For the six months ended June 30, 2025 RMB'000 (unaudited)
Loss for the period has been arrived at after charging:		
Staff costs, including directors' remuneration		
– salaries and other allowances	37,638	34,848
– retirement benefits	4,097	3,787
– equity-settled share-based payments included in selling and distribution expenses	4,529	7,138
– equity-settled share-based payments included in administrative expenses	14,063	15,731
– equity-settled share-based payments included in research and development expenses	16,804	15,990
Total staff costs	77,131	77,494
Listing expenses	–	2,670
Depreciation of property, plant and equipment	8,048	6,607
Depreciation of right-of-use assets	4,720	5,495
Amortization of intangible assets	948	549
Total depreciation and amortization	13,716	12,651

10. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

11. 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 six months ended June 30, 2026 RMB'000 (unaudited)	For the six months ended June 30, 2025 RMB'000 (unaudited)
Loss		
Loss for the period attributable to owners of the Company	(134,004)	(126,365)
	For the six months ended June 30, 2026 Shares ('000) (unaudited)	For the six months ended June 30, 2025 Shares ('000) (unaudited)
Number of shares		
Weighted average number of Ordinary Shares (defined in Note 27 to the Group's annual consolidated financial statements for the year ended December 31, 2025) for the purpose of basic and diluted loss per share	1,280,086	1,170,400

The ordinary shares issued to HoldCo which are held under Pre-IPO Share Award Scheme 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 six months ended June 30, 2025 has been determined on the assumptions that the Share Subdivision as set out in Note 19 had been effective since January 1, 2025.

For the purpose of calculation of diluted loss per share for the six months ended June 30, 2026 and 2025, 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
Trade receivables	208,152	143,491
Less: allowance for credit losses	(55,589)	(50,346)
	152,563	93,145
Prepayments to suppliers and service providers (Note i)	18,823	9,687
Receivables from sales of health products	15,539	—
Short-term loan receivables (Notes ii&iii)	13,050	20,853
Rental deposits	3,921	3,735
Long-term loan receivables (Note iii)	6,000	6,000
Value added tax recoverable	7,565	3,115
Prepayments for purchase of intangible assets	11,389	2,257
Receivables from third party payment platforms	1,017	629
Prepayments for purchase of property, plant and equipment	11,431	183
Other deposits	317	433
Advances to employees/a related party	1,434	1,919
Loans to a related party	1,539	—
Others	678	332
Less: allowance for credit losses	(8,882)	—
Total	236,384	142,288

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

	As at June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
Analyzed as:		
Non-current	32,188	13,539
Current	204,196	128,749
Total	236,384	142,288
Trade and other receivables and prepayments denominated in:		
Australian Dollar	4,839	–
USD	–	14,058
Hong Kong dollar ("HKD")	32,757	1,585
RMB	198,788	126,645
	236,384	142,288

Notes:

- i. Included in the prepayments to suppliers and service providers is a prepayment of HKD10,000,000 (equivalent to approximately RMB8,873,000) to a wholly-owned subsidiary of Tokyo Lifestyle Co., Ltd. in March 2026. Pursuant to the Company's announcement dated March 29, 2026, the Company and Tokyo Lifestyle Co., Ltd. have entered into strategic cooperation agreement to expand into Japan and Southeast Asia markets and build integrated artificial intelligence digital health platform for the elderly. The Group expects to invest approximately HKD15 million across areas including personnel, equipment, and systems.
- ii. These receivables were short-term loans to third parties, with fixed interest rates from nil to 3.2% per annum, and repayable within one year. The amount is unsecured and unguaranteed.
- iii. This receivable was long-term loan to a third party company which is engaged in research and development of treatment of obstructive sleep apnea, with fixed interest rate 2.3% per annum, and repayable in four years for both principal and interest. The amount is unsecured and unguaranteed. In April 2026, the Group provided further loans of RMB2,000,000 to the same party which is repayable within one year and presented in short-term loan receivables. This long-term loan receivables of RMB6,000,000 and the short-term loan receivables of RMB2,000,000 was fully impaired as at June 30, 2026 due to the difficulties in obtaining funding, particularly the unsuccessful application of government grants. The Group is considering to initiate legal actions to recover the balance from this borrower.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

