

Best-ever half-year revenues

Total Brain (ASX:TTB) is the developer of a neuroscience-based mental health monitoring and support platform powered by the largest standardised neuroscientific database in the world formed over almost two decades and with >\$50m of R&D funding. The company has reported H1 FY22 revenues of \$5.41m, its best-ever half-year result and an increase of 171% on the previous corresponding period (pcp). TTB reported an underlying EBITDA loss of \$1.35m, a significant improvement on the \$3.78m loss reported in H1 FY21 and better than our forecast for a \$3.9m EBITDA loss. Underlying NPAT was a loss of \$2.23m, compared with a \$3.91m net loss in the pcp. The jump in revenues was driven by recent licensing deals for its iSPOT-D (International Study to Predict Optimised Treatment for Depression) in the precision medicine segment, which yielded \$3m in revenues, as well as a 14.6% increase in revenues from its population health segment. Costs for the half were 9.3% ahead of pcp and 5.3% ahead of our forecasts, chiefly driven by increased investment in human capital. We have upgraded our FY22 revenue forecasts to reflect the H1 result and maintained our cost expectations, mindful of the company's target to reduce 25% of its cost base on an annualised basis in this half. Our base-case DCF valuation has increased to \$0.86/share (previously \$0.77/share). In our view, continued evidence that TTB is gaining traction and generating revenue from its target segments should underpin the share price.

Business model

Total Brain operates a Subscription-as-a-Service (SaaS) model for its mental health monitoring and support platform. The science behind the platform has been developed over 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 mental health applications. The app, promoted by channel partners, assesses the four core brain functions (emotion, feeling, cognition, self-control), pre-screens seven common mental health conditions, measures stress via heart rate variability (HRV), and delivers personalised self-care exercises.

H1 FY22 result discussion and outlook

Total Brain reported H1 FY22 revenue of \$5.4m, a 171% increase on the pcp and ahead of our forecast for \$2.3m for the half. The jump in revenue reflects the traction Total Brain is gaining with its go-to-market strategy with key licensing deals secured in the half with Johnson & Johnson's Janssen Research and Alto Neuroscience as well as the long-awaited rollout of Total Brain's platform as part of the IBM GRIT programme being delivered to US veterans. The result included \$3.0m in one-time payments but even excluding these, this was TTB's best-ever revenue result. While these sorts of payments are lumpy, they validate the value of TTB's database which underpins its technology. Earlier this year, we discussed the company's strategy in a 2022 Outlook Interview with Interim CEO Matthew Mund and this can be accessed here [Total Brain RaaS 2022 Outlook Interview 27 January 2022](#). We have adjusted our FY22 forecasts to incorporate the better-than-forecast H1 revenues, in particular from the precision medicine support segment and have included an additional \$0.68m from the Alto Neuroscience deal in H2.

Base-case valuation is \$0.86/share (previously \$0.77/share)

Our base-case DCF valuation is \$0.86/share (previously \$0.77/share) based on a WACC of 14.7% (beta 2.0, terminal growth rate of 2.2%). Near-term share price catalysts include additional contracts in the population health, precision medicine and provider support segments as well as an expansion of the IBM Health & Wellness 360 platform to other population health opportunities.

Historical earnings and RaaS estimates (in \$A unless otherwise stated)

Year end	Revenues	Gross profit	EBITDA reported	NPAT reported	EPS* (c)	EV/Sales (x)
06/21a	3.7	3.4	(7.2)	(8.3)	(7.68)	4.3
06/22e	9.8	8.6	(2.8)	(4.0)	(2.87)	2.0
06/23e	11.5	9.7	(0.2)	(0.8)	(0.57)	1.6
06/24e	19.1	16.0	2.3	1.0	0.67	1.0

Source: Company data; RaaS estimates for FY22e, FY23e & FY24e; *Adj. for one-time items

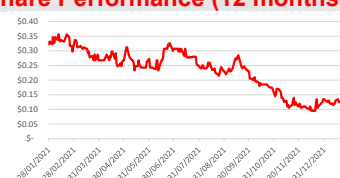
Healthcare Services

3rd March 2022

Share Details

ASX code	TTB
Share price (2-Mar)	\$0.12
Market capitalisation	\$16.0M
Shares on issue	133.39M
Net debt (31-Dec)	\$0.2m
Free float	~57%

