

Offer to subscribe for units BRAIN+ A/S

Subscription period:
10 May - 25 May 2023

IMPORTANT INFORMATION

This information folder constitutes marketing and is not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council. The invitation to subscribe for securities in Brain+ A/S ("Brain+" or the "Company") is made only by means of the prospectus published on 24 April 2023, which is available, inter alia, on Brain+ website (www.brain-plus.com). Investors should not subscribe for any securities referred to in this information folder based on information other than that contained in the [prospectus](#).

Information in this information folder may not be released, distributed, or published, directly or indirectly, in or into the United States of America, Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, South Korea, Switzerland or any other jurisdiction in which such action would be unlawful or would require registration or any other measures than those required by Danish law. Unless otherwise expressly stated in the prospectus, pre-emptive rights, BTUs, warrants and new shares may not be offered, sold transferred or delivered, directly or indirectly in or to any of these countries.

BRAIN+ A/S
Købmagergade 53, 3, 1150 Copenhagen K, Denmark

Digital Therapeutics for Alzheimer's disease and dementia

Brain+ develops digital therapeutics for Alzheimer's disease to counteract cognitive decline - the primary and most debilitating symptom of Alzheimer's.

Brain+ is a pioneer in developing medical software to treat the cognitive symptoms of dementia, and the most common cause of dementia, namely Alzheimer's disease. Together with world-leading experts and institutions, the Company digitalizes the best-in-class, non-drug dementia therapies, and makes them broadly available on standard digital devices – for use both in people's homes and in healthcare clinics. This approach is referred to as Digital Therapeutics or Digital Medicine.

Driven by high quality software programs, Digital Therapeutics – stand-alone, or in combination with traditional medicines – help to prevent, manage, and treat medical disorders or diseases. Brain+ technologies and products are being built on a deep understanding of the challenges and needs associated with Alzheimer's and dementia.

Brain+ products are rigorously tested, scientifically and clinically validated, and regulated as software-as-medical devices (software-as-treatments). Like traditional medicines, the Company's products will mainly be prescribed by healthcare professionals and paid for by health insurance or state health care.

Brain+ develops digital products based on three core technologies: digital Cognitive Stimulation Therapy (CST), Computerized Cognitive Training (CCT), and the Starry Night Cognitive Test. All three technologies are invented and developed by the Company as proprietary digitalized versions of validated non-drug dementia therapies and tests.

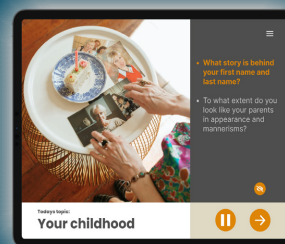
The most advanced of the technologies, digital CST, is to the management's best knowledge the first ever commercial digital version of CST, which is a worldwide renowned non-drug dementia therapy. CST is backed by strong clinical evidence, and recommended for global implementation by Alzheimer's Disease International and WHO. Brain+ is developing a portfolio of non-drug therapies based on digital CST for therapeutic intervention in group sessions (in clinics or online) and complementary home use to treat the cognitive symptoms and improve the quality of life for people living with mild to moderate dementia or Mild Cognitive Impairment (MCI). The first CST product, CST-Therapist Companion, has been commercially introduced in Denmark.

For more information about Brain+ and the Company's technologies visit www.brain-plus.com.

Technologies

Digitalized Cognitive Stimulation Therapy (CST)

Guided talk therapy that facilitates deep thinking and social interaction to stimulate cognition in people living with mild to moderate dementia.



24 CST sessions: exercises and activities, presented visually with interactive features (30-45min/session).

Empowers patients and caregivers, allows at-home or remote treatment.

Virtual audio coach guiding users step by step, intro by key opinion leader dementia expert.

Computerized Cognitive Training

Therapy designed to train brain functions and prevent cognitive decline and progression to dementia for people at risk with mild cognitive impairment, the method targets Alzheimer's.

Cognitive training exercises/video-games in engaging environments (20-30min/session).

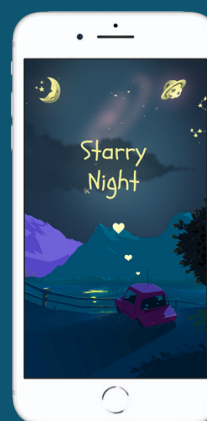
Mechanism of action accommodates the typical pathology seen in Alzheimer's disease.