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 June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
Trade receivables		
0~90 days	60,690	34,884
91~180 days	25,281	25,237
181~270 days	24,274	16,166
271~360 days	20,792	6,474
361~720 days	21,148	10,384
>720 days	378	—
Total	152,563	93,145

As at June 30, 2026, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB134,719,000 (December 31, 2025: RMB78,082,000) which are past due as at the reporting date. Out of the past due balances, RMB78,417,000 (December 31, 2025: RMB47,899,000) 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

13. IMPAIRMENT LOSSES (INCLUDING REVERSALS OF IMPAIRMENT LOSSES) ON FINANCIAL ASSETS

	For the six months ended June 30, 2026 RMB'000 (unaudited)	For the six months ended June 30, 2025 RMB'000 (unaudited)
Impairment loss recognised in respect of:		
Trade receivables	(5,277)	(9,684)
Other receivables	(8,882)	—
	(14,159)	(9,684)

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those presented in the Group's annual financial statements for the year ended December 31, 2025.

14. RESTRICTED BANK DEPOSITS AND BANK BALANCES AND CASH

Restricted bank deposits

	As at June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
Restricted bank deposits for bank borrowings (Note 18)	95,815	101,026
Others	84	167
	95,899	101,193
Restricted bank deposits denominated in:		
USD	95,815	101,026
RMB	84	167
	95,899	101,193

Restricted bank deposits carried fixed interest rates which range from 0.05% to 3.85% per annum as at June 30, 2026 (2025: 0.05% to 4.23%).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

14. RESTRICTED BANK DEPOSITS AND BANK BALANCES AND CASH (CONTINUED)

Bank balances and cash

	As at June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
Cash on hand	42	42
Bank balances	451,887	225,061
Cash and cash equivalents	451,929	225,103
Term deposits with original maturity over three months and within one year	206,507	205,255
	658,436	430,358
Bank balances and cash denominated in:		
RMB	299,388	80,546
HKD	22,104	11,582
USD	336,944	338,230
	658,436	430,358

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

15. TRADE AND OTHER PAYABLES

	As at June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
Trade payables	17,397	18,759
Accrued salaries and other allowances	6,176	9,964
Refund payables (Note)	703	703
Deposits for the hardware for cognitive training out of hospital	13,288	12,707
Payables for acquisition of property, plant and equipment	3,813	3,796
Other tax payables	6,119	2,302
Payables for research and development activities	1,967	1,776
Others	931	1,359
	50,394	51,366

Note: In December 2020, the Group terminated certain contracts relate 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 customers and 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 June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
Trade payables within 1 year	16,525	18,711
over 1 year	872	48
Total	17,397	18,759

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

16. LONG-TERM BOND

	As at June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
Carrying amounts repayable:		
Between two to five years	208,695	202,314

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. 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 2025, BrainAurora Zhejiang and Shaoxing Fund signed a 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

17. CONTRACT LIABILITIES

	As at June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
Research projects	1,265	169
Provision of the System integral software solutions in hospitals	229	387
Provision of the System integral software solutions out of hospitals	20,197	17,251
Other sales	–	10
	21,691	17,817

As at January 1, 2025, contract liabilities from customers amounted to RMB10,075,000.

Revenue recognized during the period ended June 30, 2026 related to contract liabilities balance at the beginning of the period amounted to RMB12,859,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

18. BANK AND OTHER BORROWINGS

	As at June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
Other borrowing (Note i)	6,811	7,029
Bank borrowings (Note ii)	327,073	339,060
	333,884	346,089
Bank and other borrowings denominated in:		
USD	6,811	7,029
RMB	327,073	339,060
	333,884	346,089

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 June 30, 2026 ranged from 2.10% to 3.30% (December 31, 2025: 2.10% to 3.40%) per annum. Bank borrowing of RMB90,323,000 was secured by bank deposits amounted to USD14,068,000 (equivalent to approximately RMB95,815,000) as disclosed in Note 14. The rest of bank borrowings of RMB236,750,000 are unsecured and unguaranteed.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