Share Performance (12 months)



Upside Case

- Opportunity to leverage technology both through TB Direct and TB Inside deals in provider support and population health
- Significant validation achieved with IBM choosing the platform as the engine for Health and Wellness 360 and Kerna Health integrating the platform into its Behavioural Health Technologies
- New precision medicine segment, bolstered by data licensing deals with J&J's Janssen Research and Alto Neuroscience, opens up new revenue opportunities

Downside Case

- Enterprise sales cycle for the B2B product takes from nine-18 months
- Competitive marketplace for health technology solutions
- Large-scale take up to date has been elusive

Board of Directors & Management

Dr Evian Gordon	Executive Chairman/ Founder
Matthew Mund	Interim CEO
Matthew Morgan	Non-Executive Director
David Torrible	Non-Executive Director
David Daglio	Non-Executive Director

Company Contact

Simon Poidevin (Australia/NZ Manager)
simon.poidevin@totalbrain.com

RaaS Contact

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

*The analyst holds shares

H1 FY22 Results Analysis

Total Brain has reported revenues of \$5.4m, including \$3.0m from its precision medicine and pharma support segment after licensing its iSPOT-D study to Johnson & Johnson's Janssen Research and Development and Alto Neuroscience. These deals are part of a new effort by the company to leverage its extensive dataset, one of its key differentiators in the mental health market, and while they may be lumpy, they provide significant validation to the value within Total Brain's database. The company noted that Annual Recurring Revenue, a key measure of sustainable contacted revenue to the company at that point in time, was \$4.86m at the end of CY2021, an increase of 36% on the pcp. Cost of sales increased to \$0.59m for the half from \$0.14m a year ago, resulting in a gross profit margin of 89% in the half, which was ahead of our forecasts. Employee costs for the half were \$4.28m, up from \$4.02m a year ago and a little ahead of our forecast for \$4.03m. Operating costs were just 3% ahead of our forecasts and 15% ahead of the same period in FY21.

Exhibit 1: Total Brain H1 FY22 versus H1 FY21 and RaaS forecasts (in A\$m)				
	H1 FY21	H1 FY22	% change	RaaS forecast
Revenue	2.0	5.4	170.5%	2.3
Gross profit	1.9	4.8	158.9%	1.9
EBITDA underlying	(3.8)	(1.3)	(64.4%)	(3.9)
EBIT underlying	(4.0)	(2.1)	(47.8%)	(4.1)
NPAT adjusted	(3.9)	(2.2)	(43.1%)	(4.3)
NPAT reported	(4.1)	(2.6)	(36.2%)	(4.3)

Source: Company data, RaaS estimates

Total Brain has re-cast its revenue segments to reflect its target markets. As the following exhibit shows, all segments generated strong growth over the same period in FY21 and outperformed our expectations.

Exhibit 2: Total Brain Q2 FY22 versus Q2 FY21 and Q1 FY22 (in A\$m)				
	H1 FY21	H1 FY22	% change	RaaS forecast
Population Health	1.83	2.10	14.6	2.08
Provider Support	0.14	0.20	40.0	0.16
Precision Medicine/Pharma Support	0.00	3.01	nm	0.00
Other Revenue	0.02	0.10	332.7	0.06
Total Revenue	2.00	5.41	170.5	2.29

Source: Company reports

Earnings Adjustments to FY22 and FY23

We have upgraded our revenue forecasts for FY22 to reflect the additional revenues generated in H1 FY22 and this has flowed through to our EBITDA and NPAT forecasts. We have kept in focus the company's recent cost-reduction programme which should be reflected in H2 FY22 and FY23, hence the upgrade to our FY23 operating results

Exhibit 3: Earnings adjustments				
	FY22 old	FY22 new	FY23 old	FY23 new
Revenue	7.0	9.8	11.4	11.5
Gross profit	5.9	8.6	9.6	9.7
EBITDA underlying	(5.4)	(2.8)	(1.5)	(0.2)
EBIT underlying	(5.9)	(3.7)	(2.0)	(0.7)
NPAT underlying	(6.2)	(4.0)	(1.6)	(0.8)

Source: RaaS estimates

DCF Valuation

We are of the view that the discounted cashflow methodology is the most appropriate methodology for valuing early-stage companies. Our base-case DCF valuation of Total Brain is \$115.4m which derives a \$0.86/share valuation (previously \$0.77/share). Our terminal value is \$0.38/share within this valuation.

