



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

18 March 2019

Dear Optionholder,

NON-RENOUNCEABLE ENTITLEMENT OFFER – NOTICE TO OPTIONHOLDERS

Total Brain Limited ACN 094 069 682 (**Total Brain** or **Company**) announced today that it is undertaking an institutional placement and conditional placement (subject to approval by Total Brain shareholders) and a non-renounceable 1 for 8 pro-rata entitlement offer (**Entitlement Offer**) to raise up to approximately \$6.9 million, before offer costs and expenses.

Eligibility of shareholders to participate in the Entitlement Offer

The Entitlement Offer is being made without a prospectus or product disclosure document in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

Shareholders who are eligible to participate in the Entitlement Offer are those persons who:

- are registered as a holder of fully paid ordinary shares in Total Brain as at 7.00pm (AEDT) on 21 March 2019 (Record Date);
- have a registered address on the Total Brain share register that is in Australia, Hong Kong or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States with respect to their shares in Total Brain (to the extent such person holds Total Brain shares for the account or benefit of such person in the United States); and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered,

(Eligible Shareholder).

Your options do not entitle you to participate in the Entitlement Offer.

You have received this letter because you currently hold options issued by the Company. If you wish for some or all of the shares underlying your options to be counted as part of your Entitlement under the Entitlement Offer, you will need to exercise that portion of your exercisable options for which you wish to participate and pay the current exercise price for them so that those shares are issued to you before the Record Date. Please contact the Company Secretary should you wish to exercise your options.

If you choose to participate in the Entitlement Offer by exercising some or all of your options prior to the Record Date, you will be sent an Information Booklet and personalised Entitlement and Acceptance Form containing important information about the Entitlement Offer. A copy of the Information Booklet will also be available on the ASX website at www.asx.com.au.

If you do not wish to participate in the Entitlement Offer (in respect of your options) you do not need to take any action. In that case, you should be aware that your options confer no right to a change in exercise price, nor a change to the number of underlying shares over which they can be exercised, as a result of the Entitlement Offer.

Before deciding whether to exercise all or any of your options, you should ensure that you satisfy the requirements for an Eligible Shareholder and consider the terms of the Entitlement Offer carefully. It

is recommended that you consult with your professional adviser before making any investment decision.

For further information regarding the Entitlement Offer, please contact Total Brain's share registry on 1300 737 760 (within Australia) or +61 (02) 9290 9600 (outside Australia) between 8.30am to 5.00pm (AEDT) Monday to Friday during the offer period. Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Dr Evian Gordon', with a stylized flourish at the end.

Dr Evian Gordon, PhD
Executive Chairman

Important information

This letter is issued by Total Brain. This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any entitlements or securities in Total Brain in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of entitlements or Total Brain securities.

This letter may not be released or distributed in the United States. This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any person in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction. In particular, the New Shares have not been, and will not be, registered under the United States Securities Act of 1933 (US Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements and the New Shares may not be issued to, purchased or traded by, or taken up or exercised by, any person in the United States or any person acting for the account or benefit of a person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable United States state securities laws. The entitlements and New Shares to be offered in the Entitlement Offer will only be offered outside the United States in "offshore transactions" (as defined in Rule 902(h) of the Securities Act) in reliance on Regulation S under the U.S. Securities Act.