

Total Brain Limited

ACN 094 069 682

Prospectus

A pro rata non-renounceable fully underwritten entitlement offer of 1 New Share for every 7 Existing Shares held at an issue price of \$0.26 per New Share to raise \$4 million, with 1 free attaching New Option for every 2 New Shares with an exercise price of \$0.36 that expires 12 months from the date of issue.

A placement of 4,807,692 Options to Placement Participants on the basis of 1 free attaching Option for every 2 Shares subscribed for by Placement Participants under the Placement.

Last date for acceptance and payment is 5:00 pm (AEST) on 12 August 2021 (unless extended)

This document is important and requires your immediate attention. It should be read in its entirety. Total Brain Limited is subject to regular reporting and disclosure obligations. A copy of this document, and other documents lodged with the Australian Securities and Investments Commission (ASIC) may be obtained from, or inspected at, an ASIC office.

If you have any questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

This is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth).

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OF AMERICA

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IMPORTANT NOTICES

This Prospectus is dated 21 July 2021 and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The Prospectus expires 13 months after the date of this Prospectus. No securities will be issued on the basis of this Prospectus any later than 13 months after the date of issue of this Prospectus.

This Prospectus contains offers of continuously quoted securities (as defined in the Corporations Act) and options to acquire continuously quoted securities and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that Total Brain is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Total Brain may make additional announcements after the date of this Prospectus and throughout the period that the Offers are open that may be relevant to your consideration about whether you should participate in the Offers.

No party other than Total Brain has authorised or caused the issue of this Prospectus, or takes any responsibility for, or makes, any statements, representations or undertakings in this Prospectus or for any action you take in reliance on this Prospectus.

The Lead Manager is managing the Offers and underwriting the Entitlement Offer. The Lead Manager has not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by it or by any of its respective affiliates, officers or employees. To the maximum extent permitted by law, the Lead Manager and each of its affiliates, officers, employees and advisors expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their respective names and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

By returning an Application Form or otherwise making payment through BPAY® in accordance with the instructions on the Application Form, you acknowledge that you have read this Prospectus and you have acted in accordance with, and agree to the terms of, the applicable Offer as detailed in this Prospectus.

Foreign offers

This Prospectus and the accompanying Application Forms do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. In particular, this Prospectus does not constitute an offer to Ineligible Shareholders to participate in the Entitlement Offer and may not be distributed in the United States of America and the New Securities may not be offered or sold, directly or indirectly, to persons in the United States of America, unless such person is otherwise determined by Total Brain to be eligible.

This Prospectus is not to be distributed in, and no offer of New Securities is to be made in countries other than Australia, New Zealand and Hong Kong (and Canada in respect of the Placement Options only) to the extent the

offer can be made in accordance with applicable securities laws (see sections 1.14 and 1.15 for restrictions). The distribution of this Prospectus (including an electronic copy) in other jurisdictions may be restricted by law and, therefore, persons who come into possession of this Prospectus should seek advice on and observe these restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Offers, the Entitlements, the New Securities, or otherwise permit the public offering of the New Securities, in any jurisdiction other than Australia.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Each Application will be subject to all requisite authorities and clearances being obtained for Total Brain to lawfully receive any or all of the Application Monies.

Definitions, currency and time

Defined terms used in this Prospectus are contained in section 7. All references to currency are to Australian dollars and all references to time are to Australian Eastern Standard Time unless otherwise indicated.

Taxation consequences for Applicants

There will be tax implications associated with participating in the Offers and receiving New Securities. Total Brain considers that it is not appropriate to give advice regarding the tax consequences of subscribing for New Securities under this Prospectus, the conversion of New Options and Placement Options into Shares, or the subsequent disposal of any New Securities. Total Brain recommends that you consult your professional tax adviser in connection with the Offers.

Privacy

Total Brain collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's securityholding in Total Brain.

By submitting an Application Form, you will be providing personal information to Total Brain (directly or through the Share Registry). Total Brain collects, holds and will use that information to assess your Application. Total Brain collects your personal information to process and administer your securityholding in Total Brain and to provide related services to you. Total Brain may disclose your personal information for purposes related to your securityholding in Total Brain, including to the Share Registry, Total Brain's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that Total Brain holds about you. To make a request for access to your personal information held by (or on behalf of) Total Brain, please contact Total Brain through the Share Registry.

Governing law

This Prospectus, the Offers and the contracts formed on acceptance of the Applications are governed by the law applicable in New South Wales, Australia. Each Applicant submits to the exclusive jurisdiction of the New South

Wales courts and courts competent to hear appeals from those courts.

No representations

No person is authorised to give any information, or to make any representation, in connection with the Offers which is not contained in this Prospectus. Any information or representation in connection with the Offers not contained in the Prospectus may not be relied upon as having been authorised by Total Brain or any of its officers. Except as required by law, and only to the extent so required, none of Total Brain, or any other person, warrants or guarantees the future performance of Total Brain or any return on any investment made pursuant to this Prospectus.

Past performance

Investors should note that Total Brain's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) Total Brain's future performance including Total Brain's future financial position or share price performance.

Forward looking statements

This Prospectus contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of Total Brain and certain plans and objectives of the management of Total Brain. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither Total Brain, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, those forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of Total Brain. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Prospectus in light of those disclosures.

Risks

Refer to section 4 of the Prospectus for a summary of general and specific risk factors that may affect Total Brain.

Trading of New Securities

Total Brain will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Securities they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Total Brain or the Share Registry or otherwise, or who otherwise trade or purport to trade New Securities in error or to which they do not hold or are not entitled.

If you are in any doubt as to these matters, you should first consult with your stockbroker, accountant or other professional adviser.

CHAIRMAN'S LETTER

21 July 2021

Dear Shareholder

As a valued Shareholder of Total Brain Limited (**Total Brain** or **Company**), I am pleased to offer you the opportunity to participate in a pro rata non-renounceable fully underwritten offer of 1 new fully paid ordinary share (**New Shares**) for every 7 shares held on the Record Date at an issue price of \$0.26 per New Share. Every 2 New Shares will be accompanied by an attaching listed option with an exercise price of \$0.36 per option that expires 12 months from the date of issue (**New Options**). The offer of New Shares and New Options (**Entitlement Offer**) will raise approximately \$4 million before offer costs (excluding funds raised from exercise of New Options, if any).

The Company is also conducting a non-underwritten placement at an issue price of \$0.26 per Share and one free attaching Option for every 2 Shares subscribed to certain eligible institutional and sophisticated investors (**Placement**). The Placement will raise up to approximately \$2.5 million before offer costs (excluding funds raised from exercise of Placement Options, if any). This Prospectus also contains an offer of the Placement Options to investors who Total Brain has identified to participate in the Placement.

The Entitlement Offer is fully underwritten by Bell Potter Securities Limited. Further details about the underwriting arrangements are contained in section 1.6.

Placement and Entitlement Offer

The proceeds of the Placement and Entitlement Offer will provide funds for Total Brain to:

- invest in the proposed partnership with IBM;
- build and launch the proposed direct-to-consumer business with Hamptons Life (currently subject to non-binding heads of agreement);
- increase spending on marketing for clinical business with insurance reimbursable products;
- invest in 'Mental Health Index';
- repay amounts owing under loan agreements 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);¹
- fund general working capital and operational costs; and
- pay certain costs of the Entitlement Offer.

The issue price of \$0.26 per Share under the Placement and Entitlement Offer represents a :

- 10.3% discount to the last closing price of \$0.29 on 16 July 2021 (being the last trading day before Total Brain entered trading halt prior to announcing the Capital Raising); and

¹ 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.

- 16.2% discount to the 15-day volume weighted average price of Shares on ASX of \$0.31 as at 16 July 2021.

The number of New Shares and New Options that you are entitled to subscribe for under the Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is enclosed with this Prospectus.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Eligible Shareholders who do not take up their Entitlements in full will not receive any payment or value in respect of those entitlements.

Risks

All investors should be aware that an investment in Total Brain carries a number of significant risks, including:

- uncertainty surrounding the future financial performance of Total Brain, and potential requirement for Total Brain to raise additional funds;
- risks associated with the development and commercialisation of Total Brain's technology;
- risk regarding Total Brain's ability to protect its intellectual property rights; and
- risks and challenges commonly faced by online product offerings including the risk of technology changes, unauthorised hacking, disruption, general misuse or unauthorised disclosure of a user's personal data.

This is just a summary of the risks relevant to investing in Total Brain. I encourage all investors to read the risks section in section 4 carefully before deciding whether to participate in the Entitlement Offer.

Other information

This Prospectus contains important information, including:

- instructions on how to apply, detailing how to participate in the Offers, and a timetable of key dates;
- a personalised Application Form, to be completed in accordance with the instructions; and
- for the Entitlement Offer, instructions on how to take up all or part of your Entitlement via BPAY®.

The Offers close at 5:00 pm (AEST) on 12 August 2021.

Please read in full the details on how to submit your application, which are set out in this Prospectus. For further information regarding the Offers, please contact Total Brain's share registry Boardroom on 1300 737 760 (within Australia) and +61 2 9290 9600 (outside Australia) between 8:30 am to 5:00 pm (AEST) Monday to Friday during the offer period.

You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Offers.

On behalf of the Board of Total Brain, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely

A handwritten signature in cursive script that reads "Dr. Evian Gordon".