Exhibit 4: Base-case DCF valuation	
Parameters	Outcome
Discount rate / WACC	14.7%
Beta	2.0
Terminal growth rate assumption	2.20%
Sum of PV (\$m)	64.4
PV of terminal value (\$m)	51.2
PV of enterprise (\$m)	115.6
Debt (cash) (\$m)	(0.2)
Net value – shareholder (\$m)	115.4
No. of shares on issue (m)	133.4
NPV	\$0.86
Source: RaaS estimates	

Exhibit 5: Financial Year Financial Summary (In A\$m)

Total Brain (TTB.AX)						Share price (1 March 2022)						A\$	0.12			
Profit and Loss (A\$m)						Interim (A\$m)	H121A	H221A	H122F	H222F	H123F	H223F				
Y/E 30 June	FY20A	FY21A	FY22F	FY23F	FY24F	Revenue	2.0	1.7	5.4	4.4	5.0	6.5				
Revenue	3.9	3.7	9.8	11.5	19.1	EBITDA	(3.8)	(3.4)	(1.3)	(1.1)	(0.7)	0.5				
Gross profit	3.3	3.4	8.6	9.7	16.0	EBIT	(4.0)	(4.2)	(2.1)	(1.3)	(0.9)	0.2				
GP margin %	85.2%	92.8%	87.2%	84.0%	84.0%	NPAT (normalised)	(3.9)	(4.3)	(2.2)	(1.5)	(0.8)	(0.0)				
EBITDA	(7.4)	(7.2)	(2.8)	(0.2)	2.3	Minorities	0.0	0.0	0.0	0.0	0.0	0.0				
Depn	(0.1)	(0.1)	(0.1)	(0.0)	(0.0)	NPAT (reported)	(4.1)	(4.1)	(2.6)	(1.5)	(0.8)	(0.0)				
Amort	(0.2)	(0.6)	(0.9)	(0.5)	(0.5)	EPS (normalised)	(3.6)	(3.9)	(1.7)	(1.1)	(0.6)	(0.0)				
EBIT	(7.7)	(8.3)	(3.7)	(0.7)	1.8	EPS (reported)	(3.6)	(3.9)	(1.7)	(1.1)	(0.6)	(0.0)				
Interest	0.0	(0.0)	(0.3)	(0.4)	(0.4)	Dividend (cps)	0.0	0.0	0.0	0.0	0.0	0.0				
Tax	0.0	0.1	0.0	0.3	(0.4)	Imputation	30.0	30.0	30.0	30.0	30.0	30.0				
Minorities	0.0	0.0	0.0	0.0	0.0	Operating cash flow	(4.3)	(2.9)	(2.0)	(1.6)	1.0	(0.2)				
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	Free Cash flow	(1.8)	(0.3)	0.4	(1.0)	1.6	0.4				
NPAT pre significant items	(7.6)	(8.3)	(4.0)	(0.8)	1.0	Divisionals	H121A	H221A	H122F	H222F	H123F	H223F				
Significant items	0.0	(0.0)	0.0	0.0	0.0	Total Brain - Corporate	1.3	1.0	1.2	1.9	2.3	2.6				
NPAT (reported)	(7.6)	(8.3)	(4.0)	(0.8)	1.0	Total Brain Affinity	0.6	0.5	0.9	1.3	1.9	2.9				
Cash flow (A\$m)						Total Brain - D2C	-	-	-	-	-	-				
Y/E 30 June	FY20A	FY21A	FY22F	FY23F	FY24F	Other revenues	0.2	0.1	3.3	1.0	0.5	0.6				
EBITDA	(7.4)	(7.2)	(2.8)	(0.2)	2.3	Total Revenue	2.0	1.6	5.4	4.2	4.8	6.2				
Interest	0.0	0.0	(0.3)	(0.4)	(0.4)	Gross profit	1.9	1.6	4.8	3.7	4.2	5.4				
Tax	0.0	0.0	0.0	0.0	(0.4)	Gross Profit Margin %	94%	95%	90%	90%	88%	88%				
Working capital changes	1.4	0.0	(0.4)	1.5	(0.9)	Employment	4.0	3.2	4.3	3.4	3.5	3.6				
Operating cash flow	(6.0)	(7.2)	(3.5)	0.8	0.6	Marketing	0.4	0.7	0.5	0.4	0.4	0.4				
Mtce capex	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	Other costs	1.2	1.1	1.4	1.0	1.0	1.0				
Free cash flow	(6.1)	(7.2)	(3.6)	0.7	0.5	Total costs	5.6	5.0	6.2	4.8	4.9	5.0				
Growth capex	(2.6)	(5.0)	(2.9)	(1.0)	(1.0)	EBITDA	(3.8)	(3.4)	(1.3)	(1.1)	(0.7)	0.5				
Acquisitions/Disposals	0.0	0.0	0.0	0.0	0.0	Margins, Leverage, Returns						FY20A	FY21A	FY22F	FY23F	FY24F
Other	0.0	0.0	0.0	0.0	0.0	EBITDA margin %		(191.6%)	(194.6%)	(28.1%)	(1.9%)	12.0%				
