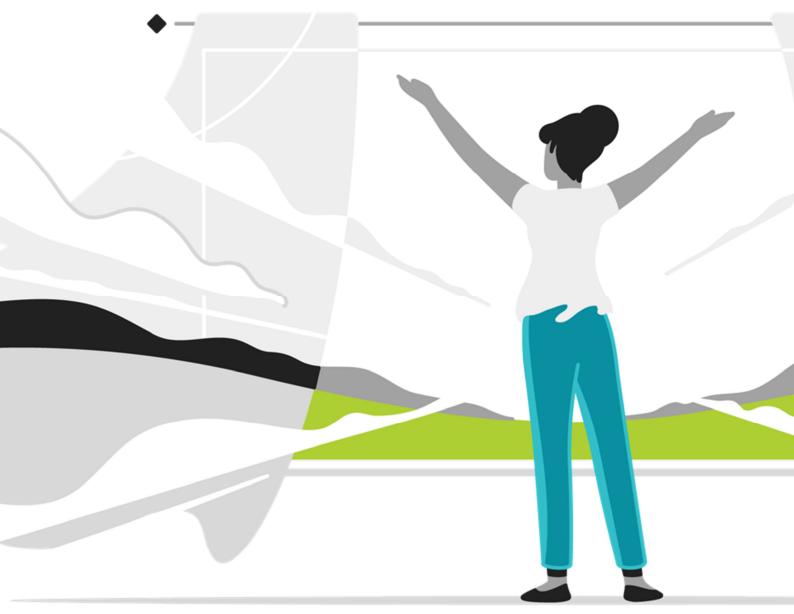
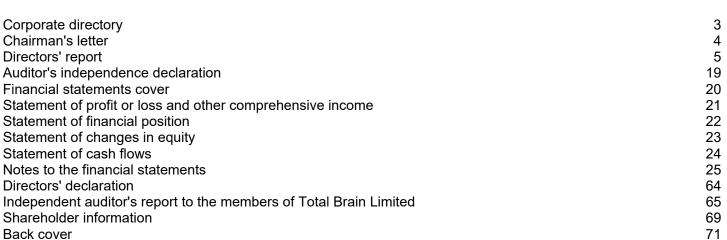


Annual Report

Year Ended 30 June 2022



Total Brain Limited Contents 30 June 2022



Total Brain Limited Corporate directory 30 June 2022



Directors	Dr Evian Gordon (Executive Chairman) Mr Matthew Morgan (Non-Executive Director) Mr David Torrible (Non-Executive Director) Mr David Daglio (Non-Executive Director)
Company secretary	Mr Phillip Hains Mr Nathan Jong
Registered office	15 Belvoir Street Surry Hills NSW 2010 Telephone: +61 2 9213 6666 Email: ir@totalbrain.com
Share register	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Telephone: +61 2 9290 9600 Email: enquiries@boardroomlimited.com.au
Auditor	Grant Thornton Audit Pty Ltd Level 18, 145 Ann Street Brisbane QLD 4001
Stock exchange listing	Total Brain Limited shares are listed on the Australian Securities Exchange (ASX code: TTB).
Website	http://www.totalbrain.com
Corporate Governance Statement	The directors and management are committed to conducting the business of Total Brain Limited in an ethical manner and in accordance with the highest standards of corporate governance. Total Brain Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.
	The Group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed and ASX Appendix 4G are released to the ASX on the same day the Annual Report is released. The Corporate Governance Statement and Corporate Governance Compliance Manual can be found on the Company's website at http://www.totalbrain.com/investors/

30 September 2022



Dear Shareholders,

On behalf of the Board of Directors of Total Brain Limited (the 'Company' or 'TTB'), I present our Annual Report for the Fiscal Year ended 30 June 2022 ('FY2022').

FY2022 was a particularly challenging year for the Company with slower than planned increases in new revenues and rollouts of existing sales, in conjunction with a challenging period in the latter half of the year for the capital markets due to a precipitous downturn in the broader macroeconomic healthtech environment.

During the year the Company signed 26 new customers and grew annual recurring revenue by \$912,000. The Company entered commercial agreements for the Group's standardised methodology and database assets with Johnson and Johnson and Alto Neuroscience for upfront payments of \$3,719,869.

The rate of growth in sales of the Total Brain app were however lower than expectations and during the month of October 2021, the Company undertook a significant right-sizing exercise in order to minimise ongoing expenditure. Subsequent to this decision the Board then appointed Incentrum Group, a global merchant bank, to explore strategic alternatives for the Company. Incentrum Group assisted TTB in preparing a tailored positioning of the Company with potential buyers and ultimately soliciting offers for the sale of all or part of the Company's business.

The process included Incentrum Group contacting a number of strategic and financial buyers with interest in the sector. During the latter period of that process, the broader market conditions for non-profitable technology businesses significantly deteriorated, impacting the Company's ability to raise working capital at an appropriate price and ultimately the value attributed to the Company by third parties in a corporate transaction.

After the end of the financial year, on 5th August 2022, the Company entered into a binding sale agreement with Sondermind Inc, pursuant to which Sondermind has agreed to purchase the business of the Company through a sale of assets by the Company and its subsidiaries ('Proposed Transaction').

As the Proposed Transaction will be a disposal of the Company's main undertaking, TTB will be seeking shareholder approval at the next general meeting of shareholders in late October 2022. TTB shareholders are encouraged to participate in the meeting after having considered the notice of meeting and the independent's expert report which was undertaken by PKF Melbourne Corporate Pty Ltd.

TTB directors unanimously recommend that all TTB shareholders vote in favour of the Proposed Transaction and each director intends to vote all TTB shares held or controlled by them in favour, subject to the independent expert concluding that the Proposed Transaction is in the best interests of TTB shareholders and in the absence of a Superior Proposal (as defined in Annexure B of the 5 August 2022 announcement).

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In closing, I would like to acknowledge the disappointing expectations and sincerely thank all shareholders for their longstanding support of the mental health and wellbeing commercial initiatives of the Company.

Yours sincerely,

R E Sadon

Dr Evian Gordon, MBBCh, PhD, FAIS



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 year ended 30 June 2022.

Directors

The following persons were directors of Total Brain Limited during the whole of the financial 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 Mr Louis Gagnon - Managing Director and Chief Executive Officer (resigned on 12 November 2021)

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 year.

Review of operations

The loss for the Group after providing for income tax amounted to \$14,496,718 (30 June 2021: \$8,316,773).

During the financial year, the Board appointed Incentrum Group to explore strategic alternatives for the Company including a sale of the company and or its assets. 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 ('Proposed Transaction'), which is subject to shareholder approval.

The purchase price is US\$10,000,000 (approximately AU\$14,000,000), less adjustments and liabilities, including the value of assumed employee entitlements of any transferring employees, 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. The purchase is subject to a number of conditions including shareholder approval, which is expected to be voted on at a general meeting held in late October 2022.

Material business risks

The following is a summary of material business risks that could adversely affect the Company's financial performance and growth potential in future years and how the Company proposes to mitigate such risks.

Risk of the Proposed Transaction not receiving shareholder approval

After the end of the financial year on 5 August 2022 (the 'Announcement Date'), the Company announced the binding agreement with SonderMind Inc. ('SonderMind' or the 'purchaser') to purchase the Group's business through a sale of assets ('Proposed Transaction').

The purchase is subject to various conditions including shareholder approval, which is expected to be voted on at a general meeting held in late October 2022.

The Company appointed a well credentialed investment bank ('Incentrum Group') to help realise maximum value for shareholders. Incentrum ran a competitive sale process and as an alternative the Directors consulted with local corporate financiers regarding raising capital to continue funding the Company.

On completion of the process and after consideration of the alternatives, if the Proposed Transaction is not approved, the Company is not expected to have sufficient funds to continue its product development and continue trading.

Going concern

The intention is to wind-up the Company post completion of the Proposed Transaction and therefore the preparation of the financial statements is on a realisation basis of accounting.



Statements made by the auditor regarding going concern

The directors have prepared the financial statements on the basis that the consolidated entity is not a going concern. The auditor has included an 'emphasis of matter' paragraph contained within their auditor's report in relation to this matter.

Significant changes in the state of affairs

On 21 July 2021, the Group received commitments from eligible investors to raise capital. The capital raising comprised (i) \$2,499,998 received from 9,615,378 shares issued on 29 July 2021 at \$0.26 per share ('Placement'), and (ii) \$4,022,586 received relating to 15,471,969 share issued pertaining to a 1 for 7 non-renounceable entitlement offer at \$0.26 per share which closed on 19 August 2021 ('Entitlement Offer'). Participants in both the Placement and Entitlement Offer received 1 free attaching option for every 2 new shares issued. The options have an exercise price of \$0.36 and expire 12 months from the date of issue.

On 4 April 2022, the Company entered into a convertible note subscription agreement with Zoltan Varga to issue 1,278,485 notes with a face value of \$1 per note. The convertible note is convertible to \$0.138 per share with a maturity date of 18 months from the issue date.

On 19 May 2022, the Company received a research and development ('R&D') tax refund of \$2,364,995 as part of the Australian government's R&D tax incentive.

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

Matters subsequent to the end of the financial year

On 5 August 2022, the Company announced the binding agreement to sell the Group's business through a sale of assets and then commence winding up of the Company. Refer to note 2 for further details.

No other matter or circumstance has arisen since 30 June 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.

Likely developments and expected results of operations

The intention is to wind-up the Company post completion of the sale referred to in the 'Review of Operations' section.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name: Title:	Dr Evian Gordon Executive Chairman
Qualifications:	BSc (Hons), PhD, MBBCh
Experience and expertise:	Dr Gordon has over 30 years of experience in human brain research. He was the director of the Brain Dynamics Centre at Westmead Hospital and a senior lecturer in the Department of Psychological Medicine at the University of Sydney. Dr Gordon edited the book Integrative Neuroscience and has more than 200 publications credited to him.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	1,315,756 ordinary shares
Interests in options:	1,205,156 options over ordinary shares

Total Brain Limited Directors' report 30 June 2022

	TOTAL
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Name:	Mr Matthew Morgan
Title:	Non-Executive Director
Qualifications:	MBA, B Com, B App Sc
Experience and expertise:	Mr Morgan is a former venture capitalist who is the Principal of Millers Point
	Company, an advisory firm focused on emerging growth companies. He was a co-
	founder of Diversa Ltd (ASX DVA) which was sold to OneVue (ASX OVH).
Other current directorships:	Non-Executive Director and Chairman of the Audit and Risk Committee of Vernbrec
	Ltd (ASX VBC)
Former directorships (last 3	Sensera Ltd (ASX SE1) and Leaf Resources Ltd (ASX LER)
years): Special responsibilities:	Chairman of the Audit and Risk Committee and member of the Nomination and
Special responsibilities.	Remuneration Committee
Interests in shares	
Interests in shares:	513,970 ordinary shares
Interests in options:	432,123 options over ordinary shares
Name:	Mr David Torrible
Title:	
	Non- Executive Director
Qualifications:	BA (Hons)
Experience and expertise:	Mr Torrible is an active non-executive director and advisor to private companies,
	financial firms and charities since 2012 when he retired as a partner of Goldman
	Sachs. Prior to 2012 he worked for 19 years as an equity specialist serving
	institutional accounts in Asian capital markets. He has worked in Hong Kong,
	Indonesia, USA and Australia. He is experienced in relationship management,
	capital market risk and successfully managing geographically diverse teams.
Other current directorships:	None
Former directorships (last 3	None
years):	
Special responsibilities:	Chairman of the Nomination and Remuneration Committee and member of the
	Audit and Risk Committee
Interests in shares:	7,370,793 ordinary shares
Interests in options:	864,375 options
Name:	Mr David Daglio
Title:	Non- Executive Director
Qualifications:	B.Eng, MBA, CFA
Experience and expertise:	David is an accomplished institutional investment manager with Mellon, a US Asset
	Manager of US\$500 billion in assets, where David served as Executive Vice
	President and Chief Investment Officer. David remains a Non-Executive Director
	of Mellon.
Other current directorships:	Non-Executive Director of Mellon (US)
Former directorships (last 3	None
years):	
Special responsibilities:	Member of remuneration Committee
Interests in shares:	8,403,529 ordinary shares
Interests in options:	726,674 options
•	

