



Brain+ strategy update: Focus on the UK to reach proof-of-business and commercial scaling in 2024-2025

- The UK is assessed to be the most attractive and accessible market for Brain+' digital dementia solutions, of which CST-Therapist Companion is the first
- An endorsing partnership is in place with Quiddity Health, who has the strongest track record of bringing digital health products to scale in the UK
- Commercial focus on the UK National Health System (NHS), which accounts for +80% of the country's healthcare spend
- Value inflection points are proof-of-business in 2024 and commercial scaling in 2025
- Important 2024 milestones for CST-Therapist Companion v2.0:

Q1: Start of UK usability trial in partnership with AgeUK

Q2: Certification as a EU MDR Class 1 Medical Device

Q3: Full certification in accordance with specific UK requirements for digital health products

Q3: UK commercial release (as a Medical Device)

Q4: First contract(s) with local NHS Trusts

- The strategy targets break-even for the UK business in late 2025 and for the company in late 2026

Brain+ has set a clear and dedicated proof-of-business strategy plan for 2024-2025 focused on the United Kingdom (UK), which has been evaluated to be the most attractive and accessible market for the company's digital dementia solutions. The strategic plan includes getting an English version of CST-Therapist Companion v 2.0 ready for market entry in Q3 2024, closing first sales in Q4 2024 and reaching commercial scale in the UK in 2025. The aim is to reach break-even for the company's UK business in late 2025, as a key step towards break-even for the entire company in late 2026.

The strategy builds on Brain+' achievements and preparations since its IPO in October 2021, including development of a medical device compliant technology platform, key market learnings and user input from early introduction of CST-Therapist Companion v 1.0 in DK and Germany, active collaborations with leading dementia and CST experts, and not least development of upgraded content and functionalities for CST-Therapist Companion v 2.0, which meets up to 90% of validated user requirements. Core validation of user relevance has been built in DK with 16 out of 98 municipalities having engaged in using CST-Therapist Companion since the introduction of version 1.0 in late 2022.

Kim Baden-Kristensen, CEO & Co-founder Brain+; *"I am truly excited to share the elements of our new strategy plan, which shall take Brain+ to proof-of-business in 2024-2025. The plan is*

focused on commercial entry in the UK this year because of this market's maturity and attractiveness for digital CST solutions and health tech in general. Together with our UK partner Quiddity, who has extensive health tech market insights and a strong track-record in taking new health tech solutions to scale in the UK, we have started executing on a go-to-market plan for CST-Therapist Companion. Our objective is to make a large impact on society and achieve attractive business economics as well."

The UK is the largest and currently most attractive market for Brain+

The UK is the largest and most attractive market for Brain+' digital dementia solutions, of which CST-Therapist Companion is the most commercially mature. The reasons the UK being the most attractive are

1. the high adoption rate of CST (Cognitive Stimulation Therapy), which was originally developed in the UK, with 6,000 trained CST therapists,
2. that CST is strongly recommended by NICE (the National Institute for Health and Care Excellence) to be offered to all people with dementia,
3. the size of the market with almost 1 million people living with dementia,
4. and well established digital health pathways for adoption and reimbursement, which result in attractive unit economics.

The maturity level and attractiveness of the UK contrasts with both the Danish and the German markets. Denmark is important as Brain+' home market but is small and has no general health guideline recommendation for CST nor any established reimbursement for digital health tech products. Germany, which was earlier seen as attractive due to its size and the existence of attractive reimbursement, has proven to be digitally immature and with low penetration of CST for dementia. The German and Danish markets are long term attractive, but the UK is by far the most immediately ready and attractive market to establish proof-of-business for Brain+ digital CST solutions.

Strong UK endorsements and commercial 'feet-on-the-ground' in place

Several years of preparation has created a position of strength to enter the UK, including close collaborations with UK's leading dementia CST experts and universities, such as University College of London, where CST originated from. The experts are endorsing the CST Therapist Companion products and are important advocates to help opening doors to key decision makers in the UK health system.

