



# Half Year Report

Half Year Ended 31 December 2022



## 1. Company details

Name of entity:	Total Brain Limited
ABN:	24 094 069 682
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

## 2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	59.0% to	2,216,858
Loss from ordinary activities after tax attributable to the owners of Total Brain Limited	up	8.8% to	(2,814,267)
Loss for the half-year attributable to the owners of Total Brain Limited	up	8.8% to	(2,814,267)

### Dividends

There were no dividends paid, recommended or declared during the current financial period.

### Comments

The loss for the Group after providing for income tax amounted to \$2,814,267 (31 December 2021: \$2,586,984).

On 5 August 2022 (the 'Announcement Date'), the Company announced a binding agreement with SonderMind Inc. ('SonderMind' or the 'purchaser') to purchase the Group's business through a sale of assets, which is subject to shareholder approval.

The proceeds received on sale was is US\$10,000,000 (AU\$15,640,176), less adjustments and liabilities, including the value of assumed employee entitlements of any transferring employees, including the value of accrued income and unearned income, any debt funding provided by or on behalf of SonderMind to fund the Group's working capital requirements and an agreed adjustment on account of certain tax liabilities.

On 31 October 2022, the shareholders approved the sale and the transaction was completed on 1 November 2022. The transaction resulted in a net gain on sale of assets held for sale of \$1,105,219, which is mostly due to the foreign exchange rate movement between 30 June 2022 and 31 October 2022. Following the completion of the sale of the business, the Company proposes to conduct a capital return to shareholders, delist from ASX and commence a voluntary winding up process.

An extraordinary general meeting occurred on 1 February 2023 which approved the the return of capital to shareholders and payment occurred on 14 February 2023.

Consistent with the 30 June 2022 annual financial statements, the directors have determined that the going concern basis of accounting is not appropriate because of the plan to wind-up the Company and therefore these financial statements have not been prepared on a going concern basis but have been prepared on a realisation basis of accounting. Refer to note 2 for further information.

## 3. Net tangible assets

	31 Dec 2022 Cents	30 Jun 2022 Cents
Net tangible assets per ordinary security	<u>5.08</u>	<u>7.67</u>

#### 4. Control gained over entities

Not applicable.

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#### 5. Loss of control over entities

Not applicable.

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#### 6. Dividends

*Current period*

There were no dividends paid, recommended or declared during the current financial period.

*Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

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#### 7. Dividend reinvestment plans

Not applicable.

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#### 8. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

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#### 9. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report. The auditor's report contains an emphasis of matter paragraph in relation to the realisation basis of accounting.

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#### 10. Attachments

*Details of attachments (if any):*

The Interim Report of Total Brain Limited for the half-year ended 31 December 2022 is attached.

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#### 11. Signed

As authorised by the Board of Directors

Signed  \_\_\_\_\_

Date: 28 February 2023

Mr Matthew Morgan  
Non-Executive Director  
Sydney

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Total Brain Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

### Directors

The following persons were directors of Total Brain Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Dr Evian Gordon - Executive Chairman  
Mr Matthew Morgan - Non-Executive Director  
Mr David Torrible - Non-Executive Director  
Mr David Daglio - Non-Executive Director (resigned on 5 December 2022)

### Principal activities

The principal activity of the Group is developing and selling brain health products.

### Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

### Review of operations

The loss for the Group after providing for income tax amounted to \$2,814,267 (31 December 2021: \$2,586,984).

As disclosed in note 2, on 31 October 2022, the shareholders approved the sale of the Group's business through a sale of assets. The transaction was completed on 1 November 2022, resulting in a net gain on disposal of assets held for sale of \$1,105,219, which is mostly due to the foreign exchange rate movement between 30 June 2022 and 31 October 2022. The Group will have no ongoing business as a result of the completion of the sale. The assets and liabilities related to the sale are presented separately in the comparative balances in notes 6 and 9 respectively.

### Significant changes in the state of affairs

On 1 November 2022, the sale of the Group's business through a sale of assets entered into with SonderMind was completed as disclosed in note 2. The Group will have no ongoing business as a result of the completion of the sale.

