

### Cost containment evident in Q2 result

Total Brain (ASX:TTB) is the developer of a neuroscience-based mental health & fitness platform powered by the largest standardized neuroscientific database in the world formed over almost two decades and with \$50m of R&D funding. Total Brain has reported Q2 FY21 cash receipts of \$0.79m up 12.3% on the corresponding quarter in FY20 and flat on Q1 FY21. Cost containment was a key feature of the result with a 31% reduction on Q2 FY20 costs (excluding expenditure on IP) and a 36% decline on Q1 FY21. IP investment increased 46% on Q1 FY 21 and 2.5-fold on Q2 FY21. Overall cash burn for the quarter was 22% lower than in Q1 FY21. Earlier in January, Total Brain announced that it is in sight of additional incremental annual recurring revenue of \$8.9m including the deployment of the first two stages of the IBM Mental Fitness 360 platform. The company has previously noted it expects the final stages of the contracting process to conclude very soon. Our forecasts capture these near term opportunities and underpin our DCF valuation of \$1.28/share.

#### Business model

Total Brain operates a subscription as a service (SaaS) model for its mental health and fitness platform. The science behind the platform has been developed over almost two decades with input from the leading academic institutions in the field. This has generated a proprietary neuroscientific database of scale which underpins the scientific validation that differentiates Total Brain from other brain training and wellness applications. The app assesses the 4 core brain capacities (emotion, feeling, cognition, self-control), pre-screens 7 common mental health conditions & delivers personalised brain & mind/body training.

#### Q2 FY21 reflects cost containment and IP investment

Cash receipts lifted 12.3% on the prior corresponding quarter and were essentially flat on Q1 FY21. The company (and market) is waiting for the contract finalisation for the IBM Mental Fitness 360 platform to progress its GRIT program with a US agency (likely to be US Veterans). Total Brain's Mind Gym is a core component of this platform. The contract had been expected to be finalised in Q2 FY21 but this has stretched to the current quarter. Management kept its focus on cost containment in Q2, evident in a 21.5% decline in cash burn over Q1 FY21. This was due chiefly to a reduction in operating, administrative and marketing costs. The company invested in its product with a 46% increase in IP investment on Q1 FY21 and 263% increase on Q2 FY20 to \$1.48m. This investment readies the company for the rollout of its platform to the opportunities it has identified across the corporate, affinity and clinical businesses. The company has also invested in several new product initiatives including a heart rate variability (HRV) monitor and Resonant Breathing application. Total Brain noted that its current cash position, receipts collected in January (including a \$1.1m R&D grant) and additional collections scheduled for the next three months (but excluding the IBM deal) give the company a runway to June 2021.

#### Base case valuation is \$1.28/share

Our base case DCF is \$1.28/share (WACC of 15.0% and terminal growth rate of 2.2%). In our view, continued momentum with new contracts, in particular with the IBM Mental Fitness 360 platform, which accounts for \$0.41/share of our valuation, and development of the clinical market, should underpin TTB's near term share price performance.

#### Historical earnings and RaaS Advisory estimates

Year end	Revenue (A\$m)	EBITDA reported (A\$m)	NPAT reported (A\$m)	EPS* (c)	EV/Sales (x)
06/19	2.6	(6.7)	(8.6)	(12.21)	5.7
06/20	3.9	(7.4)	(7.6)	(8.07)	5.7
06/21e	6.2	(7.0)	(5.3)	(4.91)	6.0
06/22e	14.1	(1.8)	(1.7)	(1.60)	2.9

Source: Company data, RaaS Advisory Estimates for FY21e, FY22e \*adj for one-time items

### Healthcare services

29 January 2021

#### Share details

ASX Code	TTB
Share price (intraday)	\$0.34
Market Capitalisation	\$36.8M
Shares on issue	108.3M
Net cash at Dec 31	\$3.7M
Free float	~57%

#### Share performance (12 months)



#### Upside Case

- Highly scalable SaaS model
- Significant validation from IBM choosing the platform as the engine for Mental Health 360
- Targeting predominantly US corporates and consumers

