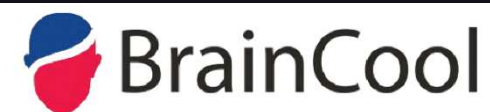




BrainCool AB (publ)

Interim Financial Report

Q3 2023



Group

The period in brief

	Jul-Sep 2023	Jan-Sep 2023	Full Year 2022
Net Sales	3 638	13 672	17 588
EBITDA	-9 263	-34 522	-31 924
EBIT	-10 449	-38 084	-36 679
Result after tax	-10 882	-39 234	-45 613
Cashflow from operating activities	-13 596	-51 797	-46 269
Cash at the end of period	42 461	42 461	41 206
Result per share	-0,07	-0,24	-0,61*

All numbers are kSEK.

*includes paid but not registered shares



Significant events during third quarter

- The Cottis-1 study (1) has been accepted for publication in the highly regarded scientific journal 'Stroke & Vascular Neurology' (with an impact factor of 10, 2023).
- Signing of new distributions agreement covering seven markets in Asia.
- In China, BrainCool started cooperation with Wallaby Medical with the goal to launch products for the stroke market in the country with special focus on thrombectomy.
- Leading university hospital in the USA joins the Cottis 2 study.
- A direct share issue of SEK 60 million was conducted on the 28th of August. The new issue is aimed at strategic and institutional investors.

Significant events after closing

- Received FDA 510 (k) clearance for updated IQool™ System within one month.
- A new CPT® Code for Cryotherapy in Patients undergoing Chemotherapy paves the way for reimbursement for Cooral® System.
- Expanding the collaboration with Scanfil, which reduces the company's need for working capital.
- New agreements with the largest purchasing organizations (GPO) in the U.S.

Martin Waleij, CEO Comments



BrainCool's operations develop according to plan with the rapid implementation of the company's strategy including product development, production, and marketing.

To build up capacity to produce the BrainCool™ System has been a priority in the past six months. In October we expanded our cooperation with the Finnish subcontractor Scanfil.

BrainCool signed a multi-year agreement with Scanfil concerning deliveries of BrainCool™ System. At the same time, we placed an order of 500 systems. As part of the agreement, Scanfil will no longer require an advance payment for materials, which will initially reduce BrainCool's need for working capital by SEK 20-25 million annually. Payment will now be made upon delivery. In addition, BrainCool will have lower cost per delivered unit. Deliveries according to the agreement has now started, orders communicated to ZOLL of 35 units is delivered during the last quarter.

BrainCool will also increasingly use Scanfil as a subcontractor for various components and for service, as well as for more of BrainCool's products, such as Cooral® System.

It is of crucial importance to ensure production capacity to meet rising demand for BrainCool™/IQool™ System. The agreement with Scanfil also secures deliveries of 350 systems starting on April 1, 2024, within the framework of BrainCool's partner agreement with Zoll®.

We have also pursued several market activities during the period. In August BrainCool extended its cooperations with Zoll® to six new markets in South East Asia and the market in Pakistan. At the same time, we received an order for 20 BrainCool™ System with delivery to Zoll®'s operations in Singapore. In addition, BrainCool received two more orders in the quarter for 35 systems from Zoll® aimed for the U.S market. In China, BrainCool started cooperation with Wallaby Medical with the goal to launch products for the stroke market in the country with special focus on thrombectomy.



"we now have a solid platform for establishing IQool™ System as the market leader in the US market"

Furthermore, in November BrainCool signed agreements with the two largest General Purchasing Organizations (GPO) regarding the purchase of healthcare products in the US, Vizient and Premier Inc. The companies operate nationwide managing purchases for different hospitals with a total of 800,000 hospital beds. The new agreements significantly strengthen BrainCool's market coverage in the US. The

distribution of BrainCool's products with IQool™ System takes place within the framework of the agreement with Zoll®. Through our agreements with the three largest GPOs in the US, we now have a solid platform for establishing IQool™ System as the market leader in the US market.

In August, BrainCool concluded an agreement with the University of Maryland in the U.S to participate in the EU-funded Cottis 2 study. The aim is to establish a new unique treatment for stroke patients by combining cooling with thrombectomy. The findings of this new treatment in the Cottis 1 study were also published in the prestigious Journal of Stroke & Vascular Neurology in August.

In October, the American Medical Association (AMA) announced the approval of a new Current Procedural Terminology (CPT®) code for cryotherapy – using the company's Cooral® System - in patients undergoing chemotherapy. The new code has several positive implications for BrainCool and its product Cooral® System. It opens for reimbursement for Cooral® System from Medicare – the U.S public health care system. Reimbursement in this case does not require a U.S-based clinical trial. This implies that we can bring forward the official launch of Cooral® System on the U.S market to mid-2024 instead of 2025/26.

