



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

21 July 2021

Dear Optionholder,

NON-RENOUNCEABLE ENTITLEMENT OFFER – NOTICE TO OPTIONHOLDERS

Total Brain Limited ACN 094 069 682 (**Company** or **Total Brain**) announced today that it is undertaking:

- (a) an institutional placement of new fully paid ordinary shares (**New Shares**) at \$0.26 per New Share, plus one free attaching option for every two New Shares (**New Options**) with an exercise price of \$0.36 per New Option, to raise approximately \$2.5 million before costs, excluding any funds raised from the exercise of New Options (**Placement**); and
- (b) a non-renounceable fully underwritten pro rata entitlement offer of one New Share for every seven shares held on the Record Date (as defined below), at an issue price of \$0.26 per New Share plus one free attaching New Option for every two New Shares, to raise approximately \$4 million before costs, excluding any funds raised from the exercise of New Options (**Entitlement Offer**).

The Entitlement Offer is underwritten by Bell Potter Securities Limited.

Eligibility of shareholders to participate in the Entitlement Offer

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

- are registered as a holder of fully paid ordinary shares in Total Brain as at 7:00 pm (AEST) on 26 July 2021 (**Record Date**);
- have a registered address on Total Brain's share register that is in Australia, New Zealand or Hong Kong;
- are not in the United States and are not (including as nominee or custodian) acting for the account or benefit of a person in the United States with respect to their shares in Total Brain (to the extent such person holds Total Brain shares for the account or benefit of such person in the United States), unless such person is otherwise determined by Total Brain to be eligible; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered,

(**Eligible Shareholder**).

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

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

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

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

Before deciding whether to exercise all or any of your options, you should ensure that you satisfy the requirements for an Eligible Shareholder and consider the terms of the Entitlement Offer carefully. It is recommended that you consult with your professional adviser before making any investment decision.

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

Yours sincerely,

Dr Evian Gordon, PhD
Executive Chairman

Important information

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

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