

## Company overview

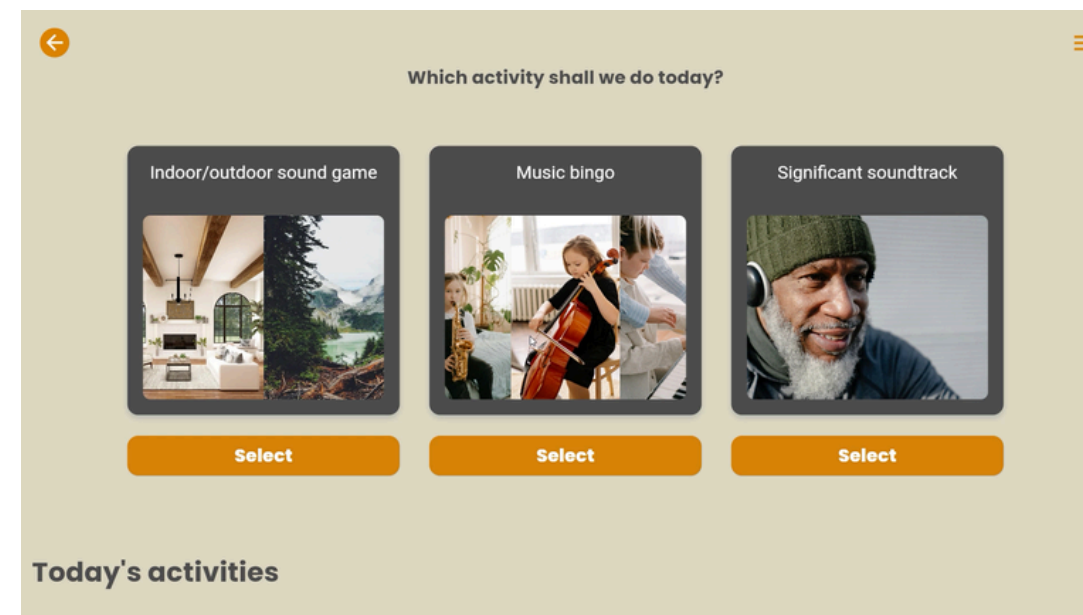
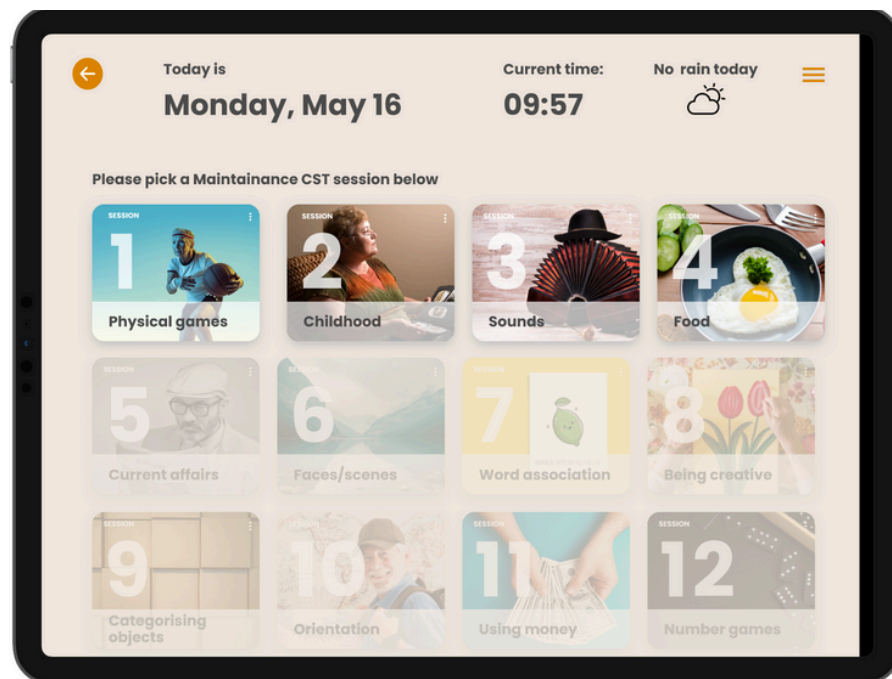
Brain+ is a Danish health tech company transforming dementia care by enabling scalable, high-quality solutions for Health and Care Providers. The company is developing Ayla, the world's first dementia care platform for scalable delivery of Cognitive Stimulation Therapy (CST), the leading non-pharmacological dementia therapy. CST is clinically proven to slow cognitive decline by 4–6 months and is endorsed in 39 countries. Brain+ is listed on Nasdaq First North Growth Market Copenhagen under the ticker symbol BRAINP since 2021.