19. 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, 2025 (audited)	499,904,122	49,990
Reclassification of		
series A-1 preferred shares	95,878	10
Share Subdivision (Note i)	499,500,000,000	–
As at June 30, 2025 (unaudited), January 1, 2026 (audited) and June 30, 2026 (unaudited)	500,000,000,000	50,000
Issued and fully paid		
As at January 1, 2025 (audited)	989,288	99
Reclassification of		
series A-1 preferred shares	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 June 30, 2025 (unaudited)	1,266,278,000	127
As at January 1, 2026 (audited)	1,266,278,000	127
Issue of shares by way of placing (Note iii)	92,000,000	9
As at June 30, 2026 (unaudited)	1,358,278,000	136

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

19. SHARE CAPITAL (CONTINUED)

	As at June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
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 the offer price of HKD3.22 per share by way of public offer resulting in an increase of the share capital of USD18.1 (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, RMB320,971,000 of which was received as receipts in advance from cornerstone investors as at December 31, 2024), 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.
- iii. On February 5, 2026, 92,000,000 ordinary shares with par value of USD0.0000001 each of the Company were issued at HKD5.60 per share by way of placing resulting in an increase of the share capital of USD9.2 (equivalent to approximately RMB64). An amount of RMB458,847,000, being the excess of the consideration received of HKD515,200,000 (equivalent to approximately RMB458,847,000) over the par value of the ordinary shares of RMB64, was credited to share premium.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

20. SHARE-BASED PAYMENT TRANSACTIONS

On July 30, 2023 (the “**Adoption Date**”), the Company adopted a pre-IPO share award scheme (the “**Pre-IPO Share Award Scheme**”) to recognize and reward the contributions of certain eligible employees of the Group, and incentivize them for their future contribution to the continual operation and development of the Company. Subject to any early termination as may be determined by the board of directors, the Pre-IPO Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

Under the Pre-IPO Share Award Scheme, the maximum number of awards that may be granted under the Pre-IPO Share Award Scheme in aggregate (excluding the awards that have lapsed or been cancelled in accordance with the rules of the Pre-IPO Share Award Scheme) shall be 85,166 shares held or to be held by HoldCo for the purpose of the Pre-IPO Share Award Scheme.

On July 31, 2023, the Company granted 85,166 Awarded Shares under the Pre-IPO Share Award Scheme to 46 grantees (including directors, members of the senior management, and other employees of the Group) (the “**Pre-IPO Share Award**”). Included in the Pre-IPO Share Award, 27,129 Awarded Shares were granted to Mr. Tan Zheng, 26,946 Awarded Shares were granted to Dr. Wang Xiaoyi, 15,163 Awarded Shares were granted to the other three senior managements and the remaining 15,928 Awarded Shares were granted to other employees. Subject to the consummation of the listing of the Company’s shares (the “**Listing**”) and if certain performance and service conditions are met, the Awarded Shares granted shall vest in the following manner: 30% of such Awarded Shares shall be vested on the date of the first anniversary of the Listing; 30% of such Awarded Shares shall be vested on the date of the second anniversary of the Listing; and 40% of such Awarded Shares shall be vested on the date of the third anniversary of the Listing. In June 2025, Dr. Wang Xiaoyi resigned as executive director, chief executive officer and chief research officer of the Group, with effect from June 19, 2025. Dr. Wang Xiaoyi continues to serve as a consultant to the Group and the 26,946 Awarded Shares granted are not forfeited. On April 15, 2026, the company cancelled 1,856,496 (after Share Subdivision) Awarded Shares held by Dr. Wang Xiaoyi.