In late August, we succeeded in conducting a direct share issue of SEK 60 million securing continued financing. The issue attracted new shareholders as well as institutional investors which confirms a well-grounded confidence in BrainCool and its future potential.

About the Operation

BrainCool AB (publ) is an innovative medical device company that develops, markets, and sells leading medical cooling systems for indications and areas with significant medical benefits within the healthcare sector.

The company focuses on two business segments, Brain Cooling and Oncology. BrainCool AB is based in Lund, Sweden, and its share is listed on Nasdaq First North Growth Market, named "BRAIN".

Our product portfolio includes the BrainCool™ System, Cooral® System, and RhinoChill® System, offering a unique range of medical cooling solutions. The combination of the BrainCool™ and RhinoChill® Systems provides the only comprehensive care solution from pre-hospital to patient discharge. The Cooral® System offers a groundbreaking preventive treatment for chemotherapy-induced oral mucositis, improving patients' quality of life and providing healthcare providers with an effective means of prevention.

BrainCool's Platform Technologies in Short



**BrainCool™
IQool™**

Indication: *Cardiac Arrest,
Neurology*

Proof of Concept 


CE Marking 

FDA Approval 



RhinoChill®

Indication: *Cardiac Arrest,
Stroke*

Proof of Concept 

CE Marking 


FDA Approval 2025



Cooral®

Indication: *Oral Mucositis*

Proof of Concept 

CE Marking 

FDA Approval 

The Share

BrainCool AB (publ) was listed on the Spotlight Stock Market on May 7th, 2014, and since March 29th, 2023, is listed on Nasdaq First North Growth instead. As of September 30th, the number of shares in the company are 175,424,671 shares (65,599,526). There is one class of shares, and each share carries an equal right to share of the company's assets and results and entitles to one vote at the general meeting.

Auditors Review

This interim report has not been subject to review by the company's auditor.

Upcoming Reports

Date

Financial Statement 2023

29.02.2024

Certified Adviser

Eminova Fondkommission AB is company's Certified Adviser.

For more information contact:

Martin Waleij – CEO

E-mail: martin.waleij@braincool.se, Phone: +46 733 93 70 76

Accounting Policies

The report is prepared in accordance with the Swedish Annual Accounts Act as well as the Swedish Accounting Standards Board BFNAR 2012:1 annual report and consolidated (K3).

Group accounts

The consolidated accounts include the parent company and subsidiaries in which the parent company directly and indirectly owns shares corresponding to more than 50% of the votes.

Fixed assets

Intangible and tangible fixed assets are recognized at cost of acquisition, deducting accumulated depreciation/amortization according to plan and any impairment loss. Depreciation/ amortization is linear over the asset's estimated useful life, taking significant residual values into account.

The following depreciation percentage is applied:

Intangible fixed assets

Capitalized expenditure for development work	7 years
Concessions, patents, licenses, trademarks	7 years

Tangible fixed assets

Equipment, tools, fixtures and fittings	5 years
---	---------

Expected Future Development

The agreement with ZOLL® Corporation will have profound effects on BrainCool. BrainCool will wind down most of the marketing and sales organization in the U.S. It will scale up its production resulting in lower cost per unit produced. Higher revenue and lower cost may lead to a positive result in 2024. And overall provide more resources to the development of the various parts of the company.

During the coming periods we are planning to invest in automated production lined for both systems and consumables.

When compiling the quarterly report, the management has based its commitments on existing liquidity, increase in sales and the increased sales from inventory as well as possible external financing.

The Board of Directors deem that the various business opportunities for BrainCool entail good prerequisites for the ongoing operation and safeguards of company's finance requirements during the next 12 months.



Financial Comments

BrainCool AB (publ), with fully owned subsidiaries BrainCool Inc (USA), CoolPrevent AB and IQool Technologies AB, are reported as a group.

Net revenue on group level increased by 12%, (ksek 1 470) during the first three quarter to ksek 13 672 compared to ksek 12 202 same period last year. Mainly driven by the orders from ZOLL®.

The gross profit during the third quarter for the group is ksek 3 934 (ksek 5 509). The parent company's gross profit for the same period is ksek 2 143 (ksek 4 851). The result for the third quarter is ksek -10 882 on group level (ksek -11 386) and in the parent company ksek -7 935 (ksek -8 151).

Other external costs on group level are for Q3 3% higher than same period last year, ksek -5 618 (ksek -5 464). However, the other external costs are ksek 1 523 lower in Q3 vs Q2 this year. This is mainly driven by lower cost in our US subsidiary.

The group's total external costs have decreased 18,7% from ksek 16 237 Q2 2023 to ksek 13 198 Q3 2023. YTD 2023 the total external costs are ksek 46 771 compared to 44 025 same period last year.

At closing date, the group's inventory amounted to ksek 16 273 (ksek 10 940) and in the parent company the inventory value is ksek 2 715 (ksek 2 707).