Following completion of the sale of the business, the Company proposed to conduct a capital return to shareholders, delist from ASX and commence a voluntary winding up process. An extraordinary general meeting occurred on 1 February 2023 which approved the the return of capital to shareholders and payment occurred on 14 February 2023.

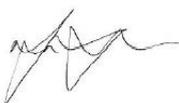
There were no other significant changes in the state of affairs of the Group during the financial half-year.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Mr Matthew Morgan  
Non-Executive Director

28 February 2023

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**Grant Thornton Audit Pty Ltd**

King George Central  
Level 18  
145 Ann Street  
Brisbane QLD 4000  
GPO Box 1008  
Brisbane QLD 4001  
T +61 7 3222 0200

## Auditor's Independence Declaration

### To the Directors of Total Brain Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Total Brain Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M C Bragg  
Partner – Audit & Assurance

Brisbane, 28 February 2023

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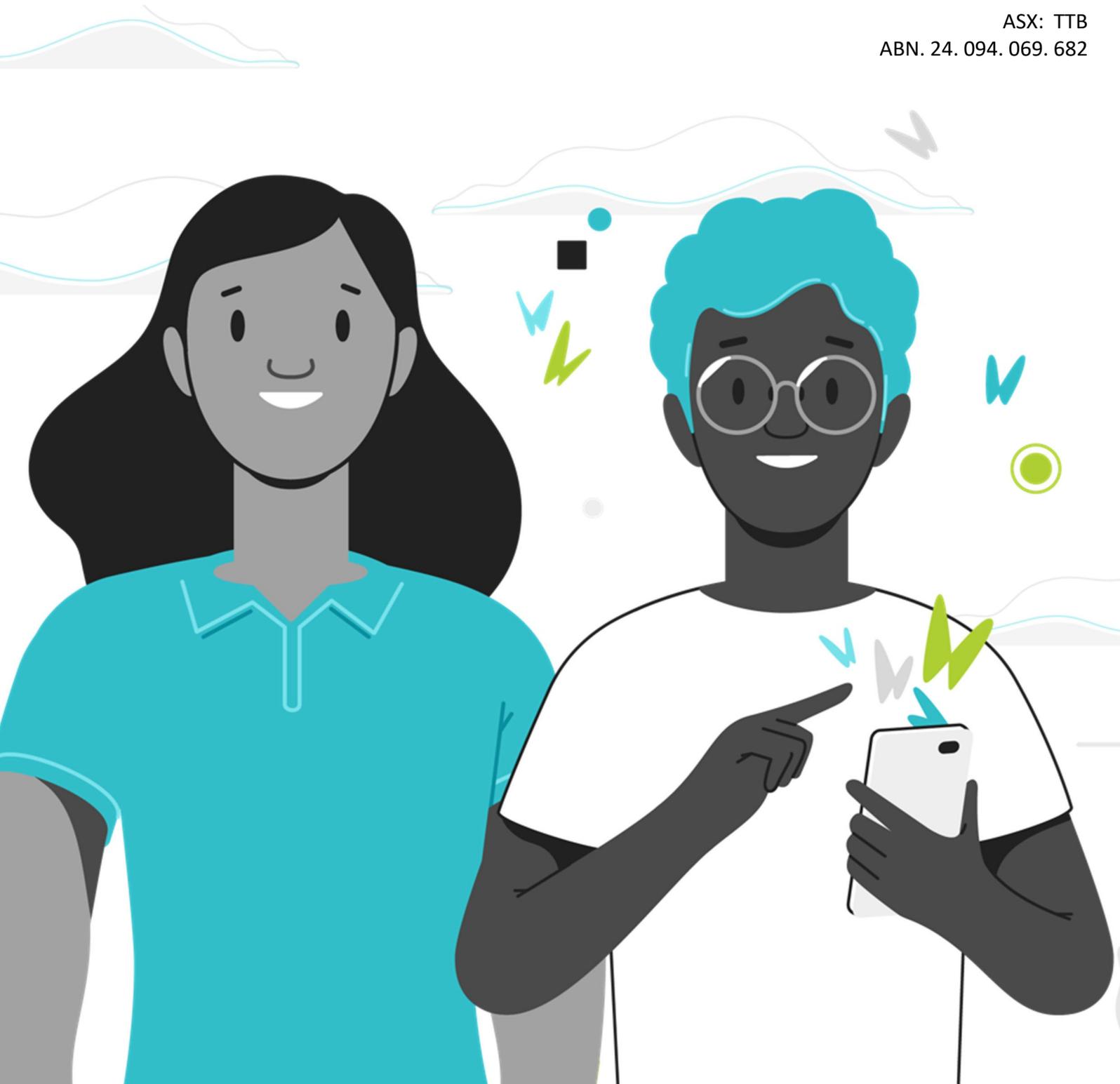
# Financial Statements