Cash flow pre financing	(8.7)	(12.2)	(6.5)	(0.3)	(0.5)	EBIT margin %		(197.6%)	(226.0%)	(38.0%)	(6.3%)	9.2%				
Equity	13.7	0.0	6.5	2.0	0.0	NPAT margin (pre significant items)		(197.2%)	(225.0%)	(41.2%)	(7.1%)	5.1%				
Debt	1.1	3.2	1.4	0.0	0.0	Net Debt (Cash)		10.00	- 2.84	- 2.36	- 0.64	- 1.10				
Dividends paid	0.0	0.0	0.0	0.0	0.0	Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	n/a	0.48				
Net cash flow for year	6.0	(9.1)	1.5	1.7	(0.5)	ND/ND+Equity (%)	(%)	(61.0%)	13.6%	10.3%	2.9%	4.6%				
Balance sheet (A\$m)						EBIT interest cover (x)	(x)	n/a	n/a	n/a	n/a	23.1%				
Y/E 30 June	FY20A	FY21A	FY22F	FY23F	FY24F	ROA		nm	(31.2%)	(14.3%)	(2.5%)	5.9%				
Cash	11.1	1.4	2.5	4.2	3.7	ROE		nm	(37.4%)	(21.0%)	(3.9%)	4.4%				
Accounts receivable	2.8	5.1	5.7	4.5	6.3	ROIC		nm	(98.7%)	(45.1%)	(5.6%)	13.4%				
Inventory	0.0	0.0	0.0	0.0	0.0	NTA (per share)		27.8%	13.5%	14.0%	14.8%	15.6%				
Other current assets	0.1	0.2	0.5	0.5	0.5	Working capital		237.6%	458.9%	364.8%	248.8%	352.1%				
Total current assets	14.1	6.8	8.7	9.2	10.6	WC/Sales (%)		61.3%	124.2%	37.2%	21.6%	18.4%				
PPE	0.3	0.3	0.3	0.4	0.4	Revenue growth		49.0%	(4.7%)	165.7%	17.2%	66.0%				
Goodwill	0.0	0.0	0.0	0.0	0.0	Pricing						FY20A	FY21A	FY22F	FY23F	FY24F
Intangibles	15.0	17.0	19.0	19.5	20.0	No of shares (y/e)	(m)	95	133	146	146	146				
Deferred tax asset	0.0	0.0	0.0	0.0	0.0	Weighted Av Dil Shares	(m)	95	108	143	146	146				
Other non current assets	0.0	0.0	0.0	0.0	0.0	EPS Reported	cps	(8.07)	(7.68)	(3.15)	(0.57)	0.67				
Total non current assets	15.3	17.3	19.3	19.9	20.5	EPS Normalised/Diluted	cps	(8.07)	(7.68)	(2.87)	(0.57)	0.67				
Total Assets	29.4	24.1	28.0	29.1	31.1	PE (x)		-	-	-	-	17.8				
Accounts payable	0.5	0.5	2.1	2.0	2.8	PE market		18.0	18.0	18.0	18.0	18.0				
Short term debt	1.1	4.3	4.8	4.8	4.8	Premium/(discount)		(100.0%)	(100.0%)	(100.0%)	(100.0%)	(1.1%)				
Tax payable	0.0	0.0	0.0	0.0	0.0	EV/Sales		0.4	4.3	2.0	1.6	1.0				
Deferred revenue	1.4	1.3	0.8	0.8	0.8	FCF/Share	cps	(6.2)	(5.3)	(2.4)	0.6	0.5				
Total current liabilities	3.0	6.1	7.7	7.6	8.4	Price/FCF share		(1.9)	(2.3)	(5.0)	18.8	23.3				
Long term debt	0.0	0.0	0.0	0.0	0.0	Free Cash flow Yield		(51.6%)	(44.3%)	(19.9%)	5.3%	4.3%				
Other non current liabs	0.1	0.0	0.0	0.0	0.0	Total Shareholder funds						26.4	18.0	20.5	21.6	22.8
Total long term liabilities	0.1	0.0	0.0	0.0	0.0	Share capital		78.4	78.5	84.6	86.6	86.7				
Total Liabilities	3.0	6.1	7.7	7.6	8.4	Accumulated profits/losses		(56.4)	(64.7)	(68.8)	(69.6)	(68.7)				
Net Assets	26.4	18.0	20.5	21.6	22.7	Reserves		4.4	4.3	4.7	4.7	4.7				
Share capital	78.4	78.5	84.6	86.6	86.7	Minorities		0.0	0.0	0.0	0.0	0.0				
Accumulated profits/losses	(56.4)	(64.7)	(68.8)	(69.6)	(68.7)							26.4	18.0	20.5	21.6	22.8
Reserves	4.4	4.3	4.7	4.7	4.7											
Minorities	0.0	0.0	0.0	0.0	0.0											