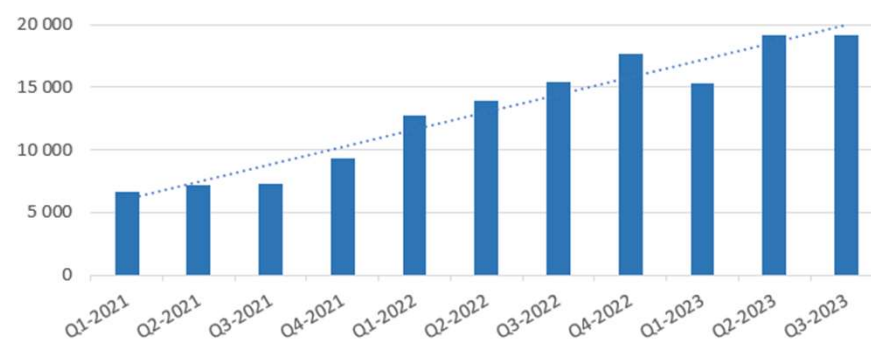
A direct share issue of SEK 60 million was conducted on the 28th of August. The share issue and new shareholders confirm a firm confidence in BrainCool and its future potential. BrainCool have continued the dialogue with EIB and are also looking into several new grant application in relation to the

Princess 2 and Cottis 2 clinical studies in partnership with leading KOL. The liquid funds on group level are ksek 42 461 (ksek 1 121) and in the parent company ksek 40 753 (ksek 182).

The Intangible assets of the Group are divided in three main projects. BrainCool cardiac arrest ksek 1 864 BrainCool Stroke ksek 37 369 and Oncology ksek 33 964. The Patent rights for RhinoChill® have a booked value of ksek 0.

By the end of quarter 3, including the result of the period, the Equity of the Group is ksek 135 293 (ksek 14 285) and corresponding amount for the parent company is ksek 160 988 (ksek 28 115).

Net Sales - BrainCool Group -rolling 12 month (ksek)



Group

Consolidated statement of income

kSEK	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full Year 2022
Net sales	3 638	3 739	13 672	12 202	17 588
Own work capitalized	1 111	1 018	3 196	2 630	3 655
Other operating income	293	2 539	1 883	11 750	12 545
Cost of goods sold	-1 108	-1 787	-6 502	-5 998	-8 108
Gross Profit	3 934	5 509	12 249	20 584	25 681
Other external cost	-5 618	-5 464	-21 192	-21 333	-28 059
Personnel cost	-7 490	-7 838	-25 136	-22 349	-28 909
Other operating cost	-90	-131	-443	-343	-637
EBITDA/Operating profit	-9 263	-7 924	-34 522	-23 441	-31 924
Depreciation/amortization of tangible and intangible asset	-1 186	-1 104	-3 562	-3 403	-4 754
EBIT	-10 449	-9 028	-38 084	-26 844	-36 679
Financial income	0	0	10	0	0
Financial cost	-433	-2 349	-1 063	-5 514	-8 905
Profit before tax	-10 882	-11 377	-39 138	-32 358	-45 584
Tax	0	-9	-96	-9	-29
Net income for the period	-10 882	-11 386	-39 234	-32 367	-45 613

Group

Consolidated balance sheet

kSEK	Jan-Sep 2023	Jan-Sep 2022	Full Year 2022
Assets			
Fixed Assets			
Intangible assets	73 197	67 100	68 696
Tangible assets	4 445	4 707	4 270
Financial assets	0	1 328	468
Total Fixed Assets	77 643	73 135	73 435
Current Assets			
Inventory	16 273	10 940	11 144
Other receivables	11 275	6 778	7 887
Cash and bank balances	42 461	1 121	41 206
Total Current Assets	70 008	18 839	60 237
Total Assets	147 651	91 974	133 671
Equity and Liabilities			
Equity			
Restricted equity	7 894	2 952	7 219
Non-restricted equity	127 399	11 333	109 013
Total Equity	135 293	14 285	116 232
Liabilities			
Long-term liabilities	0	0	0
Short-term Liabilities	12 358	77 689	17 439
Total Liabilities	12 358	77 689	17 439
Total Equity and Liabilities	147 651	91 974	133 671

