

Exercise period for Brain+ warrants of series TO 2

– What does this mean?

This text is contemplated as a basic information and instructional document. For detailed terms and conditions, the company refers to the official documents established in connection with the rights issue in May 2023, such as the prospectus, company announcement and the articles of association.

Acknowledgment: Brain+ has two different series of warrants outstanding, series TO 2 and series TO 3. The information in this document only refers to the warrants of series TO 2.

Background

In May 2023, Brain+ carried out a rights issue of units where the company raised DKK 13.8 million against issuance of shares and warrants. In the rights issue, a total of 27 582 348 warrants of series TO 2 were issued.

Between 2 October and 16 October, the window for exercising warrants of series TO 2 will take place. Holders of warrants must take action latest during the exercise window, otherwise the TO 2 warrants will laps with no value.

What is a warrant?

A warrant is a financial instrument which gives the holder the right (but not the obligation) to acquire new shares in the company to a pre-determined price at a specific window of investment opportunity in the future ("exercise period"). Companies typically issues warrants when there is a known future capital need. Warrants are thus a way for companies to acquire additional capital to finance operations and grow the business with the aim of creating shareholder value.

Terms for Brain+ warrants of series TO 2

Each warrant of series TO 2 entitles the holder to subscribe for one (1) new share at a price within the range of DKK 0.20 – 0.80 during the exercise period which runs from 2 October 2023 until and including 16 October 2023. The cost for exchanging a TO 2-warrant into a share (the "exercise price") will be set to 70 percent of the volume-weighted average price of Brain+ share during the period of twenty (20) trading days ending two (2) trading days before the first day of the exercise period (the "calculation period"). The exercise price is, given the trading in Brain+ share to-date (27 September), expected to be set to or around DKK 0.20. Final exercise price will be communicated in a company announcement on 29 September 2023.

Trading in Brain+ warrants of series TO 2

Series TO 2 warrants are trading on Nasdaq First North Growth Market under the ticker "BRAINP TO 2". Holders who do not wish to exercise their warrants can choose to sell them over the market. Please note that one cannot expect the bank to uninstructedly sell warrants for the holders. Holders of warrants are therefore encouraged to log in and manually put in a warrant sell order. Similarly, investors who do not yet hold any warrants but wish to exercise (or investors wishing to exercise more than current holdings), can do so by acquiring warrants over the market. Investors can purchase or sell warrants through their custodian bank. Final day to acquire or sell warrants of series TO 2 over the market is 11 October 2023.

Pricing of warrants

The theoretical price of a warrant should be equal to the difference between the exercise price of the warrant and the current market price of the share. Note that actual market price of warrants may differ due differences in supply and demand at a given point in time.

How do I exercise?

Holders of warrant can exercise their right to subscribe for new shares in Brain+ from their custodian bank's trading platform. Use the bank's corporate actions' webpage where information regarding issues of shares can be found or contact your bank adviser. Investors who do not hold any warrants and want to participate in the offer, must first purchase warrants over the market. Please note that many custodian banks, like Nordnet and Avanza, require the funds to be in the right account a couple of days before the end of the Exercise period

Summary

- Window for exercising warrants will laps 2 – 16 October.
- Final exercise price will be communicated on 29 September.
- Warrants can be bought or sold over the market until 11 October.
- Warrants are exercised through custodian banks.
- Warrants that are not sold or exercised will laps with no value.
- Exercising warrants provides warrant holders with an immediate short-term financial return as long as:
Market price of Brain+ share > Exercise price of warrant
- By exercising warrants, you support Brain+ growth and at the same time receive a potential for short-term and long-term financial return.

Theoretical value of series TO 2 warrants in different scenarios

Below illustrates the immediate short-term value of warrants during the exercise period depending on the prevailing share price, and the final exercise price. The example illustrate the cost and value (in DKK) of exercising 1000 warrants for 1000 new shares in Brain+. Please note that exact values may be different than the illustration below depending on the actual share price during the exercise period.

Brain+ share price	Exercise price of warrants*	Cost of exchanging warrants to shares **	Market value of new shares	Profit from / Value of exercising warrants ***
0-0.2	0.2 ¹	0 ²	<200	0
0.3	0.2	200	300	100
0.4	0.2	200	400	200
0.4	0.25	250	400	150

¹Minimum exercise price,

²Don't exercise if the exercise price is higher than the prevailing market value of the share.

*Final exercise price will be communicated through a company announcement on 29 September 2023.

** Required investment

*** Please note this reflects the potential immediate value of exercising TO 2 warrants. Brain+ will use the proceeds from the warrant exercise to perform value adding activities with the aim of providing even more value to shareholders in the long-term.