Total Brain Limited Directors' report 30 June 2022



Name:	Mr Louis Gagnon
Title:	Managing Director and Chief Executive Officer (resigned on 12
	November 2021)
Qualifications:	MSC, BBA
Experience and expertise:	Mr Gagnon has been the Chief Executive Officer (CEO) of the Company since 23 May 2017. Louis has over 25 years of experience as a high-growth global digital business leader, most notably at Amazon's subsidiary Audible, where he served as Chief Product and Marketing Officer. Prior to working with the Company, Louis was an Advisor to TPG Capital following a short CEO assignment to turn around portfolio company Ride.com. His other past roles include Chief Product and Marketing Officer at Yodle and Senior VP of Global Products at Monster Worldwide.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	2,701,897 options over ordinary shares

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretaries

Mr Phillip Hains has held the role of Joint Company Secretary since June 2018. Mr Hains is a Chartered Accountant operating a specialist public practice, 'The CFO Solution'. The CFO Solution focuses on providing back office support, financial reporting and compliance systems for listed public companies. A specialist in the public company environment, Mr Hains has served the needs of a number of company boards and their related committees. He has over 30 years' experience in providing businesses with accounting, administration, compliance and general management services. He holds a Master of Business Administration from RMIT University and a Public Practice Certificate from the Chartered Accountants Australia and New Zealand.

Mr Nathan Jong (CA) has held the role as Joint Company Secretary since 18 November 2019. Mr Jong is a qualified chartered accountant with over 10 years of experience in providing finance and corporate compliance advisory services to a range of businesses including multinational ASX/NASDAQ listed companies. Mr Jong is also a member of CFO Solution.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Nomination and Full Board Remuneration Committee Audit and Risk Committee					
	Attended	Held	Attended	Held	Attended	Held
Dr Evian Gordon	8	10	-	-	-	-
Mr Matthew Morgan	10	10	1	1	4	4
Mr David Torrible	9	10	1	1	4	4
Mr David Daglio	8	10	1	1	-	-
Mr Louis Gagnon (resigned on 12 November 2021)	4	5	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.



Remuneration report (audited)

The remuneration report details the key management personnel ('KMP') remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's employee reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns employee reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that employee reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors, executives and the general remuneration framework for all employees. The performance of the Group depends on the quality of its directors, executives and capability of the entire team. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group. The Committee uses external remuneration reports to benchmark the framework with companies of similar size, market capitalisation and operations in similar geography.

The reward framework is designed to align employee rewards to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- focusing on sustained growth in shareholder wealth;
- delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance employees' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.



Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market but primarily refer to Independently published remuneration reports for ASX listed companies and early stage technology Companies in the USA to benchmark the framework with Companies of similar size, market capitalisation and operations in similar geography.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay;
- short-term performance incentives;
- equity-based payments; and
- other remuneration such as superannuation and non-monetary benefits including health insurance for US employees.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives and employees. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include revenue and or profit contribution, customer satisfaction, leadership contribution and product management. Short-term incentives included the provision of cash and or equity-based incentives.

The long-term incentives ('LTI') include long service leave and equity-based payments in the form of options which are exercisable at a premium to the share price at the time they are issued. Options vest annually over a period of three or four years. The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2022.

Group performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Group. A portion of cash bonus and incentive payments are dependent on defined revenue and earnings targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee based on established KPI's per employee.

Use of remuneration consultants

During the financial year ended 30 June 2022, the Group had not engaged any remuneration consultants to review or advise upon its existing remuneration policies, including the implementation of the LTI.

Voting and comments made at the Company's 2021 Annual General Meeting ('AGM')

At the 30 November 2021 AGM, 98.46% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.



Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in this section.

The key management personnel of the Group consisted of the following directors of Total Brain Limited:

- Dr Evian Gordon Executive Chairman
- Mr Matthew Morgan Non-Executive Director
- Mr David Torrible Non-Executive Director
- Mr David Daglio Non-Executive Director
- Mr Louis Gagnon Managing Director and Chief Executive Officer (resigned 12 November 2021)

And the following persons:

- Mr Matthew Mund Chief Operating Officer (COO)
- Mr Emil Vasilev Vice President of Finance (resigned 3 December 2021)

	Shc	ort-term ben	efits	Post- employ- ment benefits	Long-term benefits	Share-base	d payments	
2022	Cash salary and fees \$	Cash bonus \$	Non- monetary \$	Super- annuation \$	Long service leave \$	Equity- settled shares \$	Equity- settled options \$	Total \$
<i>Non-Executive Directors:</i> Mr Matthew Morgan Mr David Torrible Mr David Daglio	30,938 31,250 25,313	- - -	-	- 3,125 -	-	- - -	- - -	30,938 34,375 25,313
<i>Executive Directors:</i> Dr Evian Gordon Mr Louis Gagnon	348,910 418,692	-	-	-	-	-	10,019 173,569	358,929 592,261
Other Key Management Personnel: Mr Matthew Mund Mr Emil Vasilev*	348,910 115,112 1,319,125		-	3,125	-	- 	54,659 (13,505) 224,742	403,569 101,607 1,546,992

* Represents remuneration from 1 July 2021 to the date of resignation.



	Sho	ort-term bene	efits	Post- employ- ment benefits	Long-term benefits	Share-base	d payments	
2021	Cash salary and fees \$	Cash bonus \$	Non- monetary \$	Super- annuation \$	Long service leave \$	Equity- settled shares \$	Equity- settled options \$	Total \$
<i>Non-Executive Directors:</i> Mr Matthew Morgan Mr David Torrible Mr David Daglio	55,000 50,228 45,000	- - -	-	- 4,772 -	-	- - -	- - -	55,000 55,000 45,000
<i>Executive Directors:</i> Dr Evian Gordon Mr Louis Gagnon	334,533 401,440	:	-	-	:	-	(42,582) 137,489	291,951 538,929
Other Key Management Personnel: Mr Matthew Mund Mr Emil Vasilev	334,533 253,911 1,474,645			4,772	-	- 	86,100 18,096 199,103	420,633 272,007 1,678,520

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remu	Fixed remuneration		At risk - STI		LTI
Name	2022	2021	2022	2021	2022	2021
<i>Non-Executive Directors:</i> Mr Matthew Morgan Mr David Torrible Mr David Daglio	100% 100% 100%	100% 100% 100%	- - -	- - -	- - -	- - -
<i>Executive Directors:</i> Dr Evian Gordon Mr Louis Gagnon	97% 71%	115% 74%	-	-	3% 29%	(15%) 26%
<i>Other Key Management Personnel:</i> Mr Matthew Mund Mr Emil Vasilev	86% 113%	80% 93%	-	- -	14% (13%)	20% 7%



Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Title: Term of agreement: Details:	Dr Evian Gordon Executive Chairman No fixed term Written notice to or from the Board required to terminate. Entitled to 9 months of gross salary.
Name:	Mr Matthew Morgan
Title:	Non-Executive Director
Term of agreement:	No fixed term
Details:	No notice required to terminate. Entitled to 0% of gross fees.
Name:	Mr David Torrible
Title:	Non-Executive Director
Term of agreement:	No fixed term
Details:	No notice required to terminate. Entitled to 0% of gross fees.
Name:	Mr David Daglio
Title:	Non-Executive Director
Term of agreement:	No fixed term
Details:	No notice required to terminate. Entitled to 0% of gross fees.
Name: Title: Term of agreement: Details:	Mr Matthew Mund Chief Operating Officer No fixed term No notice required to terminate. Entitled to 6 months of gross salary, medical insurances and pro-rata portion of annual bonus.

KMP have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2022.



Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Dr Evian Gordon	120,000	06/08/2020 06/08/2020 06/08/2020	06/08/2023 06/08/2024 06/08/2024	06/08/2025 06/08/2025 06/08/2025	\$0.3700 \$0.4400 \$0.5000	\$0.1800 \$0.1700 \$0.1600
Mr Louis Gagnon	,	6/08/2020 6/08/2020 6/08/2020	6/08/2023 6/08/2024 6/08/2024	06/08/2025 06/08/2025 06/08/2025	\$0.3700 \$0.4400 \$0.5000	\$0.1800 \$0.1700 \$0.1600
Mr Matthew Mund	654,669	6/08/2020 6/08/2020 6/08/2020	6/08/2023 6/08/2024 6/08/2024	06/08/2025 06/08/2025 06/08/2025	\$0.3700 \$0.4400 \$0.5000	\$0.1800 \$0.1700 \$0.1600
Mr Emil Vasilev*	180,000	6/08/2020 6/08/2020 6/08/2020	6/08/2023 6/08/2024 6/08/2024	06/08/2025 06/08/2025 06/08/2025	\$0.3700 \$0.4400 \$0.5000	\$0.1800 \$0.1700 \$0.1600

* Mr Emil Vasilev resigned on 3 December 2021 and forfeited the options on that day.

Options granted carry no dividend or voting rights.

Additional information

The earnings of the Group for the five years to 30 June 2022 are summarised below:

	2022	2021	2020	2019	2018
	\$	\$	\$	\$	\$
Sales revenue	8,415,593	3,694,268	3,877,529	2,602,137	2,608,990
Loss after income tax	(14,496,718)	(8,316,773)	(7,647,544)	(8,570,754)	(23,101,340)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2022	2021	2020	2019	2018
Share price at financial year end (\$)	0.04	0.31	0.38	0.20	0.40
Basic earnings per share (cents per share)	(11.11)	(7.68)	(8.07)	(14.58)	(63.80)
Diluted earnings per share (cents per share)	(11.11)	(7.68)	(8.07)	(14.58)	(63.80)



Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Dr Evian Gordon	1,315,756	-	-	-	1,315,756
Mr Matthew Morgan	449,724	-	64,246	-	513,970
Mr David Torrible	6,055,265	-	1,315,528	-	7,370,793
Mr David Daglio	6,950,180	-	1,453,349	-	8,403,529
Mr Louis Gagnon	415,923	-	203,795	(619,718)	-
Mr Matthew Mund	988,782	-	403,219	-	1,392,001
Mr Emil Vasilev	70,220	-	-	(70,220)	-
	16,245,850		3,440,137	(689,938)	18,996,049

Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Lapsed	Forfeited	Balance at the end of the year	Vested and exercisable
Options over ordinary shares						
Dr Evian Gordon	1,205,156	-	-	-	1,205,156	845,156
Mr Matthew Morgan	425,000	32,123	(25,000)	-	432,123	432,123
Mr David Torrible	206,612	657,763	-	-	864,375	864,375
Mr David Daglio	-	726,674	-	-	726,674	726,674
Mr Louis Gagnon	8,746,593	101,897	-	(6,146,593)	2,701,897	2,701,897
Mr Matthew Mund	5,037,304	-	-	-	5,037,304	3,073,298
Mr Emil Vasilev	1,193,076	-	-	(1,193,076)	-	
	16,813,741	1,518,457	(25,000)	(7,339,669)	10,967,529	8,643,523

Loans from key management personnel and their related parties

There were no loans from key management personnel and their related parties as at 30 June 2022.

There were no other transactions with key management personnel and their related parties.

This concludes the remuneration report, which has been audited.



Shares under option

The following options over ordinary shares of Total Brain Limited were outstanding at the date of this report.

