



brain+

2024

HALF YEAR
REPORT

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STATEMENT FROM THE CEO & CHAIRMAN

Dementia represents a large and continuously growing unmet need worldwide. A need for better disease management to improve the lives of those affected by the condition and lessen the burden of disease on healthcare systems. Political attention on new ways to address the need is increasing, and management believes that Brain+ has built an attractive potential with its unique healthtech offerings for better dementia management – and its first product, the CST-Assistant, now on the brink of commercialization and scaling.

In the beginning of 2024, it was decided to refocus the commercial strategy and resources on the UK as the most attractive market for the Company's Cognitive Stimulation Therapy (CST) dementia products. The objective is to reach proof-of-business and commercial scaling as fast as possible, targeting UK operational break even by end 2025 and company break even by end 2026. An ambitious UK Market Access plan was developed as the path to launching an upgraded version of the CST-Assistant as a certified Medical-Device-Software in the UK end Q3 2024 and reach first sales in Q4 2024. Medical Device certification is important as validation of clinical relevance and value propositions towards target customers in the UK National Health Service (NHS) and to support pricing and reimbursement.

In 2024 to date, Brain+ has successfully executed in full accordance with the UK Market Access plan and delivered on several key milestones. The company has applied for the CST-Assistant to be included on the NHS procurement platform, completed a usability study in partnership with AgeUK to generate relevant UK user data, established a UK branch and significantly upscaled inhouse UK healthtech commercial resources with the hire of Devika Wood as new Chief Commercial Officer. Recently the Clinical Evaluation Report of the CST-Assistant was validated for regulatory compliance and the clinical relevance of the product endorsed by Prof. Aimee Spector from UCL, UK, the founder of CST.

The next steps in 2024 are clearly defined to successfully close out the year; 1) refine and execute on the UK commercialization plan, 2) certify the CST-Assistant as a UK Medical Device, 3) close the first early adopter NHS contracts to generate first UK sales in Q4, and 4) execute on the marketing and sales plan to build a strong pipeline of leads, converting to contracts and recurring sales in 2025.

Financially, Brain+ has cut back on costs to operate as lean as possible without losing momentum in the UK Market Access plan, as public funding conditions remain challenging. This is reflected in the financial results for H1 2024, and it is the plan to continue a highly diligent cost approach until the company has reached recurring sales.

Management want to express sincere thanks to loyal shareholders and new investors, including the first professional healthtech investor joining the Brain+ mission. This meant that sufficient funding was secured from the TO 3 warrants and the Unit Rights Issue in H1 2024 to finance operations through the planned UK launch of the CST-Assistant. The upcoming September exercise period for the TO 4 warrants, which were issued in connection with the Unit Rights Issue, is intended to secure funding through to first sales and next-step value creation.

In parallel with efforts to secure the success of the TO 4 warrant exercise, management has started to execute on a long-term funding plan. The longer-term plan ties funding steps to value-creating business milestones with the objective to minimize dilution of existing shareholders. Outreach and active dialogue has been started to build interest and commitments amongst existing shareholders and new healthtech and dementia focused funds, family offices and super angels in Europe and the UK. The plan also includes in parallel to pursue supplementary grant funding and debt financing from 2025.

We look forward to keeping our shareholders and other stakeholders updated on our progress through the rest of 2024 to set the stage for a strong 2025.



Kim Baden-Kristensen
Chief Executive Officer

A handwritten signature in black ink, appearing to read "Kim Bkr".



Tim Jürgens
Chairman of the Board

A handwritten signature in black ink, appearing to read "Tim Jürgens".

BUSINESS ACHIVEMENTS H1 2024

UK focused commercial strategy

Start 2024, Brain+ launched a commercial strategy focused on the UK market as the shortest path to successful growth. During 2024 to date, several critical steps have been taken to realise this strategic move:

- 1) Established a partnership with Quiddity Health for the development of a proven Market Access plan to facilitate the entry of CST-Assistant into the UK market.
- 2) Established a partnership with 8FoldGovernance to work towards UK regulatory compliance for the UK version of CST-Assistant.
- 3) Applied for inclusion of the CST-Assistant on the NHS's G-Cloud digital procurement platform, a crucial step for NHS adoption.
- 4) Established a UK-based subsidiary, Brain+ UK Ltd, to facilitate NHS contracting and unlock UK funding opportunities.
- 5) Hired a UK healthtech expert as Chief Commercial Officer and supercharged the commercial function by the subsequent hire of Fiona Costello, a UK-based leading global and NHS partnership expert.

Major product upgrade, data generation and groundbreaking UK partnerships

In H1 2024, Brain+ has also met a series of product milestones to support its UK commercial strategy:

- 1) Completed the development of a major upgraded version 2.0 of the CST-Assistant based on input from and in close collaboration with leading CST therapists and dementia experts in Denmark and the UK.
- 2) Established a partnership with Age UK, the UK's leading age care charity that supports over 10 million older adults each

year in the UK alone and represents a key reference for the NHS.