Dr Evian Gordon, PhD
Executive Chairman

SUMMARY OF THE OFFERS

Entitlement Offer	1 New Share for every 7 Existing Shares held by an Eligible Shareholder, with every 2 New Shares being accompanied by one free attaching New Option expiring 12 months from the date of issue.
Issue Price	\$0.26 per New Share
Exercise Price of New Options	\$0.36 per New Option
Amount to be raised under the Entitlement Offer (excluding funds raised from exercise of Options, if any)	\$4 million
Placement Offer	4,807,692 Options
Shares and Options on issue as at the date of this Prospectus	108,303,784 Shares 29,190,293 Options
Total number of Shares and Options to be issued under the Entitlement Offer	Approximately 15,471,969 New Shares (subject to rounding) Approximately 7,735,984 New Options (subject to rounding)
Total number of Shares and Options to be issued under the Placement	9,615,384 Shares (subject to rounding) 4,807,692 Options (subject to rounding)
Total number of securities on issue following the Placement and Entitlement Offer	Approximately 133,391,137 Shares (subject to rounding) Approximately 41,733,969 Options (subject to rounding)

Key dates

Activity	Time and Date (AEST unless otherwise stated)
Announcement of Placement and Entitlement Offer	21 July 2021
Lodgement of Prospectus with ASIC and ASX	21 July 2021
Shares begin to trade on an “ex-entitlement” basis	23 July 2021
Record Date for determining Eligible Shareholders under the Entitlement Offer	7:00 pm on 26 July 2021
Entitlement Offer and Placement Offer open and Prospectus and Applications Forms sent to Eligible Shareholders and Placement Participants	29 July 2021
Entitlement Offer and Placement Offer close	5:00 pm on 12 August 2021
Issue Date – allotment and issue of New Securities	19 August 2021

This timetable is indicative only and subject to change. The Directors may vary these dates subject to the Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares and New Options. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time before the allotment and issue of the New Shares and New Options. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

The commencement of quotation of New Securities is subject to the discretion of ASX.

Cooling off rights do not apply to an investment in New Securities. You cannot withdraw your application once it has been accepted.

ENQUIRIES

If you have any investor relations questions about the Offers, please contact the Share Registry, Boardroom, on 1300 737 760 (within Australia) and +61 2 9290 9600 (outside Australia). Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

1. DESCRIPTION AND EFFECT OF THE OFFERS

1.1 Overview of Entitlement Offer

The Entitlement Offer is a non-renounceable fully underwritten offer of 1 New Share for every 7 Existing Shares at an issue price of \$0.26 per New Share. Every 2 New Shares will be issued together with a New Option that can be converted into one Share at an exercise price of \$0.36. The Entitlement Offer will raise approximately \$4 million before payment of the Lead Manager's fees and offer costs and excluding funds raised from exercise of New Options, if any (including fees paid to advisers and to providers of specific services to cover share registry, printing and postage costs that have not already been paid).

Eligible Shareholders who are on Total Brain's share register on the Record Date are entitled to acquire 1 New Share for every 7 Existing Shares held on the Record Date, as well as one attaching New Option per 2 New Shares (**Entitlement**). Fractional Entitlements will be rounded down to the nearest whole number of New Shares and New Options.

The issue price of \$0.26 per New Share under the Entitlement Offer represents a:

- (a) 10.3% discount to the last closing price of \$0.29 on 16 July 2021 (being the last trading day before Total Brain entered trading halt prior to announcing the Capital Raising); and
- (b) 16.2% discount to the 15-day volume weighted average price of Shares on ASX of \$0.31 as at 16 July 2021.

An Entitlement and Acceptance Form setting out your Entitlement accompanies this Prospectus. Eligible Shareholders may subscribe for all or part of their Entitlement.

Eligible Shareholders should be aware that an investment in Total Brain involves risks. The risk factors identified by Total Brain are summarised in section 4 of this Prospectus.

1.2 Overview of Placement Offer

As announced on ASX on 21 July 2021, the Company is conducting a Placement of 9,615,384 Shares at the same issue price as the Entitlement Offer to certain eligible sophisticated and institutional investors.

Under the terms of the Placement, the Company will issue the Placement Options to Placement Participants, on the basis of one Placement Option for every two New Shares subscribed for under the Placement. The Placement Offer is made with disclosure under this Prospectus.

The Placement Options will be granted for no additional consideration on the same terms and conditions as the New Options.

The Placement Options are being issued with disclosure under this Prospectus in order to:

- (c) remove any secondary sale restrictions that may attach to the Placement Options; and
- (d) ensure a disclosure exception is available for the issue of Shares on the exercise of the Placement Options and any on-sale of those Shares in the 12 months from the date of issue.

The Company will apply for quotation of the Placement Options within 7 days of the date of this Prospectus.

The Placement Offer is a separate offer pursuant to this Prospectus and only Placement Participants will receive a Placement Offer Application Form to accept Placement Options.

The Placement Offer will close at the same time as the Entitlement Offer unless the Directors in their absolute discretion otherwise determine.

1.3 Purpose of the Placement and Entitlement Offer

The Placement and Entitlement Offer will raise approximately \$6.5 million. It is anticipated that the funds raised from the Placement and Entitlement Offer (excluding funds raised from exercise of New Options, if any) will be applied as follows:

Description	Use of Funds	
	Use of funds (A\$m)	Use of funds (%)
COGS	0.1	2%
Marketing	0.5	7%
People	4.6	71%
Corporate & Operations	0.2	3%
Other Selling, General & Administrative Expenses	0.1	2%
Fees to Lead Manager	0.3	5%
Repayment of loans to 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	0.7	10%
Total	6.5	100%

The above table is a statement of current intentions as of the date of this Prospectus. The above proposed use of funds and their relative priority is subject to ongoing review and evaluation by Total Brain. As with any budget, the actual use of funds raised under the Placement and Entitlement Offer may change depending on the outcome of the programs as they proceed. Total Brain reserves the rights to alter the way in which funds are applied on this basis.

1.4 No trading of Entitlements

Eligible Shareholders' Entitlements under the Entitlement Offer are personal and cannot be renounced, traded, transferred, assigned or otherwise dealt with.

1.5 Opening and closing dates

The Offers will open on 9:00 am (AEST) on 29 July 2021 and will close at 5:00 pm (AEST) on 12 August 2021 or such later date as determined by Total Brain in its absolute discretion, subject to compliance with the Listing Rules.

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.

1.6 Underwriting

The Entitlement Offer is fully underwritten by Bell Potter Securities Limited (**Lead Manager**). The Placement is not underwritten.

Total Brain has provided customary representations and warranties to the Lead Manager. Total Brain has also provided a customary indemnity in favour of the Lead Manager.

Total Brain has agreed to pay the Lead Manager:

- (a) in respect of the Placement, a selling fee of 3% of the gross proceeds of the Placement (other than proceeds received from Canadian investors) and a management fee of 3% of the gross proceeds of the Placement (other than proceeds received from Canadian investors); and
- (b) in respect of the Entitlement Offer, an underwriting fee of 3% of the gross proceeds of the Entitlement Offer and a management fee of 3% of the gross proceeds of the Entitlement Offer,

provided however that the Company shall pay only a management fee of 3% of the gross proceeds of the Capital Raising (and no selling fee or underwriting fee) in respect of proceeds received under the Capital Raising from subscriptions (including through sub-underwriting arrangements) for securities by persons who settle directly with the Company as agreed with the Lead Manager.

Termination Rights in the Underwriting Agreement

The Underwriting Agreement contains various termination rights.

The Lead Manager may in its sole discretion terminate the Underwriting Agreement if:

- (a) **(Offer Documents)** the Lead Manager forms the view (acting reasonably) that a statement contained in the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive (including by omission), or a matter required by the Corporations Act is omitted from the Prospectus or the issue of the documents relating to the Capital Raising becomes misleading or deceptive or likely to mislead or deceive;
- (b) **(section 730 notice)** a person gives a notice to the Company under section 730 of the Corporations Act in relation to the Prospectus (other than the Lead Manager);
- (c) **(withdrawal of consent)** any person (other than the Lead Manager) whose consent to the issue of the Prospectus or any supplementary prospectus is required and who has previously consented to the issue of the Prospectus or any supplementary prospectus withdraws such consent;
- (d) **(Supplementary Prospectus)** the Company lodges a supplementary prospectus without the consent of the Lead Manager or fails to lodge a supplementary prospectus in a form acceptable to the Lead Manager or, in the Lead Manager's reasonable opinion, becomes required to lodge a supplementary prospectus;
- (e) **(material adverse change)** any material adverse change occurs in the assets, liabilities, the equity of any Company shareholders, financial position or performance, profits, losses or prospects of the Company or any subsidiary (in so far as the position in relation to the subsidiary affects the overall position of the Company), from the position disclosed in the Capital Raising announcement, the investor presentation issued in relation to the Capital Raising, the Prospectus or a duly completed

Appendix 3B on the date of announcing the Capital Raising or as most recently disclosed to ASX by the Company before the date of the Underwriting Agreement;