Grant date Expiry date price under 16/07/2017 16/07/2022 0.80 3.073.296 14/12/2017 10/01/2023 1.00 400.000 08/01/2018 07/01/2023 0.80 768.324 28/02/2019 27/02/2024 0.80 52.734 18/03/2019 18/03/2024 0.80 50.781 18/03/2019 30/08/2024 0.80 13.0859 13/108/2019 30/08/2024 0.80 13.0859 15/11/2019 17/12/2014 0.80 13.0859 10/02/2020 10/02/2025 0.37 1.966.686 06/08/2020 06/08/2025 0.37 1.966.686 06/08/2020 10/02/2025 0.37 1.966.686 06/08/2020 06/08/2025 0.5 1.966.686 06/08/2020 06/08/2025 0.5 1.966.686 06/08/2020 10/06/2025 0.44 1.966.686 06/08/2020 10/06/2025 0.44 4.922 06/08/2020 11/06/2025 0.44 </th <th>The following options over ord</th> <th>amary shares of Total Brain Limited were outsta</th> <th>Exercise</th> <th>Number</th>	The following options over ord	amary shares of Total Brain Limited were outsta	Exercise	Number
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	16/08/2022	16/08/2027	0.20	31,641

23,493,786

Shares issued on the exercise of options

There were no ordinary shares of Total Brain Limited issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report.



Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to ensure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 26 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 26 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110
 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting
 Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a
 management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing
 economic risks and rewards.

Officers of the Company who are former partners of Grant Thornton

There are no officers of the Company who are former partners of Grant Thornton.

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.

Total Brain Limited Directors' report 30 June 2022

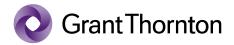


This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Mr Matthew Morgan Non-Executive Director

30 September 2022



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 Report

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 audit of Total Brain Limited for the year ended 30 June 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 audit; and

b

no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thomton

Grant Thornton Audit Pty Ltd Chartered Accountants

ameton Auth

CDJ Smith Partner – Audit & Assurance

Brisbane, 30 September 2022

www.grantthornton.com.au ACN-130 913 594

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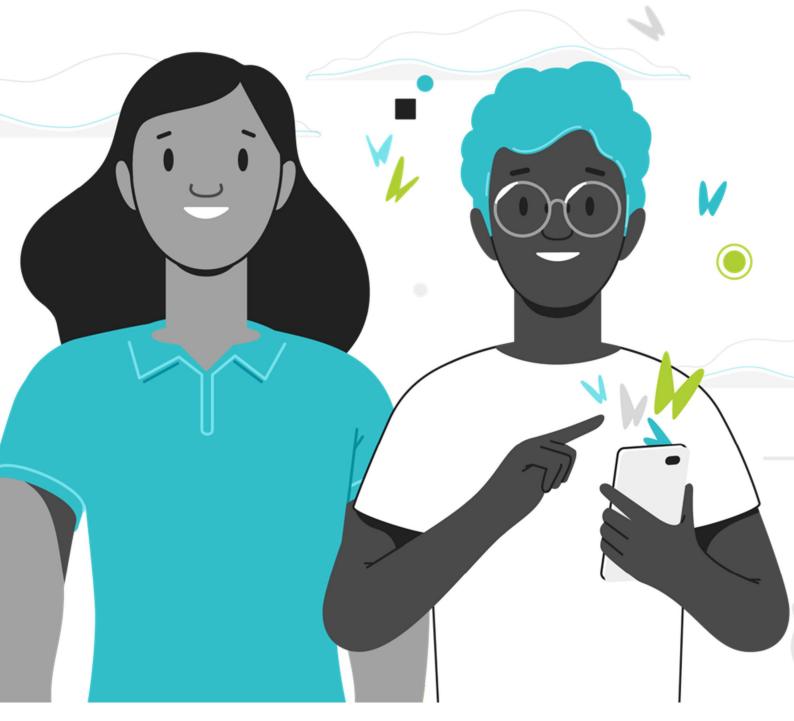


Financial Statements

Year Ended 30 June 2022

ir@totalbrain.com

ASX: TTB ABN. 24. 094. 069. 682



Total Brain Limited Statement of profit or loss and other comprehensive income For the year ended 30 June 2022



Discontinued operations	Note	Consoli 2022 \$	dated 2021 \$
Revenue	5	8,415,593	3,694,268
Interest income calculated using the effective interest method		102	816
Expenses Cost of equipment and third-party drug trial expense Employee benefits expense Corporate and operating costs Depreciation and amortisation expense Write down to recoverable amount of intangible assets Reversals/(impairment) of receivables Share-based payments expense Net foreign exchange gains/(losses) Finance costs	6 7 6 14 10 21 6 6	(766,532) (8,923,094) (3,659,701) (1,140,341) (7,581,129) 1,205 (561,654) 2,957 (284,124)	(264,802) (7,225,012) (3,397,549) (669,175) - (860) (489,543) (25,017) (5,064)
Loss before income tax benefit		(14,496,718)	(8,381,938)
Income tax benefit	8		65,165
Loss after income tax benefit for the year attributable to the owners of Total Brain Limited		(14,496,718)	(8,316,773)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss Foreign currency translation		50,226	(578,563)
Other comprehensive income for the year, net of tax		50,226	(578,563)
Total comprehensive income for the year attributable to the owners of Total Brain Limited		(14,446,492) Cents	(8,895,336) Cents
Basic earnings per share Diluted earnings per share	33 33	(11.11) (11.11)	(7.68) (7.68)

Refer to note 2 for basis of preparation.

Total Brain Limited Statement of financial position As at 30 June 2022



	Note	Consolidated Note 2022 202	
		\$	\$
Assets			
Current assets	0	740 400	4 407 040
Cash and cash equivalents Trade and other receivables	9 10	713,499 703,413	1,427,349 5,102,392
Contract assets	10	703,413	2,774
Prepayments	11	- 290,595	218,353
Tepayments		1,707,507	6,750,868
Assets classified as held for sale	12	12,984,536	0,700,000
Total current assets	12	14,692,043	6,750,868
		14,002,040	0,700,000
Non-current assets			
Plant and equipment	13	-	283,185
Intangibles	14	-	17,043,682
Prepayments		-	10,560
Total non-current assets			17,337,427
Total assets		14,692,043	24,088,295
Liabilities			
Current liabilities	4 5	0.040.005	540 744
Trade and other payables	15	2,212,005	513,744
Contract liabilities	16	-	934,181
Borrowings	17	1,213,726	4,266,720
Employee benefits	18	146,926	391,599
Lightlitics directly approxiated with approximate algorithm as hold for calc	10	3,572,657	6,106,244
Liabilities directly associated with assets classified as held for sale Total current liabilities	19	867,035	-
rotal current habilities		4,439,692	6,106,244
Total liabilities		4,439,692	6,106,244
Net assets		10,252,351	17,982,051
Fauity			
Equity	20	01 515 510	70 105 100
Issued capital	20 21	84,515,549	78,425,180
Reserves	21	4,965,616	4,288,967
Accumulated losses		(79,228,814)	(64,732,096)
Total equity		10,252,351	17,982,051

Refer to note 2 for basis of preparation.

Total Brain Limited Statement of changes in equity For the year ended 30 June 2022



Consolidated	lssued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	78,425,180	4,377,987	(56,415,323)	26,387,844
Loss after income tax benefit for the year Other comprehensive income for the year, net of tax	-	- (578,563)	(8,316,773)	(8,316,773) (578,563)
Total comprehensive income for the year	-	(578,563)	(8,316,773)	(8,895,336)
<i>Transactions with owners in their capacity as owners:</i> Share-based payments (note 20)	<u>-</u>	489,543		489,543
Balance at 30 June 2021	78,425,180	4,288,967	(64,732,096)	17,982,051
Consolidated	lssued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	78,425,180	4,288,967	(64,732,096)	17,982,051
Loss after income tax expense for the year Other comprehensive income for the year, net of tax	-	- 50,226	(14,496,718)	(14,496,718) 50,226
Total comprehensive income for the year	-	50,226	(14,496,718)	(14,446,492)
<i>Transactions with owners in their capacity as owners:</i> Contributions of equity, net of transaction costs (note 20) Share-based payments (note 34) Convertible note reserves (note 21)	6,090,369 - -	- 561,654 64,769	-	6,090,369 561,654 64,769
Balance at 30 June 2022	84,515,549	4,965,616	(79,228,814)	10,252,351

Total Brain Limited Statement of cash flows For the year ended 30 June 2022



		Consolidated	
	Note	2022	2021
		\$	\$
Cash flows from operating activities Receipts from customers (inclusive of GST)		7,693,577	3,867,348
Payments to suppliers and employees (inclusive of GST) Interest received		(11,760,550) 102	(12,170,226) 816
Interest and other finance costs paid		(138,462)	-
Net cash used in operating activities	31	(4,205,333)	(8,302,062)
Cash flows from investing activities			
Payments for property, plant and equipment	13	(13,467)	(75,785)
Payments for intangibles	14	(4,227,906)	(5,008,261)
Receipts of research and development tax incentive		2,364,995	1,139,349
Net cash used in investing activities		(1,876,378)	(3,944,697)
Cash flows from financing activities			
Proceeds from issue of shares	20	6,522,594	-
Proceeds from borrowings	32	2,767,062	3,155,081
Share issue transaction costs		(471,815)	-
Repayment of borrowings	32	(3,447,793)	-
Net cash from financing activities		5,370,048	3,155,081
Net decrease in cash and cash equivalents		(711,663)	(9,091,678)
Cash and cash equivalents at the beginning of the financial year		1,427,349	11,104,729
Effects of exchange rate changes on cash and cash equivalents		(2,187)	(585,702)
Cash and cash equivalents at the end of the financial year	9	713,499	1,427,349

Total Brain Limited Notes to the financial statements 30 June 2022



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 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 30 September 2022. The directors have the power to amend and reissue the financial statements.

The financial statements have been prepared on a realisation basis of accounting as described in note 2.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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

During the financial year, management decided to sell the Group's business. On 5 August 2022 (the 'Announcement Date'), the Company announced the binding agreement entered into with SonderMind Inc. ('SonderMind' or the 'purchaser') to purchase the Group's business through a sale of assets. 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' for the following reasons:

- the decision to realise the carrying value of the assets via a sale transaction occurred in March 2022.
- the business is available for immediate sale and can be sold to the buyer in its current condition;
- the actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification;
- the buyer has been identified and a binding agreement has been signed; and
- the Company intends to hold an extraordinary general meeting, to obtain shareholder approval of the sale, within 45 days of the Announcement Date.

The purchase price is US\$10,000,000 (approximately AU\$14,000,000), less adjustments and liabilities, including the value of assumed employee entitlements of any transferring employees, 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. The purchase is subject to a number of conditions including shareholder approval. Post completion of the transaction, the Group intends to return any funds to shareholders via a share buy-back facility and then commence winding-up the Company.

The results of the purchase agreement is that the assets and liabilities related to the sale are presented separately in notes 12 and 19 respectively and the Group will have no ongoing business. The intention is to wind-up the Company post completion of the sale and therefore the preparation of the financial statements is on a realisation basis of accounting as described below.



Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial statements can only be prepared on a going concern basis where there is neither the intention nor the need to liquidate the Company or cease trading. If such intention or need exists, the financial statements cannot be prepared on a going concern basis.

Accordingly, the directors have determined that the going concern basis of accounting is not appropriate because of the intention to wind-up the Company post completion of the business sale transaction 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.

The principal accounting policies adopted are consistent with those of previous financial year except for the changes specified above which related to realisation basis of accounting.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 29.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Total Brain Limited ('Company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Total Brain Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.



Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and noncontrolling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The presentation currency of the Group's financial statements is Australian dollars.

The functional currency of Brain Resource Inc., a subsidiary of the ultimate parent company, Total Brain Limited, is US dollars.