To successfully gain access and sell to the NHS Trusts, its necessary to have local representation. For this Brain+ has partnered with QuiddityHealth, who has UKs strongest track record of bringing digital health products to scale in the UK. QuiddityHealth will be the 'feet-on-the-ground', screening customers, identifying and contacting decision makers, and while initial sales dialogues will be done in tandem with the Brain+ team, Quiddity will eventually be able to execute all the way to sales process as a fully outsourced commercial partner.

Commercial focus on NHS bodies and organizations

The commercial focus for Brain+ in the UK will be the National Health System (NHS). NHS accounts for over 80% of healthcare spend in the UK and is divided into 215 Community Trusts, 58 Mental Health Trusts and 42 larger Integrated Care Systems, which each cover several Trusts. Both Trust and ICSs have individual budgets and decision making, however are guided by national recommendations.

The first target customer in Brain+' go-to-market strategy for the UK is an NHS Trust with high penetration of CST and with a history of early adoption of new health tech solutions. Such relevant Trusts are being identified in collaboration with Quiddity. Next step will be larger NHS Trust contracts leading into larger regional contracts. The business model for Brain+ is still based on recurring Software-as-a-Service subscriptions but first adoption sales will be based on term contracts with local NHS Trusts. Mid-term, regional reimbursement covered recurring contracts are the target based on ICS-approvals of commissioning in their respective regions.

CST-Therapist Companion v2.0

Through 2023, Brain+ has developed a version 2.0 of CST-Therapist Companion, which represents a significant step up in value offerings for therapists delivering CST compared to version 1.0 of the product. The new version includes much more readily accessible high-quality CST content (200+ activities) developed with and validated by leading CST experts, adaptive functionality for instantly adjusting the therapy to the cognitive capacity and age ranges of CST participants, allows for flexible planning of sessions by the therapist, enables dynamic news sourcing. All-in-all it provides a new level of precision therapeutic experiences with personalization for both the facilitating therapist and the CST participants.

To ensure a strong market fit and meet the specific needs of CST delivery in the UK, an English version of CST-Therapist Companion v 2.0 has been co-developed with UKs leading CST experts, including the inventors of the method. All such stakeholders are also crucial key opinion leaders for the UK National Health System. The experts are endorsing the relevance of CST-Therapist Companion product to increase cost-effectiveness of CST delivery and enable the therapy to be offered to more people with dementia, helping to open doors for Brain+ in the UK.

Medical device Class 1 certification of CST-Therapist Companion

To make medical claims on CST-Therapist Companion for its efficacy and clinical benefits, the medical device classification is necessary. Traditional analogue CST, in its original form, is indeed a clinically relevant therapy with proven medical benefits, which strongly differentiates CST from the many 'dementia activity' offerings available on the market.

Since Brain+' IPO it has been a clear goal to work towards technological compliance to obtain medical status for the company's digital dementia solutions. This is now planned for happen in Q2 2024 for the CST Therapist Companion v2, which is the fruition of diligent work from the Brain+ R&D team. Besides the medical claims, the certification provides clear benefits as a stamp of quality, and by its requirements ensure that the product lives up to the patient safety and data privacy requirements needed to sell into the UK health system.

Denmark and Germany in 2024

The sales pipeline will continue to be cultivated and pursued in the home market, Denmark. In Germany the only activity in 2024 is the integration of the CST Therapist Companion in the German CST education of new therapist (a low touch high value activity). This allows the vast majority of resources 95%+ to be allocated to the main objective of UK entry and scale.

Strategic partnerships

Strategic partner dialogues will continue in 2024 with the mid to long-term aim of additionally scaling the business and achieve funding via such partnerships. A relevant objective for such partnerships is to create combination treatments for dementia, benefitting from effect synergies from the combination of CST with Alzheimer's drug treatments.

Contact Information

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Brain+ Mission:

Bringing effective digitally-delivered dementia therapies to those in need, serving a million people with dementia, care-givers and clinicians by 2030

Background information can be found attached.