- (f) **(market fall)** the ASX/S&P 300 Index is, for two or more consecutive Business Days, or on the Business Day immediately before the settlement date of the Placement or the Entitlement Offer (as the case may be), more than 10% below its level as at 5:00 pm on 20 July 2021;
- (g) **(Listing)**
 - (i) the Company ceases to be admitted to the official list of ASX or the Shares cease trading or are suspended from quotation on ASX other than in connection with the Capital Raising;
 - (ii) ASX makes any official statement to any person, or indicates to the Company or the Lead Manager that official quotation on ASX of the Shares and the New Options and Placement Options will not be granted; or
 - (iii) approval is refused or approval is not granted which is unconditional (or conditional only on customary listing conditions which would not, in the opinion of the Lead Manager, have a material adverse effect on the success of the Capital Raising), to the official quotation of the Shares and the New Options and Placement Options on ASX on or before the dates agreed between Total Brain and the Lead Manager, or if granted, the approval is subsequently withdrawn, qualified or withheld;
- (h) **(notifications)** any of the following notifications are made in relation to the Capital Raising or a document issued by Total Brain relating to the Capital Raising:
 - (i) ASIC applies for an order under sections 1324B or 1325 of the Corporations Act in relation to such document or prosecutes or commences proceedings against or gives notice of an intention to prosecute or commence proceedings against the Company; or
 - (ii) an application is made by ASIC for an order under Part 9.5 in relation to the Capital Raising or such document or ASIC commences, or gives notice of an intention to hold, any investigation or hearing under Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth) or other applicable laws;
- (i) **(Timetable)** an event specified in the timetable agreed between Total Brain and the Lead Manager is delayed by more than one Business Day without the prior written consent of the Lead Manager, other than events within the control of the Lead Manager;
- (j) **(withdrawal)** the Company withdraws a document issued in connection with the Capital Raising or the Capital Raising or indicates that it does not intend to proceed with the Capital Raising;
- (k) **(unable to issue)** the Company is prevented from granting the Entitlements or issuing securities as part of the Capital Raising within the time required by the timetable agreed between Total Brain and the Lead Manager or by or in accordance with ASX Listing Rules, applicable laws, a government agency or an order of a court of competent jurisdiction;
- (l) **(ASIC Modifications)** ASIC withdraws, revokes or amends any modification, exemption or approval in relation to the Capital Raising;

- (m) **(ASX Waiver)** ASX withdraws, revokes or amends any waiver of the ASX Listing Rules necessary in relation to the Capital Raising;
- (n) **(prosecution)** any of the following occur:
 - (i) a director of the Company is charged with an indictable offence;
 - (ii) any government agency commences any public proceedings against the Company or any of the directors of the Company in their capacity as a director of the Company, or announces that it intends to take such action; or
 - (iii) any director of the Company is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- (o) **(fraud)** a director or officer of the Company or the Company is charged in relation to fraudulent conduct, whether or not in connection with the Capital Raising;
- (p) **(change in management)** a change in Chairman, CEO or CFO of the Company occurs;
- (q) **(Insolvency)** the Company or any of its subsidiaries is or becomes insolvent or there is an act or omission which is likely to result in the Company or any of its subsidiaries becoming insolvent;
- (r) **(charge)** a person charges or encumbers or agrees to charge or encumber, the whole, or a substantial part of the business or property of the Company or any of its subsidiaries;
- (s) **(force majeure)** there is an event or occurrence, including an official directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any government agency which makes it illegal for the Lead Manager to satisfy any obligation under this agreement, or to market, promote or settle the Capital Raising;
- (t) **(debt facilities)** the Company or any of its subsidiaries breaches, or defaults under (including potential event of default or review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing), any provision, undertaking covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party which has or is likely to have a material adverse effect on the Company and its subsidiaries;
- (u) **(Certificate)** a certificate required to be delivered by the Company under the Underwriting Agreement is not given by the Company in accordance with this agreement, or a statement in such certificate is untrue or incorrect, or misleading or deceptive or contains omissions of any required information; and
- (v) **(application)** there is an application to a government agency (including, without limitation, the Takeovers Panel) for an order, declaration (including, in relation to the Takeovers Panel, of unacceptable circumstances) or other remedy in connection with the Capital Raising (or any part of it) or any agreement entered into in respect of the Capital Raising (or any part of it) except where such application does not become public and is withdrawn or dismissed within 2 Business Days after it is commenced or where it is commenced less than 2 Business Days before the date on which New Shares and New Options are issued it has not been withdrawn or dismissed by such date.

The Lead Manager may at any time terminate the Underwriting Agreement if the Underwriter has grounds to believe that any of the following events has, or is likely to have a material

adverse effect on the outcome or success of the Capital Raising or the likely price at which the securities issued under the Capital Raising will trade on ASX or on the ability of the Lead Manager to settle the Capital Raising, or the event could give rise to a contravention by the Lead Manager of, or liability for the Lead Manager under, the Corporations Act or any applicable laws:

- (w) **(Public Information)** a statement in any of the documents published by or on behalf of Total Brain in relation to the affairs of Total Brain or the Capital Raising is or becomes misleading or deceptive or likely to mislead or deceive;
- (x) **(change in directors)** a change in the board of directors of Total Brain occurs (other than the Chairman);
- (y) **(future matters)** any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in a document issued in connection with the Capital Raising or a statement in any of the documents published by or on behalf of Total Brain in relation to the affairs of Total Brain or the Capital Raising is or becomes incapable of being met or, in the opinion of the Lead Manager, unlikely to be met in the projected timeframe;
- (z) **(changes to the Company)** the Company or any of its subsidiaries:
 - (i) varies any term of its constitution;
 - (ii) alters the issued capital or capital structure of the Company other than in connection with the Capital Raising, or as contemplated by the documents issued in connection with the Capital Raising ; or
 - (iii) disposes, attempts or agrees to dispose of a substantial part of the business or property of the Company (including any material subsidiary),
without the prior written consent of the Lead Manager;
- (aa) **(Offer to comply)** the Company or any subsidiary, any document issued in connection with the Capital Raising or any aspect of the Capital Raising, does not or fails to comply with the Company's constitution, the Corporations Act, the ASX Listing Rules, any ASX waivers, any ASIC modifications or any other applicable law or regulation;
- (bb) **(default)** a default by the Company in the performance of any of its obligations under the Underwriting Agreement occurs;
- (cc) **(representations and warranties)** a representation and warranty contained in the Underwriting Agreement on the part of the Company was or is not true or correct or becomes untrue or incorrect;
- (dd) **(information)** any sign-off or information provided by or on behalf of the Company to the Lead Manager in relation to the due diligence investigations undertaken by the Company, the documents issued in connection with the Capital Raising or the Capital Raising, is false, misleading or deceptive or likely to mislead or deceive (including by omission);
- (ee) **(disruption in financial markets)** either:
 - (i) a general moratorium on commercial banking activities in Australia, the United States of America, Canada, the United Kingdom, Hong Kong, Singapore or the People's Republic of China is declared by the relevant central banking authority in any of those countries, or there is a material

- disruption in commercial banking or security settlement or clearance services in any of those countries; or
- (ii) trading in all securities quoted or listed on ASX, the London Stock Exchange, the Hong Kong Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange or the New York Stock Exchange is suspended or limited for more than 1 trading day;
- (ff) **(change in laws)** any of the following occurs which does or is likely to prohibit, materially restrict or regulate the Capital Raising or materially reduce the likely level of valid applications or materially affects the financial position of the Company or has a material adverse effect on the success of the Capital Raising:
- (i) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or
 - (ii) the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory or the Reserve Bank of Australia; or
 - (iii) the adoption by ASX or their respective delegates of any regulations or policy;
- (gg) **(hostilities)** in respect of or involving any one or more of Australia, Canada, New Zealand, the United States of America, Hong Kong, Singapore or the United Kingdom:
- (i) hostilities not presently existing commence;
 - (ii) a major escalation in existing hostilities occurs;
 - (iii) a declaration is made of a national emergency or war; or
 - (iv) a major terrorist act is perpetrated on any of those countries or any diplomatic, military or political establishment of any of those countries elsewhere in the world;
- (hh) **(pandemic)** a pandemic, epidemic or large-scale outbreak of a disease (including without limitation SARS, swine or avian flu, H5N1, H7N9, COVID-19 or a related or mutated form of these) not presently existing occurs or in respect of which there is a major escalation, involving any one or more of Australia or New Zealand; or
- (ii) **(political or economic conditions)** the occurrence of any adverse change or disruption to financial, political or economic conditions, or controls or financial markets in Australia, New Zealand, Hong Kong, Singapore, the United States of America or the United Kingdom or elsewhere or any change or development involving a prospective adverse change in any of those conditions or markets.

Lead Manager's disclaimer

Neither the Lead Manager nor any of its related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Prospectus and they do not take any responsibility for this Prospectus or any action taken by you on the basis of such information.

To the maximum extent permitted by law, the Lead Manager and each of its related bodies corporate and affiliates and each of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this

Prospectus being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

Neither the Lead Manager nor any of its related bodies corporate and affiliates nor their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning the Entitlement Offer, or any such information and you represent, warrant and agree that you have not relied on any statements made by the Lead Manager or any of its related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Shares and New Options or the Entitlement Offer generally.

1.7 Sub-underwriting

Mr Louis Gagnon, Mr David Daglio and Mr David Torrible, who are Directors, have agreed to subscribe for their respective Entitlements and sub-underwrite the Entitlement Offer for the following amounts:

- (a) Mr Gagnon – \$50,667;
- (b) Mr Daglio – \$133,333; and
- (c) Mr Torrible - \$117,074.

No fee is payable to these Directors for their sub-underwriting services.

1.8 Eligibility of Shareholders

The Entitlement Offer is being offered to each Shareholder on the Record Date that:

- (a) has a registered address on the Total Brain share register in Australia, New Zealand and Hong Kong to the extent the offer can be made in accordance with applicable securities laws;
- (b) is not in the United States of America and is not a person (including nominee or custodian) acting for the account or benefit of a person in the United States of America, unless such person is otherwise determined by Total Brain to be eligible; and
- (c) is eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered,

(Eligible Shareholder).

Any Shareholder who is not an Eligible Shareholder will be an Ineligible Shareholder. Total Brain reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

By returning a completed personalised Entitlement and Acceptance Form with payment or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Shareholder. Nominees, trustees or custodians are, therefore, advised to seek independent professional advice as to how to proceed.

The Entitlement Offer is not being extended to the Ineligible Shareholders because of the small number of those Shareholders, the number and value of the Shares they hold and the cost of complying with applicable regulations in foreign jurisdictions. Total Brain may (in its absolute discretion) extend the Entitlement Offer to Shareholders that have registered addresses outside Australia, New Zealand and Hong Kong in accordance with applicable law.