Source: Company data for historicals, RaaS estimates

Exhibit 6: Calendar Year Financial Summary (in A\$m)

Total Brain (ASX:TTB)						Share price (1 March 2022)						A\$	0.12				
Profit and Loss (A\$m)						Interim (A\$m)						H1CY20A	H2CY20A	H1CY21A	H2CY21F	H1CY22F	H2CY22F
Y/E December 31	CY19A	CY20A	CY21F	CY22F	CY23F	Revenue	EBITDA	EBIT	NPAT (normalised)	Minorities	NPAT (reported)	EPS (normalised)	EPS (reported)	Dividend (cps)	Imputation	Operating cash flow	Free Cash flow
Revenue	2.6	3.9	3.7	9.8	9.4	1.7	(3.6)	(3.7)	(3.7)	0.0	(3.7)	(3.3)	(3.3)	0.0	30.0	(1.7)	(0.1)
Gross profit	2.3	3.3	3.4	8.6	8.0	2.0	(3.8)	(4.0)	(3.9)	0.0	(4.1)	(3.6)	(3.6)	0.0	30.0	(4.3)	(1.8)
GP margin %	87.8%	85.2%	92.8%	87.2%	84.5%	1.7	(3.4)	(4.2)	(4.3)	0.0	(2.2)	(3.9)	(3.9)	0.0	30.0	(0.3)	0.4
EBITDA	(8.1)	(7.4)	(7.2)	(2.4)	(1.7)	0.0	(1.3)	(2.1)	(2.2)	0.0	(1.5)	(1.7)	(1.7)	0.0	30.0	0.4	1.0
Depn	(0.0)	(0.1)	(0.1)	(0.1)	(0.0)	0.0	(1.3)	(1.3)	(1.5)	0.0	(1.5)	(1.1)	(1.1)	0.0	30.0	0.4	1.6
Amort	(0.4)	(0.2)	(0.6)	(0.9)	(0.5)	0.0	(1.3)	(1.3)	(1.1)	0.0	(1.1)	(1.1)	(1.1)	0.0	30.0	0.4	1.6
EBIT	(8.5)	(7.7)	(8.2)	(3.4)	(2.2)	0.0	(1.3)	(1.3)	(1.1)	0.0	(1.1)	(1.1)	(1.1)	0.0	30.0	0.4	1.6
Interest	0.0	0.0	(0.0)	(0.3)	(0.4)	0.0	(1.3)	(1.3)	(1.1)	0.0	(1.1)	(1.1)	(1.1)	0.0	30.0	0.4	1.6
Tax	0.0	0.0	0.1	0.0	0.3	0.0	(1.3)	(1.3)	(1.1)	0.0	(1.1)	(1.1)	(1.1)	0.0	30.0	0.4	1.6
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	(1.3)	(1.3)	(1.1)	0.0	(1.1)	(1.1)	(1.1)	0.0	30.0	0.4	1.6
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	0.0	(1.3)	(1.3)	(1.1)	0.0	(1.1)	(1.1)	(1.1)	0.0	30.0	0.4	1.6
NPAT pre significant items	(8.6)	(7.6)	(8.2)	(3.7)	(2.3)	0.0	(1.3)	(1.3)	(1.1)	0.0	(1.1)	(1.1)	(1.1)	0.0	30.0	0.4	1.6
Significant items	0.0	0.0	(0.0)	(0.4)	0.0	0.0	(1.3)	(1.3)	(1.1)	0.0	(1.1)	(1.1)	(1.1)	0.0	30.0	0.4	1.6
NPAT (reported)	(8.6)	(7.6)	(8.2)	(4.1)	(2.3)	0.0	(1.3)	(1.3)	(1.1)	0.0	(1.1)	(1.1)	(1.1)	0.0	30.0	0.4	1.6
Cash flow (A\$m)						Divisionals						H1CY20A	H2CY20A	H1CY21A	H2CY21F	H1CY22F	H2CY22F