Method has shown medium to large effect sizes in dementia and MCI.



Starry Night

A special memory test designed to identify early signs of Alzheimer's Disease, originally developed and validated at Oxford University, then further co-developed with Brain+ for scale and remote use.



Identifies very early symptoms of cognitive decline related to Alzheimer's (5-10min/test1)

Designed for remote testing at home.

Currently being tested and validated in 4 clinical trials, has positive proof of concept.

Investment highlight

Large unmet clinical need

The complexity of the underlying pathology of dementia has so far made it hard for traditional pharmaceutical companies to deliver effective treatment. There is, therefore, an increasing focus on new non-drug therapies that – either as stand-alone or in combination with pharmaceuticals - can pave the way to help relieve the heavy burden of dementia – for people living with the disease, their relatives, and healthcare systems.

Currently, 57 million people are diagnosed with dementia globally, and this number is expected to triple to more than 152 million people by 2050. In 2030, the global costs of dementia are expected to exceed USD 2 trillion. The estimated market potential for digital dementia treatments is approximately USD 5 billion. Tapping into this market with effective digital solutions has the potential to generate revenue of hundreds of millions of USD.

Brain+ as the first mover in digital CST

CST is currently the non-pharmacological dementia therapy with the strongest clinical evidence in the world. The therapy has also been highlighted by the World Health Organization and recommended for global implementation in the World Alzheimer's Report 2022. CST is currently being adopted in over 30 countries and is the standard of care in the UK. Brain+ is digitalizing these treatments, and there are to the best of the management's knowledge no competitors to Brain+ in providing digital CST products.

Set out to build commercial traction

After the IPO in 2021, Brain+ quickly partnered with RoX Health in Germany (part of Roche Pharmaceuticals, a leading player in the market for the treatment of Alzheimer's disease) to bring its first dementia product to the German market. The partnership has proven very valuable and led to an accelerated commercial introduction of Brain+'s first digital dementia product, CST-Therapist Companion. Also in Denmark, where the first sales order was placed by a municipal dementia institution in Q4-22, two years earlier than expected at the time of the IPO.

Growing big pharma interest in digital dementia therapeutics

Large pharmaceutical companies with Alzheimer's drugs in the pipeline are starting to eye digital dementia therapeutics as value-adding, both as stand-alone and in combination treatments. With three digital dementia technologies and a product on the market, it is management's view that Brain+ stands in a strong position to attract additional pharma partnerships in the years to come.

Both commercial traction and clinical evidence can qualify the Company for large licensing deals. Click Therapeutics lead the way as a role model in the Digital Therapeutics industry with its first USD ~500 million strategic licensing deal with Boehringer Ingelheim in 2020, and a second deal of a similar size in 2022.

Motive for the rights issue

Brain+ has an attractive position to become a leader in addressing the large unmet clinical needs in Alzheimer's disease with digital therapy. However, the market for digital therapy is still young and while building its commercial business towards profitability, the company will in the coming years need external capital to help fund its clinical activities and grow its product portfolio.

With a focus to finance the activities defined in its 3-part business plan, including market expansion of its first commercial product, CST-Therapist Companion, Brain+ is now conducting a rights issue of units (combination of new shares and warrants).

3-part plan 2023-2025

Commercial expansion to global leadership

Part 1: CST-Therapist Companion ("TC")

The core of Brain+ business plan, focused on meeting the following milestones and reaching break even. To pursue this part, the company needs approximately DKK 15 million over the period:

	Commercial milestones	Clinical milestones
2023	<ul style="list-style-type: none">• Proof of business in Denmark• Market entry of CST-TC v1 in Germany	<ul style="list-style-type: none">• Finalize claims study for CST-TC v2
2024	<ul style="list-style-type: none">• Market entry of CST-TC v1 in the UK• Launch of CST-TC v2	<ul style="list-style-type: none">• Reimbursements in target markets
2025	<ul style="list-style-type: none">• Reach cash flow break-even by end year	<ul style="list-style-type: none">• Reimbursements in target markets

Part 2-3: CST-Home Care ("HC") & CST for MCI ("MCI")

The expansion & growth part of the Brain+ business plan will be prioritized to the extent that Part 1 activities are funded in the first instance. To fully fund Part 2 and 3 of the business plan and reach the following milestones, Brain+ needs approximately DKK 11 million:

	Commercial milestones	Clinical milestones
2023	<ul style="list-style-type: none">• Introduce CST-HC for home care use	<ul style="list-style-type: none">• Complete pilot study for CST-MCI
2024	<ul style="list-style-type: none">• Strategic pharma deals	<ul style="list-style-type: none">• Claims study for CST-HC• Proof of concept study (phase 2) for CST-MCI
2025	<ul style="list-style-type: none">• Strategic pharma deal with financing or out-licensing component• Accelerate expansion of CST-MCI into future markets	<ul style="list-style-type: none">• Achieve Class 1 MDR for CST-HC• Reimbursement in target markets• Claims study for CST-MCI

* The 3-part plan is fully elaborated in the prospectus pp. 33-35.