- 3) Completed a usability study of the UK CST-Assistant at two Age UK sites to evaluate and generate data on the benefits of the product to support CST delivery.
- 4) Obtained UK regulatory compliance validation of the Clinical Evaluation Report (CER), documenting the performance and safety of the CST-Assistant and received endorsement of the product's clinical relevance by Aimee Spector, Professor of Clinical Psychology of Ageing at UCL, UK and the creator of Cognitive Stimulation Therapy (CST)

Commercial Activities in the Danish Market

In 2024, Brain+ has downscaled its commercial activities in Denmark. The home market however remains an important market for testing and user feedback, and key achievements include:

- 1) Signed two additional innovation contracts for use of the CST-Assistant with Syddjurs Municipality and Herning Municipality (extension of use)
- 2) Advanced the CO-PI grant covered project to support implementation and scaling of the CST-Assistant with enrolment of 5 Danish municipalities
- 3) Conducted the first CST-Assistant training sessions in the CO-PI project to test the integration of the product into the formal CST education in Denmark – Informing a similar approach agreed with UK CST educators
- 4) Released a Danish version of the CST-Assistant v2.0

FINANCIAL REVIEW OF H1 2024

In H1 2024, Brain+ realized a gross profit of DKK 1.0 million (H1 2023: DKK 1.6 million). Realized sales amounted to DKK 0.1 million, and the main income components of the gross profit for the period comprise capitalization of project development costs and recognition of project grants. As a result of product maturation, less development costs have been capitalized. At the same time, Brain+ has realized regulatory and Market Access expenses to drive its UK plan. This operational shift is the reason for the decrease in gross profit.

Staff expenses, which is the most significant cost element in Brain+, fell to DKK 5.7 million in H1 2024 (H1 2023: DKK 6.2 million) reflecting the company's commitment to lean resource management.

Total operating activities in H1 2024 resulted in a loss of DKK 6.7 million (H1 2023: DKK 6.6 million). Including financial expenses of DKK 0.8 million related to the Unit Rights Issue in June (bridge-loan interest and guarantor compensation), and a calculated tax credit of DKK 0.5 million for the period's R&D expenses, the final result for H1 2024 was DKK -7.1 million (H1 2023: DKK -6.1 million).

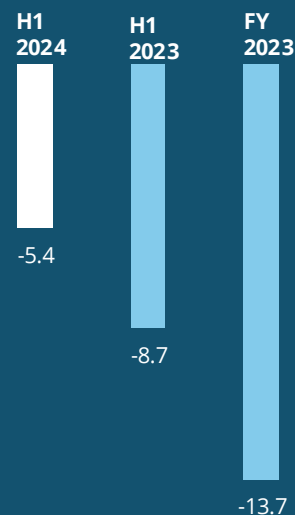
Operational cash flow for the period was DKK -5.4 million (H1 2023: DKK -8.9 million). The improvement in operational cash flow compared to the same period last year, is a consequence mainly of significantly lower short-term payables at the start of 2024 compared to the start of 2023.

Cash flow from investments mainly stems from the non-cash income effect of capitalized development cost, which amounted to DKK -2.1 million (H1 2024: DKK -2.3 million).

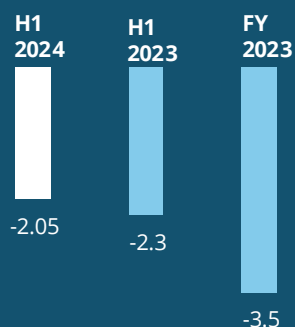
During H1 2024, Brain+ has secured DKK 8.8 million in new cash from capital increases. Including cash proceeds from a bridge loan arrangement connected to the Unit Rights Issue and costs associated with the capital increases, net cash flow from financing activities amounted to DKK 9.0 million.

Brain+' cash position on 30 June 2024 was DKK 4.7 million.

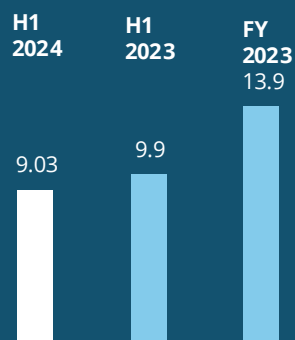
CASH FLOW FROM OPERATING ACTIVITIES



CASH FLOW FROM INVESTING ACTIVITIES



CASH FLOW FROM FINANCING ACTIVITIES



*All figures are in millions DKK.