## Product

Ayla - your CST Assistant is developed to deliver scalable, high-quality Cognitive Stimulation Therapy (CST). CST is clinically proven, highly cost-effective, and recommended for global implementation by the World Alzheimer's Association. It is also the only non-pharmacological dementia therapy endorsed by UK health authorities. CST has been shown to improve cognitive function and quality of life in individuals with mild to moderate Alzheimer's disease and other forms of dementia.

The primary aim of CST is to maintain and strengthen key cognitive abilities, including memory, language, problem-solving, orientation, and social interaction. Ayla delivers expertly validated, customizable, and accessible digital CST to enable consistent, high-quality therapy delivery. The platform is classified as Medical Device Software in the UK.

Below are examples of Ayla - your CST Assistant user interface, where each numbered activity represents a distinct CST session—part of a library of over 200 evidence-based sub-activities.



## Business case

Dementia is a major global healthcare challenge, with cases projected to nearly triple from 55 million to 139 million by 2050. There are about 16,000 care home sites in the UK alone, of which approximately 10,000 offer dementia care.

The mid-to-long-term market potential for the Ayla dementia care platform in the UK alone has been estimated at €70 million in annual recurring revenue (ARR). With nearly 1 million people living with dementia in the UK, the market represents a significant opportunity. The end 2025 target is to reach a level of revenue corresponding to ARR of €1million, and the customer contract pipeline today stands at €0.5 million, with first contract recently reported in the market.

## Aiming for the UK market

In 2024, Brain+ finalized the development of its Ayla - your CST Assistant product in both Danish and English, enabling the effective and scalable delivery of group-based Cognitive Stimulation Therapy (CST). This milestone included obtaining medical device software certification in the United Kingdom (UK), making Ayla - your CST Assistant the first CST-based medical device in the country supported by clinical benefit claims. This achievement was crucial for unlocking the UK market, which is the most attractive market for Brain+ since CST is endorsed by the UK National Institute for Health and Care Excellence (NICE) and widely recognized by the medical community. Achieving commercial success in the UK remains Brain+'s top strategic priority for the next 12-18 months.

Following Ayla - your CST Assistant's UK launch in October 2024, Brain+ has focused its go-to-market strategy on two key segments: Private Care Homes and Memory Services under the National Health Service (NHS). Both markets have shown strong interest, with multiple customer leads contributing to a growing sales pipeline.

## Business model

The potential scalability of the current business model is huge, since cost almost exclusively consists of staff costs. The business model is a competitively priced high volume SaaS, which is complemented by add-on seat-based license sales from training extra care home staff in CST. Hence, there is an opportunity to create scalable profits.

The income from each care home is generated by an annual fee per site or care home. It could also be a contract covering multiple sites, which could imply a volume discount on the fee.

Private care homes benefit from Ayla by positioning themselves as gold standard dementia care homes, and saving costs of implementing CST.

## Financials

The Company reports financial figures on a half-year basis, meaning that only H1 2024 numbers are currently available. During this period, gross profit amounted to approximately 1 million DKK, with sales of 0.1 million DKK. Losses before taxes totaled around -7 million DKK, while operating cash flow stood at approximately -5.4 million DKK, implying a quarterly burn rate of about -2.7 million DKK.