On April 15, 2026, the Company granted 3,594,496 Awarded Shares to 12 grantees (including members of the senior management and other employees of the Group). Included in this grant, 542,571 Awarded Shares were granted to one senior management and the remaining 3,051,925 Awarded Shares were granted to other employees. Included in this grant, 807,526 Awarded Shares were vested on the first anniversary of the listing; for the remaining 2,786,970 Awarded Shares, if certain performance and service conditions are met, the Awarded Shares granted shall vest in the following manner: 30% of such Awarded Shares was vested on the date of the first anniversary of the Listing; 30% of such Awarded Shares shall be vested on the date of the second anniversary of the Listing; and 40% of such Awarded Shares shall be vested on the date of the third anniversary of the Listing.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

20. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

The following table discloses movements of the Pre-IPO Share Award Scheme:

Category	Outstanding as at January 1, 2026	Cancelled during the period	Granted during the period	Vested during the period	Outstanding as at June 30, 2026
Pre-IPO Share Award Scheme	83,428,000	(1,856,496)	3,594,496	(26,676,616)	58,489,384

Category	Outstanding as at January 1, 2025	Granted during the period	Forfeited during the period	Share subdivision	Outstanding as at June 30, 2025
Pre-IPO Share Award Scheme	83,971	–	–	83,887,029	83,971,000

The fair value of each Award Share on July 31, 2023 was RMB3,222.98 which was determined based on the price of the Company's ordinary shares at the grant date.

The fair value of each granted Award Share on April 15, 2026 was HKD4.19 (equivalent to approximately RMB3.67) which was determined based on the price of the Company's ordinary shares at the grant date.

The Group recognized a share award expense of RMB35,396,000 in respect of the Pre-IPO Share Award during the six months ended June 30, 2026 (the six months ended June 30, 2025: RMB38,859,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

21. RELATED PARTY BALANCES AND TRANSACTIONS

a. Name and relationship

Names	Relationships
Mr. Tan Zheng	Executive Director of the Company

b. The Group had the following related party transactions and balances with related parties:

Category	As at January 1, 2026 RMB'000 (audited)	Loans to a related party during the period RMB'000	Repayment during the period RMB'000	As at June 30, 2026 RMB'000 (unaudited)
Mr. Tan Zheng	–	1,539	–	1,539

Loans to a related party are unsecured, interest free and repayable on demand.

Category	As at January 1, 2026 RMB'000 (audited)	Advance to a related party during the period RMB'000	Settlement during the period RMB'000	As at June 30, 2026 RMB'000 (unaudited)
Mr. Tan Zheng	–	750	750	–

Category	As at January 1, 2025 RMB'000 (audited)	Advance to a related party during the period RMB'000	Settlement during the period RMB'000	As at June 30, 2025 RMB'000 (unaudited)
Mr. Tan Zheng	2,059	–	2,059	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

21. RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

c. Compensation of key management personnel

The emoluments of key management during the reporting period are as follows:

	For the six months ended June 30, 2026 RMB'000 (unaudited)	For the six months ended June 30, 2025 RMB'000 (unaudited)
Short-term employee benefits	6,893	7,378
Retirement benefits	105	156
Equity-settled share-based payments	18,449	32,470
	25,447	40,004

22. CAPITAL COMMITMENTS

	As at June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
Capital expenditure contracted but not provided for in respect of acquisition of equipment and machineries and leasehold improvements	280	392

23. EVENT AFTER THE REPORTING PERIOD

There is no significant event after the reporting period.

FORWARD-LOOKING STATEMENTS

All statements in this report that are not historical fact or that do not relate to present facts or current conditions are forward-looking statements. Such forward-looking statements express the Group's current views, projections, beliefs and expectations with respect to future events as of the date of this report. Such forward-looking statements are based on a number of assumptions and factors beyond the Group's control. As a result, they are subject to significant risks and uncertainties, and actual events or results may differ materially from these forward-looking statements and the forward-looking events discussed in this report might not occur. Such risks and uncertainties include, but are not limited to, those detailed under the heading "Principal Risks and Uncertainties" in our most recent annual report and interim report and other announcements and reports made available on our corporate website, 66nao.cn. No representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed on, any projections, targets, estimates or forecasts contained in this report.