How to subscribe

The offer

Investors can subscribe for units in Brain+ A/S during the subscription period which runs from 10 May 2023 to 25 May 2023. Each unit consists of two (2) shares, two (2) warrants of series TO 2, and two (2) warrants of series TO 3. The price is DKK 1.00, per unit, corresponding to DKK 0.50 per share. All four warrants are issued free of charge.

Where to subscribe

You can subscribe for units through your custodian bank. Deadlines for subscribing through custodian banks may be earlier than the end of the subscription period. Shareholders with Nordnet as a custodian bank, must for instance act before 20 May 2023.

Subscribe for units using pre-emptive rights

As an existing shareholder in Brain+, you have been allocated pre-emptive unit rights which you can use to subscribe for units with guaranteed allocation of shares. Existing shareholders or other investors can subscribe for additional units with guaranteed allocation by acquiring and exercising additional pre-emptive unit rights which will be traded on Nasdaq First North during the period 8 May – 23 May 2023.

Holders of pre-emptive unit rights can exercise their rights and subscribe for units from their own custodian bank's trading platform. Use the bank's 'corporate actions' web page, where information regarding issues of shares can be found, or contact your adviser.

Subscribe for units without pre-emptive rights

If not all pre-emptive unit rights are exercised and all units in the rights issue, therefore, are not subscribed for by the use of pre-emptive unit rights, remaining units will be allotted to investors that have subscribed for units without use of pre-emptive unit rights.

Investors wishing to subscribe for units without pre-emptive unit rights, can do so through the corporate action page on their custodian banks' respective trading platforms. Alternatively, if a custodian bank does not offer a standardized subscription solution for corporate actions, subscription without the use of pre-emptive unit rights can be filed using a subscription form. Fill in the form and send or hand it to your custodian bank such that the subscription form is forwarded to Nordic Issuing AB no later than 25 May 2023. The subscription form can be found on Brain+'s website.

Summary of the rights issue

Subscription period

10 May – 25 May 2023

Subscription price

DKK 1.00 per unit corresponding to DKK 0.50 per share.

Issue amount

The Issue will comprise a maximum of 15,720,518 units. If the initial rights issue is fully subscribed, the company will receive approx. DKK 15.7 million before transaction related costs.

Pre-subscription and guarantee commitment

The company received, in March 2023, pre-subscription commitments and guarantee commitments ensuring a minimum subscription in the rights issue of approximately DKK 13.40 million, corresponding to approximately 85 percent of the rights issue. Approximately DKK 4.44 million refers to pre-subscription commitments and approximately DKK 8.93 million to guarantee commitments.

Dilution

An existing shareholder's percentage of ownership in Brain+ may be reduced, or diluted, upon issue of units, if he/she refrains from exercising all the pre-emptive unit rights allocated. The dilution can be up to 66.7 percent if the initial issue is fully subscribed. Shareholders can partially protect themselves from dilution by either partly exercising the allocated pre-emptive unit rights or selling them over the market.

Timeline for rights issue

8 May

First day of trading of pre-emptive unit rights

9 May

Record date for obtaining pre-emptive unit rights

10 May

First day of subscription period

23 May

Last day of trading of pre-emptive unit rights

25 May

Last day of subscription period

7 June

Expected first day of trading of the new shares and warrants

Summary of terms and conditions

Information about the pre-emptive unit rights issue

The offering consists of a rights issue of units in Denmark and Sweden. The Company is offering 15,720,518 units with a nominal value of DKK 0.20 (DKK 0.10 nominal value per share) at the subscription price of DKK 1.00 per unit and with pre-emptive rights for the existing shareholders. Each unit comprises two (2) shares, two (2) warrants of series TO 2 and two (2) warrants of series TO 3, hence 31,441,036 shares, 31,441,036 warrants of TO 2, and 31,441,036 warrants of TO 3 will be issued if the rights issue of units is fully subscribed.