1.9 Rights attaching to New Shares

The New Shares issued under the Entitlement Offer will be fully paid and rank equally with Existing Shares. Further information regarding the rights attached to New Shares is included in section 5.3.

1.10 Rights attaching to New Options and Placement Options

Shares issued on the conversion of the New Options and Placement Options will be fully paid and rank equally with Existing Shares. Further information regarding the rights attached to New Options and Placement Options is included in section 5.4.

1.11 Allotment of New Shares and New Options

Application for quotation of the New Shares and New Options on ASX will be made to ASX within seven days following the date of this Prospectus. Allotment of the New Shares and New Options under the Entitlement Offer will take place as soon as practicable after the close of the Entitlement Offer.

Application Monies will be held by Total Brain on trust for Applicants until the New Shares and New Options are allotted. No interest will be paid on Application Monies.

It is the responsibility of Applicants to determine the number of New Shares and New Options allotted and issued to them before trading the New Shares and New Options. The sale by an Applicant of New Shares and New Options before receiving their holding statement is at the Applicant's own risk.

No New Shares and New Options will be allotted or issued on the basis of this Prospectus later than 13 months after the date issue of this Prospectus.

1.12 Prices of Shares

The latest closing market sale price of Shares on ASX was \$0.29 on 16 July 2021, being the last trading day before Total Brain entered trading halt prior to announcing the Capital Raising.

1.13 Further information

Eligible Shareholders can obtain a copy of this Prospectus from the Total Brain website at www.totalbrain.com or by contacting the Share Registry on 1300 737 760 (within Australia) and +61 2 9290 9600 (outside Australia) at any time from 8:30 am to 5:00 pm (AEST) Monday to Friday during the offer period. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. The electronic version of this Prospectus will not include an Entitlement and Acceptance Form.

The Prospectus, and all other documents related to the Entitlement Offer, can be obtained from, or inspected at, an ASIC office.

A replacement Entitlement and Acceptance Form can be requested by calling the Share Registry on 1300 737 760 (within Australia) and +61 2 9290 9600 (outside Australia) at any time from 8:30 am to 5:00 pm (AEST) Monday to Friday during the offer period.

1.14 Foreign Shareholders (Entitlement Offer)

This Prospectus and the accompanying Entitlement and Acceptance Form do not constitute an offer in any place which, or to any person to whom, it would be unlawful to make such an offer. This Prospectus constitutes a disclosure document under section 713 of the Corporations Act. No action has been taken to register this Prospectus in any jurisdiction other than Australia.

- (a) United States of America

This Prospectus is not an offer to sell, nor a solicitation of an offer to buy, securities in the United States. The New Shares and New Options have not been, and will not be, registered under the US Securities Act or the securities law of any state or other jurisdiction of the United States of America and may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable US state securities laws.

(b) New Zealand

The New Shares and New Options are not being offered to the public within New Zealand other than to existing shareholders of Total Brain with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

(c) Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong) in Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong). The New Shares and New Options may not be offered or sold and will not be offered or sold in Hong Kong, by means of any document other than (i) to “professional investors” within the meaning of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) and any rules made under that ordinance or (ii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that ordinance.

No advertisement, invitation or document relating to the New Shares and New Options may be issued or may be in the possession (and no advertisement, invitation or document relating to the New Shares and New Options has been or will be issued, or has been or will be in the possession) of any person for the purpose of issue, whether in Hong Kong or elsewhere, that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Shares and New Options that are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) and any rules made under that ordinance. No person allotted New Shares and New Options may dispose, transfer or on sell, or offer to dispose, transfer or on sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such New Shares and New Options.

This Prospectus and the information within are strictly confidential to the person whom it is addressed and must not be distributed, published, reproduced or disclosed (in whole or in part) by recipient to any other person or used for any purpose in Hong Kong.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

1.15 Foreign Restrictions (Placement Options)

This Prospectus and the accompanying Placement Option Application Form do not constitute an offer in any place which, or to any person to whom, it would be unlawful to make such an

offer. This Prospectus constitutes a disclosure document under section 713 of the Corporations Act. No action has been taken to register this Prospectus in any jurisdiction other than Australia.

(a) United States of America

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. This Prospectus may not be distributed or released in the United States. The securities in the proposed offering have not been and will not be registered under the US Securities Act, or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the Placement Options may not be offered, or sold, directly or indirectly, in the United States, except in a transaction exempt from, or subject to, the registration requirements of the US Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.

(b) New Zealand

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**).

The Placement Options may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

(c) Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong) in Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong). The Placement Options may not be offered or sold and will not be offered or sold in Hong Kong, by means of any document other than (i) to “professional investors” within the meaning of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) and any rules made under that ordinance or (ii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that ordinance.

No advertisement, invitation or document relating to the Placement Options may be issued or may be in the possession (and no advertisement, invitation or document relating to the Placement Options has been or will be issued, or has been or will be in the possession) of any person for the purpose of issue, whether in Hong Kong or elsewhere, that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Placement Options that are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) and any rules made under that ordinance. No

person allotted Placement Options may dispose, transfer or on sell, or offer to dispose, transfer or on sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such Placement Options.

This Prospectus and the information within are strictly confidential to the person whom it is addressed and must not be distributed, published, reproduced or disclosed (in whole or in part) by recipient to any other person or used for any purpose in Hong Kong.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

(d) Canada

The offering of Shares and Options under the Placement is made only in the Provinces of British Columbia, Ontario and Quebec (the **Provinces**), only to persons to whom such securities may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators. No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Shares and Options to be issued under the Placement or the offering of such securities and any representation to the contrary is an offence. No prospectus has been, or will be, filed in the Provinces with respect to the offering of Shares and Options to be issued under the Placement or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province.

Resale Restrictions. Any resale of the Shares and Options to be issued under Placement in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the Shares and Options to be issued under the Placement outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the Shares and Options to be issued under the Placement. Furthermore, each purchaser of Shares and Options to be issued under the Placement, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Company that such purchaser understands that the Shares and Options to be issued under the Placement are subject to transfer and resale restrictions in Canada and that this document notifies the purchaser of the following restriction of transfer legend: "THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY IN CANADA BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA."

Representations of Purchasers. By purchasing the Shares and Options to be issued under the Placement in Canada and accepting delivery of a purchase confirmation a purchaser is deemed to represent to the Company that:

- the purchaser is resident in the Province of British Columbia, Ontario or Quebec, and is entitled under applicable provincial securities laws to purchase the Shares and Options to be issued under the Placement without the benefit of a prospectus qualified under those securities laws as it is an "accredited investor" as defined under National Instrument 45-106 –Prospectus and Registration Exemptions;
- where required by law, the purchaser is purchasing as principal and not as agent;
- the purchaser has reviewed the text above under "Resale Restrictions"; and

- the purchaser acknowledges and consents to the provision of specified information concerning the purchase of the Shares and Options to be issued under the Placement to the regulatory authority that by law is entitled to collect the information, including certain personal information. For purchasers in Ontario, questions about such indirect collection of personal information should be directed to the Administrative Support Clerk, Ontario Securities Commission, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H3S8 or on (416) 593-3684.

Enforcement of Legal Rights. The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Financial Information. Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Taxation and Eligibility for Investment. Canadian purchasers of the Shares and Options to be issued under the Placement should consult their own legal and tax advisors with respect to the tax consequences of an investment in such securities in their particular circumstances and about the eligibility of those securities for investment by the purchaser under relevant Canadian legislation.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Shares and Options to be issued under the Placement (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *À la réception de ce document, chaque investisseur Canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Statutory Rights of Action. Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. Section 5.2 of Ontario Securities Commission Rule 45-501 –Ontario Prospectus Exemptions provides that when an offering memorandum is delivered to an investor to whom securities are distributed in reliance upon, among others, the “accredited investor” prospectus exemption in Section 2.3 of NI 45-106, the right of action referred to in Section 130.1 of the Securities Act (Ontario) (“Section 130.1”) applies, unless the prospective purchaser is:

- a) an association governed by the Cooperative Credit Associations Act (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;
- b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services corporation, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction in Canada;

- c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the Bank Act (Canada);
- d) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada); or
- e) a subsidiary of any person referred to in paragraphs (a) through (d) above, if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1 provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the issuer of securities for rescission or damages in the event that such an offering memorandum and any amendment to it contains a "misrepresentation". "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made.

Accordingly, where this document is delivered to a purchaser of the Shares and Options to be issued under the Placement in connection with a distribution made in reliance on Section 2.3 of NI 45-106, and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the issuer for damages or, while still the owner of the Shares and Options to be issued under the Placement, for rescission. If the purchaser elects to exercise the right of action for rescission, the action for rescission must be commenced not more than 180 days after the date of the transaction that gave rise to the cause of action and the purchaser will have no right of action for damages. If the purchaser elects to exercise the right of action for damages, the action for damages must be commenced not more than the earlier of (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Shares and Options to be issued under the Placement with knowledge of the misrepresentation. In an action for damages, the issuer will not be liable for all or any portion of the damages that issuer proves do not represent the depreciation in value of the Shares and Options to be issued under the Placement as a result of the misrepresentation relied upon.

The above is a summary of the rights of rescission or rights to damages available to purchasers of New Shares that are resident in Ontario. Each purchaser should refer to the provisions of the applicable securities legislation for the complete text of these rights and consult with a legal advisor. The summary is subject to the express provisions of the applicable securities laws of the Province of Ontario and the regulations, rules and policy statements thereunder, and reference is made thereto for the complete texts of such provisions. The rights of action described above are in addition to and without derogation from, any other right or remedy that a purchaser may have under applicable laws and are subject to the defences contained therein.

