

COMPANY ANNOUNCEMENT

Brain+ announces the outcome of its series TO 3 warrant exercise and decision to carry out a directed share issue to cover guarantor commitments

- 91% of the warrants of series TO 3 have been subscribed for, securing Brain+ approximately DKK 2.9 million in gross proceeds
- 18,198,975 warrants of series TO 3, or 64% of the total outstanding, were exercised to subscribe for 18,198,975 new shares in the company
- Guarantor commitments from shareholders covered an additional 27% of the offering
- To cover the guarantor commitments, the board of directors of Brain+ today decided to carry out a directed issue of 7,787,874 new shares on the same terms as for the TO 3 warrant exercise

Copenhagen, Denmark, 26 March 2024– Brain+ A/S (Nasdaq First North: BRAINP)

Brain+ A/S (“Brain+” or “the Company”) announces the outcome of the exercise of its warrants of series TO 3 (the “Warrants”), which were issued in connection with the unit rights issue in May 2023. In total, 18,198,975 Warrants, corresponding to 64% of the total number outstanding, were exercised to subscribe for 18,198,975 new shares. The exercise will provide Brain+ with approximately DKK 2.0 million in new capital before issue related costs. Guarantor commitments from shareholders, which were provided at no fee to cover un-exercised Warrants, accounted for an additional 7,787,874 Warrants, or 27% of the total outstanding. The board of directors of Brain+ today resolved to carry out a directed issue of 7,787,874 new shares on the same terms as for the TO 3 warrant exercise (the “Directed Issue”) to cover the guarantor commitments, securing the Company an additional DKK 0.9 million in proceeds before issue related costs.

Kim Baden-Kristensen, CEO and founder of Brain+ commented on the result:

“We are extremely pleased with the result of the TO 3 warrant exercise and very grateful for the loyal support we have received from our shareholders. Achieving a coverage of 91% in difficult market conditions is for us a very strong signal. With the proceeds from the issue, we have sufficient funding to bridge comfortably to the next step in a longer-term funding plan and in parallel execute on our UK-focused go-to-market strategy. As we have shared with the market, we have very important business milestones in front of us over the next 3-12 months to realize the value of our tech-enabled dementia therapy offerings and ensure our shareholders a return on their investment. As soon as a decision has been made on the next step funding event for the company, we will announce it to the market.”

Background

Brain+ completed a pre-emptive rights issue of units during May 2023. As part of the issue, a total of 28,542,348 warrants of series TO 3 were issued. Each Warrant gave the holder the right to subscribe for one (1) new share in the Company. The exercise price of the Warrants was determined to DKK 0.11 and the exercise period for the Warrants was March 8 – 22, 2024.

Warrant exercise outcome

In total, 18,198,975 Warrants, or 64% of the total, were exercised for the subscription of 18,198,975 new shares in the Company. Brain+ receives approximately DKK 2.0 million in gross proceeds from the Warrant exercise. Members of the Company's board of directors and management executed all their Warrants.

Upon the exercise of Warrants and payment of the exercise price per share, Warrant exercising investors have received Brain+ interim shares (IA/midlertidig aktie), pending registration of the new shares with the Danish Business Authority. The interim shares will be converted into ordinary shares in Brain+ within a few days.

Directed issue to guarantors

As part of the exercise of series TO 3 warrants, Brain+ has received guarantor commitments to cover a total of 7,787,874 Warrants. The guarantor commitments were given by CEO, Kim Baden-Kristensen; nominated new Chairman, board observer and advisor Tim Juergens; Chief Science & Innovation Officer Simon Nielsen as well as seven of the company's main shareholders.

To cover the guarantor commitments, the board of directors in Brain+ today resolved, based on an existing authorization in the Company's Articles of Association, to increase the Company's share capital through a directed issue of 7,787,874 new shares of nominally DKK 0.10 each, totaling nominally DKK 778,787.40. No compensation is paid to the guarantors. The reason for adopting the Directed Issue approach is in a cost-effective way to provide Brain+ with total new capital closer to the maximum amount of the series TO 3 warrant exercise.