#### Downside Case

- Enterprise sales cycle for the B2B product takes from 12-18 months
- New consumer product yet to be fully trialled in market
- Commercial success to date has been elusive

#### Board of Directors

Dr Evian Gordon	Executive Chairman/ Founder
Louis Gagnon	Managing Director/ CEO
Matthew Morgan	Non-Executive Director
David Torrible	Non-Executive Director
David Daglio	Non-Executive Director

#### Company contacts

Emil Vasilev (CFO)	+646 763 3264
emil@totalbrain.com	
Simon Poidevin (Australia/NZ Manager)	
simon.poidevin@totalbrain.com	

#### RaaS Advisory contact

Finola Burke*	+61 414 354 712
	finola.burke@raasgroup.com

\*The analyst holds shares

**Exhibit 1: Financial year financial summary**

Total Brain (TTB.AX)						Share price (29 January 2021)						A\$	0.34					
Profit and Loss (A\$m)						Interim (A\$m)						H119A	H219A	H120A	H220A	H121F	H221F	
Y/E 30 June	FY18A	FY19A	FY20A	FY21F	FY22F	Revenue	EBITDA	EBIT	NPAT (normalised)	Minorities	NPAT (reported)	EPS (normalised)	EPS (reported)	Dividend (cps)	Imputation	Operating cash flow	Free Cash flow	
Revenue	2.6	2.6	3.9	6.2	14.1	1.1	(4.4)	(4.5)	(4.5)	0.0	(4.5)	(6.9)	(6.9)	0.0	30.0	(2.3)	(1.0)	
Gross profit	2.5	2.3	3.2	5.3	12.0	1.5	(3.7)	(4.0)	(4.1)	0.0	(4.1)	(0.6)	(0.6)	0.0	30.0	(3.4)	(2.0)	
GP margin %	95.3%	87.8%	83.4%	84.7%	84.7%	2.2	(3.8)	(3.9)	(3.9)	0.0	(3.9)	(4.8)	(4.8)	0.0	30.0	(4.3)	(3.2)	
EBITDA	(4.9)	(6.7)	(7.4)	(6.9)	(1.8)	1.7	(3.6)	(3.7)	(3.7)	0.0	(3.7)	(3.3)	(3.3)	0.0	30.0	(1.7)	(0.1)	
Depn	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	2.4	(3.9)	(4.0)	(3.9)	0.0	(3.9)	(3.3)	(3.3)	0.0	30.0	(4.2)	(1.7)	
Amort	(0.1)	(0.4)	(0.2)	(0.4)	(0.5)	2.7	(4.1)	(4.1)	(4.1)	0.0	(4.1)	(2.7)	(2.7)	0.0	30.0	(4.2)	(1.7)	
EBIT	(23.4)	(7.2)	(7.7)	(7.3)	(2.3)	2.9	(4.1)	(4.1)	(4.1)	0.0	(4.1)	(2.7)	(2.7)	0.0	30.0	(4.2)	(1.7)	
Interest	(0.5)	0.0	0.0	0.1	(0.1)	3.0	(3.9)	(3.7)	(3.7)	0.0	(3.7)	(2.7)	(2.7)	0.0	30.0	(4.2)	(1.7)	
Tax	0.8	0.0	0.0	2.0	0.7	3.0	(3.7)	(3.7)	(3.7)	0.0	(3.7)	(2.7)	(2.7)	0.0	30.0	(4.2)	(1.7)	
Minorities	0.0	0.0	0.0	0.0	0.0	3.0	(3.7)	(3.7)	(3.7)	0.0	(3.7)	(2.7)	(2.7)	0.0	30.0	(4.2)	(1.7)	
Equity accounted assoc	(0.0)	0.0	0.0	0.0	0.0	3.0	(3.7)	(3.7)	(3.7)	0.0	(3.7)	(2.7)	(2.7)	0.0	30.0	(4.2)	(1.7)	
NPAT pre significant items	(23.1)	(8.6)	(7.6)	(5.3)	(1.7)	3.0	(3.7)	(3.7)	(3.7)	0.0	(3.7)	(2.7)	(2.7)	0.0	30.0	(4.2)	(1.7)	
Significant items	0.0	0.0	0.0	0.0	0.0	3.0	(3.7)	(3.7)	(3.7)	0.0	(3.7)	(2.7)	(2.7)	0.0	30.0	(4.2)	(1.7)	
NPAT (reported)	(23.1)	(8.6)	(7.6)	(5.3)	(1.7)	3.0	(3.7)	(3.7)	(3.7)	0.0	(3.7)	(2.7)	(2.7)	0.0	30.0	(4.2)	(1.7)	
Cash flow (A\$m)						Divisionals						H119A	H219A	H120A	H220A	H121F	H221F	