2. HOW TO APPLY

Sections 2.1 to 2.9 only apply to the Entitlement Offer. Section 2.10 only applies to the Placement Offer.

2.1 Shareholder's choices

The number of New Shares and New Options to which Eligible Shareholders are entitled under the Entitlement Offer (i.e. their Entitlement) is shown on the accompanying Entitlement and Acceptance Form. If Eligible Shareholders have more than one registered holding of Shares, Eligible Shareholders will be sent more than one personalised Entitlement and Acceptance Form and Eligible Shareholders will have a separate Entitlement for each separate holding.

Eligible Shareholders may:

- (a) take up their Entitlement in full (refer to section 2.2);
- (b) take up part of their Entitlement and allow the balance to lapse (refer to section 2.3);
- (c) do nothing and allow their Entitlement to lapse (refer to section 2.4).

Ineligible Shareholders may not take up any of their Entitlements.

Total Brain reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Entitlement Offer is 5:00 pm (AEST) on 12 August 2021 (however, that date may be varied by Total Brain, in accordance with the Listing Rules).

Please consult with your stockbroker, accountant or other professional adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. You should also refer to section 4 of this Prospectus for a summary of general and specific risk factors that may affect Total Brain.

2.2 Taking up all of your Entitlement

If you wish to take up your Entitlement in full, follow the instructions set out on the Entitlement and Acceptance Form.

Please return your completed Entitlement and Acceptance Form together with your Application Monies in accordance with section 2.6 for the amount shown on the Entitlement and Acceptance Form to the Share Registry so that it is received no later than 5:00 pm (AEST) on 12 August 2021 at the following address:

Total Brain Limited
C/- Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

You may also take up all of your Entitlement by payment of the Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form. If payment is being made through BPAY®, you do not need to return the Entitlement and Acceptance Form. Your payment must be received by no later than 5:00 pm (AEST) on 12 August 2021.

Refund amounts, if any, will be paid in Australian dollars and without any interest. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the closing date of the offer.

2.3 Taking up part of your Entitlement and allow for the balance to lapse

If you wish to take up part of your Entitlement, please complete the Entitlement and Acceptance Form for the number of New Shares and New Options you wish to take up and follow the instructions set out on the Entitlement and Acceptance Form.

You may arrange for payment through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form. If payment is made through BPAY® and Total Brain receives an amount that is less than the Issue Price multiplied by your Entitlement (**Reduced Amount**), your payment may be treated as an application for as many New Shares and New Options as the Reduced Amount will pay for in full.

The portion of your Entitlement not taken up will lapse without further action by you.

2.4 Allow your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

2.5 Consequences of not accepting your Entitlement

If you do not accept all of your Entitlement in accordance with the instructions set out, any New Shares and New Options that you would have otherwise been entitled to under the Entitlement Offer (or New Shares and New Options that relate to the portion of your Entitlement that has not been accepted) will be acquired by the Lead Manager.

Your percentage shareholding in Total Brain will be diluted if you do not accept all or a part of your Entitlement. Further information regarding dilution is contained in section 3.3 of the Prospectus.

2.6 Payment

The consideration for the New Shares and New Options is payable in full on application by a payment of \$0.26 per New Share. The completed Entitlement and Acceptance Form must be accompanied by a cheque for the Application Monies. Cheques must be drawn in Australian currency on an Australian bank and made payable to '**Total Brain Limited**' and crossed 'Not Negotiable'.

Alternatively, you may arrange for payment of the Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form. It is your responsibility to ensure your BPAY® payment is received by the Share Registry by no later than 5:00 pm (AEST) on 12 August 2021. Your financial institution may implement earlier cut-off times with regard to electronic payment, and you should take that into consideration.

Eligible Shareholders must not forward cash by mail. Receipts for payment will not be issued.

2.7 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form with the requisite Application Monies, or a payment made through BPAY®, constitutes a binding offer to acquire New Shares and New Options on the terms of this Prospectus and, once paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares and New Options. The Directors' (or their delegates') decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is at their sole discretion and final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that you:

- (a) acknowledge that you have read and understood this Prospectus and the accompanying Entitlement and Acceptance Form in their entirety;
- (b) agree to be bound by the terms of the Entitlement Offer, this Prospectus and Total Brain's constitution;
- (c) authorise Total Brain to register you as the holder(s) of the New Shares and New Options allotted to you;
- (d) declare that all details and statements made in the Application are complete and accurate;
- (e) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement Offer;
- (f) acknowledge that, once Total Brain or the Share Registry receives the Entitlement and Acceptance Form or your payment by BPAY®, you may not withdraw it except as allowed by law;
- (g) apply for the number of New Shares and New Options specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies, at the Issue Price per New Share;
- (h) authorise Total Brain, the Lead Manager, the Share Registry and their respective officers or agents to do anything on your behalf necessary for the New Shares and New Options to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (i) acknowledge and agree that:
 - (1) determination of eligibility of investors for the purposes of the Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Total Brain and the Lead Manager; and
 - (2) Total Brain and the Lead Manager and each of their respective related bodies corporate and affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent by law;
- (j) declare that you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form;
- (k) acknowledge that the information contained in this Prospectus is not investment advice or a recommendation that New Shares and New Options are suitable for you, given your investment objectives, financial situation or particular needs;
- (l) acknowledge that this Prospectus is a transaction-specific prospectus under section 713 of the Corporations Act and does not contain the same level of disclosure as an initial public offering prospectus. In preparing this Prospectus, regard has been had to the fact that Total Brain is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers to whom investors may consult;
- (m) acknowledge that you have read and understood the risk factors in section 4 of this Prospectus and that an investment in Total Brain is subject to risks;
- (n) acknowledge that none of Total Brain, the Lead Manager, or their respective related bodies corporate and affiliates and their respective directors, officers, partners,

employees, representatives, agents, consultants or advisers, guarantees the performance of Total Brain, nor do they guarantee the repayment of capital;

- (o) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of the New Shares and New Options on the Record Date;
- (p) authorise Total Brain to correct any errors in your Application or other form provided by you;
- (q) you represent and warrant (for the benefit of Total Brain) that you are not an Ineligible Shareholder and are otherwise eligible to participate in the Entitlement Offer;
- (r) if you are in Hong Kong, you (or any person for whom you are acquiring the New Shares and New Options) are a "professional investor" within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
- (s) you represent and warrant that the law of any place does not prohibit you from being given this Prospectus and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and New Options;
- (t) are an Eligible Shareholder and are not in the United States of America and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States of America (to the extent such person holds ordinary shares in Total Brain for the account or benefit of such person in the United States) (unless such person is otherwise determined by Total Brain to be eligible) and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares and New Options under the Entitlement Offer;
- (u) acknowledge that the New Shares and New Options have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia;
- (v) have not and will not send any materials relating to the Entitlement Offer to any person in the United States of America or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States of America; and
- (w) you understand and acknowledge that neither the Entitlements nor the New Shares and New Options have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. Notwithstanding the foregoing, the Entitlements may not be purchased, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of a person in the United States (unless such person is otherwise determined by Total Brain to be eligible). Neither the Entitlements nor the New Shares and New Options may be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.

2.8 Brokerage and stamp duty

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares and New Options under the Entitlement Offer.

2.9 Notice to nominees and custodians

Nominees and custodians may not distribute any part of this Prospectus or any Entitlement and Acceptance Form in any country outside Australia, except to beneficial holders of Shares in New Zealand and Hong Kong or any other country to the extent Total Brain may determine it is lawful and practical to make the Entitlement Offer.

Total Brain is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of Existing Shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary complies with applicable foreign laws. Total Brain is not able to advise on foreign laws.

2.10 How to accept the Placement Offer (for Placement Participants only)

Acceptance of the Placement Offer must be made on the Placement Offer Application Form accompanying this Prospectus. Only Placement Participants will receive and may complete a Placement Offer Application Form. Placement Participants will be allocated the number of Placement Options under the Placement Offer as shown on that form, being one Placement Option for every two Placement Shares subscribed. Placement Participants may not apply for additional Placement Options.

All Placement Offer Application Forms must be completed in accordance with the instructions set out on the Placement Offer Application Form.

Completed Placement Offer Application Forms must be received by the Company by no later than 5:00 pm (AEST) on 12 August 2021, or such later date as the Directors advise.

3. EFFECT OF THE OFFERS ON TOTAL BRAIN

3.1 Effect of the Placement and Entitlement Offer

The principal effects of the Placement and Entitlement Offer on Total Brain are as follows:

- (a) Total Brain will issue approximately 25,087,353 Shares and 12,543,676 Options (subject to rounding) and the total number of Shares on issue will increase to 133,391,137 in total; and
- (b) Total Brain's net cash position will increase by approximately \$6.5 million.

3.2 Effect on Consolidated Statement of pro forma Financial Position

The information in this section provides details of Total Brain's historical financial information pro forma adjusted to take into account the effects of the Placement and the Entitlement Offer. Full details of Total Brain's historical financial information, including applicable notes and the accounting policies underlying their preparation, are contained in Total Brain's financial report for the period ending 30 June 2020, which can be found on Total Brain's website and in past announcements on the ASX.

The table below shows the unaudited consolidated pro forma statement of financial position of Total Brain as if the Placement and Entitlement Offer occurred as at 31 December 2020. The table has been prepared for illustrative purposes and has not been audited or reviewed. The pro-forma statement of financial position has been prepared on the same basis and using the same accounting policies as the Company's reviewed accounts for the half-year ended 31 December 2020.