KEY FIGURES

DKK	6 months ended June 30, 2024 (NOT AUDITED)	6 months ended June 30, 2023 (NOT AUDITED)	Full Year 2023
Income statement			
Gross profit	1,032,673	1,619,151	2,352,491
Staff expenses	-5,660,552	-6,168,030	-11,039,670
Depreciation and amortization	-2,046,487	-2,034,178	-8,819,650
Other finance income/expenses	-835,036	-925	-2,245,644
Profit/loss before tax	-7,509,402	-6,583,981	-19,752,474
Profit/loss	-7,057,752	-6,074,227	-19,124,815
Balance sheet			
Cash and cash equivalents	4,675,428	5,292,683	3,091,166
Fixed assets	31,558,165	37,239,169	31,551,697
Total assets	37,859,138	44,601,553	35,969,780
Shareholders' equity	12,669,083	20,211,823	12,384,756
Share capital	13,272,214	4,426,287	6,546,243
Cash flow statement			
Cash flow from operating activities	-5,396,996	-8,695,323	-13,707,331
Cash flow from investing activities	-2,052,954	-2,317,062	-3,513,168
Cash flow from financing activities	9,034,212	9,903,149	13,909,746
Financial ratios			
Earnings per share	-0.09	-0.30	-0.52
Earnings per share, diluted	-0.05	-0.07	-0.26
Shareholders' equity per share	0.08	0.47	0.19
Equity ratio	33.46%	45.32%	34.43%
Shares outstanding	165,902,669	44,262,866	65,462,430

MANAGEMENT COMMENTARY



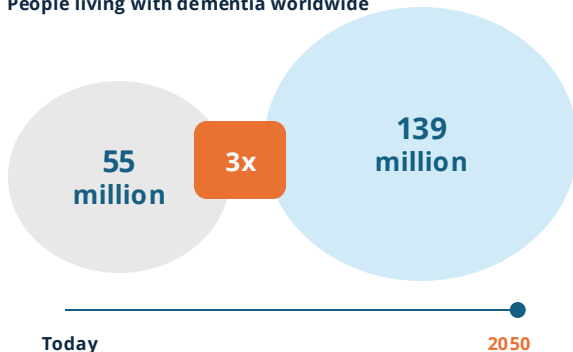
BUSINESS OUTLOOK

Dementia: an increasing health and social challenge

Dementia is one of the biggest healthcare challenges of our century, as the number of people diagnosed with dementia worldwide is expected to almost triple from currently 55 million to 139 million by 2050. Dementia currently stands as the second leading cause of death worldwide and the leading cause of death in women. The disease is chronic with no known cure and limited treatment options, and dementia is a heavy burden, not only on people diagnosed, but also on their relatives and the healthcare systems that take care of them. Due to its heavy toll on societies, the need for better dementia management is gaining increasing political focus worldwide.

Rapidly growing incidence

People living with dementia worldwide



CST: The leading clinically proven non-drug dementia therapy

Cognitive Stimulation Therapy (CST), which was invented in the UK, stands out as the most well-documented and clinically proven non-drug therapy to reliably improve cognition and quality of life for people with dementia.

CST is a multi-modal method that stimulates thinking, memory, and communication skills. The therapy is delivered by a trained CST therapist over 14 twice-weekly sessions, where a group of 4-8 people with mild to moderate dementia meet to engage in a variety of activities designed to enhance cognitive function and social interaction.



Proven clinical benefits of CST:

- **6 months delay in cognitive decline**
- **Improved communication**
- **Improved quality of life**
- **Increased social interaction and confidence**

Due to its clinical benefits, CST is recommended for global implementation by the World Alzheimer's Association. Additionally, it is the only non-drug dementia therapy that is recommended for national implementation by the National Institute for Health and Care Excellence ("NICE") in the UK.

CST has shown to enhance the effect of dementia drugs

A January 2023 Cochrane review of 37 randomized controlled trials found that combining CST with drug treatments offers larger cognitive benefits for people with mild to moderate dementia than drug treatment alone. The review also noted such combination therapy to improve communication and social interaction for people with mild to moderate dementia, while also providing slight improvements in quality of life, mood, and behavior.

The treatment synergies of CST and dementia drugs represent an attractive opportunity for Brain+ to engage in partnerships with pharma companies. The approvals on some key markets, including the US and the UK, of a new type of disease modifying Alzheimer's drugs in 2023 and 2024 have spurred interest and demand to look into such potential combination dementia treatments.

Barriers for broader adoption of CST

Despite the clinical relevance and the recommendations from leading dementia and health organizations, large-scale CST offerings by healthcare systems are restrained by the therapy currently being time-consuming and staff-intensive to deliver.

Firstly, the lack of trained staff is a significant barrier to the adoption and scaling of CST. If CST were to be offered as a standard and following recommendations, it would call for 6 million CST group programs annually and require 1 million trained CST therapists. Even if the number is growing, there are currently only around 15,000 CST therapists worldwide, of which 6,000 are in the UK.

Secondly, each CST therapist spends hours in total to prepare for a full CST program. This represents unnecessary repetitive and non-optimal workflows, resulting in non-adaptive and static CST content and inconsistent therapeutic quality.

In addition, an important barrier to adoption is the logistical requirements around CST sessions, and in particular, people diagnosed with dementia in less populated areas have no access to the therapy.

Key dementia opinion leaders and CST experts advocate the relevance and potential of healthtech-based clinical solutions to help overcome these barriers and enable healthcare systems to offer CST cost-efficiently and at scale.