Foreign currency transactions

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.



Sale of software licenses

Software revenue comprises fees from subscribers to access the Group's software platform during the license period. Subscription-based arrangements generally have annual contractual terms.

In some customer contracts, software and other deliverables (such as services or support) are bundled together. The goods and services provided under these arrangements are highly interrelated and are therefore accounted for as a single performance obligation. The Group recognises revenue rateably as the services are performed, commencing with the date the service is made available to customers and all other revenue recognition criteria have been satisfied. If, at the outset of an arrangement, revenue cannot be measured reliably, revenue recognition is deferred until the relating fees become due and payable by the customer. Additionally, if at the outset of an arrangement it is determined that collectability is not probable, revenue recognition is deferred until the earlier of when collectability becomes probable or payment is received.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government grants

Government grants are recognised at fair value where there is a reasonable certainty that the grant will be received upon meeting all grant terms and conditions. A forgivable loan is recognised as a government grant when there is a reasonable assurance that the Group will meet the terms of the forgiveness of the loan. Grants related to assets are deducted from the carrying amount of the assets presented in the statement of financial position. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Total Brain Limited Notes to the financial statements 30 June 2022



Note 2. Significant accounting policies (continued)

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Government grant receivable for research and development tax incentive ('R&D') is recognised to the degree that the Group can reliably estimate that R&D expenditure for the full year will fall within the eligibility requirements. Advances in other receivables are provided as an advance contractual payment generally covering the payable expected to accrue over a 60-90 day period.

Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.



Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment

3-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period. The Group's databases are considered to be indefinite life assets because there is no foreseeable limit to the cash flows generated by them.

Database

Costs relating to the Group's database are capitalised as an asset and are not subsequently amortised. The Group's databases are considered to be indefinite life assets because there is no foreseeable limit to the cash flows generated by them.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.



Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

The Total Brain International Database and associated analysis tools ('TBID') is treated as a single integrated asset for presentation and impairment testing. Amortisation of components of TBID that are ready for use are calculated on a straight line basis over 5 years.

Impairment of non-financial assets

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Fair value less costs of disposal is determined by the directors based on an assessment of the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Convertible notes payable

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.



Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees and contractors.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees and contractors in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Total Brain Limited Notes to the financial statements 30 June 2022



Note 2. Significant accounting policies (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Total Brain Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST receivable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2022. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.



Note 3. Critical accounting judgements, estimates and assumptions (continued)

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Government grants for research and development tax incentive (R&D)

The Group recognises government grants related to the research and development tax incentive (R&D) as a deduction from the carrying amount of the relevant qualifying assets, in accordance with the accounting policy disclosed in Note 2. A government grant receivable in respect of the incentive is recognised when there is reasonable certainty that the grant will be received upon meeting the terms and conditions associated with the grant.

Significant judgement is required in determining the value of the government grant claim and associated receivable, and the amounts to be deducted from the carrying value of the relevant qualifying assets. The Group determines these amounts based on Advance / Overseas Findings received from AusIndustry in previous periods. In the current period, management determined (in conjunction with assistance from external consultants) that a receivable of \$nil (2021: \$2,389,484) should be recognised at 30 June 2022, and an amount of \$24,489 (2021: \$2,375,878) should be deducted from the carrying amount of its qualifying intangible assets in respect of eligible expenditure incurred, based on the Advance / Overseas Findings obtained in previous periods and the application of those findings and consideration of other applicable R&D Incentive interpretations to the facts and circumstances at Total Brain Limited. In circumstances where different judgements are made in respect of these matters, such differences will impact the government grant receivable and the amount deducted from the carrying value of the qualifying intangible asset.

Note 4. 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.

Major customers

During the year ended 30 June 2022, the Group derived \$4,114,000 from two customers (2021: \$2,192,000 from three customers).

Total Brain Limited Notes to the financial statements 30 June 2022



Note 4. Operating segments (continued)

Geographical information

	Geographical non-current assets	Geographical non-current assets		
	2022 2021 \$ \$			
United States Australia	- 682,326 - 16,655,101			
	- 17,337,427	=		

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

The majority of revenue is derived in the United States.

Note 5. Revenue

	Consolidated		
	2022 \$	2021 \$	
Total Brain - Population Health * Total Brain - Provider Support ** Description Madising (Dhamaa Cumpart ***	4,159,479 455,136	3,345,693 264,501	
Precision Medicine/Pharma Support *** Other Revenue	3,719,869 81,109	- 84,074	
Revenue	8,415,593	3,694,268	

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.



Note 5. Revenue (continued)

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

	Consolidated		
	2022	2021	
	\$	\$	
Major revenue lines			
Software license	4,677,458	3,672,483	
Services and access fees	3,738,135	21,785	
	8,415,593	3,694,268	
Timing of revenue recognition			
Revenue transferred over time	4,677,458	3,672,483	
Revenue transferred at a point in time	3,738,135	21,785	
	8,415,593	3,694,268	

Note 6. Expenses



	Consolidated	
	2022 \$	2021 \$
Loss before income tax includes the following specific expenses:		
<i>Cost of sales</i> Cost of equipment and third-party drug trial expense	766,532	264,802
<i>Depreciation</i> Plant and equipment	61,268	80,342
<i>Amortisation</i> Development	1,079,073	588,833
Total depreciation and amortisation	1,140,341	669,175
<i>Finance costs</i> Interest and finance charges paid/payable on borrowings	284,124	5,064
<i>Net foreign exchange loss</i> Net foreign exchange loss	2,957	25,017
<i>Leases</i> Short-term lease payments*	149,185	167,787
Research and development tax incentive costs Research and development expenditure recognised as an expense	162,695	139,745
<i>Employee benefits expense**</i> Employee benefits expense excluding superannuation Defined contribution superannuation expense	8,457,933 465,161	6,761,612 463,400
Total employee benefits expense	8,923,094	7,225,012
Government grants offset against employee benefit expense Government grants*** Offset against cost of intangibles	-	1,507,814 (608,539)
Total government grants offset against employee benefit expense*		899,275

- * The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss on a straight-line basis.
- ** Government grants offset against employee benefits expense total to \$nil (2021; \$899,275).
- *** During the Coronavirus ('COVID-19') pandemic, the Group has received stimulus support payments of \$nil (2021: \$100,500) from the Australian Government and \$nil (US\$nil) (2021: \$1,407,314 (US\$1,051,700)) from the US Government (refer to note 17 for more information). These have been recognised as government grants in the financial statements and recorded as offsets against the cost of intangibles and offset against employee benefits expense over the periods in which the related employee benefits are recognised as an expense.

Note 7. Corporate and operating costs



	Consolidated	
	2022	2021
	\$	\$
Insurance and professional fees	1,564,608	1,359,526
Communications expense	448,982	423,380
Marketing and agent support expenses	1,000,585	1,096,086
Occupancy expenses	472,642	454,204
Travel expenses	97,294	589
Other expenses	75,567	59,116
Loss on disposal of plant and equipment	23	4,648
	3,659,701	3,397,549

Note 8. Income tax

	Consoli 2022 \$	dated 2021 \$
<i>Income tax benefit</i> Deferred tax - origination and reversal of temporary differences		(65,165)
Aggregate income tax benefit		(65,165)
Deferred tax included in income tax benefit comprises: Decrease in deferred tax liabilities		(65,165)
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i> Loss before income tax benefit	(14,496,718)	(8,381,938)
Tax at the statutory tax rate of 25% (2021: 26%)	(3,624,180)	(2,179,304)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income: Share-based payments Permanent differences from research and development refund Effect of FX movement on translation Share issue costs Non-assessable income Sundry items	140,414 1,005,231 566,881 (117,953) - (131,653)	127,281 1,428,197 (545,868) - (375,652) 173,282
Current year tax losses not recognised Prior year tax losses not recognised now recouped Adjustment to deferred tax balances as a result of change in statutory tax rate Prior year (over) / under provisions Income tax benefit	(2,161,260) (4,960) 1,818,579 (83,632) 431,273	(1,372,064) 2,423,275 (1,267,285) 5,058 145,851 (65,165)
		(65,165)

Note 8. Income tax (continued)



	Consolidated	
	2022 \$	2021 \$
<i>Tax losses not recognised</i> Unused tax losses for which no deferred tax asset has been recognised	42,143,585	35,075,683
Potential tax benefit at statutory tax rates	10,846,895	9,119,678

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Brain Resource, Inc., incorporated in California USA has carry-forward unused tax losses of \$31,099,814 as at 30 June 2022 (2021: \$30,828,698). The Company recognised deferred tax assets in respect of these tax losses as at 30 June 2022 of \$nil (2021: \$nil). The losses remain available to offset future income tax, but the directors have chosen not to recognise a deferred tax asset in respect of them, until it is demonstrated that the realisation of the deferred tax is more likely than not.

The Australian based companies have carry-forward unused tax losses of \$29,754,684 as of 30 June 2022 (2021: \$27,308,124). The Company concluded that \$4,677,728 (2021: \$5,995,896) of the deferred tax asset relating to carry-forward unused tax losses in Australia of \$15,524,623 (2021: \$15,115,574) is recoverable, within the requisite timeframes, based on budget estimates for future taxable income as approved by the Company's Board of Directors.

	Consolidated 2022 2021	
	\$	\$
Deferred tax liability Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss: Development costs Losses carried forward Tax losses not recognised as DTA Provisions Foreign exchange	4,170,228 (15,524,623) 10,846,895 (82,056) 589,556	5,571,167 (15,115,574) 9,119,678 (101,815) 526,544
Deferred tax liability		-
Movements: Opening balance Credited to profit or loss	-	65,165 (65,165)
Closing balance		_
Note 9. Cash and cash equivalents		
	Consol 2022 \$	idated 2021 \$
<i>Current assets</i> Cash at bank	713,499	1,427,349



Note 10. Trade and other receivables

	Consolidated	
	2022	2021
	\$	\$
Current assets		
Trade receivables	703,479	286,124
	,	,
Less: Allowance for expected credit losses	(66)	(1,241)
	703,413	284,883
Other receivables	-	7,660
Government grant receivable for research and development tax incentive (R&D)	-	2,389,484
Government grant receivable - others*	-	2,420,365
	-	4,817,509
	703,413	5,102,392

* \$1,017,191 was received on 12 July 2021. Also, the related loan was forgiven - refer note 17.

Allowance for expected credit losses

The Group has recognised a reversal of \$1,205 (2021: loss of \$860) in profit or loss in respect of the expected credit losses for the year ended 30 June 2022.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected cred	lit loop rate	Corruina	mount	Allowance for credit lo	
	2022	2021	Carrying a 2022	2021	2022	2021
Consolidated	%	%	\$	\$	\$	\$
Not overdue	0.02%	0.09%	276,232	165,257	54	149
0 to 3 months overdue	0.09%	0.74%	366,876	101,745	348	756
3 to 6 months overdue	(0.58%)	1.76%	57,591	19,121	(336)	336
Over 6 months overdue	-		2,779	-	-	-
		_	703,478	286,123	66	1,241

The Group is not affected by Coronavirus (COVID-19) pandemic, thus no revisions on the calculation of expected credit losses has been applied as at 30 June 2022.

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	2022 \$	2021 \$
Opening balance Additional provisions/(reversals) recognised	1,241 (1,205)	384 860
Receivables written off during the year as uncollectable Exchange differences	30	(3)
Closing balance	66	1,241

Note 11. Contract assets



	Consolid 2022 \$	lated 2021 \$
Current assets Contract assets	<u> </u>	2,774
<i>Reconciliation</i> Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	2,774	3,025
Additions	61,968	2,774
Transfer to trade receivables	(3,011)	(2,780)
Classified as held for sale (note 12)	(61,968)	-
Exchange differences	237	(245)
Closing balance	<u> </u>	2,774

Allowance for expected credit losses

The Group has recognised a loss of \$nil (2021: \$nil) in profit or loss in respect of the expected credit losses on contract assets for the year ended 30 June 2022.