Half Year Ended 31 December 2022

[ir@totalbrain.com](mailto:ir@totalbrain.com)

ASX: TTB

ABN. 24. 094. 069. 682



**Total Brain Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2022**



		Consolidated	
	Note	31 Dec 2022 \$	31 Dec 2021 \$
<b>Discontinued operations</b>			
<b>Revenue</b>			
	4	2,216,858	5,406,682
Net gain on disposal of assets held for sale	2	1,105,219	-
Interest income calculated using the effective interest method		7,518	58
<b>Expenses</b>			
Cost of equipment and third-party drug trial expense		(66,778)	(592,638)
Employee benefits expense		(4,565,885)	(4,279,372)
Corporate and operating costs		(1,693,348)	(1,881,063)
Depreciation and amortisation expense		-	(724,745)
Share-based payments reversal/(expense)	14	311,051	(359,503)
Net foreign exchange gain/(losses)		7,523	(49,751)
Finance costs		(136,425)	(106,652)
<b>Loss before income tax expense</b>		(2,814,267)	(2,586,984)
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of Total Brain Limited</b>		(2,814,267)	(2,586,984)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(330,388)	49,392
Other comprehensive income for the half-year, net of tax		(330,388)	49,392
<b>Total comprehensive income for the half-year attributable to the owners of Total Brain Limited</b>		<u>(3,144,655)</u>	<u>(2,537,592)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	13	(2.10)	(2.02)
Diluted earnings per share	13	(2.10)	(2.02)

Refer to note 2 for the realisation basis of preparation.

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

	Note	Consolidated 31 Dec 2022 \$	Consolidated 30 Jun 2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		7,080,442	713,499
Trade and other receivables	5	193,673	703,413
Prepayments		-	290,595
		<u>7,274,115</u>	<u>1,707,507</u>
Assets of disposal groups classified as held for sale	6	-	12,984,536
Total current assets		<u>7,274,115</u>	<u>14,692,043</u>
<b>Total assets</b>		<u>7,274,115</u>	<u>14,692,043</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	477,470	2,212,005
Borrowings	8	-	1,213,726
Employee benefits		-	146,926
		<u>477,470</u>	<u>3,572,657</u>
Liabilities directly associated with assets classified as held for sale	9	-	867,035
Total current liabilities		<u>477,470</u>	<u>4,439,692</u>
<b>Total liabilities</b>		<u>477,470</u>	<u>4,439,692</u>
<b>Net assets</b>		<u>6,796,645</u>	<u>10,252,351</u>
<b>Equity</b>			
Issued capital	10	84,515,549	84,515,549
Reserves		639,671	4,965,616
Accumulated losses		(78,358,575)	(79,228,814)
<b>Total equity</b>		<u>6,796,645</u>	<u>10,252,351</u>

Refer to note 2 for the realisation basis of preparation.