Y/E 30 June	FY18A	FY19A	FY20A	FY21F	FY22F	Total Revenue	Total Brain - Corporate	Total Brain Affinity	Other revenues	Total Revenue	Total Revenue	Total Revenue	Total Revenue	Total Revenue	Total Revenue	Total Revenue	Total Revenue	Total Revenue
EBITDA	(4.9)	(6.7)	(7.4)	(6.9)	(1.8)	1.1	0.9	-	0.2	1.1	1.5	2.2	1.7	2.4	3.9	3.9	3.9	3.9
Interest	0.0	0.0	0.0	(0.0)	(0.1)	1.0	0.9	0.2	0.4	1.4	1.3	1.8	1.4	2.0	3.3	3.3	3.3	3.3
Tax	0.0	0.0	0.0	0.0	0.0	89%	89%	87%	82%	85%	85%	85%	85%	85%	85%	85%	85%	85%
Working capital changes	1.0	1.1	1.4	0.5	0.7	2.8	2.7	3.7	3.1	4.3	4.4	4.4	4.8	5.9	6.3	6.3	6.3	6.3
Operating cash flow	(3.9)	(5.6)	(6.0)	(6.4)	(1.2)	2.8	2.7	3.7	3.1	4.3	4.4	4.4	4.8	5.9	6.3	6.3	6.3	6.3
Mtce capex	0.0	0.0	(0.1)	(0.1)	(0.1)	0.4	0.4	0.4	0.5	0.4	0.5	0.4	0.5	0.4	0.5	0.4	0.5	0.4
Free cash flow	(3.9)	(5.6)	(6.1)	(6.5)	(1.3)	1.2	1.3	1.5	1.2	1.2	1.3	1.2	1.2	1.2	1.3	1.2	1.3	1.2
Growth capex	(1.7)	(2.7)	(2.6)	(3.5)	(2.0)	4.4	4.4	5.6	4.8	5.9	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3
Acquisitions/Disposals	0.0	0.0	0.0	0.0	0.0	3.4	3.1	3.8	3.4	3.9	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Other	(0.1)	0.1	0.0	0.0	0.0	3.4	3.1	3.8	3.4	3.9	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Cash flow pre financing	(5.7)	(8.2)	(8.7)	(10.0)	(3.3)	3.4	3.1	3.8	3.4	3.9	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Equity	10.5	6.7	13.7	0.0	0.0	Margins, Leverage, Returns	FY18A	FY19A	FY20A	FY21F	FY22F	FY22F	FY22F	FY22F	FY22F	FY22F	FY22F	FY22F
Debt	(0.1)	0.0	1.1	0.0	0.0	EBITDA margin %	(186.7%)	(258.7%)	(191.6%)	(110.1%)	(12.5%)	(12.5%)	(12.5%)	(12.5%)	(12.5%)	(12.5%)	(12.5%)	(12.5%)
Dividends paid	0.0	0.0	0.0	0.0	0.0	EBIT margin %	(893.4%)	(274.8%)	(197.6%)	(117.1%)	(16.0%)	(16.0%)	(16.0%)	(16.0%)	(16.0%)	(16.0%)	(16.0%)	(16.0%)
Net cash flow for year	4.7	(1.5)	6.0	(10.0)	(3.3)	NPAT margin (pre significant items)	(882.9%)	(329.4%)	(197.2%)	(84.3%)	(12.2%)	(12.2%)	(12.2%)	(12.2%)	(12.2%)	(12.2%)	(12.2%)	(12.2%)
Balance sheet (A\$m)						Net Debt (Cash)						6.62	5.21	10.00	- 0.60	- 3.90		
Y/E 30 June	FY18A	FY19A	FY20A	FY21F	FY22F	Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cash	6.6	5.2	11.1	0.5	(2.8)	ND/ND+Equity (%)	(%)	(43.6%)	(34.8%)	(61.0%)	3.5%	20.8%	20.8%	20.8%	20.8%	20.8%	20.8%	20.8%
Accounts receivable	1.3	0.8	2.8	0.9	1.2	EBIT interest cover (x)	(x)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Inventory	0.0	0.0	0.0	0.0	0.0	ROA		(95.8%)	(32.3%)	(30.2%)	(29.6%)	(11.8%)	(11.8%)	(11.8%)	(11.8%)	(11.8%)	(11.8%)	(11.8%)
Other current assets	0.0	0.2	0.1	0.1	0.1	ROE		(124.4%)	(40.8%)	(32.8%)	(24.5%)	(10.9%)	(10.9%)	(10.9%)	(10.9%)	(10.9%)	(10.9%)	(10.9%)