Brain+’ healthtech solutions and the focus on CST offerings to break down the barriers of adoption

Brain+ is focused on the development of healthtech solutions for better dementia management, building on many years of neuroscientific research and experience with the development of software-based brain-training tools.

The company’s technologies and products are developed in close collaboration with leading researchers, clinicians, and practitioners in the field of dementia.

This approach helps to ensure product offerings that align with user and customer needs and allows the generation of critical

data through studies to provide the necessary scientific and clinical documentation to obtain Medical Device certification, reimbursement, and payer adoption.

The company’s first products are pioneering software-based CST solutions to help lower the barriers for broader and more effective therapeutic adoption.

The objective is to offer solutions that can effectively automate CST delivery for higher efficacy, standardize therapeutic quality for better clinical effect, and provide support for scaling of reach.

TECHNOLOGY	PRODUCT	REGULATORY CLASS	TARGET USE	MATURITY STAGE				
				Technology	Pilot	Clinical	Market	Regulatory
Software-based Cognitive Stimulation Therapy (CST)	CST-Assistant v1.0	Non-classified support tool	Mild to moderate dementia	[Progress bar: 100%]				
	CST-Assistant v2.0	Medical device software Class I	Mild to moderate dementia	[Progress bar: 100%]				
	CST-Home Care	Medical device software Class I/IIa	Mild to moderate dementia	[Progress bar: 25%]				
Computerized Cognitive Training (CCT)	CST-for-MCI combination product	Medical device software Class IIa	Mild cognitive impairment (MCI)	[Progress bar: 75%]				
Starry Night Memory Test	Cognitive impairment test	TBD	Detection of early cognitive decline	[Progress bar: 10%]				

The CST-Assistant: First commercially available Brain+ dementia product

The CST-Assistant is a software-based solution designed to support, automate, and standardize CST delivery, enabling a more effective and scalable high-quality delivery of the therapy to more people with dementia.

CST - Strong Scientific Evidence and Growing Support

- ✓ Recommended for global implementation by the **World Alzheimer's Association**
- ✓ Supported by **2 Systematic Cochrane** reviews
- ✓ Adopted in more than **39 countries**



A v1.0 of the product was introduced commercially in Denmark in Q4 2022 and in Germany in Q2 2023 as a non-medical device with the intention to test the market and create user awareness and feedback.

A significantly upgraded v2.0 of the product with expert-curated ready-to-use CST content and +200 customizable activities was released in Denmark in early July and is on track for release in the UK as a Medical-Device-Software by the end of Q3 2024. Usability studies of the CST-Assistant in Denmark and the UK have shown that the product can save therapists 50% in preparation time and facilitate learning time savings of 20-40 hours for newly trained therapists.

Key Features and Benefits of the CST-Assistant

1) Clinical Relevance: The CST-Assistant implements the already highly validated and recommended CST method with clinically relevant benefits to patients, such as slowing cognitive decline by up to six months. By standardizing the CST method, the CST-Assistant also improves quality and consistency in delivery, which expectedly will provide improved patient outcomes.

2) Efficiency and Scalability for Healthcare Systems: The CST-Assistant significantly reduces the time and effort required for therapists to prepare and deliver CST sessions. Therapists can quickly customize and deliver sessions tailored to the specific needs of diverse patient groups they meet to scale their CST offerings

3) Resilience in Care Delivery: The CST-Assistant addresses a key challenge in healthcare systems—staff turnover. Traditionally, CST expertise is often concentrated in a few individuals, making continuity of care vulnerable when those individuals leave. The CST-Assistant mitigates this risk by enabling organizations to quickly onboard new staff by providing an off-the-shelf full solution for preparing and delivering CST.



The CST-Assistant user interface. Each number represents one expert validated, ready-to-use CST-session, with 200+ sub-activities in total.

CST-Home Care

The CST-Home Care product is the next major product in the pipeline. It is a separate product that is in the research phase with user research and prototyping ongoing. This product is being developed to enable home training for people with dementia as a supplement to CST group sessions – and to offer an opportunity to offer longer-term therapy beyond the 14-session long group-based program. User research and prototype development is currently ongoing, however at a reduced pace to save costs.

CST-for-MCI product

The CST-for-MCI product is intended to address the segment of Mild Cognitive Impairment as a pre-stage for dementia. This product will build on the CST method and include relevant other cognitive training software. Clinical studies are currently ongoing in Denmark to test an early product version in people with MCI.



Commercial strategy: UK-focused pathway to scalable, recurring revenues

The UK market currently represents the most attractive opportunity for Brain+’ CST healthtech solutions. The former UK government identified dementia in its Major Conditions strategy, recognizing the disease as one of the greatest contributors to ill-health and early mortality. This commitment is shared by the new Labour government which pledged to put the UK at the forefront of transforming dementia treatment. A combination of national, regional, and local strategies continues to demonstrate that dementia is a top priority for the National Health Service (NHS), which is responsible for approximately 80% of the country’s healthcare offerings.