**Total Brain Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2022**



<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Convertible note reserve \$</b>	<b>Foreign currency reserves \$</b>	<b>Share-based payments reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	78,425,180	-	(152,772)	4,441,739	(64,732,096)	17,982,051
Loss after income tax expense for the half-year	-	-	-	-	(2,586,984)	(2,586,984)
Other comprehensive income for the half-year, net of tax	-	-	49,392	-	-	49,392
Total comprehensive income for the half-year	-	-	49,392	-	(2,586,984)	(2,537,592)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	6,050,769	-	-	-	-	6,050,769
Share-based payments (note 14)	-	-	-	359,503	-	359,503
Balance at 31 December 2021	<u>84,475,949</u>	<u>-</u>	<u>(103,380)</u>	<u>4,801,242</u>	<u>(67,319,080)</u>	<u>21,854,731</u>

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Convertible note reserve \$</b>	<b>Foreign currency reserves \$</b>	<b>Share-based payments reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2022	84,515,549	64,769	(102,546)	5,003,393	(79,228,814)	10,252,351
Loss after income tax expense for the half-year	-	-	-	-	(2,814,267)	(2,814,267)
Other comprehensive income for the half-year, net of tax	-	-	(330,388)	-	-	(330,388)
Total comprehensive income for the half-year	-	-	(330,388)	-	(2,814,267)	(3,144,655)
<i>Transactions with owners in their capacity as owners:</i>						
Share-based payments (note 14)	-	-	-	(311,051)	-	(311,051)
Convertible note reserves transferred to accumulated losses	-	(64,769)	-	-	64,769	-
Expired options transferred to accumulated losses	-	-	-	(3,619,737)	3,619,737	-
Balance at 31 December 2022	<u>84,515,549</u>	<u>-</u>	<u>(432,934)</u>	<u>1,072,605</u>	<u>(78,358,575)</u>	<u>6,796,645</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	2,178,935	4,492,444
Payments to suppliers and employees (inclusive of GST)	(8,166,629)	(6,320,408)
Interest received	7,518	58
Interest and other finance costs paid	<u>(136,425)</u>	<u>(143,895)</u>
Net cash used in operating activities	<u>(6,116,601)</u>	<u>(1,971,801)</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	-	(24,155)
Payments for intangibles	-	(2,351,175)
Proceeds from disposal of business	<u>14,070,620</u>	<u>-</u>
Net cash from/(used in) investing activities	<u>14,070,620</u>	<u>(2,375,330)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	-	6,522,584
Proceeds from borrowings	3,440,839	2,210,219
Share issue transaction costs	-	(471,815)
Repayment of borrowings & convertible notes	<u>(4,654,565)</u>	<u>(792,569)</u>
Net cash from/(used in) financing activities	<u>(1,213,726)</u>	<u>7,468,419</u>
Net increase in cash and cash equivalents	6,740,293	3,121,288
Cash and cash equivalents at the beginning of the financial half-year	713,499	1,427,349
Effects of exchange rate changes on cash and cash equivalents	<u>(373,350)</u>	<u>58,100</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>7,080,442</u></u>	<u><u>4,606,737</u></u>

## Note 1. General information

The financial statements cover Total Brain Limited as a Group consisting of Total Brain Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Total Brain Limited's functional and presentation currency.

Total Brain Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

15 Belvoir Street  
Surry Hills NSW 2010

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2023.

## Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### Assets held for sale

On 5 August 2022 (the 'Announcement Date'), the Company announced a binding agreement entered into with SonderMind Inc. ('SonderMind' or the 'purchaser') to purchase the Group's business through a sale of assets. As of 30 June 2022, the Board considered that the sale met the criteria to be classified as held for sale in accordance with AASB 5 'Non-current assets held for sale and discontinued operations'.

The proceeds received on sale was US\$10,000,000 (AU\$15,640,176), less adjustments and liabilities, including the value of assumed employee entitlements of any transferring employees including accrued income and unearned income, any debt funding provided by or on behalf of SonderMind to fund the Group's working capital requirements and an agreed adjustment on account of certain tax liabilities.

On 31 October 2022, the shareholders approved the sale and the transaction was completed on 1 November 2022. The transaction resulted in a net gain on disposal of assets held for sale of \$1,105,219, which is mostly due to the foreign exchange rate movement between 30 June 2022 and 31 October 2022. The Group will have no ongoing business as a result of the completion of the sale of the assets and liabilities which are presented separately in the comparative balances in notes 6 and 9 respectively.