Note 12. Assets classified as held for sale

	Consolidated	
	2022 \$	2021 \$
<i>Current assets</i> Contract assets	61,968	-
Property, plant and equipment (note 13)	251,466	-
Intangibles (note 14)	12,671,102	
	12,984,536	

As disclosed in note 2, these are the assets directly associated with the sale of the business to SonderMind.

Note 13. Plant and equipment

	Consoli	Consolidated	
	2022 \$	2021 \$	
<i>Non-current assets</i> Plant and equipment - at cost Less: Accumulated depreciation		1,232,904 (949,719)	
	<u> </u>	283,185	



-

Note 13. Plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Plant and equipment \$
Balance at 1 July 2020 Additions Disposals Exchange differences Depreciation expense	310,356 75,785 (4,648) (17,966) (80,342)
Balance at 30 June 2021 Additions Classified as held for sale (note 12) Disposals Exchange differences Depreciation expense	(80,342) 283,185 13,467 (251,466) (23) 16,105 (61,268)

Balance at 30 June 2022

Note 14. Intangibles

	Consolidated	
	2022 \$	2021 \$
Non-current assets		00 000 445
Database - at cost	-	22,226,145
Less: Accumulated impairment		<u>(9,323,043)</u> 12,903,102
		12,903,102
Development - at cost	-	7,793,270
Less: Accumulated amortisation	-	(3,107,910)
Less: Accumulated impairment		(544,780)
		4,140,580
		17,043,682



Note 14. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Database \$	Development \$	Total \$
Balance at 1 July 2020	12,901,952	2,098,092	15,000,044
Additions*	1,150	5,007,111	5,008,261
R&D tax incentive	-	(2,375,878)	(2,375,878)
Exchange differences	-	88	88
Amortisation expense		(588,833)	(588,833)
Balance at 30 June 2021	12,903,102	4,140,580	17,043,682
Additions*	1,166	4,226,740	4,227,906
Classified as held for sale (note 12)	(5,323,139) (7,347,963)	(12,671,102)
R&D tax incentive	-	24,489	24,489
Exchange differences	-	35,227	35,227
Write down to recoverable amount	(7,581,129) -	(7,581,129)
Amortisation expense	-	(1,079,073)	(1,079,073)
Balance at 30 June 2022		<u> </u>	

*Government grants offset against additions is \$nil (2021: \$608,539).

Write down to recoverable amount

Immediately before the classification as held for sale, the recoverable amount of the intangible assets was estimated and no impairment loss was identified. Following the classification, a write down of \$7,581,129 was recognised in profit or loss, to reduce the carrying amount of assets held for sale to their fair value less cost of disposal. The fair value measurement hierarchy is level 3.

Note 15. Trade and other payables

	Consolio	lated
	2022 \$	2021 \$
<i>Current liabilities</i> Trade payables	189,031	204,778
Accrued expenses	1,972,070	257,539
Other payables	50,904	51,427
	2,212,005	513,744

Refer to note 23 for further information on financial instruments.

Note 16. Contract liabilities



	Consolidated	
	2022	2021
	\$	\$
Current lie hilities		
Current liabilities		
Contract liabilities		934,181
Reconciliation		
Reconciliation of the written down values at the beginning and end of the current and		
previous financial year are set out below:		
Opening balance	934,181	956,760
Payments received in advance	656,231	936,937
Transfer to revenue	(964,662)	(882,073)
		,
Exchange differences	64,139	(77,443)
Liabilities directly associated with assets classified as held for sale (note 19)	(689,889)	-
		024 101
Closing balance		934,181

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$689,889 as at 30 June 2022 (\$934,181 as at 30 June 2021) and is expected to be recognised as revenue in future periods as follows:

	Consolid	Consolidated	
	2022 \$	2021 \$	
Within 6 months 6 to 12 months 12 to 18 months	- - 	664,103 257,697 12,381	
	<u> </u>	934,181	

Note 17. Borrowings

	Consoli	dated
	2022 \$	2021 \$
Current liabilities		
Bank loan	-	2,420,365
Other loans	-	1,846,355
Convertible notes payable	1,213,726	-
	1,213,726	4,266,720

Refer to note 23 for further information on financial instruments.

Bank loans

On 3 May 2020, a bank loan of \$1,017,191 was granted. The loan matures 1 May 2022. Interest is 1% per annum paid monthly in arrears. No repayments are due within six months from the date of disbursements of the bank loan. This loan was forgiven on 12 July 2021 (and was offset against the Government grant receivable of an identical amount, and as such there was no effect on statement of profit or loss).



Note 17. Borrowings (continued)

On 2 April 2021, a bank loan of \$1,403,174 was granted. The loan matures on 2 April 2026. Interest is 1% per annum paid monthly in arrears. No repayments are due within six months from the date of disbursements of the bank loan. This loan was forgiven on 29 April 2022 (and was offset against the Government grant receivable of an identical amount, and as such there was no effect on statement of profit or loss).

Other loans

During the year ended 30 June 2022, the term of the other loan of \$1,289,754 (30 June 2021: \$1,846,355) has been extended by 4 months to 18 March 2022. Interest accrues at the rate of 12% per annum. The loan was repaid during the year.

During the year ended 30 June 2022, the Group received and repaid the following additional loans from non-related parties:

- On 9 August 2021, the Group received a \$28,007 loan from an unrelated party. The loan is payable in monthly instalments ending on 26 April 2022 with an interest rate of 5.85% per month.
- On 25 August 2021, the Group received a \$166,398 loan from an unrelated party. The loan is payable in monthly instalments ending on 25 May 2022 with an interest rate of 3.98% per month.
- On 7 December 2021, the Group received a \$2,000,000 loan from an unrelated party. The loan is payable on 31 May 2022 with an interest rate of 1.1% per month. Prepaid interest of \$127,600 was paid to the lender.
- On 21 March 2022, the Company has paid \$560,462 in principal and interest to F45 Inc to finalise the repayment of the US\$380,000 loan between the parties.

Convertible notes payable

The Group raised \$1,278,485 on 4 April 2022 through the issuance of 1,278,485 convertible notes. The convertible notes have a face value of \$1.00 per note. The note has a fixed 12.00% coupon interest rate (accrued daily) and matures 18 months from the date of issue (maturity date) or the occurrence of the event of default whichever is earlier.

Events of default include an insolvency event, a failure of the Company to pay any amount due and payable to the noteholder when due, the Company breaching a moratorium on senior debt and representation or warranty given by the Company under the agreement being not true in a material respect. The conversion price is \$0.138 per share. The holder must issue a conversion notice, provided that the conversion amount is at least the lower of \$100,000 and the balance of monies owing.

Note 18. Employee benefits

	Consolio	Consolidated	
	2022 \$	2021 \$	
<i>Current liabilities</i> Annual leave	137,174	245,746	
Long service leave	9,752	145,853	
	146,926	391,599	



Note 19. Liabilities directly associated with assets classified as held for sale

	Consolio	Consolidated	
	2022 \$	2021 \$	
Current liabilities			
Deferred revenue	689,889	-	
Employee benefits	177,146	-	
	867,035		

As disclosed in note 2, these are the assets directly associated with the sale of the business to SonderMind.

Note 20. Issued capital

		Consolidated		
	2022 Shares	2021 Shares	2022 \$	2021 \$
Ordinary shares - fully paid	133,721,13	1 108,303,784	84,515,549	78,425,180
Movements in ordinary share capital				
Details	Date	Shares	Issue price	\$
Balance	1 July 2020	108,303,784	-	78,425,180
Palanaa	20 June 2021	100 202 704		70 405 400

Balance Issue of shares from share placement Issue of shares from entitlement offer Issue of shares (non-cash) Share issue transaction costs, net of tax	30 June 2021 29 July 2021 19 August 2021 02 June 2022	108,303,784 9,615,378 15,471,969 330,000	78,425,180 \$0.2600 2,499,998 \$0.2600 4,022,586 \$0.1200 39,600 (471,815)
Balance	30 June 2022	133,721,131	84,515,549

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.



Note 20. Issued capital (continued)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is not subject to any financing covenants.

The capital risk management policy remains unchanged from the 30 June 2021 Annual Report.

Note 21. Reserves

	Consoli	dated
	2022 \$	2021 \$
Foreign currency reserve Share-based payments reserve Convertible note reserve	(102,546) 5,003,393 64,769	(152,772) 4,441,739 -
	4,965,616	4,288,967

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operation to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Convertible note reserve

The reserve is used to recognise the equity component of the convertible note which is an embedded option to convert the liability into equity.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency \$	Share-based payments \$	Convertible note \$	Total \$
Balance at 1 July 2020 Foreign currency translation Share-based payments	425,791 (578,563) 	3,952,196 - 489,543	-	4,377,987 (578,563) 489,543
Balance at 30 June 2021 Foreign currency translation Share-based payments Issue of convertible notes	(152,772) 50,226 - -	4,441,739 - 561,654 -	- - 64,769	4,288,967 50,226 561,654 64,769
Balance at 30 June 2022	(102,546)	5,003,393	64,769	4,965,616



Note 22. Dividends

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

Note 23. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
Consolidated	2022 \$	2021 \$	2022 \$	2021 \$
US dollars	1,298,509	3,970,863	2,541,690	5,463,484

The Group had net liabilities denominated in foreign currencies of \$1,243,181 (assets of \$1,298,509 less liabilities of \$2,541,690) as at 30 June 2022 (2021: \$1,465,600 (assets of \$3,970,863 less liabilities of \$5,463,484)). Based on this exposure, had the Australian dollars weakened/strengthened by 10% (2021: weakened/strengthened by 10%) against these foreign currencies with all other variables held constant, the Group's profit before tax for the year would have been \$66,544] lower/higher (2021: \$997,839 lower/higher) and equity would have been \$60,897 lower/higher (2021: \$106,061 lower/higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date. The actual foreign exchange gain for the year ended 30 June 2022 was \$2,957 (2021: loss of \$25,017).

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group's main interest rate risk arises from short-term deposits. Interest rates applicable to cash financial assets were 0.1% (2021: 0.1%) with maturities of less than 1 year. All other balances are non-interest-bearing.



Note 23. Financial instruments (continued)

The Group's exposure to market interest rates relates primarily to the short term deposits. The Board has formed the view that these funds be held in either bank deposits or AAA short term bonds. Currently holdings are in cash deposits with the National Australia Bank and Citibank. Based on an average cash balance, constant currency weightings and an average interest rate, a +/-10% increase in interest rates would have equated to a change in the after tax result of around [+/-0%] (2021: +/-0%).

As at the reporting date, the Group had the following variable rate short-term deposits outstanding:

	202	22	202	:1
	Weighted		Weighted	
	average interest rate	Balance	average interest rate	Balance
Consolidated	%	\$	%	\$
Cash and short-term deposits	0.01% _	713,499	0.01%	1,427,349
Net exposure to cash flow interest rate risk	=	713,499	=	1,427,349

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for expected credit losses of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available. As disclosed in note 10, no revisions were required to the calculation of expected credit losses as a result of Coronavirus (COVID-19) pandemic.

The Group has a credit risk exposure with two major customers (2021: two major customers), which as at 30 June 2022 owed the Group \$384,548 (55% of trade receivables) (2021: \$143,529 (50% of trade receivables)). This balance was within its terms of trade and no impairment was made as at 30 June 2022. There are no guarantees against this receivable but management closely monitors the receivable balance on a monthly basis and is in regular contact with this customer to mitigate risk.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility, including through accessing new equity funding. All trade creditors and other payables and interest-bearing loans have a maturity profile of being repayable within six months (2021: within six months).

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.



