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21 July 2021

Australian Securities Exchange (ASX) Announcement

Total Brain Limited conducts \$6.5 million capital raising

Total Brain Limited (ASX: TTB) (Total Brain or the Company), has received commitments to raise \$6.5m via a placement of \$2.5m and a fully underwritten non-renounceable 1 for 7 entitlement offer to raise \$4m.

Funds raised under the Capital Raising will be used to scale the IBM partnership, build and launch a D2C business with Hamptons Life, scale the clinical business, scale the corporate pipeline and partially settle shareholder loans.

Key Highlights:

- **\$6.5m capital raising:** Commitments received from both new and existing professional and sophisticated shareholders including both Australian and offshore institutions
- **Neuroscience-based digital mental health platform:** World's largest, standardised neuroscientific data base supported by 300 publications and 20+ clinical trials
- **Global mental health opportunity:** Mental health is expected to be a \$16 trillion global problem by 2030¹
- **Highly scalable business model:** 30+ enterprise level clients like Boeing and Nationwide and blue chip partners like IBM validate commercial potential
- **IBM partnership:** Partnership with IBM expected to launch with Veterans Affairs administration (A\$590k ARR at launch, with an opportunity to scale up to A\$15.6m)
- **A\$6m+ partnership with Hamptons Life:** Exclusive license to be finalised for an integrated mental and physical health solution for D2C market

Capital Raising

21 July 2021 - Sydney, Australia: Digital mental healthcare company Total Brain Limited (ASX: TTB) is pleased to announce that it has received commitments to raise approximately A\$6.5 million through the issue of new fully paid ordinary shares in the Company (**New Shares**).

¹ 2018 Lancet Commission Report on Mental Health.



The Capital Raising comprises:

- Non-underwritten placement to eligible institutional, professional and sophisticated investors at the Offer Price of at \$0.26 (**Offer Price**) per New Share (**Placement**); and
- a 1 for 7 non-renounceable entitlement offer at the Offer Price per New Share which is fully underwritten (**Entitlement Offer**).

Participants in both the Placement and the Entitlement Offer will receive 1 free attaching option for every 2 New Shares issued (**Options**). The Options will have an exercise price of \$0.36 and expire 12 months from the date of issue.

The Offer Price of \$0.26 per New Share represents a:

- 10.3% discount to last close of A\$0.29;
- 15.3% discount to the 5-day volume weighted average price of A\$0.307; and
- 16.2% discount to the 15-day VWAP of A\$0.31,

at the close of trading on Friday 16 July 2021 being the last trading day prior to the announcement of the Capital Raising.

Under the Entitlement Offer, eligible securityholders will be able to subscribe for 1 New Share in Total Brain for every 7 existing shares held at 7.00pm (AEDT) on Monday 26 July 2021 (**Record Date**) at the Offer Price (**Entitlements**).

The Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Existing securityholders who do not take up their Entitlements will not receive any value for those Entitlements that they do not take up. Securityholders who are not eligible to receive Entitlements will not receive any value for the Entitlements they would have received had they been eligible.

Total Brain will notify securityholders as to whether they are eligible to participate in the Entitlement Offer in accordance with ASX Listing Rule 7.7.1(b). The Entitlement Offer is being conducted under a Prospectus, which has been lodged with the Australian Securities and Investments Commission today. Eligible securityholders will receive a copy of the Prospectus including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer.

The Placement is being conducted under Total Brain's placement capacity pursuant to ASX Listing Rule 7.1.

The Entitlement Offer is expected to open on Thursday, 29 July 2021.

Certain Directors and Management of Total Brain have given commitments to participate in the offering through the Entitlement Offer (where eligible) and by way of sub-underwriting agreements and certain Management of Total Brain (but not Directors, who may not participate without shareholder approval) have also given commitments to participate in the Placement.



Should you have any queries in relation to the Entitlement Offer, please do not hesitate to contact the registry on 1300 737 760 (within Australia) or +02 9290 9600 (outside Australia) between 8.30am and 5.00pm (AEST) Monday to Friday during the offer period.

Use of Funds

The funds raised under the Placement and Entitlement Offer will be used to:

- Scale the partnership with IBM
- Build and launch the D2C business with Hamptons Life
- Scale the Clinical business with insurance reimbursable product
- Scale B2B Corporate sales pipeline via the Mental Health Index and partnerships with care delivery platforms
- Settlement of shareholders loans entered into with Mr. Louis Gagnon (Managing Director and CEO), Mr. David Torrible (Non-executive Director), Mr. David Daglio (Non-Executive Director) and Mr. Matt Mund (COO)²

After completion of the Capital Raising, the Company is expected to have a net cash position of A\$7.3m.

