



28 January 2021

Australian Securities Exchange (ASX) Announcement

## December 2020 Quarterly Update and Appendix 4C

Total Brain Limited ("Total Brain," "TTB" or "the Company"), the developer of a mental health SaaS platform, is pleased to report on its activities for the quarter ended 31 December 2020.

- During the December 2020 quarter, Total Brain collected A\$0.8 million in cash receipts, in-line with the amount collected during the previous quarter. On a year-on-year basis, cash receipts increased by 12%.
- Total cash outflows via payments from operating and investing activities (items 1.2 and 2.1 in Appendix 4C) decreased by 18% quarter-on-quarter (A\$826k decrease), driven by a 66% decrease in operating costs (A\$334k), 66% decrease in administrative & corporate expenses (A\$277k), and a 9% decrease in staff costs and wages capitalized as intellectual property (A\$250k). Total Brain expects this level of business expenses to continue in the following quarter.<sup>1</sup>
- Based on the current cash balance, receipts collected in January 2021 (including a A\$1.1M R&D tax incentive from the Australian government), and additional collections scheduled for the next 3 months, the cash runway for the business is June 2021. This amount excludes any additional billings from the pending IBM transaction or other net new contract wins from hereon.
  - Additionally, Total Brain is eligible for A\$1.4M in stimulus funding from the U.S. government via the second round of the Paycheck Protection Program. While the exact process and timeline are opaque at this time given the emergency nature of the program, TTB has submitted its application and is awaiting approval and subsequent funding. Upon receipt, these funds would extend the runway of the business to August 2021.
- For additional context on the business, please refer to the recent Operational Update published to the ASX on 10<sup>th</sup> January 2021 and the recording of the investor teleconference held on 14<sup>th</sup> January 2021, available on the Company's website.

**Louis Gagnon**

Managing Director / CEO

Total Brain Limited

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<sup>1</sup> In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in items 6.1 of the Appendix 4C include payments for remuneration of director fees to executive and non-executive directors in the normal course of business, excluding reimbursements of out-of-pocket expenses which is equivalent to the previous quarters expense.



For further queries please contact:

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**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 standardised brain database. Its SaaS platform has helped more than 960,000 registered users to-date scientifically measure and optimise 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](http://www.totalbrain.com) and follow us on [Twitter](#), [LinkedIn](#) and [Facebook](#).

*Release authorised by the Non-Executive Director, Matt Morgan*

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Total Brain Limited

**ABN**

24 094 069 682

**Quarter ended ("current quarter")**

31 Dec 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	785	1,581
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(169)	(672)
(c) advertising and marketing	(211)	(393)
(d) leased assets	-	-
(e) staff costs	(1,778)	(4,272)
(f) administration and corporate costs	(142)	(561)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	18	81
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,497)</b>	<b>(4,236)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(21)	(36)
(d) investments	-	-
(e) intellectual property	(1,479)	(2,492)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(1,500)</b>	<b>(2,528)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	6,968	11,104
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,497)	(4,236)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,500)	(2,528)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(263)	(632)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>3,708</b>	<b>3,708</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,963	6,166
5.2	Call deposits	745	802
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,708</b>	<b>6,968</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

228

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Items 6.1 include payments for remuneration of director fees to executive and non-executive directors in the normal course of business, excluding reimbursements of out-of-pocket expenses which is equivalent to the previous quarters expense.

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-
-	-

7.5 **Unused financing facilities available at quarter end**

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7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,497)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	3,708
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	3,708
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>2.5</b>

*Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.*

8.6

If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?


Answer:

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28th January 2021 .....

Authorised by:  .....

Matthew Morgan, NED  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.