Note 23. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2022	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives Non-interest bearing Trade payables Other payables	189,031 50,904	:	-	-	189,031 50,904
<i>Interest-bearing -</i> Convertible notes Total non-derivatives	<u>1,508,822</u> 1,748,757				<u>1,508,822</u> 1,748,757
Consolidated - 2021	1 year or less	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives Non-interest bearing Trade payables Other payables	204,778 51,427	-	-	-	204,778 51,427
<i>Interest-bearing - variable</i> Bank loans Other loans Total non-derivatives	2,420,365 1,846,355 4,522,925	- - -			2,420,365 1,846,355 4,522,925

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.



Note 24. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 2022	Level 1 \$	Level 2 \$	Level 3 \$
<i>Assets</i> Assets classified as held for sale Total assets	<u>-</u>		12,984,536 12,984,536
<i>Liabilities</i> Liabilities directly associated with assets classified as held for sale Total liabilities		<u> </u>	<u> </u>

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial year.

These assets and liabilities are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty and own credit risk.

Note 25. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consoli	dated
	2022 \$	2021 \$
Short-term employee benefits Post-employment benefits	1,319,125 3,125	1,474,645 4,772
Share-based payments	224,742	199,103
	1,546,992	1,678,520



Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton, the auditor of the Company:

	Consolio	dated
	2022 \$	2021 \$
<i>Audit services - Grant Thornton</i> Audit or review of the financial statements	125,000	121,000
Other services - Grant Thornton		
Transfer pricing review services	5,271	23,000
	130,271	144,000

Note 27. Contingent liabilities

The Group has given bank guarantees as at 30 June 2022 of \$10,560 (2021: \$10,560) to various landlords.

Note 28. Related party transactions

Parent entity Total Brain Limited is the parent entity.

Subsidiaries Interests in subsidiaries are set out in note 30.

Key management personnel

Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2022	2021
	\$	\$
Payment for other expenses: Interest paid to key management personnel	8,978	1,981

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2022 \$	2021 \$
Other loans from key management personnel:		
David Daglio	-	133,815
David Torrible	-	334,538
Louis Gagnon	-	66,907
Matthew Mund	-	133,859



Note 28. Related party transactions (continued)

Terms and conditions Refer to note 17 for the terms and conditions of other loans.

Note 29. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent		
	2022 \$	2021 \$	
Loss after income tax	(14,224,815)	(9,117,005)	
Total comprehensive income	(14,224,815)	(9,117,005)	

Statement of financial position

	Parent	
	2022 \$	2021 \$
Total current assets	11,508,236	24,669
Total assets	11,508,746	19,606,739
Total current liabilities	1,256,395	1,846,355
Total liabilities	1,256,395	1,846,355
Equity Issued capital Share-based payments reserve Convertible note reserve Accumulated losses	84,515,539 5,003,393 64,769 (79,331,350)	78,425,180 4,441,739 - (65,106,535)
Total equity	10,252,351	17,760,384

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.



Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

		Ownership	interest
	Principal place of business /	2022	2021
Name	Country of incorporation	%	%
BRC Operations Pty Ltd	Australia	100.00%	100.00%
BRC IP Pty Ltd	Australia	100.00%	100.00%
BRC Distribution Pty Ltd	Australia	100.00%	100.00%
BRC International Pty Ltd	Australia	100.00%	100.00%
BRC Development Pty Ltd	Australia	100.00%	100.00%
PoweringUpMBS Pty Ltd	Australia	100.00%	100.00%
Brain Resource, Inc.	United States	100.00%	100.00%
MyBrainSolutions, Inc	United States	100.00%	100.00%
Brain Resource Europe Limited	Ireland	100.00%	100.00%

Note 31. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2022 \$	2021 \$
Loss after income tax benefit for the year	(14,496,718)	(8,316,773)
Adjustments for:		
Depreciation and amortisation	1,140,341	669,175
Write down to recoverable amounts of intangibles	7,581,129	-
Net loss on disposal of property, plant and equipment	23	4,648
Share-based payments	561,654	489,543
Foreign exchange differences	(2,957)	25,017
Impairment of receivables	(1,205)	860
Finance costs - non-cash	95,793	5,064
Non-cash payment to supplier	39,600	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(409,665)	(1,029,456)
Decrease/(increase) in contract assets	(59,194)	251
Increase in prepayments	(61,682)	(77,934)
Increase in trade and other payables	1,719,367	30,187
Decrease in contract liabilities	(244,292)	(65,165)
Decrease in employee benefits	(67,527)	(37,479)
Net cash used in operating activities	(4,205,333)	(8,302,062)



Note 32. Changes in liabilities arising from financing activities

			Convertible notes	
Consolidated	Bank loan \$	Other loans \$	payable \$	Total \$
Balance at 1 July 2020 Net cash from financing activities Other changes	1,106,575 1,313,790 	- 1,841,291 5,064	- -	1,106,575 3,155,081 5,064
Balance at 30 June 2021 Net cash from/(used in) financing activities Loan forgiveness Accrued interest Exchange differences Other changes	2,420,365 - (2,627,531) - 207,166 -	1,846,355 (1,959,216) - 104,235 8,626 -	- 1,278,485 - - - (64,759)	4,266,720 (680,731) (2,627,531) 104,235 215,792 (64,759)
Balance at 30 June 2022			1,213,726	1,213,726

Note 33. Earnings per share

	Consol 2022 \$	idated 2021 \$
Loss after income tax attributable to the owners of Total Brain Limited	(14,496,718)	(8,316,773)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	130,533,037	108,303,784
Weighted average number of ordinary shares used in calculating diluted earnings per share	130,533,037	108,303,784
	Cents	Cents
Basic earnings per share Diluted earnings per share	(11.11) (11.11)	(7.68) (7.68)

23,490,269 options (2021: 29,190,244 options) over ordinary shares are not included in the calculation of diluted earnings per share because they are anti-dilutive for the year ended 30 June 2022. These options could potentially dilute basic earnings per share in the future.



Note 34. 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.

On 5 August 2020, the shareholders at an extraordinary general meeting approved the adoption of a new share option plan.

Total expense arising from share-based payment transactions during the financial year was \$561,654 (30 June 2021: \$489,543).

Options modification

As per resolution 4 and 5 of the Notice of Meeting issued to the ASX on 6 Jul 2020, which were subsequently approved at an extraordinary general meeting of shareholders on 5 August 2020, several of the options on issue at that point were significantly 'out of the money'. In order to re-align the relevant director's and employee's remuneration packages based on the prevailing share price to ensure that the options suitably incentivised them to build shareholder value, those options, which had exercise prices ranging from \$1.20 to \$2.40 were cancelled and re-issued at an exercise price of \$0.80.

The incremental fair value granted was \$163,980.

The incremental fair value granted was measured by comparing the fair value on the grant date of the cancelled options to the fair value on the grant date of the re-issued options.



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

2022

2022							
			Balance at			Expired/	Balance at
		Exercise	the start of		Replaced/	forfeited/	the end of
Grant date	Expiry date	price	the year	Granted	(cancelled)	other*	the year
21/12/2016	29/11/2021	\$2.0000	49,950	-	-	(49,950)	-
22/05/2017	22/05/2022	\$0.8000	500,000	-	-	(500,000)	-
01/07/2017	17/05/2022	\$0.8000	653,075	-	-	(653,075)	-
16/07/2017	16/07/2022	\$0.8000	3,073,296	-	-	-	3,073,296
14/12/2017	22/05/2022	\$0.8000	2,823,296	-	-	(2,823,296)	-
14/12/2017	10/01/2023	\$1.0000	400,000	-	-	-	400,000
14/12/2017	22/05/2022	\$0.8000	2,823,296	-	-	(2,823,296)	-
15/12/2017	15/12/2022	\$1.0000	-	-	-	-	-
08/01/2018	07/01/2023	\$0.8000	768,324	-	-	-	768,324
24/02/2018	23/02/2023	\$0.8000	30,000	-	-	(30,000)	-
28/02/2018	27/02/2023	\$0.8000	30,000	-	-	(30,000)	-
01/04/2018	31/03/2023	\$0.8000	525,363	-	-	(264,494)	260,869
31/07/2018	30/07/2023	\$0.8000	52,734	-	-	-	52,734
28/02/2019	27/02/2024	\$0.8000	50,781	-	-	-	50,781
18/03/2019	18/03/2024	\$0.4500	50,000	-	-	-	50,000
31/03/2019	30/03/2024	\$0.8000	25,781	-	-	-	25,781
17/06/2019	16/06/2024	\$0.4500	50,000	-	-	(50,000)	-
31/07/2019	30/07/2024	\$0.8000	14,192	-	-	(14,192)	-
31/08/2019	30/08/2024	\$0.8000	217,578	-	-	(86,719)	130,859
30/09/2019	29/09/2024	\$0.8000	42,500	-	-	(42,500)	-
23/10/2019	22/10/2024	\$0.8000	25,000	-	-	(25,000)	-
15/11/2019	15/11/2024	\$0.8000	50,000	-	-	-	50,000
17/12/2019	17/12/2024	\$1.0000	24,000	-	-	-	24,000
16/01/2020	16/01/2024	\$0.4500	206,612	-	-	-	206,612
10/02/2020	10/02/2025	\$1.0000	50,000	-	-	-	50,000
06/08/2020	06/08/2025	\$0.3700	2,267,042	-	-	(298,356)	1,968,686
06/08/2020	06/08/2025	\$0.4400	2,267,042	-	-	(298,356)	1,968,686
06/08/2020	06/08/2025	\$0.5000	2,267,034	-	-	(298,355)	1,968,679
06/08/2020	14/12/2022	\$0.8000	845,156	-	-	-	845,156
06/08/2020	21/11/2024	\$0.4400	55,664	-	-	-	55,664
06/08/2020	26/11/2024	\$0.4400	25,781	-	-	(25,781)	-
06/08/2020	03/12/2024	\$0.4400	54,688	-	-	(54,688)	-
06/08/2020	01/01/2025	\$0.4400	25,781	-	-	(25,781)	-
06/08/2020	25/05/2025	\$0.4400	42,969	-	-	(42,969)	-
06/08/2020	09/06/2025	\$0.4400	31,641	-	-	(31,641)	-
06/08/2020	11/06/2025	\$0.4400	55,078	-	-	-	55,078
06/08/2020	30/06/2025	\$0.4400	70,703	-	-	(25,781)	44,922
06/08/2020	01/07/2025	\$0.4400	117,188	-	-	(117,188)	-
Subtotal			20,661,545	-	-	(8,611,418)	12,050,127



2022 (continued) Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Replaced/ (cancelled)	Expired/ forfeited/ other*	Balance at the end of the year
06/08/2020	06/07/2025	\$0.44	25,781	-	-	-	25,781
06/08/2020	20/07/2025	\$0.44	22,266	-	-	(22,266)	-
06/08/2020	26/08/2025	\$0.44	19,922	-	-	-	19,922
06/08/2020	22/09/2025	\$0.44	29,297	-	-	-	29,297
06/08/2020	13/10/2025	\$0.44	175,000	-	-	-	175,000
17/08/2020	17/08/2025	\$0.37	951,672	-	-	-	951,672
17/08/2020	17/08/2025	\$0.44	951,672	-	-	-	951,672
17/08/2020	17/08/2025	\$0.50	951,672	-	-	-	951,672
09/10/2020	09/01/2026	\$0.44	35,156	-	-	(35,156)	-
17/11/2020	17/11/2025	\$0.44	15,234	-	-	-	15,234
26/12/2020	26/12/2025	\$0.44	18,750	-	-	-	18,750
01/01/2021	01/01/2026	\$0.44	4,883	-	-	-	4,883
13/01/2021	13/01/2026	\$0.44	37,500	-	-	-	37,500
26/01/2021	26/01/2026	\$0.44	28,125	-	-	(28,125)	-
09/02/2021	09/02/2026	\$0.44	32,813	-	-	(32,813)	-
16/02/2021	16/02/2026	\$0.44	33,984	-	-	(33,984)	-
25/04/2021	25/04/2026	\$0.44	14,531	-	-	-	14,531
22/06/2021	22/06/2026	\$0.44	51,563	-	-	(18,750)	32,813
29/06/2021	29/06/2026	\$0.44	22,266	-	-	-	22,266
19/07/2021	19/07/2026	\$0.20	-	35,156	-	-	35,156
13/08/2021	13/08/2026	\$0.20	-	33,516	-	-	33,516
12/11/2021	12/11/2026	\$0.20	-	3,566,330	-	(498,588)	3,067,742
18/01/2022	18/01/2027	\$0.20	-	19,922	-	-	19,922
18/04/2022	18/04/2027	\$0.20	-	32,813			32,813
Grand total			24,083,632	3,687,737	_	(9,281,100)	18,490,269