Group

Consolidated cashflow analysis

kSEK	Jan-Sep 2023	Jan-Sep 2022	Full Year 2022
Operating activities			
Operating result	-38 084	-26 844	-36 677
Adjustment for depreciation	3 614	3 403	4 754
Other non-cash items	-3 196	-2 630	-3 655
Financial items	-566	-5 805	-7 950
Cash flow before change in working capital	-38 232	-31 876	-43 530
Working capital adjustments			
Change in inventory	-5 129	2 916	2 713
Change in receivable and prepayments	-3 199	-2 202	-3 759
Change in trade and other payables	-5 236	18 549	-1 693
Total change in working capital	-13 564	19 263	-2 739
Cash flow from operating activities	-51 797	-12 613	-46 269
Investing activities			
Investment in fixed assets	-5 042	-5 915	-7 401
Investment in financial assets	-94	-184	-187
Cash flow from investing activities	-5 137	-6 099	-7 587
Financing activities			
New issue after issues costs	58 223	967	116 279
New issue of convertible loans	0	5 000	0
Amortization of loan	0	0	-35 000
Cash flow from financing activities	58 223	5 967	81 278
Cash flow for the period	1 289	-12 744	27 423
Currency translation differences	-34	288	205
Cash at the beginning of period	41 206	13 577	13 577
Cash at the end of period	42 461	1 121	41 203

Group

Consolidated statement of change in equity

kSEK	Jan-Sep 2023	Jan-Sep 2022	Full Year 2022
Opening balance	116 232	45 231	45 231
Issue (including issue costs)	58 218	1 360	116 279
Foreign exchange rate adjustment	77	62	335
Result for the period	-39 234	- 32 367	-45 613
Closing balance	135 293	14 285	116 232

Group

Key figures

	Jan-Sep 2023	Jan-Sep 2022	Full Year 2022
Net revenue (kSEK)	13 672	12 202	17 588
EBIT (kSEK)	-38 084	-26 844	-36 679
Cash at the end of period (kSEK)	42 461	1 121	41 206
Equity (kSEK)	135 293	14 285	116 232
Earnings per share (SEK)	-0,24	-0,49	-0,61*
Earnings per share after full dilution (SEK)	-0,24	-0,49	-0,61*
Equity per share after full dilution (SEK)	0,72	0,22	0,72
Number of shares, average	162 237 858	65 424 014	75 171 433*
Number of shares, end of period before dilution	175 424 671	65 599 526	160 424 671*
Number of shares, after full dilution	188 331 671**	65 599 526	160 424 671*
Balance sheet total (kSEK)	147 651	91 974	133 671
Number of employees	21	24	22

*Includes paid but not registered shares

** includes shares according to warrant program

Parent Company

Statement of income

kSEK	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full Year 2022
Net sales	115	134	119	347	744
Own work capitalized	0	0	0	0	0
Other operating income	2 038	5 083	6 519	22 654	26 599
Cost of goods sold	-10	-367	-431	-1 397	-1 124
Gross Profit	2 143	4 851	6 207	21 604	26 219
Other external cost	-6 968	-7 961	-27 397	-25 662	-33 314
Personnel cost	-2 362	-2 292	-7 703	-7 422	-9 835
Other operating cost	-18	-92	-233	-269	-332
EBITDA/Operating profit	-7 204	-5 494	-29 125	-11 749	-17 262
Depreciation/amortization of tangible and intangible asset	-297	-308	-895	-924	-1 232
EBIT	-7 502	-5 802	-30 020	-12 674	-18 494
Financial income	0	0	0	0	0
Financial cost	-433	-2 349	-1 063	-5 514	-8 877
Profit before tax	-7 935	-8 151	-31 083	-18 189	-27 370
Tax	0	0	0	0	0
Net income for the period	-7 935	-8 151	-31 083	-18 189	-27 370

Parent Company

Balance sheet

kSEK	Jan-Sep 2023	Jan-Sep 2022	Full Year 2022
Assets			
Fixed Assets			
Intangible assets	0	1 137	853
Tangible assets	20	85	63
Financial assets	71 311	72 639	71 779
Total Fixed Assets	71 331	73 861	72 694
Current Assets			
Inventory	2 715	2 707	3 143
Other receivables	56 020	22 806	30 237
Cash and bank balances	40 753	182	40 019
Total Current Assets	99 488	25 695	73 399
Total Assets	170 819	99 556	146 093
Equity and Liabilities			
Equity			
Restricted equity	7 894	2 952	7 219
Non-restricted equity	153 094	25 163	126 634
Total Equity	160 988	28 115	133 853
Liabilities			
Long-term liabilities	0	0	0
Short-term Liabilities	9 831	71 441	12 240
Total Liabilities	9 831	71 441	12 240
Total Equity and Liabilities	170 819	99 556	146 093

Affirmation

The report is prepared in accordance with the Swedish Annual Accounts Act as well as the Swedish Accounting Standards Board BFNAR 2012:1 annual report and consolidated (K3). The Board of Directors and the CEO certify that the report presents a true and fair overview of the Group's and the Parent Company's operations, position, and results.

Lund, November 30, 2023

Hans Henriksson
Chairman of the Board

Martin Waleij
CEO & Board member

Roger Henriksson
Board member

Oscar Engellau
Board member

BrainCool AB (publ) • Medicon Village • SE-223 81 Lund
• info@braincool.se • www.braincool.se