



Danish Digital Medicine Company Brain+ Goes Public

THURSDAY, SEP 16, 2021

Brain+ A/S is offering Units and has applied for admission to trading on Nasdaq First North Growth Market Denmark.

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This announcement does not constitute an offer to invest in Brain+. No person should buy or subscribe for Units in Brain+ A/S ("Brain+" or "the Company"), unless this is done on the basis of information in the Company Description published by the Company in connection with the offering. The Company Description is available on the Company's website.

Company Announcement No. 1-2021

Copenhagen, Sep 16, 2021

Brain+ has applied for admission to trading on Nasdaq First North Growth Market Denmark and now offers Units each consisting of one share and one warrant for subscription. The offer period runs from 17 September to 30 September 2021, and the offer price is DKK 5.69 per Unit, corresponding to a pre-money valuation of DKK 40 million. The offer price of DKK 5.69 is similar to the subscription price per share of nom. DKK 0.10 as the warrants are delivered free of charge. The maximum gross proceeds under the offer amount to DKK 15 million, of which 50,1% have been committed before the offer period opens.

About Brain+

Brain+ is addressing one of the largest health care challenges of our time, namely dementia. Currently, 1 in 3 seniors die with/of dementia in the US and globally 50 million people are diagnosed with dementia. Unfortunately, this figure is expected to more than triple to 152 million people by 2050. As we generally live longer and the prevention and treatment of the most common causes of death such as cancer and heart disease are getting more efficient, dementia is expected to become a leading cause of death by 2030 and is already the leading cause of death for women in the UK.

Despite massive investments in research for treatments of dementia, there is still a high need for innovative and effective treatments for dementia. The good news is that Brain+ is leveraging new and innovative methods to create ground-breaking new treatments and provide these to patients in the shape of digital therapeutics. So far, initial trials indicate positive effects of these new methods for the treatment of cognitive decline in dementia.

With a history of developing products and assets in this category since 2012 and 6 current and fully funded phase 2 studies underway with prominent development partners, such as Oxford University, Brain+ is uniquely positioned to emerge as a global market leader within Digital Therapeutics (DTx) for Alzheimer's and dementia and is expected to benefit from a DTx market that is growing significantly.

SUMMARY OF THE OFFERING

The IPO Offering

- The expected gross proceeds are DKK 9 – 15 million.
- Offer price: DKK 5.69 per Unit (equal to DKK 5.69 per share of nom. DKK 0.10).
- One Unit consists of one new share and one warrant, ref. below.
- The pre-money valuation of Brain+ before the offer is DKK 40 million.
- Number of shares before the offer: 7,027,370 (nom. DKK 702,737).
- 50,1% of the maximum gross proceeds of DKK 15 million has been committed before the offer period opens.

The warrant

- One warrant gives the right to subscribe for one new share at 70% of the average share-price after around one year.
- The average is calculated as a volume weighted average price based on the 10 days leading up to the Exercise Window (ref. below).
- The warrant will be a tradable instrument, similar to the shares, ref. below.
- The ordinary exercise period for the IPO Warrant runs between October 17 and October 31, **2022** (The Exercise Window).

The calendar:

- The subscription period for the Units runs from 17 September to 30 September 2021.
- Publication of the result of the offering is expected to take place on 1 October 2021.
- Payment should be expected to be made by 4 October 2021.
- First trading day is expected to be October 7.

Reason for the offering

With the net funds from the IPO, Brain+ should be able to execute on an ambitious strategy, that aims to take the Company's products towards regulatory approval, and make major strategic partnerships possible. To get there, the Company will focus on the following:

1. Advancement of clinical trials – getting the trials to the phase 3 stage is an important step in attracting major potential partner companies.
2. Continuous product development – the goal is to establish an unrivalled suite of products for the detection and treatment of Alzheimer's and dementia.
3. Expanding the team – to reach major milestones in the years to come, Brain+ aims to expand the team with several new bright minds, that can help tackle this major health issue with us.

Financial expectations

With the net funds from the IPO and the expected exercise of warrants next year, Brain+ is expecting to reach net operational cashflow break-even by 2025.

The addressable market (Digital Medicine for dementia and Alzheimer's) is expected to reach a total of approximately 2 to 5 billion USD in 10 to 15 years. Brain + is expected to become well positioned to establish itself as a global market leader in the DTx market.

Business description

The Company Description, information on how to subscribe, and further information is available via the Company's investor website: www.brain-plus.com/investor. For more information, see the website: <https://www.brain-plus.com/>. Please also refer to the general press release about Brain+ and the IPO that will be available on the website shortly after this release.

New Offered Units

The offering comprises a maximum of 2,636,204 Units, corresponding to gross proceeds of DKK 15 million. The minimum offering is 1,581,722 Units, corresponding to gross proceeds of DKK 9 million.

Existing Shareholders

None of the existing shareholders are selling shares in the offering and all major shareholders are subject to lock-up for a period of 12 months for 90% of their current shares.

How to subscribe

The Units can be subscribed only through Nordnet's online platform. Minimum subscription is 700 Units corresponding to DKK 3,983 per subscription order. Publication of the results of the offer is expected to take place on 1 October 2021.

ISIN code and symbol

The Company has one share class. The Units are settled in a temporary ISIN DK0061670478 against payment of the investment. When the share capital increase is registered with the Danish Business

Authority, the new shares will be issued and admitted to trading in the same permanent ISIN code as the existing shares. The permanent ISIN code for the shares is DK0061670205 and the shares have been applied for trading under the ticker "BRAINP". The permanent ISIN code for the warrants is DK0061670551, and the warrants have been applied for trading under the ticker "BRAINP TO1".

Admission to trading

The new shares, warrants and the existing shares are conditionally approved for admission to trading on Nasdaq First North Growth Market Denmark, subject to completion of the offering and fulfilment of Nasdaq First North Growth Market's requirements for shareholder distribution and free float. The first trading day for the shares and warrants on Nasdaq First North Growth Market Denmark is expected to be October 7, 2021.

This announcement does not constitute a Company Description or prospectus. No person should buy or subscribe for Units in Brain+ A/S, unless this is done on the basis of information in the Company Description published by Brain+ in connection with the offering and admission to trading on Nasdaq First North Growth Market Denmark. The Company Description is available on the Company's website. This announcement does not constitute an offer to sell or an invitation to offer to purchase Units issued by the Company in any jurisdiction where such offer or sale would be illegal and the notice and information contained therein may not be directly or indirectly distributed or disclosed in or to such jurisdictions. The offering is carried out in accordance with Danish law and Units are only offered in Denmark and Sweden.

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The mission of Brain+ is to restore patients' independence and quality of life by treating and detecting cognitive decline in Alzheimer's disease and dementia through digital means. Brain+ has developed a set of Digital Medicine technologies, which enable the Company to create a unique and differentiated product offering. These technologies, combined with a strong clinical pipeline, Brain+ is in a strong position to grow towards a market leader position in the major Digital Medicine space.