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		Exercise	Balance at the start of		Replaced/	Expired/ forfeited/	Balance at the end of
Grant date	Expiry date	price	the year	Granted	(cancelled)	other*	the year
21/12/2016	29/11/2021	\$2.0000	49,950	-	-	-	49,950
22/05/2017	22/05/2022	\$0.8000	500,000	-	-	-	500,000
01/07/2017	17/05/2022	\$0.8000	150,000	-	-	-	150,000
01/07/2017	17/05/2022	\$0.8000	326,538	-	-	-	326,538
01/07/2017	17/05/2022	\$1.2000	58,846	-	(58,846)	-	-
01/07/2017	17/05/2022	\$1.6000	58,846	-	(58,846)	-	-
01/07/2017	17/05/2022	\$1.6000	58,846	-	(58,846)	-	-
16/07/2017	16/07/2022	\$0.8000	200,000	-	-	-	200,000
16/07/2017	16/07/2022	\$0.8000	1,536,648	-	-	-	1,536,648
16/07/2017	16/07/2022	\$1.2000	445,549	-	(445,549)	-	-
16/07/2017	16/07/2022	\$1.6000	445,549	-	(445,549)	-	-
16/07/2017	16/07/2022	\$1.6000	445,549	-	(445,549)	-	-
24/07/2017	24/07/2022	\$0.8000	50,000	-	-	(50,000)	-
24/07/2017	24/07/2022	\$0.8000	845,156	-	-	(845,156)	-
24/07/2017	24/07/2022	\$1.2000	265,052	-	-	(265,052)	-
24/07/2017	24/07/2022	\$1.6000	265,052	-	-	(265,052)	-
24/07/2017	24/07/2022	\$1.6000	265,052	-	-	(265,052)	-
14/12/2017	22/05/2022	\$0.8000	2,823,296	-	-	-	2,823,296
14/12/2017	22/05/2022	\$1.2000	941,099	-	(941,099)	-	-
14/12/2017	22/05/2022	\$1.6000	941,099	-	(941,099)	-	-
14/12/2017	22/05/2022	\$1.6000	941,099	-	(941,099)	-	-
14/12/2017	10/01/2023	\$1.0000	400,000	-	-	-	400,000
08/01/2018	07/01/2023	\$0.8000	192,081	-	-	-	192,081
08/01/2018	07/01/2023	\$1.2000	192,081	-	(192,081)	-	-
08/01/2018	07/01/2023	\$1.6000	384,162	-	(384,162)	-	-
24/02/2018	23/02/2023	\$0.8000	30,000	-	-	-	30,000
28/02/2018	27/02/2023	\$0.8000	30,000	-	-	-	30,000
01/04/2018	31/03/2023	\$0.8000	63,147	-	-	(4,375)	58,772
01/04/2018	31/03/2023	\$1.2000	47,360	-	(44,079)	(3,281)	-
01/04/2018	31/03/2023	\$1.6000	47,360	-	(44,079)	(3,281)	-
01/04/2018	31/03/2023	\$1.6000	136,530	-	(133,249)	(3,281)	-
01/04/2018	31/03/2023	\$2.4000	136,530	-	(133,249)	(3,281)	-
01/04/2018	31/03/2023	\$0.8000	89,171	-	-	(16,602)	72,569
01/04/2018	31/03/2023	\$1.2000	89,170	-	(89,170)	-	-
30/04/2018	29/04/2023	\$0.8000	9,766	-	-	(9,766)	-
30/04/2018	29/04/2023	\$1.2000	9,766	-	-	(9,766)	-
30/04/2018	29/04/2023	\$1.6000	9,766	-	-	(9,766)	-
30/04/2018	29/04/2023	\$2.4000	9,766	-	-	(9,766)	-
31/07/2018	30/07/2023	\$0.8000	20,508	-	-	(7,324)	13,184
31/07/2018	30/07/2023	\$1.2000	20,508	-	(20,508)		-
Subtotal		-	13,530,898	-	(5,377,059)	(1,770,801)	6,383,038





2021 (continued) Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Replaced/ (cancelled)	Expired/ forfeited/ other*	Balance at the end of the year
Grant date		price	the year	Granted	(cancelled)	other	the year
31/07/2018	30/07/2023	\$1.6000	20,508	-	(20,508)	-	-
31/07/2018	30/07/2023	\$2.4000	20,508	-	(20,508)	-	-
31/12/2018	30/12/2023	\$0.8000	7,031	-	-	(7,031)	-
31/12/2018	30/12/2023	\$1.2000	7,031	-	(7,031)	-	-
31/12/2018	30/12/2023	\$1.6000	7,031	-	(7,031)	-	-
31/12/2018	30/12/2023	\$2.4000	7,031	-	(7,031)	-	-
28/02/2019	27/02/2024	\$0.8000	12,695	-	-	-	12,695
28/02/2019	27/02/2024	\$1.2000	12,695	-	(12,695)	-	-
28/02/2019	27/02/2024	\$1.6000	12,695	-	(12,695)	-	-
28/02/2019	27/02/2024	\$2.4000	12,695	-	(12,695)	-	-
31/03/2019	30/03/2024	\$0.8000	6,445	-	-	-	6,445
31/03/2019 31/03/2019	30/03/2024 30/03/2024	\$1.2000 \$1.6000	6,445	-	(6,445)	-	-
31/03/2019	30/03/2024	\$1.6000 \$2.4000	6,445 6,445	-	(6,445)	-	-
30/04/2019	29/04/2024	\$2.4000 \$0.8000	6,445 4,981	-	(6,445)	- (4,981)	-
30/04/2019	29/04/2024	\$0.8000	4,981	-	- (4,981)	(4,901)	-
30/04/2019	29/04/2024	\$1.6000	4,981	-	(4,981)	-	-
30/04/2019	29/04/2024	\$2.4000	4,981	_	(4,981)		
31/07/2019	30/07/2024	\$0.8000	3,548	_	(4,901)		- 3,548
31/07/2019	30/07/2024	\$1.2000	3,548	_	(3,548)	_	5,540
31/07/2019	30/07/2024	\$1.6000	3,548	-	(3,548)	-	-
31/07/2019	30/07/2024	\$2.4000	3,548	-	(3,548)	-	-
31/08/2019	30/08/2024	\$0.8000	54,395	-	(0,010)	-	54,395
31/08/2019	30/08/2024	\$1.2000	54,395	-	(54,395)	-	-
31/08/2019	30/08/2024	\$1.6000	54,395	-	(54,395)	-	-
31/08/2019	30/08/2024	\$2.4000	54,395	-	(54,395)	-	-
30/09/2019	29/09/2024	\$0.8000	33,125	-	-	-	33,125
30/09/2019	29/09/2024	\$1.2000	3,125	-	(3,125)	-	-
30/09/2019	29/09/2024	\$1.6000	3,125	-	(3,125)	-	-
30/09/2019	29/09/2024	\$2.4000	3,125	-	(3,125)	-	-
18/03/2019	18/03/2019	\$0.4500	12,500	-	-	-	12,500
18/03/2019	18/03/2020	\$0.4500	12,500	-	-	-	12,500
18/03/2019	18/03/2021	\$0.4500	12,500	-	-	-	12,500
18/03/2019	18/03/2022	\$0.4500	12,500	-	-	-	12,500
17/06/2019	16/06/2024	\$0.4500	12,500	-	-	-	12,500
17/06/2019	16/06/2024	\$0.4500	12,500	-	-	-	12,500
17/06/2019	16/06/2024	\$0.4500	12,500	-	-	-	12,500
17/06/2019	16/06/2024	\$0.4500	12,500	-	-	-	12,500
23/10/2019	22/10/2024	\$0.8000	6,250	-	-	-	6,250
23/10/2019	22/10/2024	\$0.8000	6,250	-	-	-	6,250
23/10/2019	22/10/2024	\$0.8000	6,250	-	-	-	6,250
23/10/2019	22/10/2024	\$0.8000	6,250	-	-	-	6,250
16/01/2020	16/01/2024	\$0.4500	206,612	-	-	-	206,612
01/07/2017	17/05/2022	\$0.8000 \$0.8000	-	-	176,538	-	176,538
16/07/2017	16/07/2022	\$0.8000 \$0.8000	-	-	1,336,648	-	1,336,648
14/12/2017	22/05/2022	\$0.8000 \$0.8000	-	-	2,823,296	-	2,823,296
08/01/2018	07/01/2023	\$0.8000 \$0.8000	-	-	576,243	-	576,243
01/04/2018 31/07/2018	31/03/2023 30/07/2023	\$0.8000 \$0.8000	-	-	443,826	(49,805)	394,021
31/12/2018	30/07/2023	\$0.8000 \$0.8000	-	-	61,523 21,094	(21,973)	39,550
Subtotal	30/12/2023	φυ.ουυυ	771,508		5,121,492	(21,094) (104,884)	5,788,116
Subiolal			11,300	<u> </u>	5,121,492	(104,004)	5,700,110