Total current assets	8.0	6.2	14.1	1.5	(1.5)	ROIC		(162.5%)	(109.5%)	(159.0%)	(110.6%)	(48.2%)	(48.2%)	(48.2%)	(48.2%)	(48.2%)	(48.2%)	(48.2%)
PPE	0.2	0.2	0.3	0.4	0.4	NTA (per share)		41.0%	34.4%	27.8%	15.3%	13.7%	13.7%	13.7%	13.7%	13.7%	13.7%	13.7%
Goodwill	0.0	0.0	0.0	0.0	0.0	Working capital		82.8%	35.3%	237.6%	63.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%
Intangibles	14.7	14.9	15.0	18.1	19.6	WC/Sales (%)		31.6%	13.6%	61.3%	10.1%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%
Deferred tax asset	0.0	0.0	0.0	0.0	0.0	Revenue growth		10.4%	(0.5%)	49.0%	61.1%	126.1%	126.1%	126.1%	126.1%	126.1%	126.1%	126.1%
Other non current assets	0.0	0.0	0.0	0.0	0.0	EBIT growth pa		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total non current assets	14.9	15.2	15.3	18.5	20.1	Pricing		FY18A	FY19A	FY20A	FY21F	FY22F	FY22F	FY22F	FY22F	FY22F	FY22F	FY22F
Total Assets	22.9	21.4	29.4	20.0	18.6	No of shares (y/e)	(m)	53	59	95	108	108	108	108	108	108	108	108
Accounts payable	0.5	0.5	0.5	0.2	0.2	Weighted Av Dil Shares	(m)	36	59	95	108	108	108	108	108	108	108	108
Short term debt	0.0	0.0	1.1	1.1	1.1	EPS Reported	cps	(6.38)	(14.58)	(8.07)	(4.86)	(1.59)	(1.59)	(1.59)	(1.59)	(1.59)	(1.59)	(1.59)
Tax payable	0.0	0.0	0.0	0.0	0.0	EPS Normalised/Diluted	cps	(12.98)	(12.21)	(8.07)	(4.86)	(1.59)	(1.59)	(1.59)	(1.59)	(1.59)	(1.59)	(1.59)
Deferred revenue	0.5	0.6	1.4	2.0	2.3	EPS growth (norm/dil)		n/a	n/a	n/a	n/a	nm	nm	nm	nm	nm	nm	nm
Total current liabilities	1.0	1.1	3.0	3.3	3.6	DPS	cps	-	-	-	-	-	-	-	-	-	-	-
Long term debt	0.0	0.0	0.0	0.0	0.0	DPS Growth		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other non current liabs	0.1	0.1	0.1	0.1	0.2	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total long term liabilities	0.1	0.1	0.1	0.1	0.2	Dividend imputation		30	30	30	30	30	30	30	30	30	30	30
Total Liabilities	1.1	1.2	3.0	3.4	3.8	PE (x)		-	-	-	-	-	-	-	-	-	-	-
Net Assets	21.8	20.2	26.4	16.6	14.9	PE market		18	18	18	18	18	18	18	18	18	18	18
Share capital	58.1	64.8	78.4	78.4	78.4	Premium/(discount)		(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)
Accumulated profits/losses	(40.2)	(48.8)	(56.4)	(66.2)	(67.9)	EV/EBITDA		(5.1)	(2.2)	(3.0)	(5.4)	23.1	23.1	23.1	23.1	23.1	23.1	23.1
Reserves	3.9	4.2	4.4	4.4	4.4	FCF/Share	cps	(7.3)	(9.6)	(6.2)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)
Minorities	0.0	0.0	0.0	0.0	0.0	Price/FCF share		(4.7)	(3.5)	(5.5)	(5.8)	33.3	33.3	33.3	33.3	33.3	33.3	33.3
Total Shareholder funds	21.8	20.2	26.4	16.6	14.9	Free Cash flow Yield		(21.5%)	(28.3%)	(18.2%)	(17.1%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)