Total Brain's Managing Director, Louis Gagnon said:

"The level of demand from new and existing securityholders in this capital raise speaks to the potential of Total Brain's technology and the significant inflection point that the Company is at. I warmly welcome the new institutional and sophisticated investors to our company and thank our existing securityholders for their continued support.

The global pandemic has highlighted the need for digital solutions to the current mental healthcare crisis underscoring the importance of Total Brain's value proposition.

Partnerships with IBM and soon-to-be Hampton's Life have validated the commercial potential of the Total Brain platform and will provide exciting opportunities to scale our business more rapidly than ever before."

² Amounts owing under loan agreements entered into with Mr Zoltan Varga and an unrelated third-party non-professional lender will not be repaid by proceeds from the Capital Raising and will remain outstanding in accordance with the terms of the loan agreements as announced by the Company to ASX on 25 June 2021.



Offer structure

The number of issued securities at the date of this announcement and the maximum total number of issued securities following the Capital Raising are as follows:

Event	Number of Shares
Shares on issue as at 16 July 2021	108,303,784
Approximate number of New Shares to be issued under the Placement	9,615,384
Approximate number of New Shares to be issued under the Entitlement Offer	15,471,969
Approximate number of Options to be issued under the Capital Raising	12,543,676
Approximate number of total Shares on issue after the Capital Raising	133,391,137

Key dates³

Summary of Key Dates	Date/Time
Placement and Entitlement Offer announced	Wednesday, 21 July 2021
Ex-date for Entitlement Offer	9.00am, Friday 23 July 2021
Entitlement Offer opens and Prospectus dispatched	9.00am, Thursday, 29 July 2021
Entitlement Offer closes	5.00pm Thursday, 12 August 2021

Note: Times above are Sydney, Australia time. For further information, please see the Investor Presentation referencing the Capital Raising and the Prospectus released to ASX on or around the date of this announcement.

This release has been approved by the Directors of the Company.

For more information contact:

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³All dates are indicative only and subject to change. The Company reserves the right to withdraw or vary the timetable without notice, subject to compliance with the ASX listing rules.



About Total Brain Limited (ASX: TTB)

Total Brain Limited is a San Francisco and Sydney-based company that has developed and offers Total Brain, the world's first mental health self-monitoring & self-care platform powered by the largest standardized brain database. Its SaaS platform has helped more than 1 million registered users to-date scientifically measure and optimize their brain capacities while managing the risk of common mental conditions. Benefits for employers, large organisations and insurers include productivity improvements and healthcare cost reduction. For more information, please visit www.totalbrain.com and follow us on [Twitter](#), [LinkedIn](#) and [Facebook](#).

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Important Notices

Forward-looking statements

This announcement may contain certain forward-looking statements, forecasts, estimates, projections, beliefs and opinions (**Forward Statements**). Forward Statements can be identified by the use of 'forward looking' terminology, including, without limitation, the terms 'believes', 'estimates', 'anticipates', 'expects', 'projects', 'predicts', 'intends', 'plans', 'propose', 'goals', 'targets', 'aims', 'outlook', 'guidance', 'forecasts', 'may', 'will', 'would', 'could' or 'should' or, in each case, their negative or other variations or comparable terminology, and include financial outlook information as defined below. Forward Statements involve elements of subjective judgment and analysis, and are subject to known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future, assumptions which may or may not prove correct, and may be beyond the Company's ability to control or predict.

Investors should note that the financial information may not be indicative of actual performance in the future. Investors should be aware that the timing of actual events, and the magnitude of their impact might differ from that assumed in preparing the financial outlook information, which may have a material negative effect on actual future financial performance, financial position and cash flows. You are strongly cautioned not to place undue reliance on Forward Statements, including CY21 financial performance, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Any such statements, opinions and estimates in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward Statements including projections, guidance on future earnings and estimates are by their very nature subject to significant uncertainties and contingencies and are not reliably predictable. They are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Total Brain. No representation or guarantee is made by the Company or any other person that any of these Forward Statements (including the financial outlook information) will be achieved or proved to be correct. Readers are cautioned not to place undue reliance on Forward Statements and the Company assumes no obligation to update such statements (except as required by applicable regulations or by law).

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This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States and may not be distributed or released in the United States or any jurisdiction in which, or to any person to whom, such an offer would be illegal. The New Shares and Options to be offered and sold under the Capital Raising have not been and will not be registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act), or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares and Options may not be offered or sold, directly or indirectly, in the United States except in compliance with the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States (which Total Brain has no obligation or intention to do or procure) or pursuant to an exemption from, or in a transaction exempt from or not subject to, such registration requirements and any other applicable securities laws. There will be no public offer of securities (including the New Shares or Options) in the United States.