CST was founded in the UK, and the country has the highest CST penetration worldwide. It is recommended in the UK’s National Institute for Health and Care Excellence (NICE) guidelines and mandated for prescription following dementia diagnosis. With nearly 1 million people living with dementia in the UK, Brain+ estimates the addressable market for the CST-Assistant alone to be valued at around £200 million.

The UK is Europe’s most mature market in terms of healthtech adoption with well-established reimbursement mechanisms for digital therapies. Brain+’ Market Access plan for the CST-Assistant as the first product to be introduced in the UK is based on a tried and validated commercial pathway for medical device software products in the country.

Certification as a Medical Device is fundamental to validating the clinical relevance and safety of the product. This, combined with externally validated NHS “DTAC” (Digital Technology Assessment Criteria) compliance is significant towards reimbursement and has been worked on in collaboration with UK commercial and regulatory advisors; Quiddity Health, and 8foldGovernance. Following certification, Brain+ expects to release the CST-Assistant in the UK by the end of September 2024.

Following the hire of Devika Wood as Chief Commercial Officer, Brain+ has significantly increased its commercial competencies and resources and is focused on refining its UK commercial plan. The initial focus is to target ‘evaluation track’ contracts with NHS Trusts, likely to be valued at £10,000-30,000. These ‘evaluation contracts’ are designed to attract early adopters with the aim of transitioning these early clients into recurring revenue supported by multi-year agreements. Brain+ aims to close 1-2 ‘evaluation track’ contracts before the end of 2024.

Building on these foundations, the plan is to develop a pipeline of customer leads and scale sales through additional contracts with individual NHS Trusts. The goal is to leverage these contracts to build additional clinical evidence that supports the company to secure regional reimbursement and larger multi-trust contracts at the Integrated Care Systems (ICS) level. Such ICS contracts can be valued at £500,000 or more.



Devika Wood
Chief Commercial Officer

The role of the Danish market

Brain+ sees the Danish home market as important as a user testbed for new product solutions.

Smaller innovation budget sales contracts have been closed with several municipalities as an initial validation of the relevance of the CST-Assistant to support their CST offering.

However, as the Danish market is small, municipality budgets are severely restrained and no healthtech reimbursement options exist, visibility for sales growth is low.

Brain+ has consequently downscaled its commercial activities in Denmark to focus on the CO-PI grant-covered project to support the implementation and scaling of

CST. This includes the testing of a new CST education including integrated training in using the CST-Assistant.

The US as a longer-term target market

The longer-term most attractive market for Brain+ is the US, where CST adoption is the 2nd highest in the world after the UK and which represents in general an innovative and highly valuable market for new healthtech solutions.

First Market Access activities are planned to start only when the company is firmly established on a strong business growth trajectory in the UK.

Feedback on the CST-Assistant from the Danish Market

Family caregivers



"I experienced that my husband became better at expressing himself and taking initiative... we laughed more than we usually do and spoke about things we normally don't"