	Reviewed 31 December 2020 (\$)	Adjustments (Note 1) (\$)	Adjustments Placement(\$)	Adjustments Entitlement Offer(\$)	Pro-forma (\$)
ASSETS					
Current Assets					
Cash and cash equivalents	3,307,272	(2,279,923)	2,500,000	3,333,000	7,260,349
Other current assets	2,293,235				2,893,235
Total Current Assets	6,600,507				10,153,584
Total Non-Current Assets	17,664,303				17,664,303
TOTAL ASSETS	24,264,810				27,817,887
LIABILITIES					
Current Liabilities					
Borrowings	989,111				989,111
Other current liabilities	1,337,784	1,833,943		(667,000)	2,504,727
Total Current Liabilities	2,326,895				3,493,838
Total Non-Current Liabilities	-				-
TOTAL LIABILITIES	2,326,895				3,493,838
NET ASSETS	21,937,915				24,324,049
EQUITY					
Contributed equity	78,425,180		2,500,000	4,000,000	84,925,180
Reserves	3,985,814				3,985,814
Accumulated losses	(60,473,079)	(4,113,866)			(64,586,945)
Capital and reserves attributable to equity holders of Total Brain	21,937,915				24,324,049
Non-controlling interest	-				-
TOTAL EQUITY	21,937,915				24,324,049

Note 1: Adjustment shows the effect of movements in cash balance between 31 December 2020 and 30 June 2021, including loan proceeds received as announced to ASX on 25 June 2021.

Effect on capital structure

Subject to rounding of fractional Entitlements, the capital structure of Total Brain following the issue of Shares and Options under the Placement and Entitlement Offer is expected to be as follows:

	As at the date of this Prospectus	Placement	Entitlement Offer	Total
Shares	108,303,784	9,615,384	15,471,969	133,391,137
Options	29,228,191	4,807,692	7,735,984	41,771,867

3.3 Potential dilutionary impact on Shareholders

If all Eligible Shareholders take up their Entitlements in full each Eligible Shareholder's percentage interest in the total issued Shares of Total Brain will remain the same and will not be diluted. However, to the extent Eligible Shareholders are not entitled to participate in the Placement that Shareholder's percentage interest in Total Brain will be diluted.

Ineligible Shareholders will have their shareholdings diluted.

The expected number of New Shares which will be issued pursuant to the Entitlement Offer is 15,471,969 (subject to rounding of Entitlements). This equates to approximately 11.6% of all the issued Shares in Total Brain following completion of the Placement and Entitlement Offer.

The expected number of New Options and Placement Options issued under the Capital Raising is 12,543,676. If all of these Options are exercised, this will equate to approximately 8.6% of all the issued Shares in Total Brain following exercise of the Options (assuming no other existing options on issue prior to the Capital Raising are exercised).

3.4 Potential impact of Entitlement Offer and Placement on control of Total Brain

Where all Eligible Shareholders subscribe for their full Entitlement there will be no effect on the control of Total Brain as a result of the Entitlement Offer. All Eligible Shareholder shareholding percentages as at the Record Date will be maintained. However, Shareholders will be diluted by the issue of Shares under the Placement (to the extent they do not participate in the Placement) and the exercise of any Placement Options.

As at the date of the Prospectus, the relevant interests and voting power of the substantial shareholders of the Company (based on the last substantial shareholding notice lodged with the Company) are as follows:

Substantial Shareholder	Number of Shares held as at the date of this Prospectus	Voting power as at the date of this Prospectus	Entitlement	Sub-underwriting ³	Number of Shares held at completion of the Offers (before exercise of any New Options) ⁴	Number of Shares held at completion of the Offers if New Options are exercised ⁵	Voting power at completion of the Offers (assuming the shareholder takes up all of their Entitlements) ⁴	Voting power assuming all New Options and Placement Options ⁶ are exercised
Zoltan Varga	21,660,179	19.99%	3,094,311 New Shares 1,547,156 New Options	-	24,754,490	26,301,646	18.56%	18.02%
David A Daglio Jr.	6,950,181	6.42%	992,883 New Shares 496,442 New Options	512,821 New Shares 256,411 New Options	8,455,883	9,208,734	6.34%	6.31%
David Torrible	6,055,265	5.59%	865,038 New Shares 432,519 New Options	450,284 New Shares 225,142 New Options	7,370,587	8,028,249	5.53%	5.50%

³ As stated in section 1.8, Mr Daglio and Mr Torrible have agreed to sub-underwrite part of the Entitlement Offer.

⁴ Assuming that each of these substantial shareholders takes up all of their Entitlements under the Entitlement Offer and assumes that Mr Daglio and Mr Torrible sub-underwrite for the full amount of their respective commitments (refer to section 1.8) and excluding any Shares issued on exercise of Options.

⁵ Assuming that each of these substantial shareholders takes up all of their Entitlements under the Entitlement Offer and assumes that Mr Daglio and Mr Torrible sub-underwrite for the full amount of their respective commitments (refer to section 1.8).

⁶ None of the substantial holders listed in this table are participating in the Placement and therefore will not receive Placement Options and assumes that Mr Daglio and Mr Torrible sub-underwrite for the full amount of their respective commitments (refer to section 1.8).

4. RISK FACTORS

4.1 Introduction

The purpose of this section is to outline the major risks, as identified by the Directors, associated with an investment in Total Brain. The risks listed below are not exhaustive and this section does not propose to list every risk that may be associated with an investment in Total Brain now, or in the future. The occurrence, or consequences, of some of the risks described in this section are partially or completely outside the control of Total Brain or its Directors.

Prospective investors should read the whole of this Prospectus in order to fully appreciate the risks outlined in this section before making a decision to apply for New Securities.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with Total Brain's business. The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

4.2 Risks specific to the Offers

- (a) The anticipated use of the funds raised from the Offers are detailed in section 1.3 of this Prospectus. These are statements of current intention as at the date of this Prospectus. Total Brain will continue to review and evaluate the proposed uses of funds. The actual use of funds raised under the Offers may change depending on various circumstances, including circumstances out of Total Brain's control.
- (b) The Offers may have the effect of diluting the percentage of each Shareholder's interest. If a Shareholder does not take up their Entitlement, that Shareholder's percentage interest in the total issued Shares of Total Brain will be diluted. Ineligible Shareholders will have their shareholdings diluted. Shareholders will also be diluted by the issue of Shares under the Placement (to the extent they do not participate in the Placement).
- (c) The allocation of Shares to existing Shareholders has the potential to increase the level of control a Shareholder has over Total Brain. Section 3.4 of this Prospectus details major Shareholders in Total Brain and the effect that the Entitlement Offer will have upon those major Shareholders' shareholdings. Total Brain will not issue any New Shares and New Options to Shareholders if to do so would, to the extent of the knowledge of Total Brain, result in a breach of the Listing Rules or the restrictions on obtaining or increasing relevant interests of greater than 20% of Total Brain's issued Shares under Chapter 6 of the Corporations Act, or would otherwise be contrary to the Corporations Act or the Listing Rules.

4.3 Risks specific to Total Brain

- (a) COVID-19 risk

The COVID-19 pandemic and government restrictions have impacted the Company's business and operations, and in turn the Company's financial and operational performance.

The long-term impacts from COVID-19 on general economic or industry conditions and consumer spending are uncertain and may adversely impact the financial and operational performance of the Company.

In light of COVID-19, extra caution should be exercised when assessing the risks associated with an investment in Total Brain. The continually changing situation is bringing unprecedented challenges to global financial markets and the global economy, with significant volatility and movements seen in equities prices and valuations.

(b) Financial risk

There is uncertainty surrounding the future financial performance of Total Brain. Total Brain's ability to operate with a profit in the future will depend in part on its ability to successfully commercialise its products. Other factors that will determine Total Brain's profitability are its ability to manage costs, execute development and growth strategies, penetrate emerging markets and comply with its debt obligations.

(c) Commercial risk

The development and commercialisation of Total Brain's technology is subject to an inherent risk of failure, including the possibility that the products developed by Total Brain may fail to demonstrate any material benefit or advancement in brain optimisation or mental health well being, be uncommercial to market or otherwise not commercially exploitable, or fail to achieve the support of physicians, patients or the wider medical industry.

(d) Future capital needs

It may be necessary for Total Brain to raise additional funds in order to undertake further product development or fund other needs which arise. There is no assurance that such funding will be available to Total Brain in the future or that it will be available on acceptable terms.

(e) Competition risk

The technological advancement and mental health awareness industries are competitive and are constantly subject to change. Some of Total Brain's competitors have substantially greater financial and human resources than Total Brain. Consequently, there is a possibility that other parties will develop new software and service offerings which will compete with or supersede Total Brain's product and intellectual property, with resulting adverse effects on Total Brain's performance and profitability.

(f) Intellectual property risk

Total Brain's success will depend on its ability to protect its intellectual property while operating without infringing the property rights of third parties or having third parties circumvent Total Brain's proprietary rights. Such intellectual property may not be capable of being legally protected and may be subject of an unauthorised disclosure or unlawfully infringed upon by third parties. Total Brain may incur substantial costs in asserting or defending its intellectual property rights.

(g) Loss and theft of data

The Total Brain's product involves the storage of its users' confidential, personal and sensitive information. Total Brains business could be materially disrupted by privacy breaches which may impact the security of client information / data, unauthorised hacking, disruption, general misuse or unauthorised disclosure of a user's personal data. While Total Brain undertakes measures to prevent and detect the occurrence of such privacy breaches, there is a risk that such measures may not be adequate. Any data breach will need to be reported to the relevant authorities and may cause substantial reputational and financial damage to the Company.