To reduce the burn rate, the Company has decided to implement a 35% reduction in operating expenses (OPEX), which will take full effect from mid-2025. This measure significantly extends the financial runway.

## Financial target

The Company expects to close its first UK sales in Q1 2025 and reach €1 million in Annual Recurring Revenue (ARR) by year-end, with significant growth projected for 2026. Additionally, supported by cost-saving measures, the Company aims to achieve cash-flow break-even by mid-2026, six months earlier than previously forecasted.

## Ongoing rights issue

The Company is currently conducting a rights issue, which, if fully subscribed, will secure gross proceeds of approximately 16 million DKK. The purpose of the rights issue is to provide Brain+ with working capital to fully execute its UK-focused commercialization plan for Ayla. The pre-money valuation for the rights issue is approximately 4,5 million DKK.

50 % of the issue is secured through subscription commitments and guarantee commitments, of which 1 million DKK is secured by the management and board, which Impala Nordic views as a strength. This demonstrates skin in the game and a strong commitment from management to delivering shareholder value.

After adjusting for DKK 3.3 million in non-cash subscription through debt conversion and DKK 1.7 million allocated for loan repayment and interest on the non-convertible portion of the bridge loan announced on 22 January 2025, the maximum net new proceeds from the rights issue will amount to approximately DKK 8.8 million. The subscription price is set at 1.13 DKK per unit, equating to approximately 0.02 DKK per share. Each unit consists of fifty-three (53) new Brain+ shares and fifty-three (53) warrants of series TO 5. If the warrants are fully subscribed at the maximum price of DKK 0.03195, Brain+ could receive up to approximately DKK 24.0 million in additional gross proceeds. The TO 5 warrants will be exercisable between 3-17 June 2025.

## Value drivers & risks

The key value drivers, in our view, are a successful UK commercialization and successful proof of concept for Ayla. Demonstrating commercial success in the UK market would validate the Company's ability to generate meaningful revenue, establish brand recognition, and accelerate broader market penetration. Similarly, achieving a solid proof of concept would significantly reduce investment risk by confirming the technology's effectiveness and market acceptance, laying the groundwork for scalability. The agreement with Southcare Homes is an important step in this process. Additionally, reaching €1 million in Annual Recurring Revenue (ARR) by the end of 2025 is a crucial milestone that could attract increased investor interest.

However, notable risks remain, particularly regarding liquidity, as the Company's current operations remain unprofitable, leading to continued reliance on external financing. Furthermore, while the Company has showed it could successfully launch a medical device product, it still needs to show that it can build on its initial sales to larger scale. There is also a general risk of increased competition from new players in the field.

## Management

Kim Baden-Kristensen is the CEO and co-founder of Brain+. He holds an M.Sc. in Management of Technology and has studied Cognitive Psychology. Additionally, he has completed a Healthcare Innovation program at Harvard Business School. To support UK commercialization, the Company has appointed Devika Wood as Chief Commercial Officer (CCO). Devika Wood has 13 years of experience in the healthcare sector, with experience from commercialising health tech businesses. She is also an award-winning healthtech executive, recognized on the Forbes 30 Under 30 list.



Kim Baden-Kristensen  
CEO Brain+

## Shareholders

Brain+ currently has 2 main shareholders. John Haurum with 14,99 % of the Company, and CD Holding Aps with 9,99 % of the Company. The Company has approximately 2 000 registered shareholders.

## Summary

Brain+ is developing Ayla, a digital dementia care platform based on Cognitive Stimulation Therapy (CST), an evidence-based, non-drug therapy recommended internationally. With medical device certification in the UK, Brain+ targets significant market potential due to rising global dementia cases. Despite currently being pre-revenue and dependent on external financing, the company aims for initial UK sales in early 2025, supported by a rights issue raising up to 16 million DKK. Successful UK commercialization and proof of concept are key value drivers, with management committed and invested in the company's growth. The Company has a goal to achieve 1 million euro in ARR by the end of 2025.

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