Following the completion of the sale of the business, the Company proposes to conduct a capital return to shareholders, delist from ASX and commence a voluntary winding up process. An extraordinary general meeting occurred on 1 February 2023 which approved the the return of capital to shareholders and payment occurred on 14 February 2023.

## Note 2. Significant accounting policies (continued)

Consistent with the 30 June 2022 annual financial statements, the directors have determined that the going concern basis of accounting is not appropriate because of the plan to wind-up the Company and therefore these financial statements have not been prepared on a going concern basis but have been prepared on a realisation basis of accounting.

### Realisation basis of accounting

Under the realisation basis of accounting, assets are written down to their estimated net realisable value, (where relevant), and liabilities are stated at their estimated settlement amounts and relevant estimates are reviewed and adjusted as appropriate. All assets and liabilities are presented as current.

## Note 3. Operating segments

### *Identification of reportable operating segments*

The Group is organised into one operating segment being the development and commercialisation of brain health products, primarily delivered to a range of users through the one Total Brain platform. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

### *Geographical information*

The majority of revenue is derived in the United States.

#### Note 4. Revenue

	Consolidated 31 Dec 2022 \$	31 Dec 2021 \$
Total Brain - Population Health *	2,159,469	2,102,493
Total Brain - Provider Support **	41,274	247,343
Precision Medicine/Pharma Support ***	-	3,005,785
Other Revenue	16,115	51,061
	<u>2,216,858</u>	<u>5,406,682</u>
Revenue	<u>2,216,858</u>	<u>5,406,682</u>

Revenue from contracts with customers is derived from the Group's combined database which includes both Total Brain International Database ('TBID') and Data Licensing data. The revenue is split based on go to market channels as follows:

- \* Population Health revenue primarily comprises fees received from large consumer groups, corporations and platforms who provide access to the Group's software platform to their constituents.  
Customers include:  
(i) Corporate - B2B customers who provide access to the Group's software platform to their employees; and  
(ii) Affinity - Partners who provide access to the Group's software platform to their members.
- \*\* Provider Support revenue comprises revenue from clinics who provide access to the Group's software platform to their clients.
- \*\*\* Precision Medicine/Pharma Support revenue comprises revenue received from customers who are provided access to the data assets.

#### *Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 31 Dec 2022 \$	31 Dec 2021 \$
<i>Major revenue lines</i>		
Software license	2,216,858	2,383,383
Services and access fees	-	3,023,299
	<u>2,216,858</u>	<u>5,406,682</u>
<i>Timing of revenue recognition</i>		
Revenue transferred over time	2,216,858	2,383,383
Revenue transferred at a point in time	-	3,023,299
	<u>2,216,858</u>	<u>5,406,682</u>

The majority of revenue is derived in the United States.

**Note 5. Current assets - trade and other receivables**

	Consolidated 31 Dec 2022 \$	30 Jun 2022 \$
Trade receivables	113,481	703,479
Less: Allowance for expected credit losses	(66)	(66)
	<u>113,415</u>	<u>703,413</u>
Other receivables	80,258	-
	<u>193,673</u>	<u>703,413</u>

**Note 6. Current assets - assets of disposal groups classified as held for sale**

	Consolidated 31 Dec 2022 \$	30 Jun 2022 \$
Contract assets	-	61,968
Property, plant and equipment	-	251,466
Intangibles	-	12,671,102
	<u>-</u>	<u>12,984,536</u>

As disclosed in note 2, these are the assets directly associated with the sale of the business to SonderMind and the sale transaction was completed on 1 November 2022.

**Note 7. Current liabilities - trade and other payables**

	Consolidated 31 Dec 2022 \$	30 Jun 2022 \$
Trade payables	270,163	189,031
Accrued expenses	164,217	1,972,070
Other payables	43,090	50,904
	<u>477,470</u>	<u>2,212,005</u>

**Note 8. Current liabilities - borrowings**

	Consolidated 31 Dec 2022 \$	30 Jun 2022 \$
Convertible notes payable	-	1,213,726

The convertible notes were paid during the half-year period.