(h) Human resources

Total Brain's future success depends on its continuing ability to retain and attract highly qualified personnel. Competition for such personnel can be intense and there can be no assurance that Total Brain will be able to attract and retain additional highly qualified personnel in the future. The ability to attract and retain the necessary personnel could have a material adverse effect on Total Brain's financial position and reputation.

(i) Future payment of dividends

The payment of dividends on Total Brain shares is dependent on a range of factors, including the availability of profits, and the capital requirements of Total Brain's business. Any future dividends will be determined by the Total brain board, having regard to Total Brain's operating results and financial position at the relevant time. There is no guarantee that any dividend will be paid by Total Brain.

(j) Systems risk

Total Brain product is technology and software based. Total Brain faces significant risks and challenges commonly faced by online product offerings including the risk of technology changes, unauthorised hacking, disruption, general misuse or unauthorised disclosure of a user's personal data. Total Brain incurs considerable expenditure on systems development and maintenance. The requirement to continue investment in and development of Total Brain's technology may require additional fund raising in the future, and there is no guarantee Total Brain will be able to secure such funding in the future.

(k) International markets

Total Brain operates across a number of jurisdictions and therefore there are certain risks inherent in operating internationally such as unexpected changes and regulatory requirements, fluctuations and currency exchange rates, political instability, war and other economic or political risks. Such events could adversely affect the ability of the company to grow and operate internationally.

4.4 General risks

(a) Economic risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on Total Brain's development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of Total Brain's quoted securities regardless of Total Brain's operating performance. Share market conditions are affected by many factors such as:

- (1) general economic outlook;
- (2) interest rates and inflation rates;
- (3) currency fluctuations;
- (4) changes in investor sentiment toward particular market sectors;
- (5) the demand for, and supply of, capital; and
- (6) terrorism or other hostilities.

(b) Share price fluctuation

As Total Brain shares are listed on the ASX, they are subject to the usual vagaries of stock markets and can be affected by many variables not directly related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of Total Brain's securities. There is no guarantee that Total Brain's shares will not decrease in price.

(c) Legislative change

Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations of Total Brain.

(d) Taxation

Any change to the rate of company income tax in the jurisdictions in which Total Brain operates will impact on financial performance, share flow, share price and shareholder returns.

4.5 Other risks

The above list of risk factors ought not to be taken as exhaustive of the risks faced by Total Brain or by investors in Total Brain. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of Total Brain and the value of the New Securities offered under this Prospectus.

5. ADDITIONAL INFORMATION

5.1 Transaction specific prospectus

Total Brain is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, Total Brain is obliged to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

This Prospectus is issued under section 713 of the Corporations Act. This section enables a disclosing entity to issue a prospectus in relation to securities in a class which has been quoted by ASX at all times during the three months prior to the date of the Prospectus or options to acquire such securities. This Prospectus must contain all information that investors and their professional advisers would reasonably require to make an informed assessment of the effect of the Offers on Total Brain and the rights and liabilities attaching to the New Securities.

This Prospectus is a 'transaction specific prospectus'. In general terms, a transaction specific prospectus is only required to contain information in relation to the securities being offered. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

It is intended that this Prospectus be read in conjunction with and in addition to the publicly available information in relation to Total Brain which has been notified to ASX. This Prospectus does not contain all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should have regard to other publicly available information in relation to Total Brain before making a decision whether or not to invest. Information that is already in the public domain has not been reported in this Prospectus other than that information which is considered necessary to make this Prospectus complete.

Total Brain has taken reasonable enquiries and precautions to ensure that it has complied with the requirements of ASX as applicable to disclosing entities, and which require Total Brain to notify ASIC of information available to ASX, throughout the three months before the issue of this Prospectus.

ASX maintains files containing publicly disclosed information about all listed companies. Total Brain's file is available for inspection at ASX in Sydney during normal business hours. In addition, copies of documents lodged by, or in relation to, Total Brain with ASIC may be obtained from, or inspected at, any ASIC office.

5.2 Information available to Shareholders

Total Brain will provide a copy of each of the following documents, free of charge, to any Shareholder who so requests during the application period under this Prospectus:

- (a) the annual financial report lodged with ASIC for the year ending 31 December 2020;
- (b) the half-year financial report lodged with ASIC for the half-year ending 30 June 2021; and
- (c) any continuous disclosure notices after the lodgement of the annual financial report and before the lodgement of the prospectus.

5.3 Rights attaching to New Shares

New Shares issued pursuant to this Prospectus will rank equally in all respects with existing Shares. Full details of the rights attaching to Shares are set out in Total Brain's constitution, a copy of which can be inspected at Total Brain's registered office. A summary of the significant rights, liabilities and obligations attaching to New Shares are set out below.

(a) Voting rights

Subject to Total Brain's constitution, the Listing Rules and rights or restrictions for the time being attached to any class or classes of Shares, at a general meeting every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and, on a poll, one vote for each fully paid Share. However, where a Shareholder appoints two persons as proxies, neither proxy is entitled to vote on a show of hands. The holder of partly paid Shares in the Company has a vote in respect of the Share on a poll which has the same proportionate value as the proportion that the amount paid on the Shares bears to the total amounts paid and payable (excluding amounts credited), provided that amounts paid in advance of a call are ignored when calculating a true proportion.

(b) General meeting and notices

Each holder of Shares will be entitled to receive notice of, and to attend and vote at, the Company's general meetings and to receive all notices, accounts and other documents required to be sent to Shareholders under Total Brain's constitution, the Corporations Act and the Listing Rules.

(c) Dividends

The directors of Total Brain may from time to time declare a final dividend or interim dividend to be paid to Shareholders entitled to the dividend. The dividend declared shall be payable equally on all Shares, except partly paid Shares which are entitled only to that part of the dividend which is in proportion to the amount paid (excluding amounts credited) on the share to the total amounts paid and payable (excluding amounts credited), in accordance with the Corporations Act.

(d) Winding up

Subject to the rights of Shareholders (if any) entitled to Shares with special rights in a winding up, all moneys and property that are to be distributed among Shareholders on a winding up, shall be so distributed in proportion to the number of Shares held by each of them respectively, irrespective of the amount paid-up or credited as paid up on the Shares.

(e) Less than marketable parcel holdings

Subject to Total Brain's constitution, the Company may at any time, but not more than once in any 12-month period, give written notice to a Shareholder whose holding of Shares is less than a marketable parcel (as that term is defined in the Listing Rules) of its intention to exercise powers under Total Brain's constitution to sell the Shares and distribute the proceeds to that Shareholder. The Company must not exercise its power to sell an unmarketable parcel of Shares where a Shareholder provides written notice of its desire to keep the unmarketable parcel of Shares.

(f) Transfer of Shares

Subject to Total Brain's constitution, a Shareholder may transfer Shares in accordance with the operating rules of the ASX, or by instrument which is in writing in any usual form or as approved by the directors of Total Brain, a sufficient instrument under the Corporations Act, or in a form approved by ASX.

5.4 Rights attaching to New Options and Placement Options

New Options are issued as part of the Entitlement Offer on the basis of one attaching New Option for every 2 New Shares on the following terms set out in this section. The same terms apply to the Placement Options.

(a) Consideration for grant

No further consideration other than the payment of the amount for New Shares indicated on your Entitlement and Acceptance Form will be payable by Applicants for the New Options.

No further consideration other than the payment of the amount for the Shares issued under the Placement will be payable by Applicants for the Placement Options.

(b) Exercise Price

The exercise price of each New Option and Placement Option is \$0.36.

(c) Expiry

The New Options and Placement Options will expire on 5:00 pm (AEST) on the day that is 12 months from their issue. After this time, any unexercised New Option and Placement Option will automatically lapse.

(d) Entitlement

Each New Option and Placement Option entitles the holder to subscribe for one fully paid Share upon exercise of the New Option or Placement Option and payment of the Exercise Price prior to the Expiry Date.

(e) Terms of Exercise

The New Options and Placement Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per New Option or Placement Option to the Company, at any time on or after the date of issue and allotment of the New Options and Placement Options, and before the Expiry Date. Cheques must be drawn in Australian currency on an Australian bank and made payable to '**Total Brain Limited**' and crossed 'Not Negotiable'.

On the valid exercise of the New Options or Placement Options and payment of the Exercise Price, Total Brain will issue Shares ranking equally in all respects with the New Shares.

Applications will be made for quotation of the Shares issued upon exercise of New Options and Placement Options within 5 Business Days of the date on which any Options are exercised.

(f) Rights to participate

Holders of New Options and Placement Options do not have any right to participate in new issues of securities in the Company made to Shareholders generally during the currency of the New Options and Placement Options without exercising the Option. However, Total Brain will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least three business days after the issue is announced, giving the holders of New Options and Placement Options the opportunity to exercise the Options prior to the date for determining entitlements to participate in any such issue.

(g) Winding up

New Options and Placement Options may be exercised within a period of 30 days after the occurrence of the Company passing a resolution for voluntary winding up or a compulsory winding up order is made.

(h) Quotation

Within 7 days of the date of this Prospectus, Total Brain will apply to ASX for the New Options and Placement Options to be listed as a tradeable security on ASX. At all times after listing, the

New Options and Placement Options may be transferred in the same manner as Shares unless classified as restricted securities under the Listing Rules and may be exercised by any other person or body corporate.

The transferability of the New Options and Placement Options is subject to any restriction or escrow arrangement imposed by ASX or under the Corporations Act.

(i) Capital reorganisation

If, at any time, the issued capital of Total Brain is reconstructed (including consolidation, subdivision, reduction or return), all rights of holders of New Options and Placement Options will be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(j) Bonus Issues

A holder of New Options and Placement Options does not have the right to participate in bonus issues or new issues of securities offered to Shareholders until Shares are allotted to the holder of the New Options and Placement Options pursuant to the exercise of the Options.