Each shareholder registered in the Company's share register kept by VP Securities on 9 May 2023 will be allocated one (1) pre-emptive unit right for each existing share held. One (1) pre-emptive unit right entitles the holder to preferential allocation when subscribing for one (1) unit. The pre-emptive unit rights have been approved for trading on First North during the period between 8 May 2023 and 23 May 2023.

During the rights' trading period, holders of pre-emptive rights who do not wish to exercise their pre-emptive rights to subscribe for units may sell their pre-emptive rights on First North and a purchaser may use the acquired pre-emptive rights to subscribe for units with preferential allocation. Holders wishing to sell their pre-emptive rights should instruct their custodian institution or other financial intermediary accordingly.

Any pre-emptive rights not exercised or sold during the subscription period will lapse with no value, and the holder of such pre-emptive unit rights will not be entitled to compensation.

Offering and proceeds

The rights issue comprises up to 15,720,518 units. Upon full subscription of the rights issue, the gross proceeds to the Company will be DKK 15,720,518, and the net proceeds are expected to amount to a total of approximately DKK 12.0 million, of which approximately DKK 3.7 million is already received in March 2023 through a bridge loan.

Pre-subscription and guarantee commitments

The Company received, in March 2023, written commitments to directly subscribe for units and commitments to subscribe for any remaining units not subscribed for by current shareholders and the general public. The commitments guarantee a minimum subscription in the rights issue of approx. DKK 13.40 million, corresponding to approx. 85 percent of the rights issue. Of the commitments, approx. DKK 4.44 million refers to pre-subscription commitments (corresponding to the bridge loan and compensation which is offset for subscription in the issue) and approximately DKK 8.93 million to guarantee commitments.

Subscription period

The subscription period of the units will commence on 10 May 2023 and will close on 25 May 2023.

Subscribe for new shares with pre-emptive rights

Shareholders obtaining pre-emptive unit rights, or who have purchased pre-emptive unit rights over the market, wishing to subscribe for units do so through their custodian bank.

Use the custodian bank's corporate actions web page where information regarding corporate actions can be found. Advisers from the bank can also support in the subscription process.

Subscription for remaining units

Existing shareholders or other investors can subscribe for units by acquiring and exercising additional pre-emptive unit rights which will be traded on Nasdaq First North Growth Market. The general public and existing shareholders can also subscribe for any units not subscribed for by exercise of pre-emptive unit rights. If all units by use of subscription rights is not subscribed for, the remaining units will be allotted to investors that have subscribed for units without use of pre-emptive unit rights through their respective custodian bank.

Binding subscriptions without the use of pre-emptive unit rights, can also be filed using subscription forms. You can download it from Brain+'s investor page. Fill in the form and send or hand it to your custodian institution such that the subscription form is forwarded to Nordic Issuing AB no later than 25 May 2023 to make sure that your subscription is included. Please note that if you wish to subscribe for units to an account at Nordnet/Avanza, you should not use the form but subscribe online on the respective websites.

The subscription form is available at the following link: <https://www.brain-plus.com/>

Allocation of units in the rights issue will be decided by the Brain+ Board of Directors, with the following priority:

- 1) Subscription with the support of pre-emptive unit rights
- 2) Subscription without the support of pre-emptive unit rights
- 3) Guarantors
- 4) Pre-subscribers (guaranteed allotment in issue or in a separate over-allotment issue)

Withdrawal of applications of subscription

Instructions to exercise pre-emptive unit rights or subscriptions of remaining units related to the issue are irrevocable

Payments and delivery of temporary units

Upon exercise of the pre-emptive unit rights, the holder must for the units pay an amount equal to the subscription price per unit multiplied by the number of units subscribed for. Payment shall be made upon subscription against registration of the temporary units in the transferee's account with VP Securities not later than the end of the subscription period holders of pre-emptive unit rights shall adhere to the account agreement with their Danish custodian institution or another financial intermediary, through which they hold existing shares.

Upon subscription of the remaining units, the holder must pay an amount equal to the subscription price multiplied by the number of units allocated. Payment for remaining units will be made via a *delivery versus payment transfer* through the subscriber's custodian bank and will be withdrawn from the account by the subscriber's custodian bank when allocation has been made by the Board of Directors after the subscription period.