Dementia therapists

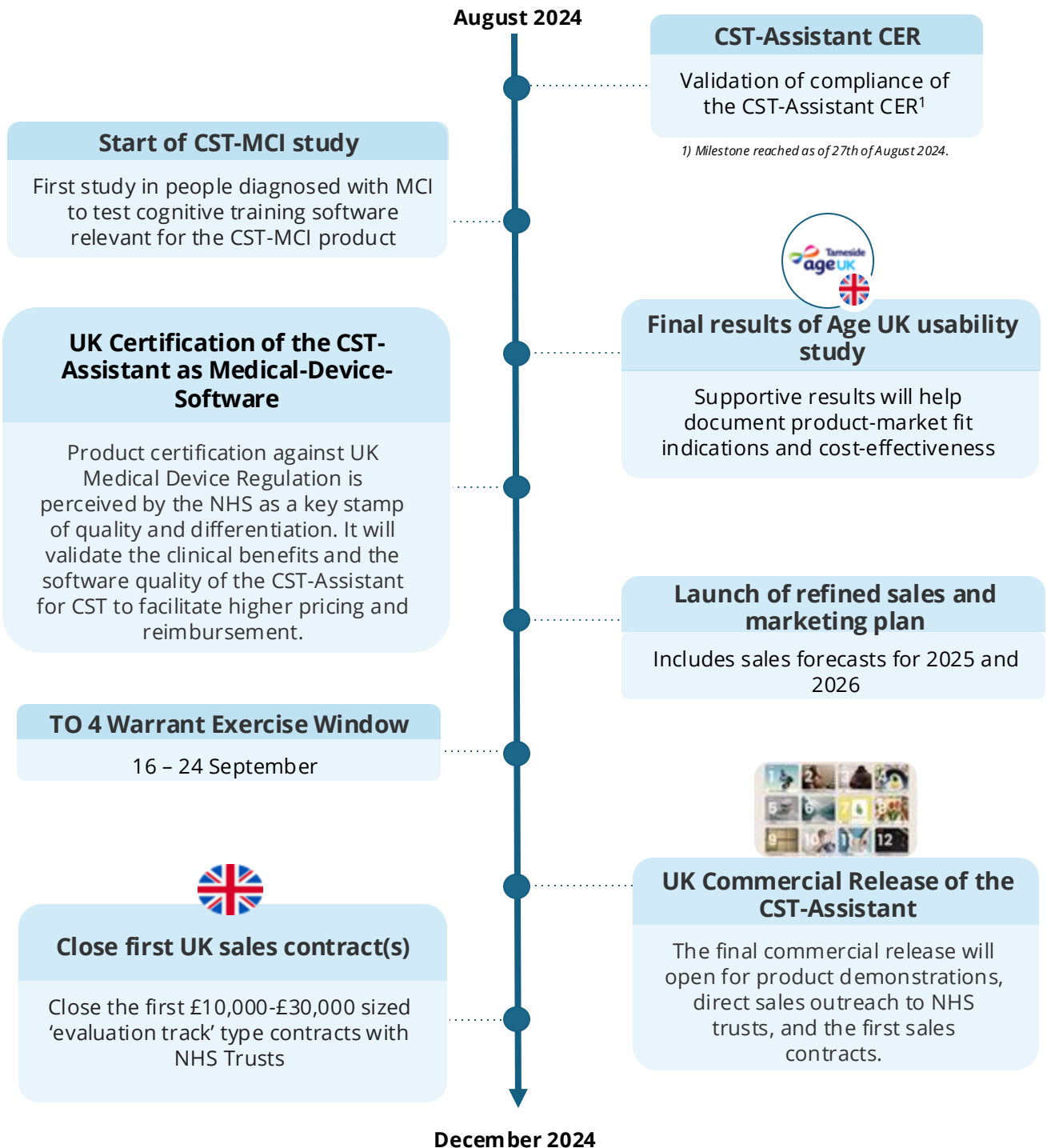


"This (CST-Assistant) should be used everywhere - It is worth its weight in gold and is a huge help for both volunteers, relatives and professionals"

Sources: CST Study with Via University College with digitally delivered CST using the Brain+ CST Assistant product

Expected 2024 Milestones

Brain+ is on track to deliver in accordance with its UK Market Access plan and expect the following key milestones for the rest of 2024.



FINANCIAL OUTLOOK

Forecast for 2024

In H2 2024, Brain+ expects to realize around DKK 0.1 million in sales from existing Danish contracts for the CST-Assistant. This corresponds to expected Danish sales in 2024 of around DKK 0.2 million.

As a consequence of considerably restrained Danish municipal budgets and the company's reduced commercial focus on Denmark, the potential of additional Danish sales contracts in H2 2024 has been excluded from the 2024 sales forecast.

In the UK, Brain+ expects to close small initial NHS evaluation track contracts for the CST-Assistant in Q4. Such contracts are expected to represent a combined sales value of around DKK 0.15-0.2 million. Since such contracts likely will be covering a term, a larger part of the sales value may be accounted for as sales in 2025. Total realized sales in 2024 are consequently expected to be in the range of DKK 0.25-0.3 million.

With a continued strong focus on keeping operational costs at a minimum, the company retains its expectations of a net result in 2024 of between DKK -12 and -15 million.

Sales forecast for 2025 and 2026

Brain+ has scheduled an internal commercial workshop to refine its commercial plan for the UK. Based on the outcome of the workshop, the company will in September update the market and provide a refined UK sales and marketing plan including an updated sales forecast for 2025 and 2026.

The company expects recurring UK sales from H1 2025 and to reach operational break-even for its UK business by the end of 2025 and for the full company by the end of 2026 based on its current business plans.

FUNDING OUTLOOK

Brain+ is continuously working to secure funding for its operations while operating as lean as possible. The primary focus of the company is to achieve value-enhancing business milestones and build towards commercial validation in 2025 and operational breakeven by the end of 2026.

The proceeds from the rights issue in June 2024 have enabled Brain+ to significantly advance on its UK-focused proof-of-business plan and achieve several key market access milestones. The company is thus fully on track to meet its business objectives of UK market entry by the end of September and first sales end of 2024.

TO 4 warrant exercise

The TO 4 warrants, which were issued to subscribers in the rights issue and now trade on Nasdaq First North Copenhagen, will be exercisable to subscribe for new Brain+ shares from 16 – 27 September. The exercise price can range between DKK 0.08 and DKK 0.10, corresponding to maximum proceeds to the company of between DKK 4.9 and 5.5 million at full exercise.

Proceeds from the TO 4 warrants will be used to fund UK market penetration, build customer awareness, and establish commercial traction for the CST-Assistant, bridging to the first UK sales contracts in November/December 2024.

Management has started investor outreach activities to obtain a successful coverage of the TO 4 warrants via subscription and guarantee commitments from both existing shareholders and new professional investors.

Next-step funding activities and sources

Next-step funding is planned to be in place on the back of UK market entry, proof of product-market fit for the CST-Assistant, and the first UK sales contracts, which is expected to increase the company's valuation.