2021			Balance at			Expired/	Balance at
(continued)		Exercise	the start of		Replaced/	forfeited/	the end of
Grant date	Expiry date	price	the year	Granted	(cancelled)	other*	the year
28/02/2019	27/02/2024	¢0,000			38,086		38,086
31/03/2019	30/03/2024	\$0.8000 \$0.8000	-	-	,	-	,
30/04/2019	29/04/2024	\$0.8000 \$0.8000	-	-	19,336	-	19,336
31/07/2019	30/07/2024		-	-	14,942	(14,942)	-
31/08/2019	30/08/2024	\$0.8000 \$0.8000	-	-	10,644	-	10,644
		\$0.8000	-	-	163,184	-	163,184
30/09/2019	29/09/2024	\$0.8000	-	-	9,375	-	9,375
06/08/2020	06/08/2025	\$0.3700	-	2,314,963	-	(47,921)	2,267,042
06/08/2020	06/08/2025	\$0.4400	-	2,314,963	-	(47,921)	2,267,042
06/08/2020	06/08/2025	\$0.5000	-	2,314,955	-	(47,920)	2,267,035
06/08/2020	14/12/2022	\$0.8000	-	845,156	-	-	845,156
06/08/2020	21/11/2024	\$0.4400	-	55,664	-	-	55,664
06/08/2020	26/11/2024	\$0.4400	-	25,781	-	-	25,781
06/08/2020	03/12/2024	\$0.4400	-	54,688	-	-	54,688
06/08/2020	01/01/2025	\$0.4400	-	25,781	-	-	25,781
06/08/2020	25/05/2025	\$0.4400	-	42,969	-	-	42,969
06/08/2020	10/05/2025	\$0.4400	-	22,266	-	(22,266)	-
06/08/2020	09/06/2025	\$0.4400	-	31,641	-	-	31,641
06/08/2020	11/06/2025	\$0.4400	-	55,078	-	-	55,078
06/08/2020	30/06/2025	\$0.4400	-	70,703	-	-	70,703
06/08/2020	01/07/2025	\$0.4400	-	117,188	-	-	117,188
06/08/2020	06/07/2025	\$0.4400	-	25,781	-	-	25,781
06/08/2020	20/07/2025	\$0.4400	-	22,266	-	-	22,266
06/08/2020	26/08/2025	\$0.4400	-	19,922	-	-	19,922
06/08/2020	22/09/2025	\$0.4400	-	29,297	-	-	29,297
06/08/2020	13/10/2025	\$0.4400	-	175,000	-	-	175,000
17/12/2019	17/12/2024	\$1.0000	-	24,000	-	-	24,000
15/11/2019	15/11/2024	\$0.8000	-	50,000	-	-	50,000
10/02/2020	10/02/2025	\$1.0000	-	50,000	-	-	50,000
17/08/2020	17/08/2025	\$0.3700	-	951,672	-	-	951,672
17/08/2020	17/08/2025	\$0.4400	-	951,672	-	-	951,672
17/08/2020	17/08/2025	\$0.5000	-	951,672	-	-	951,672
09/10/2020	09/01/2026	\$0.4400	-	35,156	-	-	35,156
17/11/2020	17/11/2025	\$0.4400	-	15,234	-	-	15,234
26/12/2020	26/12/2025	\$0.4400	-	18,750	-	-	18,750
01/01/2021	01/01/2026	\$0.4400	-	4,883	-	-	4,883
13/01/2021	13/01/2026	\$0.4400	-	37,500	-	-	37,500
26/01/2021	26/01/2026	\$0.4400	-	28,125	-	-	28,125
09/02/2021	09/02/2026	\$0.4400	-	32,813	-	-	32,813
16/02/2021	16/02/2026	\$0.4400	-	33,984	-	-	33,984
25/04/2021	25/04/2026	\$0.4400	-	14,531	-	-	14,531
22/06/2021	22/06/2026	\$0.4400	-	51,564	-	-	51,564
29/06/2021	29/06/2026	\$0.4400	-	22,266	-	-	22,266
Grand total		:	14,302,403	11,837,884		(2,056,655)	24,083,632
Weighted ave	erage exercise price	9	\$1.1220	\$0.4680	\$2.3020	\$1.0470	\$0.6410

* Represents a correction for options which were issued under the share option plan in prior periods but which were not included in the above table in prior periods.



Set out below are the options exercisable at the end of the financial year:

		2022	2024
Grant Date	Expiry Date	2022 Number	2021 Number
Grant Date	Expiry Date	Number	Number
21/12/2016	29/11/2021	_	49,950
22/05/2017	22/05/2022	_	500,000
01/07/2017	17/05/2022	_	476,538
16/07/2017	16/07/2022	3,073,296	1,736,648
14/12/2017	10/01/2022	400,000	3,223,296
08/01/2018	07/01/2023	768,324	192,081
24/02/2018	23/02/2023		30,000
28/02/2018	27/02/2023	_	30,000
01/04/2018	31/03/2023	260,869	131,341
31/08/2019	30/08/2024	65,430	54,395
31/07/2018	30/07/2023	39,551	13,184
28/02/2019	27/02/2024	38,086	12,695
31/03/2019	30/03/2024	-	6,445
30/04/2019	29/04/2024	_	3,548
18/03/2019	18/03/2019	_	12,500
18/03/2019	18/03/2020	_	12,500
17/06/2019	16/06/2024	_	37,500
23/10/2019	22/10/2024	_	12,500
16/01/2020	16/01/2024	206,612	206,612
30/09/2019	29/09/2024		33,125
18/03/2019	18/03/2021	_	12,500
01/07/2017	17/05/2022	_	176,538
16/07/2017	16/07/2022	_	1,336,648
14/12/2017	22/05/2022	_	2,823,296
08/01/2018	07/01/2023	_	576,243
01/04/2018	31/03/2023	_	277,374
31/07/2018	30/07/2023	_	13,184
28/02/2019	27/02/2024	_	12,695
31/03/2019	30/03/2024	19,336	6,445
06/08/2020	14/12/2022	845,156	845,156
06/08/2020	21/11/2024	27,832	13,916
06/08/2020	26/11/2024		6,445
06/08/2020	03/12/2024	_	13,672
06/08/2020	01/01/2025	-	6,445
06/08/2020	25/05/2025	_	10,742
06/08/2020	09/06/2025	-	7,910
06/08/2020	11/06/2025	27,538	13,769
06/08/2020	30/06/2025	22,460	17,675
17/12/2019	17/12/2024	18,000	12,000
15/11/2019	15/11/2024	37,500	25,000
10/02/2020	10/02/2025	-	25,000
18/03/2019	18/03/2024	50,000	-
10/02/2020	10/02/2025	37,500	-
06/08/2020	06/07/2025	6,445	-
06/08/2020	26/08/2025	4,980	-
06/08/2020	22/09/2025	7,324	-
06/08/2020	13/10/2025	43,750	-
17/11/2020	17/11/2025	3,808	-
26/12/2020	26/12/2025	4,687	-
01/01/2021	01/01/2026	1,220	-
		6,009,704	13,007,511
			-,,-



Grant Date	Expiry Date	2022 Number	2021 Number
13/01/2021	13/01/2026	9,375	-
25/04/2021	25/04/2026	3,632	-
22/06/2021	22/06/2026	8,203	-
29/06/2021	29/06/2026	5,566	-
12/11/2021	12/11/2026	766,938	-
		6,803,418	13,007,511

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.74 years (2021: 2.49 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
19/07/2021	19/07/2026	\$0.3130	\$0.2000	75.00%	-	0.5950%	\$0.2160
13/08/2021	13/08/2026	\$0.2510	\$0.2000	75.00%	-	0.6200%	\$0.1630
12/11/2021	12/11/2026	\$0.1520	\$0.2000	75.00%	-	1.4350%	\$0.0850
18/01/2022	18/01/2027	\$0.1210	\$0.2000	75.00%	-	1.5850%	\$0.0620
18/04/2022	18/04/2027	\$0.1080	\$0.2000	75.00%	-	2.6250%	\$0.0540

It is noted that some of the options in the above table have Grant dates that relate to prior reporting periods. The relating share-based payment expense in relation to these options has been recognised in the current reporting period only.

Any effect on prior period share-based payment expense has been considered immaterial by management.

Note 35. Events after the reporting period

On 5 August 2022, the Company announced the binding agreement to sell the Group's business through a sale of assets and then commence winding up of the Company. Refer to note 2 for further details.

No other matter or circumstance has arisen since 30 June 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.

Total Brain Limited Directors' declaration 30 June 2022



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial 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.

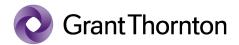
The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Mr Matthew Morgan Non-Executive Director

30 September 2022



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Independent Auditor's Report

To the Members of Total Brain Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Total Brain Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act* 2001, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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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 post completion of the business sale transaction. Our opinion is not modified in relation to this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition (Note 5)	
The Group has recognised \$8,415,593 of revenue during the period	
AASB 15 Revenue from Contracts with Customers requires	 Understanding and documenting the relevant processes and controls to record revenue;
companies to assess revenue recognition using a five-step approach to meeting performance obligations.	 Reviewing revenue recognition policies and Management's assessment of the application of
This area is a key audit matter due to the judgement required	the five-step model under AASB 15;
in assessing revenue recognition and the presumed increased level of risk in relation to revenue recognition, particularly for Total Brain Limited, given the focus by stakeholders on revenue growth.	 Performing cut-off testing to assess whether revenue has been recorded in the correct period by inspecting supporting documentation;
	 Analytically reviewing revenue values and associated ratios, with any items outside of the audit expectations investigated further;
	• Testing a sample of revenue transactions to evaluate whether revenue recognition is appropriate by inspecting sales contracts, assessing Management's identification of performance obligations and variable consideration, and evaluating the timing of revenue recognition; and
	• Evaluating the adequacy of the related disclosures in the financial report.



Assets and Liabilities Held for Sale (Notes 2, 12 and 19)

Total Brain Limited has determined that in March 2022, the assets and liabilities to be sold to Sondermind Inc. meet the classification of Held for Sale assets and liabilities under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*. Management has measured these assets and liabilities at the lower of their carrying amounts and fair value • less costs to sell.

The carrying amounts of the intangible assets and other assets have been written down to their recoverable amounts with reference to the contract price within the Sondermind Inc. transaction. This includes an impairment to intangible assets of \$7,581,129.

This area is a key audit matter, given the material value of the adjustments recorded and the significant disclosures required in the financial statements. Our procedures included, amongst others:

- Assessing the appropriateness of the classification of the assets and liabilities held for sale in the context of AASB 5;
- Agreeing the expected sales consideration included in the fair value less costs to sell calculation to appropriate supporting documentation;
- Testing the mathematical accuracy of the fair value less costs to sell calculation upon which the measurement of assets and liabilities are based; and
- Assessing whether the disclosures within the financial report are reasonable in light of the requirements of Australian Accounting Standards.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <u>http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf</u>.This description forms part of our auditor's report.



Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 9 to 15 of the Directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Total Brain Limited, for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thomton

Grant Thornton Audit Pty Ltd Chartered Accountants

andre Anth

CDJ Smith Partner – Audit & Assurance

Brisbane, 30 September 2022



The shareholder information set out below was applicable as at 19 September 2022.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares			
	Number of holders	% of total shares issued	number of shares issued	
	of noiders	Issueu	Issueu	
1 to 1,000	135	0.05	68,666	
1,001 to 5,000	312	0.67	886,768	
5,001 to 10,000	161	0.93	1,241,811	
10,001 to 100,000	330	9.07	12,132,180	
100,001 and over	110	89.28	119,391,706	
	1,048	100.00	133,721,131	
Holding less than a marketable parcel	<u> </u>			

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares % of total shares	
	Number held	issued
CITICORP NOMINEES PTY LIMITED	39,642,967	29.65
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,876,848	10.38
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	7,426,071	5.55
STUTTGART PTY LTD	4,978,562	3.72
BNP PARIBAS NOMINEES PTY LTD	3,841,589	2.87
STANDARD INVESTMENTS PTY LTD	3,000,000	2.24
INVIA CUSTODIAN PTY LIMITED	2,922,642	2.19
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	2,597,225	1.94
MR DAVID A DAGLIO	1,453,349	1.09
LIMITLESS VENTURES	1,442,307	1.08
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,131,715	0.85
DR EVIAN GORDON	1,124,025	0.84
BAXTER MANOR PTY LTD	1,107,692	0.83
MRS NUN SOL JANG	1,098,328	0.82
DBPC GROUP FINANCE PTY LTD	1,025,000	0.77
CEYX HOLDINGS PTY LTD	1,000,000	0.75
ARCH 2000 MANAGEMENT PTY LTD	1,000,000	0.75
CEYX INVESTMENTS PTY LTD	1,000,000	0.75
ROSHERVILLE PTY LTD	950,000	0.71
MRS DIANE COLMAN	900,000	0.67
	91,518,320	68.45

Total Brain Limited Shareholder information 30 June 2022

Unquoted equity securities



		Number on issue	Number of holders
Options over ordinary shares issued		23,490,269	47
The following persons hold 20% or more of unq	uoted equity securities:		
Name	Class		Number held
MR MATT MUND MR ROBERT DOMINIC TORESCO	Unlisted options Unlisted options		5,037,304 5,000,000

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary	Ordinary shares		
	Number held	% of total shares issued		
ZOLTAN VARGA	21,842,679	16.33		
MR DAVID A DAGLIO	8,403,529	6.28		
MR DAVID TORRIBLE	7,370,793	5.51		
SUN HUNG KAI GROUP	6,992,500	5.23		

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