If Total Brain makes a bonus issue to existing shareholders and no Share has been issued in respect of that New Option or Placement Option before the record date for determining entitlements to the issue, then the number of Shares over which that Option is exercisable will be increased in the manner permitted by the Listing Rules applying at the time of the bonus issue.

(k) Pro rata issues

If Total Brain makes a pro rata issue (other than a bonus issue) to existing Shareholders and no Share has been issued in respect of the New Option or Placement Option before the record date for determining entitlements to the issue, then the Exercise Price will be changed in the manner permitted by the Listing Rules applying at the time of the pro rata issue.

(l) Registered holders

Total Brain is entitled to treat the holder of a New Option and Placement Option as the absolute holder of that Option and is not bound to recognise any equitable or other claim to, or interest in, that Option on the part of any person other than the holder, except as ordered by a court of competent jurisdiction or as required by statute.

5.5 Corporate Governance

The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

In respect of the financial year ending 30 June 2020 the Company reported against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition). Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has disclosed the reasons for the departure in its Appendix 4G and Corporate Governance Statement released to ASX on 28 August 2020.

Copies of the Company's corporate governance policies and procedures are available on the Company's website.

5.6 Litigation

As at the date of this Prospectus, Total Brain is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against Total Brain.

5.7 Interests of Directors

As at the date of this Prospectus, the relevant interest of each of the Directors in the securities of Total Brain are as follows:

Director	Shares	Options
Dr Evian Gordon PhD	1,315,756	1,205,156
Mr Louis Gagnon	415,923	8,746,593
Mr Matthew Morgan	449,724	425,000
Mr David Torrible	6,055,265	206,612
Mr David Daglio	6,950,181	-

Details of the remuneration provided to the Directors and their associated entities during the financial year ended 30 June 2021 is detailed in the table below.

	Short-term benefits				Post-employment benefits	Share based benefits	Total
1 July 2020 to 30 June 2021	Director's fees	Salary	Bonus	Non-monetary benefits	Superannuation	Equity shares/options	
	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Director</i>							
Matthew Morgan		55,000					55,000
David Torrible		50,228			4,772		55,000
David Daglio		45,000					45,000
<i>Executive Directors</i>							
Dr Evian Gordon PhD		334,533				(42,582)	291,951
Louis Gagnon		401,440				137,489	538,929
Total directors' compensation		886,201			4,772	94,907	985,880

5.8 Interests of named persons

Except as disclosed in this Prospectus, no promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the distribution of this Prospectus, holds, or during the last two years has held, any interest in:

- (a) the formation or promotion of Total Brain;
- (b) property acquired or proposed to be acquired by Total Brain in connection with its formation or promotion of the Offers; or
- (c) the Offers,

and no amounts of any kind (whether in cash, Shares, or otherwise) have been paid or agreed to be paid to a promoter or any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the

Prospectus for services rendered by that person in connection with the formation or promotion of Total Brain or the Offers.

Bell Potter Securities Limited has agreed to act as lead manager and underwriter in relation to the Entitlement Offer. The Lead Manager will be paid fees for these services as set out in section 1.6.

Jones Day has acted as Australian legal advisers to Total Brain in relation to the Placement and Entitlement Offer. Total Brain will pay approximately \$135,000 to Jones Day for these services. Jones Day is paid normal hourly rates for other legal services it provides to Total Brain.

5.9 Consents

Each of the parties referred to in this section:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus or on which a statement made in this Prospectus is based other than as specified in this section; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Each of the following has consented to being named in the Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with ASIC:

- (d) Bell Potter Securities Limited as Lead Manager to the Placement and Entitlement Offer and underwriter of the Entitlement Offer;
- (e) Jones Day as Australian legal advisers to Total Brain in relation to the Placement and Entitlement Offer; and
- (f) Boardroom as Share Registry.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

5.10 Expenses of the Offers

The estimated expenses of the Offers (comprising of the fees due to the Lead Manager, ASIC fees, legal fees, printing and postages, and other miscellaneous expenses) is \$400,000.

5.11 Electronic Prospectus

If you have received this Prospectus electronically, please ensure that you have received the entire Prospectus accompanied with the Application Forms. If you have not, please contact the Share Registry on 1300 737 760 (within Australia) and +61 2 9290 9600 (outside Australia) which will send you, for free, either a hard copy or a further electronic copy of the Prospectus. You may also obtain a copy of this Prospectus from Total Brain's website at <https://www.totalbrain.com/>.

6. DIRECTORS' AUTHORISATION

This Prospectus is issued by Total Brain and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director and every person named in the Prospectus as a proposed Director has consented to the lodgement of this Prospectus with ASIC.

21 July 2021

A handwritten signature in cursive script, appearing to read "Dr Evian Gordon".

Dr Evian Gordon PhD

Executive Chairman

7. DEFINITIONS

These definitions apply to the words and expressions used in this Prospectus.

"\$" or "AUD" means Australian dollars.

"**Applicant**" means:

- (a) an Eligible Shareholder who has applied to subscribe for New Shares and New Options under the Entitlement Offer by submitting an Entitlement and Acceptance Form or has arranged for payment through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form; or
- (b) a Placement Participant who has applied to subscribe for Placement Options under the Placement Offer by submitting a Placement Offer Application Form.

"**Application**" means:

- (a) a duly completed Entitlement and Acceptance Form submitted to Total Brain accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form; or
- (b) a duly completed Placement Offer Application Form submitted to Total Brain.

"**Application Form**" means an Entitlement and Acceptance Form or an Placement Offer Application Form.

"**Application Monies**" means the aggregate amount of money payable for the New Shares and New Options applied for in a duly completed Entitlement and Acceptance Form or through BPAY®.

"**ASIC**" means the Australian Securities and Investments Commission.

"**ASX**" means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).

"**Business Day**" means a business day as defined in the Listing Rules.

"**Closing Date**" means 5:00 pm (AEST) on 12 August 2021, the day the Entitlement Offer closes, or any other date that Total Brain in its absolute discretion determines, subject to the Listing Rules.

"**Corporations Act**" means the *Corporations Act 2001* (Cth).

"**Directors**" means the directors of Total Brain as appointed from time to time.

"**Eligible Shareholder**" has the meaning given in section 1.7.

"**Entitlement**" means the right to subscribe for New Shares and New Options under the Entitlement Offer.

"**Entitlement and Acceptance Form**" means the personalised acceptance form for the Entitlement Offer accompanying this Prospectus.

"**Entitlement Offer**" means a non-renounceable entitlement offer to Eligible Shareholders to subscribe for 1 New Share for every 7 Existing Shares of which the Shareholder is the

registered holder on the Record Date, at the Issue Price pursuant to this Prospectus, in addition to one New Option attaching to every 2 New Shares.

"Exercise Price" means \$0.36 per Option.

"Existing Shares" means the Shares already on issue in Total Brain as at the Record Date.

"Expiry Date" means the date on which the New Options and Placement Options automatically lapse, being the date that is 12 months from their issue.

"Ineligible Shareholder" means a Shareholder as at the Record Date who is not an Eligible Shareholder.

"Issue Price" means \$0.26 per New Share.

"Lead Manager" means Bell Potter Securities Limited ACN 006 390 772.

"Listing Rules" means the official listing rules of ASX.

"New Options" means Options to be allotted and issued under the Entitlement Offer on the basis of one New Option for every 2 New Shares, with the ability to be exercised into one Share on payment of the Exercise Price.

"New Securities" means New Shares, New Options and Placement Options.

"New Shares" means Shares to be allotted and issued under the Entitlement Offer, including (as the context requires) the shortfall from the Entitlement Offer issued to the Lead Manager (if any).

"Offers" means the Entitlement Offer and the Placement Offer.

"Options" means options to acquire Shares.

"Placement" means (i) the placement of 9,615,384 Shares to Placement Participants, and (ii) the Placement Offer under this Prospectus, as announced to ASX on or about the date of this Prospectus.

"Placement Offer" means the offer of Placement Options to Placement Participants under this Prospectus.

"Placement Offer Application Form" means the personalised application form for the Placement Offer sent to Placement Participants.

"Placement Options" means 4,807,692 Options offered to the Placement Participants under the Placement Offer, with the ability to be exercised into one Share on payment of the Exercise Price.

"Placement Participants" means certain eligible institutional and sophisticated investors who have been invited by Total Brain to participate in the Placement.

"Prospectus" means this document.

"Record Date" means 7:00 pm (AEST) on 26 July 2021.

"Reduced Amount" has the meaning given in section 2.3.

"Shareholders" means holders of Shares.

"Shares" means fully paid ordinary shares in the capital of Total Brain.

"Share Registry" means Boardroom Pty Limited ACN 003 209 836.

"Total Brain" or "Company" means Total Brain Limited ACN 094 069 682.

"Underwriting Agreement" means the underwriting agreement agreed between Total Brain and the Lead Manager.

"US Securities Act" means the *United States Securities Act of 1933*, as amended.

Corporate directory

Total Brain Limited

15 Belvoir Street
Surry Hills NSW 2010

www.totalbrain.com

Directors

Dr Evian Gordon (Executive Chairman)

Mr Louis Gagnon (Managing Director)

Mr Matthew Morgan (Non-Executive Director)

Mr David Torrible (Non-Executive Director)

Mr David Daglio (Non-Executive Director)

Company Secretaries

Mr Phillip Hains

Mr Nathan Jong

Share Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

<https://boardroomlimited.com.au/>

Lead Manager

Bell Potter Securities Limited
Level 29
101 Collins Street
Melbourne, VIC 3000

Solicitors to the offer

Jones Day
Level 31, Riverside Centre
123 Eagle Street
Brisbane, QLD 4000

www.jonesday.com