Scaling from first UK sales, a dedicated UK commercialization plan should lead to recurring sales and proof-of-business for Brain+ in the most attractive European market for dementia healthtech solutions in 2025. The target is to reach break-even of UK operations by the end of 2025 and operational breakeven for the full company by the end of 2026. This outlook represents major value inflection points with the potential to take the fundamental value of the company to a significantly higher level.

The preferred route for next-step funding is to make a directed issue of shares or convertible notes to a select number of interested investors, as it is the cheapest type of equity-based funding for the company. The alternative route would be a Public Rights Issue.

The ambition is to secure funding until projected full company break-even, expected to amount to DKK 12-13 million in total, in two to three tranches.

Each tranche should be executed in tandem with achieving the value-building business milestones of recurring UK sales, proof-of-business in the UK, commercial scaling, new product releases, and UK business break-even, with the intention of minimizing any dilution of the company's existing shareholders.

As public market funding conditions remain challenging for pre-revenue companies with new healthtech solutions, management is actively targeting also other funding sources:

a) Private/public market professional investors with a healthtech focus and/or special interest in Alzheimer's/dementia, including super angels, family offices, venture funds, and institutional investment boutiques, mainly in Germany, Switzerland, and the UK.

An example of this type of investor is 5P Future of Health, the German healthtech investment club that became a Brain+ shareholder in connection with the Rights Issue in June. Based on the board and management's combined network of professional investor contacts, Brain+ is doing outreach and is in dialogue with interested parties.

b) Public market high-net-worth individuals. Since its IPO, Brain+ has built a growing basis of loyal investors with a fundamental and long-term interest in the company. It is of high priority to management to consider the interest of its existing shareholders as part of the company's longer-term funding initiatives.

c) Public and private grants to fund both commercial and R&D projects. Brain+ has a strong track record in securing grant funding and there is a growing political focus on means to lift the growing

dementia healthcare burden. Based on this, management considers grant funding a likely supplementary source to support the business in the coming years. In particular, the establishment of a UK legal entity has opened access to attractive UK grants, which are considered to have a relatively attractive likelihood of success.

The company has identified 10 relevant public/private grants to be applied for over the coming 12 months. These include a Scottish SMART grant and an Innovate UK smart grant of a combined potential grant size of up to DKK 5 million (£0.6 million) to be applied for in Q4 2024, and a EuroStars grant of up to DKK 7.5 million (€1 million) with application deadline in Q1 2025.

The two UK grants could provide supplementary funding from early 2025, while the EuroStar grant represents a potential source from mid-2025.

d) Debt financing. An additional funding option for 2025 is to take a loan. Brain+ has been in dialogue with relevant institutions, and lending options will open to the company, as sales start to build towards proof-of-business and recurring revenue.

A photograph of a middle-aged man with a full, grey beard and glasses, smiling broadly. He is wearing a blue polo shirt. The background is a solid, light purple color. The text 'FINANCIAL STATEMENTS' is overlaid on the left side of the image in a bold, white, sans-serif font.

FINANCIAL STATEMENTS

INCOME STATEMENT FOR THE PERIOD 1 JANUARY TO 30 JUNE 2024

DKK	6 months ended June 30, 2024	6 months ended June 30, 2023
Gross profit	1,032,673	1,619,151
Staff expenses	-5,660,552	-6,168,030
Depreciation and amortization of fixed assets	-2,046,487	-2,034,178
Profit/loss from operating activities	-6,674,366	-6,583,056
Other finance income	2,715	7,816
Finance expenses	-837,751	-8,741*
Profit/loss before tax	-7,509,402	-6,583,981
Tax income	451,650	509,574
Profit/loss	-7,057,752	-6,074,227

* This number is as reported in the half year report 2023. In connection with the audit of the financial accounts for the full year 2023, a reclassification was made relating to the costs associated with the capital increase in H1 2023 resulting in finance expenses for the full year of DKK 2.3 million. A significant part of this related to the first half of 2023.

BALANCE SHEET AS OF 30 JUNE 2024

DKK	6 months ended June 30, 2024	6 months ended June 30, 2023
Asset		
Completed development projects	24,677,643	30,350,171
Development projects in progress	6,884,122	6,878,519
Intangible assets	31,561,765	37,228,690
Fixtures, fittings, tools and equipment	-3,601	10,479
Property, plant and equipment	-3,601	10,479
Fixed assets	31,558,165	37,239,169
Accounts receivable	11,500	62,500
Short-term tax receivables	1,079,308	1,487,113
Other short-term receivables	359,353	392,893
Prepayments	175,384	127,196
Receivables	1,625,545	2,069,701
Cash and cash equivalents	4,675,428	5,292,683
Current assets	6,300,973	7,362,384
Assets	37,859,138	44,601,553

BALANCE SHEET AS OF 30 JUNE 2024

DKK	6 months ended June 30, 2024	6 months ended June 30, 2023
Liabilities and equity		
Contributed capital	13,272,214	4,426,287
Reserve for capitalized development expenditures	24,618,177	29,038,378
Retained earnings	-25,221,307	13,252,841
Equity	12,669,083	20,211,823
Long-term liabilities	20,678,349	23,167,313
Short-term liabilities	4,511,706	1,222,417
Liabilities and equity	37,859,138	44,601,533