DEFINITIONS

"AI"	artificial intelligence
"ADHD"	attention deficit hyperactivity disorder
"ADHD Software"	Attention Deficit Hyperactivity Disorder Assessment and Treatment Software
"Articles of Association" or "Articles"	the third amended and restated articles of association of our Company adopted by special resolution on December 24, 2024, with effect upon the Listing Date, as amended from time to time
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Award(s)"	an award of the Awarded Shares by the Board pursuant to the Pre-IPO Share Award Scheme
"Awarded Share(s)"	the Shares awarded by our Company pursuant to the Pre-IPO Share Award Scheme
"BCAT"	Basic Cognitive Testing Software
"Board" or "Board of Directors"	the board of directors of our Company
"BrainAurora Zhejiang"	Zhejiang BrainAurora Medical Technology Co., Ltd. (浙江腦動極光醫療科技有限公司), a limited liability company established in the PRC on September 21, 2012 and directly wholly owned by WFOE, being one of our Major Subsidiaries
"BVI Subsidiary"	BrainAurora Limited, a business company with limited liability incorporated in the British Virgin Islands on April 28, 2023 and directly wholly owned by our Company
"CCBT"	Computerized Cognitive Behavioral Therapy
"CDDCI"	Child development deficiency induced cognitive impairment
"CE mark"	the mark appears on products signify that products sold in the European Economic Area have been assessed to meet high safety, health, and environmental protection requirements
"CEO"	chief executive officer of our Company
"CG Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules

DEFINITIONS

<i>"China", "Mainland China" or "PRC"</i>	People's Republic of China, but for the purpose of this interim report and for geographical reference only and except where the context requires otherwise, references in this interim report to "China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan
<i>"Class II Medical Device"</i>	devices that have a moderate to high risk to the patient and/or user
<i>"close associate(s)"</i>	has the meaning ascribed thereto under the Listing Rules
<i>"Companies (Winding Up and Miscellaneous Provisions) Ordinance"</i>	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
<i>"Companies Act" or "Cayman Companies Act"</i>	the Companies Act, Cap. 22 (As Revised) of the Cayman Islands
<i>"Companies Ordinance"</i>	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
<i>"Company" or "our Company"</i>	BrainAurora Medical Technology Limited (腦動極光醫療科技有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands on April 25, 2023
<i>"Compliance Adviser"</i>	SPDB International Capital Limited, our compliance adviser
<i>"connected person(s)"</i>	has the meaning ascribed thereto under the Listing Rules
<i>"connected transaction(s)"</i>	has the meaning ascribed thereto under the Listing Rules
<i>"Controlling Shareholder(s)"</i>	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Tan, Dr. Wang, together with their respective close associates, namely ZTan Limited, Wispirits Limited, Wiseforward Limited and Neurobright Limited
<i>"core connected person(s)"</i>	has the meaning ascribed thereto under the Listing Rules
<i>"Core Product"</i>	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purpose of this interim report, our Core Product refers to the System
<i>"DD"</i>	Developmental dyslexia

DEFINITIONS

<i>"Director(s)" or "our Director(s)"</i>	the directors of our Company, including all executive, non-executive and independent non-executive Directors
<i>"DNN"</i>	deep neutral networks
<i>"Dr. Wang"</i>	Dr. Wang Xiaoyi (王曉怡), a Controlling Shareholder
<i>"DSS"</i>	Dyslexia Supplemental Screening and Assessment Software
<i>"DTx"</i>	digital therapeutics
<i>"ESG"</i>	environmental, social and governance; a collection of corporate performance evaluation criteria that assess the robustness of a company's governance mechanisms and its ability to effectively manage its environmental and social impacts
<i>"Group", "our Group", "our", "we" or "us"</i>	our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
<i>"HK\$"</i>	Hong Kong dollars, the lawful currency of Hong Kong
<i>"Hong Kong"</i>	the Hong Kong Special Administrative Region of the PRC
<i>"Hong Kong Stock Exchange" or "Stock Exchange"</i>	The Stock Exchange of Hong Kong Limited
<i>"HK Subsidiary"</i>	BrainAurora (HK) Medical Technology Limited, a limited company incorporated in Hong Kong on May 11, 2023 and directly wholly owned by BVI Subsidiary
<i>"Hunan MPA"</i>	Hunan Medical Products Administration
<i>"ISO 13485"</i>	a set of requirements for a quality management system where an organization needs to demonstrate its ability to provide medical devices and related services that consistently meet customer and applicable regulatory requirements
<i>"KOLs"</i>	key opinion leaders
<i>"Listing Date"</i>	January 8, 2025, the date on which dealings in the Shares first commence on the Main Board