Y/E December 31	CY19A	CY20A	CY21F	CY22F	CY23F	Total Brain - Corporate	Total Brain Affinity	Total Brain D2C	Other revenues	Total Revenue	Gross profit	Gross Profit Margin %	Employment	Marketing	Other costs	Total costs	EBITDA
EBITDA	(8.1)	(7.4)	(7.2)	(2.4)	(1.7)	1.2	0.3	-	0.2	1.7	1.5	86%	3.1	0.5	1.2	4.8	(3.3)
Interest	0.0	0.0	0.0	(0.3)	(0.4)	1.3	0.6	-	0.2	2.0	1.9	92%	4.0	0.4	0.7	5.6	(3.8)
Tax	0.0	0.0	0.0	0.0	0.0	1.0	0.5	-	0.2	1.7	1.6	95%	3.2	0.7	1.1	5.0	(3.4)
Working capital changes	2.5	1.4	0.0	(0.8)	1.6	1.2	0.9	-	0.1	5.4	4.8	89%	4.3	0.5	1.4	6.2	(1.3)
Operating cash flow	(5.6)	(6.0)	(7.2)	(3.5)	(0.6)	1.9	0.9	-	3.3	4.2	4.2	89%	3.4	0.4	1.0	4.8	(1.1)
Mtce capex	0.0	(0.1)	(0.1)	(0.1)	(0.1)	1.0	1.3	-	1.0	5.0	3.7	84%	3.4	0.4	1.0	4.9	(0.7)
Free cash flow	(5.6)	(6.1)	(7.2)	(3.6)	(0.7)	1.0	1.3	-	3.3	4.2	4.2	84%	3.4	0.4	1.0	4.9	(0.7)
Growth capex	(2.7)	(2.6)	(5.0)	(2.9)	(1.0)	1.0	1.3	-	1.0	5.0	3.7	84%	3.4	0.4	1.0	4.9	(0.7)
Acquisitions/Disposals	0.0	0.0	0.0	0.0	0.0	1.0	1.3	-	1.0	5.0	3.7	84%	3.4	0.4	1.0	4.9	(0.7)
Other	(0.1)	0.1	0.0	0.0	0.0	1.0	1.3	-	1.0	5.0	3.7	84%	3.4	0.4	1.0	4.9	(0.7)
Cash flow pre financing	(8.4)	(8.6)	(12.2)	(6.5)	(1.7)	1.0	1.3	-	1.0	5.0	3.7	84%	3.4	0.4	1.0	4.9	(0.7)
Equity	6.7	13.7	0.0	6.5	2.0	1.0	1.3	-	1.0	5.0	3.7	84%	3.4	0.4	1.0	4.9	(0.7)
Debt	(0.1)	0.0	1.1	3.2	1.4	1.0	1.3	-	1.0	5.0	3.7	84%	3.4	0.4	1.0	4.9	(0.7)
Dividends paid	0.0	0.0	0.0	0.0	0.0	1.0	1.3	-	1.0	5.0	3.7	84%	3.4	0.4	1.0	4.9	(0.7)
Net cash flow for year	(1.8)	5.0	(11.1)	3.2	1.7	1.0	1.3	-	1.0	5.0	3.7	84%	3.4	0.4	1.0	4.9	(0.7)
Balance sheet (A\$m)						Margins, Leverage, Returns						CY19A	CY20A	CY21F	CY22F	CY23F	
Y/E December 31	CY19A	CY20A	CY21F	CY22F	CY23F	EBITDA margin %	EBIT margin %	NPAT margin (pre significant items)	Net Debt (Cash)	Net debt/EBITDA (x)	ND/ND+Equity (%)	NTA (per share)	Working capital	WC/Sales (%)	Revenue growth		
Cash	5.2	11.1	1.4	2.5	4.9	(312.3%)	(328.4%)	(329.4%)	5.21	(x)	(%)	38.1%	35.3%	13.6%	(2.2%)		
Accounts receivable	0.8	2.8	5.1	5.7	3.9	(191.6%)	(197.6%)	(197.2%)	10.00	n/a	n/a	44.9%	237.6%	61.3%	49.0%		