STATEMENT OF CHANGES IN EQUITY

For the 6 months ended 30 June 2024

DKK	Contributed Capital	Share Premium	Reserve for Capitalized Development Expenditure	Retained earnings	Total
Equity 1 January 2024	6,546,243	0	24,610,324	-18,771,811	12,384,756
Increase of capital	8,114,672	259,868	0	0	8,374,540
Increase of capital by conversion of debt	440,284	0	0	0	440,284
Reduction of capital by retained earnings	-1,828,986	0	0	1,828,986	0
Cost related to increase of capital	0	0	0	-1,472,746	-1,472,746
Transferred from share premium	0	-259,868	0	259,868	0
Transfers to reserves	0	0	7,854	-7,854	0
Profit (loss) for the year	0	0	0	-7,057,752	-7,057,752
Equity 30 June 2024	13,272,214	0	24,618,177	-25,221,307	12,669,083

STATEMENT OF CHANGES IN EQUITY

For the 6 months ended 30 June 2023

DKK	Contributed Capital	Share Premium	Reserve for Capitalized Development Expenditure	Retained earnings	Total
Equity 1 January 2023	1,572,052	0	28,738,895	-13,928,045	16,382,902
Increase of capital	1,873,926	7,495,704	0	0	9,369,630
Increase of capital by conversion of debt	980,309	3,921,235	0	0	4,901,544
Cost related to increase of capital	0	0	0	-4,368,025	-4,368,025
Transferred from share premium	0	-11,416,939	0	11,416,939	0
Transfers to reserves	0	0	299,483	-299,483	0
Profit (loss) for the year	0	0	0	-6,074,227	-6,074,227
Equity 30 June 2023	4,426,287	0	29,038,378	-13,252,841	20,211,823

The share capital has developed as follows:

	2024	2023	2022	2021	2020
Balance at the beginning of the year	6,546,243	1,572,052	1,181,591	95,830	95,830
Addition during the year	8,554,956	4,974,191	390,461	1,085,761	0
Reduction during the year	-1,828,986	0	0	0	0
Balance at the end of the year	13,272,214	6,546,243	1,572,052	1,181,591	95,830

CASH FLOW STATEMENT FOR THE PERIOD 1 JANUARY TO 30 JUNE 2024

DKK	6 months ended June 30, 2024	6 months ended June 30, 2023
Profit/loss	-7,057,752	-6,074,227
Depreciation and amortization expense of property, plant and equipment and intangible assets	2,046,487	2,034,178
Adjustments of tax receivables	-451,650	-509,754
Decrease (increase) in receivables	228,021	470,001
Increase (decrease) in liabilities	-609,980	-4,615,521
Financial interest noncash	447,878	0
Cash flows from operating activities	-5,396,996	-8,695,323
Purchase of intangible assets	-2,052,954	-2,317,062
Cash flows from investing activities	-2,052,954	-2,317,062
Cash capital increase	8,814,825	13,054,250
Cost related to increase of capital	-1,340,329	-3,151,101
Proceeds from short term loan	1,559,716	0
Cash flows from financing activities	9,034,212	9,903,149
Net increase (decrease) in cash and cash equivalents	1,584,262	-1,109,236
Cash and cash equivalents, beginning balance	3,091,166	6,401,919
Cash and cash equivalents, ending balance	4,675,428	5,292,683

EARNINGS PER SHARE FOR THE PERIOD 1 JANUARY TO 30 JUNE 2024

DKK	6 months ended June 30, 2024	6 months ended June 30, 2023
The calculation of earnings per share is based on		
Profit/loss for the period	-7,057,752	-6,074,227
Number of shares		
Beginning of the year	65,462,430	15,720,518
Capital increase	18,198,975	18,739,260
Capital increase	7,787,874	8,843,088
Capital increase	74,453,390	960,000
Number of shares total	165,902,669	44,262,866
Average number of shares	80,397,033	20,387,648
Dilutive effect of outstanding warrants		
Outstanding warrants	74,480,056	66,067,774
Weighted average number of shares for calculation of diluted earnings per share	154,877,089	86,455,422
EPS	-0.09	-0.30
EPS diluted	-0.05	-0.07



COMPANY DETAILS

Company	Brain+ A/S Købmagergade 53, 3. 1150 København K CVR no. 36439440 Date of formation: November 19 th 2014 Registered office Copenhagen
Board of Directors	Tim Juergens, Chairman Per Johan Luthman Anish Shindore
Executive Board	Kim Baden-Kristensen, CEO
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Værkmestergade 2 8000 Aarhus C CVR No.: 33963556

Generally about the half year report

The Board of Directors and the Executive Board have discussed and approved the half year report of Brain+ A/S for the financial period January 1 to June 30, 2024.

The half year report is available for download on Brain+' website, www.brain-plus.com, from August 29, 2024

The half year report has not been reviewed by the company's auditor.