DEFINITIONS

<i>"Listing Rules"</i>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
<i>"Listing"</i>	the listing of our Shares on the Main Board
<i>"Main Board"</i>	the stock market (excluding the options market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
<i>"ML"</i>	machine learning
<i>"MMSE"</i>	Mini-Mental State Examination
<i>"MoCA"</i>	Montreal Cognitive Assessment
<i>"Mr. Tan"</i>	Mr. Tan Zheng (譚錚), the chairman of the Board, executive Director, chief strategy officer of the Company and a Controlling Shareholder
<i>"Nanchang Fusion"</i>	Nanchang Fusion Therapeutics, Ltd. (南昌福藥生物技術有限公司), a limited liability company established in the PRC on November 29, 2021, a wholly-owned subsidiary of our Company
<i>"NCI"</i>	Neurodegenerative disease induced cognitive impairment
<i>"NHC"</i>	the National Health Commission of the PRC (中華人民共和國國家衛生健康委員會)
<i>"NMPA"</i>	National Medical Products Administration (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局) from 2013 to 2018 and the State Food and Drug Administration (國家食品藥品監督管理局) from 2003 to 2013
<i>"Nomination Committee"</i>	the nomination committee of the Board
<i>"PCI"</i>	Psychiatric disorder induced cognitive impairment
<i>"Pre-IPO Share Award Scheme"</i>	the share award scheme adopted by the Company on July 30, 2023
<i>"Prospectus"</i>	the prospectus of the Company dated December 30, 2024
<i>"Remuneration Committee"</i>	the remuneration committee of the Board

DEFINITIONS

<i>"Reporting Period"</i>	the six months ended June 30, 2026
<i>"RMB"</i>	the lawful currency of the PRC
<i>"SAS"</i>	Cognitive Ability Supplemental Screening and Assessment software
<i>"SFO"</i>	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
<i>"Share Subdivision"</i>	the subdivision of each share in the Company's issued and unissued share capital with par value of US\$0.0001 each into 1,000 shares of the corresponding class with nominal value of US\$0.0000001 each
<i>"Share(s)" or "Ordinary Share(s)"</i>	ordinary share(s) in the share capital our Company, with a nominal value of US\$0.0001 each prior to the Share Subdivision or US\$0.0000001 each upon the completion of the Share Subdivision
<i>"Shareholder(s)"</i>	holder(s) of our Share(s)
<i>"subsidiary(ies)"</i>	has the meaning ascribed to it in Section 15 of the Companies Ordinance
<i>"substantial shareholder(s)"</i>	has the meaning ascribed to it under the Listing Rules
<i>"System"</i>	Brain Function Information Management Platform Software System
<i>"U.S." or "United States"</i>	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
<i>"UDCA"</i>	ursodeoxycholic acid, a secondary bile acid approved by the FDA as first-line treatment for PBC, and widely used off-label to treat PSC
<i>"ULN"</i>	upper limit of normal, the 95th percentile of the target population
<i>"US\$"</i>	United States dollars, the lawful currency of the United States
<i>"VDCI"</i>	Vascular disease induced cognitive impairment
<i>"we", "us" or "our"</i>	the Company or the Group, as the context requires

DEFINITIONS

"WFOE"	Zhejiang Zhiling Ruidong Medical Technology Co., Ltd. (浙江智靈睿動醫療科技有限公司), a limited liability company established in the PRC on June 16, 2023 and directly wholly owned by HK Subsidiary
"Xuanwu Hospital"	Xuanwu Hospital Capital Medical University (首都醫科大學宣武醫院)
"%"	per cent

* For identification purposes only