The subscription price in the Directed Issue is DKK 0.11 as in the Warrant exercise, which means that the Directed Issue will provide additionally approximately DKK 0.9 million in new capital to the Company before issue related costs.

None of the board members have been involved in the decision to allocate shares to themselves.

Overview of subscribers in the directed issue to guarantors

Name	No. of warrants	Guarantor commitment (DKK)
Kim Baden-Kristensen	60 000	6 600,00
Simon Nielsen	90 909	9 990,99
Tim Juergens	1 000 000	110 000,00
Board & Management total	1 150 909	126 599,99

CD Holding ApS (+5% shareholder)	472 727	51 999,97
Members of Danish family	1 705 148	187 566,28
Other Brain+ shareholders	4 459 090	490 499,90
Total	7 787 874	856 666,14

Financial runway

Total proceeds from the warrants of series TO 3 will add around three months to Brain+' financial runway. This will provide sufficient time for board and management to decide and execute on next funding steps based on ongoing evaluations of different available options to secure the longer-term financing of the Company's activities until expected break-even in 2026. Options identified include a directed issue of new shares or convertible notes to existing and new investors both in Denmark and abroad. It is also being considered how to benefit from the significantly higher valuation of near-commercial health tech companies in the private equity markets. The main objectives for Brain+' board and management are to secure and progress the company's business, while optimizing the value for existing shareholders and other stakeholders. As soon as a decision on subsequent funding measures has been taken, Brain+ will inform the market in a company announcement.

Shares and nominal share capital

Through the exercise of Warrants, the number of shares in Brain+ will increase by 18,198,975 shares, and the nominal share capital will increase by DKK 1,819,897.50. For existing shareholders who did not exercise Warrants, the dilution amounts to approximately 20% in relation to the number of shares and the nominal share capital before the exercise.

Through the Directed Issue to guarantors, the number of shares in Brain+ will increase by additionally 7,787,874 shares, and the nominal share capital will increase by additionally DKK 778,787.40. For existing shareholders, the additional dilution arising from the Directed Issue amounts to approximately 9% in relation to the number of shares and the nominal share capital before the warrant exercise and Directed Issue.

After the completion and registration of the Warrant exercise and Directed Issue with the Danish Business Authority, the number of shares in Brain+ will have increased by 25,986,849 shares, from 65,462,430 to 91,449,279 shares, and the Company's nominal share capital will have increased by DKK 2,598,684.90, from DKK 6,546,243.00 to DKK 9,144,927.90. For existing shareholders who did not exercise Warrants, the total dilution amounts to approximately 28% in relation to the number of shares and the nominal share capital before the two events.

Following registration of the new shares with the Danish Business Authority, application will be made to Nasdaq Copenhagen A/S for the new shares to be admitted to trading on Nasdaq First North Growth Market Denmark. It is expected that the first day of trading of the new shares will be on or around 9 April 2024.

Compensation

As announced by Brain+ on March 7, 2024, compensation is available to any investor who has suffered a financial loss due to the amendment of the terms of exercise of the warrants of

series TO 3 announced on the same date. The criteria to be eligible for such compensation was also announced on March 7, 2024 (see [Company announcement: Brain+ A/S announces amended terms for upcoming TO 3 warrant exercise](#)) and can be found also under the Investor section of Brain+' website (<https://www.brain-plus.com/investor/>) together with worked examples of how such compensation will be calculated and information on how to apply for compensation. The process to apply for compensation was also specified in an announcement from Brain+ earlier today (see [Company announcement: Brain+ specifies how to get TO 3 warrant compensation](#)).

Advisors

In connection with the unit rights issue including the issue and exercise of warrants of series TO 3, Sedermera Corporate Finance AB and Gemstone Capital A/S act as financial advisors to Brain+. Markets & Corporate Law Nordic AB act as legal advisor. Nordic Issuing AB is the issuing agent.

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