Source: RaaS Advisory

**Exhibit 2: Calendar year financial summary**

Total Brain (ASX:TTB)						Share price (29 January 2021)						A\$	0.34
Profit and Loss (A\$m)						Interim (A\$m)							
Y/E December 31	CY18A	CY19A	CY20F	CY21F	CY22F	H1CY18A	H2CY18A	H1CY19F	H2CY19A	H1CY20A	H2CY20F		
Revenue	2.7	3.7	4.1	9.9	19.4	1.6	1.1	1.5	2.2	1.7	2.4		
Gross profit	2.5	3.1	3.4	8.4	16.3	(5.9)	(4.4)	(3.7)	(3.8)	(3.6)	(3.9)		
GP margin %	93.5%	84.2%	84.7%	84.7%	84.2%	(9.3)	(4.5)	(4.0)	(3.9)	(3.7)	(4.1)		
EBITDA	(10.2)	(7.5)	(7.5)	(4.6)	1.8	(11.0)	(4.5)	(4.1)	(3.9)	(3.7)	(2.9)		
Deprn	(0.0)	(0.1)	(0.1)	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0		
Amort	(0.2)	(0.3)	(0.2)	(0.4)	(0.5)	(11.0)	(4.5)	(4.1)	(3.9)	(3.7)	(2.9)		
EBIT	(13.9)	(7.9)	(7.8)	(5.1)	1.3	(20.9)	(6.9)	(0.6)	(4.8)	(3.3)	(2.7)		
Interest	0.0	0.0	0.1	(0.1)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0		
Tax	0.0	0.0	1.1	1.4	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0		
Minorities	0.0	0.0	0.0	0.0	0.0	30.0	30.0	30.0	30.0	30.0	30.0		
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	(2.2)	(2.3)	(3.4)	(4.3)	(1.7)	(4.2)		
NPAT pre significant items	(15.5)	(8.0)	(6.6)	(3.7)	0.8	(0.8)	(1.0)	(2.0)	(3.2)	(0.1)	(1.7)		
Significant items	0.0	0.0	0.0	0.0	0.0								
<b>NPAT (reported)</b>	<b>(15.5)</b>	<b>(8.0)</b>	<b>(6.6)</b>	<b>(3.7)</b>	<b>0.8</b>								
<b>Cash flow (A\$m)</b>						<b>Divisionals</b>							
Y/E December 31	CY18A	CY19A	CY20F	CY21F	CY22F	H1CY18A	H2CY18A	H1CY19A	H2CY19A	H1CY20A	H2CY20F		
EBITDA	(10.2)	(7.5)	(7.5)	(4.6)	1.8	Total Revenue	1.5	1.1	1.5	2.2	1.7	2.4	
Interest	0.0	0.0	0.0	(0.1)	(0.1)	Gross profit	1.5	1.0	1.3	1.8	1.4	2.0	
Tax	0.0	0.0	0.0	0.0	(0.4)	Gross Profit Margin %	331%	416%	339%	176%	753%	912%	
Working capital changes	5.7	(0.1)	1.6	1.5	(0.1)	Employment	2.3	2.8	2.7	3.7	3.1	4.3	
Operating cash flow	(4.5)	(7.7)	(5.9)	(3.1)	1.1	Marketing	0.2	0.4	0.4	0.4	0.5	0.4	
Mtce capex	0.0	(0.0)	(0.1)	(0.1)	(0.1)	Other costs	1.3	1.2	1.3	1.5	1.2	1.2	
Free cash flow	(4.5)	(7.7)	(6.1)	(3.2)	(2.0)	Total costs	3.7	4.4	4.4	5.6	4.8	5.9	
Growth capex	(2.8)	(2.5)	(4.0)	(2.0)	(2.0)	EBITDA	(2.2)	(3.4)	(3.1)	(3.8)	(3.4)	(3.9)	
Acquisitions/Disposals	0.0	0.0	0.0	0.0	0.0	EBITDA margin %	nm	nm	nm	nm	nm	nm	
Other	(0.1)	0.1	0.0	0.0	0.0	<b>Margins, Leverage, Returns</b>							
Cash flow pre financing	(7.4)	(10.0)	(10.1)	(5.2)	(1.0)	EBITDA margin %		(384.5%)	(204.7%)	(184.7%)	-46%	9%	
Equity	1.2	14.8	5.6	0.0	0.0	EBIT margin %		(521.2%)	(215.3%)	(192.1%)	-51%	7%	
Debt	0.0	0.0	1.1	0.0	0.0	NPAT margin (pre significant items)		(582.8%)	(216.1%)	(163.4%)	-38%	4%	
Dividends paid	0.0	0.0	0.0	0.0	0.0	Net Debt (Cash)		3.27	7.62	2.60	- 2.63	- 3.62	
