

BrainCool AB (publ) signs a distribution agreement with ZOLL® for distribution of BrainCool System

BrainCool has signed a distribution agreement with ZOLL®, an Asahi Kasei company that manufactures medical devices and related software solutions. The agreement concerns BrainCool's proprietary product BrainCool™ System/IQool™ System. Deliveries of the products during the period initially comprise of substantial volumes that will further safeguard the sales ambition of BrainCool to reach sales over 100 MSEK already in 2025 with delivery starting on April 1, 2024.

CEO Martin Waleij comments:

-"The supply agreement with ZOLL® is another milestone and BrainCool's most important breakthrough to date. BrainCool believes that the collaboration thus testifies to the competitiveness of our product, The BrainCool™ System/IQool™ System which will also open up new opportunities for BrainCool as a whole, as it resonates in the market and in the industry."

Deliveries relate to the markets in the US, Germany, Switzerland, Austria, and the Netherlands, where ZOLL® has its own organization for sales and support. This gives BrainCool access to already established players, which of course is a strength.

Brain Cool's goal is to establish BrainCool™ System/IQool™ System as the standard and market leader in the segment of cooling of neurological fever.

The BrainCool™ System (branded the IQool™ System in the United States) is a medical device for high quality targeted temperature management (TTM) of adult patients. Based on surface cooling, the BrainCool™ System monitors and controls a patient's temperature between 33# – 38.5# and is ready to engage within seconds.

The IQool™ System Device:

IQool™ is a user friendly, advanced surface temperature management system with a closed internal temperature feedback loop. IQool™ makes micro adjustments to ensure precise patient temperature control, thereby allowing clinicians to manage their patient rather than a device.

The IQool™ System disposables/pads:

IQool™ pads are non-adhesive, soft silicone, and skin friendly. Skin checks are quick and easy. The pads are designed to last the continuum of care. IQool™ pads are pre-filled, so there is no need to purge and/or refill - simply connect to begin therapy or disconnect and go for quick patient transport.

Additional Key Differentiators:

The IQool™ System offers 3 separate zones of treatment: Torso, Thigh, and optional Head/Neck. IQool™ uses Bacteriostatic Coolant that promotes precision in temperature control.

Neurological fever is defined as high, recurrent and difficult-to-treat fever where temperature management often lasts for 5-10 days, in some cases longer. It is a market under strong growth in the US with guidelines issued by Neurocritical Care <https://link.springer.com/article/10.1007/s12028-017-0469-5>. Approximately three million patients are affected by neurological fever annually in the United States. The number of patients in the EU is of the same order of magnitude.

The immediate consequence of the agreement is that most of BrainCool's US marketing and sales efforts will be discontinued, with sales and distribution efforts being transferred to ZOLL® on June 1, 2023 when the agreement comes into effect.

At the same time, BrainCool is changing its global strategy, which now refers to sales both in-house and through distributors. The focus will be sales only through carefully selected distributors. During the coming 12-month period, BrainCool will build up a production capacity to ensure deliveries in accordance with the agreement. For each system, a certain number of disposable items are supplied according to the agreement. Investments will be made, among other things, in fully automated production of disposable items.

With increased production volumes, BrainCool can benefit from economies of scale that, in combination with continuous efficiency improvements, result in significantly lower costs per unit. This will have a positive impact on margin and profitability from 2024.

The increased production will mainly be financed through funds from the Swedish Export Credit Agency (EKN) and through bank financing.

CEO Martin Waleij comments:

- "The agreement allows BrainCool to provide increased deliveries during the period in the event that sales exceed initial expectations. In addition, there is a potential for BrainCool to sell more disposable products per system than agreed. Furthermore, BrainCool will have increased resources to penetrate other markets that are not covered by the agreement in the long term".

Contacts

For more information

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About Us

About BrainCool AB (publ)

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 (publ) is based in Lund, Sweden, and its share is listed on Nasdaq First North Growth Market, named "BRAIN".

Eminova Fondkommission AB is the company's Certified Adviser.

Attachments

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