**Note 9. Current liabilities - liabilities directly associated with assets classified as held for sale**

	Consolidated 31 Dec 2022 \$	30 Jun 2022 \$
Deferred revenue	-	689,889
Employee benefits	-	177,146
	<u>-</u>	<u>867,035</u>

As disclosed in note 2, these are the liabilities directly associated with the sale of the business to SonderMind and the sale transaction was completed on 1 November 2022.

**Note 10. Equity - issued capital**

	31 Dec 2022 Shares	30 Jun 2022 Shares	Consolidated 31 Dec 2022 \$	30 Jun 2022 \$
Ordinary shares - fully paid	<u>133,721,131</u>	<u>133,721,131</u>	<u>84,515,549</u>	<u>84,515,549</u>

**Note 11. Equity - dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Note 12. Contingent liabilities**

The Group has given bank guarantees as at 31 December 2022 of \$nil (30 June 2022: \$10,560) to various landlords.

**Note 13. Earnings per share**

	Consolidated 31 Dec 2022 \$	31 Dec 2021 \$
Loss after income tax attributable to the owners of Total Brain Limited	<u>(2,814,267)</u>	<u>(2,586,984)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>133,721,131</u>	<u>127,777,158</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>133,721,131</u>	<u>127,777,158</u>
	Cents	Cents
Basic earnings per share	(2.10)	(2.02)
Diluted earnings per share	(2.10)	(2.02)

Options over ordinary shares are not included in the calculation of diluted earnings per share because they are anti-dilutive for the half-year ended 31 December 2022 and 31 December 2021. These options could potentially dilute basic earnings per share in the future.

#### Note 14. Share-based payments

A share option plan has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the Company to the personnel of the Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

Total reversals arising from share-based payment transactions during the financial half-year was \$311,051 (31 December 2021: expense of \$359,503).

Set out below are summaries of options granted under the plan:

	Number of options 31 Dec 2022
Outstanding at the beginning of the financial half-year	18,490,269
Granted	93,751
Expired	<u>(3,918,451)</u>
Outstanding at the end of the financial half-year	<u><u>14,665,569</u></u>

#### Note 15. Events after the reporting period

On 1 February 2023, shareholders at an extraordinary general meeting resolved a capital return of \$6,351,754 by way of an equal capital reduction of \$0.0475 per share and to delist from the ASX official list. The primary payment date for the capital return was 14 February 2023.

On 14 February 2023, the Company announced that it would be removed from official list of ASX at close of trade on 1 March 2023.

On 10 March 2023, the Company will hold an extraordinary general meeting seeking shareholder approval for the Company to be wound up voluntarily, to appoint a liquidator and to approve the remuneration of the liquidator.

Following the half-year end, the Company has returned to shareholders the net cash available for distribution after allowing for costs incurred prior to the half-year end, incurred since or expected to be incurred up to the appointment of the liquidator including the remuneration of the liquidator to complete the winding up of the Company.

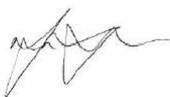
No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read "Matthew Morgan".

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Mr Matthew Morgan  
Non-Executive Director

28 February 2023

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**Grant Thornton Audit Pty Ltd**

King George Central  
Level 18  
145 Ann Street  
Brisbane QLD 4000  
GPO Box 1008  
Brisbane QLD 4001  
T +61 7 3222 0200

## Independent Auditor's Review Report

### To the Members of Total Brain Limited

#### Report on the half year financial report

##### Conclusion

We have reviewed the accompanying half year financial report of Total Brain Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Total Brain Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of Total Brain Limited's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

##### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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### **Emphasis of matter – Realisation basis of accounting**

We draw attention to note 2 alternative basis of preparation (realisation basis) in the notes to the financial statements, which indicates the Company's determination that they are no longer a going concern based on the Directors' intent to wind-up the Company following completion of the business sale transaction. Our opinion is not modified in relation to this matter.

### **Directors' responsibility for the half-year financial report**

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M C Bragg  
Partner – Audit & Assurance

Brisbane, 28 February 2023

# Half Year Report

Half Year Ended 31 December 2022

[ir@totalbrain.com](mailto:ir@totalbrain.com)

ASX: TTB

ABN. 24. 094. 069. 682