Net cash flow for year	(6.1)	4.7	(3.4)	(5.2)	(1.0)	Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	n/a	- 2.03	
<b>Balance sheet (A\$m)</b>						ND/ND+Equity (%)	(%)	(22.9%)	(46.2%)	(15.9%)	14.7%	18.4%	
Y/E December 31	CY18A	CY19A	CY20F	CY21F	CY22F	EBIT interest cover (x)	(x)	n/a	n/a	n/a	n/a	10.9%	
Cash	3.3	7.6	3.7	(1.5)	(2.5)	ROA		(62.3%)	(36.1%)	(32.8%)	(24.6%)	6.5%	
Accounts receivable	0.5	2.5	0.8	1.0	1.4	ROE		(94.3%)	(38.2%)	(30.9%)	(21.7%)	5.2%	
Inventory	0.0	0.0	0.0	0.0	0.0	ROIC		(102.9%)	(223.5%)	(116.3%)	(85.3%)	14.8%	
Other current assets	0.1	0.3	0.1	0.1	0.1	NTA (per share)		33.0%	41.1%	20.0%	14.1%	14.8%	
Total current assets	3.8	10.4	4.6	(0.4)	(1.0)	Working capital		(6.6%)	193.3%	56.4%	75.3%	111.9%	
PPE	0.2	0.2	0.3	0.4	0.5	WC/Sales (%)		(2.5%)	52.4%	13.9%	7.6%	5.8%	
Goodwill	0.0	0.0	0.0	0.0	0.0	Revenue growth		12.3%	38.5%	10.4%	142.4%	96.5%	
Investments	0.0	0.0	0.0	0.0	0.0	EBIT growth pa		n/a	n/a	n/a	n/a	(125.0%)	
Deferred tax asset	0.0	0.0	0.0	0.0	0.0	<b>Pricing</b>							
Other non current assets	14.5	14.7	17.3	18.9	20.4	No of shares (y/e)	(m)	53	95	108	108	108	
Total non current assets	14.8	15.0	17.6	19.3	20.8	Weighted Av Dil Shares	(m)	590	95	108	108	108	
<b>Total Assets</b>	<b>18.6</b>	<b>25.4</b>	<b>22.3</b>	<b>18.9</b>	<b>19.8</b>	EPS Reported	cps	(29.19)	(9.31)	(6.66)	(3.42)	0.75	
Accounts payable	0.5	0.6	0.2	0.2	0.2	EPS Normalised/Diluted	cps	(29.19)	(9.31)	(6.66)	(3.42)	0.75	
Short term debt	0.0	0.0	1.1	1.1	1.1	EPS growth (norm/dil)		n/a	n/a	n/a	n/a	-122%	
Tax payable	0.0	0.0	0.0	0.0	0.0	DPS	cps	-	-	-	-	-	
Deferred revenue	0.4	0.6	2.0	2.2	2.4	DPS Growth		n/a	n/a	n/a	n/a	n/a	
Total current liabilities	0.9	1.1	3.3	3.6	3.7	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%	
Long term debt	0.0	0.0	0.0	0.0	0.0	Dividend imputation		30	30	30	30	30	
Other non current liabs	0.1	0.1	0.1	0.1	0.1	PE (x)		-	-	-	-	45.1	
Total long term liabilities	0.1	0.1	0.1	0.1	0.1	PE market		18	18	18	18	18	
<b>Total Liabilities</b>	<b>1.0</b>	<b>1.2</b>	<b>3.3</b>	<b>3.6</b>	<b>3.8</b>	Premium/(discount)			(100.0%)	(100.0%)	(100.0%)	150.5%	
<b>Net Assets</b>	<b>17.5</b>	<b>24.1</b>	<b>18.9</b>	<b>15.2</b>	<b>16.1</b>	EV/EBITDA		(2.4)	(3.6)	(3.6)	- 8.2	22.8	
Share capital	58.1	72.6	78.4	78.4	78.4	FCF/Share	cps	(7.3)	(5.9)	(5.4)	-5.8	-1.0	
Accumulated profits/losses	(44.8)	(52.7)	(63.9)	(67.6)	(66.8)	Price/FCF share		(4.7)	(5.7)	(6.3)	- 5.8	- 33.3	
Reserves	4.2	4.3	4.4	4.4	4.4	Free Cash flow Yield		(21.5%)	(17.4%)	(15.9%)	(17.1%)	(3.0%)	
Minorities	0.0	0.0	0.0	0.0	0.0								
<b>Total Shareholder funds</b>	<b>17.5</b>	<b>24.1</b>	<b>18.9</b>	<b>15.2</b>	<b>16.0</b>								