Inventory	0.0	0.0	0.0	0.0	0.0	-195%	-222%	-221%	-	n/a	n/a	19.0%	458.9%	124.2%	165.7%		
Other current assets	0.2	0.1	0.2	0.5	0.5	-24%	-34%	-38%	-	n/a	n/a	15.3%	364.8%	37.2%			
Total current assets	6.2	14.1	6.8	8.7	9.4	-24%	-34%	-25%	-	n/a	n/a	14.7%	203.9%	21.6%			
PPE	0.2	0.3	0.3	0.3	0.3				-								
Goodwill	0.0	0.0	0.0	0.0	0.0				-								
Investments	0.0	0.0	0.0	0.0	0.0				-								
Deferred tax asset	0.0	0.0	0.0	0.0	0.0				-								
Other non current assets	14.9	15.0	17.1	19.0	19.3				-								
Total non current assets	15.2	15.3	17.3	19.3	19.6				-								
Total Assets	21.4	29.4	24.1	28.0	29.0				-								
Accounts payable	0.5	0.5	0.5	2.1	1.9				-								
Short term debt	0.0	1.1	4.3	4.8	4.8				-								
Tax payable	0.0	0.0	0.0	0.0	0.0				-								
Deferred revenue	0.6	1.4	1.3	0.8	0.8				-								
Total current liabilities	1.1	3.0	6.1	7.7	7.5				-								
Long term debt	0.0	0.0	0.0	0.0	0.0				-								
Other non current liabs	0.1	0.1	0.0	0.0	0.0				-								
Total long term liabilities	0.1	0.1	0.0	0.0	0.0				-								
Total Liabilities	1.2	3.0	6.1	7.7	7.5				-								
Net Assets	20.2	26.4	18.0	20.4	21.5				-								
Share capital	64.8	78.4	78.4	84.5	86.5				-								
Accumulated profits/losses	(48.8)	(56.4)	(64.7)	(68.8)	(69.6)				-								
Reserves	4.2	4.4	4.3	4.7	4.7				-								
Minorities	0.0	0.0	0.0	0.0	0.0				-								
Total Shareholder funds	20.2	26.4	18.0	20.4	21.5				-								

Source: Company data for historical; RaaS estimates



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: 6th May 2021



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: Suite 5GB, Level 5, 33 Queen Street, Brisbane, QLD, 4000

RaaS, 20 Halls Road Arcadia, NSW 2159

P: +61 414 354712

E: 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; Email: 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 and prepared and issued by RaaS Advisory Pty Ltd. RaaS Advisory has been paid a fee, in the form of shares in Total Brain, 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 2022 RaaS Advisory Pty Ltd (A.B.N. 99 614 783 363). All rights reserved.