Trading in temporary units

Upon exercise of pre-emptive unit rights and payment of the subscription price, temporary units will be delivered through VP Securities by being recorded on subscribers' accounts with VP Securities. The temporary unit instrument which represents the two (2) shares and free-of-charge warrants will not be admitted to trading on First North. After the subscription period has ended and the rights issue has been registered with the Danish Companies Registration Office, the temporary units will be automatically converted into ordinary shares and warrants in the Company.

Over-allotment issue

The Board of Directors in Brain+ can, if the rights issue is fully subscribed, partially or in full resolve an over-allotment issue up to a value of DKK 5,821,544. The over-allotment issue comprises a maximum of additionally 5,821,544 units corresponding to 11,643,088 shares, 11,643,088 warrants of series TO 2, and 11,643,088 warrants of series TO 3. The subscription price for such units is the same as in the rights issue. The purpose of the over-allotment issue is to accommodate high demand in case of over-subscription and at the same time enable the Company to invest more in higher growth.

Dilution

Upon the issue of the units, the percentage of ownership of the existing shareholders may be reduced. If the existing shareholders refrain from exercising the allocated pre-emptive unit rights to subscribe for units in the rights issue, shareholder's ownership will experience a dilution of up to 66.7 percent if the initial issue is fully subscribed. Shareholders can partially protect themselves from dilution by either partly exercising the allocated pre-emptive unit rights or selling them over the market. The dilution will be higher if the over-allotment issue is activated.

Minimum and Maximum subscription amounts

In connection with the offering, the minimum number of units that a holder of unit rights may subscribe for will be one (1) unit, requiring the exercise of one (1) pre-emptive unit right and the payment of the subscription price. The number of units that a holder of pre-emptive unit rights may subscribe for is not capped. However, the number is limited to the number of units that may be subscribed for through the exercise of the pre-emptive unit rights held or acquired. The minimum number of units that an investor who do not hold any pre-emptive unit rights may subscribe for will be one (1) new unit and the maximum number of units is not capped.

Announcements of the results of the offering

The results of the rights issue will be communicated in a Company announcement expected to be published on 31 May 2023, or as soon as possible after the subscription period ends.

Completion of the offering

The offering will only be completed if and when the units subscribed for are issued by the Company upon registration with the Danish Business Authority, which is expected to take place no later than 2 June 2023.

Warrants of series TO 2

Each warrant of series TO 2 entitles the holder to subscribe for one (1) new share at a subscription price within the range of DKK 0.20 – 0.80 during the exercise period which runs between 2 October and 16 October 2023. The exercise price for the warrants of series TO 2 will be set with a 30 percent discount to the volume-weighted average price during the period of twenty (20) trading days before the first day of the exercise period. The exercise price must be rounded to the nearest whole øre. If all warrants of series TO 2 are exercised during this period, the Company will receive an additional of approximately DKK 6.3 – 25.2 million before issue costs.

Warrants of series TO 3

Each warrant of series TO 3 entitles the holder to subscribe for one (1) new share at a subscription price within the range of DKK 0.30 – 1.20 during the exercise period which runs between 8 March and 22 March 2024. The exercise price for the warrants of series TO 3 will be set with a 30 percent discount to the volume-weighted average price during the period of twenty (20) trading days before the first day of the exercise period. The exercise price must be rounded to the nearest whole øre. If all warrants of series TO 3 are exercised during this period, the Company will receive an additional of approximately DKK 9.4 – 37.7 million before issue costs.

Withdrawal or suspension of the offering

The offering may be withdrawn by the Company subject to certain conditions before registration of the capital increase relating to the units with the Danish Business Authority. If the offering is withdrawn, any exercise of pre-emptive unit rights that has already taken place will be canceled automatically. The subscription amount for the units will be refunded (less any transaction costs) to the last registered owner of the temporary units as of the date of such withdrawal. All pre-emptive unit rights will lapse, and no units will be issued. Trades of pre-emptive unit rights executed during the rights trading period will, however, not be affected. Consequently, investors who have acquired pre-emptive unit rights will incur a loss corresponding to the purchase price of the pre-emptive unit rights and any transaction costs. Trades in existing shares and temporary units will also not be affected if the offering is not completed, and shareholders and investors that have acquired temporary units will receive a refund of the subscription amount for the units (less any transaction costs).

The Company is not authorized to close the offer on an earlier date than the last subscription date.

Complete information

For full terms and conditions of the offering, please read the prospectus in full at www.brain-plus.com.