Source: RaaS Advisory



# FINANCIAL SERVICES GUIDE

RaaS Advisory Pty Ltd

ABN 99 614 783 363

Corporate Authorised Representative, number 1248415

of

BR SECURITIES AUSTRALIA PTY LTD

ABN 92 168 734 530

AFSL 456663

Effective Date: 26<sup>th</sup> November 2018

### **About Us**

BR Securities Australia Pty Ltd (BR) is the holder of Australian Financial Services License (“AFSL”) number 456663. RaaS Advisory Pty Ltd (RaaS) is an Authorised Representative (number 1248415) of BR.

This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS’s services and includes such things as

- who we are
- our services
- how we transact with you
- how we are paid, and
- complaint processes

Contact Details, BR and RaaS

BR Head Office: Level 14, 344 Queen Street, Brisbane, QLD, 4000

RaaS. 20 Halls Road Arcadia, NSW 2159

P: +61 414 354712

E: [finola.burke@raasgroup.com](mailto:finola.burke@raasgroup.com)

RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

**What Financial Services are we authorised to provide?** RaaS is authorised to

- provide general advice to retail and wholesale clients in relation to
  - Securities
- deal on behalf of retail and wholesale clients in relation to
  - Securities

The distribution of this FSG by RaaS is authorized by BR.

### **Our general advice service**

Please note that any advice given by RaaS is general advice, as the information or advice given will not take into account your particular objectives, financial situation or needs. You should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Prospectus, Product Disclosure Statement or like instrument. As we only provide general advice we will not be providing a Statement of Advice. We will provide you with recommendations on securities

### **Our dealing service**

RaaS can arrange for you to invest in securities issued under a prospectus by firstly sending you the offer document and then assisting you fill out the application form if needed.

### **How are we paid?**

RaaS earns fees for producing research reports. Sometimes these fees are from companies for producing research reports and/or a financial model. When the fee is derived from a company, this is clearly highlighted on the front page of the report and in the disclaimers and disclosures section of the report.

We may also receive a fee for our dealing service, from the company issuing the securities.

### **Associations and Relationships**

BR, RaaS, its directors and related parties have no associations or relationships with any product issuers other than when advising retail clients to invest in managed funds when the managers of these funds may also be clients of BR. RaaS’s representatives may from time to time deal in or otherwise have a financial interest in financial products recommended to you but any material ownership will be disclosed to you when relevant advice is provided.

### **Complaints**

If you have a complaint about our service you should contact your representative and tell them about your complaint. The representative will follow BR’s internal dispute resolution policy, which includes sending you a copy of the policy when required to. If you aren’t satisfied with an outcome, you may contact AFCA, see below. BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

Website: [www.afca.org.au](http://www.afca.org.au); Email: [info@afca.org.au](mailto:info@afca.org.au); Telephone: 1800931678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

### **Professional Indemnity Insurance**

BR has in place Professional Indemnity Insurance which satisfies the requirements for compensation under s912B of the Corporations Act and that covers our authorized representatives.

#### DISCLAIMERS and DISCLOSURES

This report has been commissioned by Total Brain Ltd prepared and issued by RaaS Advisory Pty Ltd. RaaS Advisory has been paid a fee to prepare this report. RaaS Advisory's principals, employees and associates may hold shares in companies that are covered and, if so, this will be clearly stated on the front page of each report. This research is issued in Australia by RaaS Advisory and any access to it should be read in conjunction with the Financial Services Guide on the preceding two pages. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable. Opinions contained in this report represent those of the principals of RaaS Advisory at the time of publication. RaaS Advisory provides this financial advice as an honest and reasonable opinion held at a point in time about an investment's risk profile and merit and the information is provided by the RaaS Advisory in good faith. The views of the adviser(s) do not necessarily reflect the views of the AFS Licensee. RaaS Advisory has no obligation to update the opinion unless RaaS Advisory is currently contracted to provide such an updated opinion. RaaS Advisory does not warrant the accuracy of any information it sources from others. All statements as to future matters are not guaranteed to be accurate and any statements as to past performance do not represent future performance.

Assessment of risk can be subjective. Portfolios of equity investments need to be well diversified and the risk appropriate for the investor. Equity investments in listed or unlisted companies yet to achieve a profit or with an equity value less than \$50 million should collectively be a small component of a balanced portfolio, with smaller individual investment sizes than otherwise.

The science of climate change is common knowledge and its impacts may damage the global economy. Mitigating climate change may also disrupt the global economy. Investors need to make their own assessments and we disclaim any liability for the impact of either climate change or mitigating strategies on any investment we recommend.

Investors are responsible for their own investment decisions, unless a contract stipulates otherwise. RaaS Advisory does not stand behind the capital value or performance of any investment. Subject to any terms implied by law and which cannot be excluded, RaaS Advisory shall not be liable for any errors, omissions, defects or misrepresentations in the information (including by reasons of negligence, negligent misstatement or otherwise) or for any loss or damage (whether direct or indirect) suffered by persons who use or rely on the information. If any law prohibits the exclusion of such liability, RaaS Advisory limits its liability to the re-supply of the Information, provided that such limitation is permitted by law and is fair and reasonable. Copyright 2021 RaaS Advisory Pty Ltd (A.B.N. 99 614 783 363). All rights reserved