



5 April 2022

Australian Securities Exchange (ASX) Announcement

## Convertible Note Refinancing

Total Brain Limited (**Total Brain** or the **Company**) announces that it has entered into a convertible note subscription agreement (**Agreement**) with Zoltan Varga (**Noteholder**) to issue AUD\$1,278,485 worth of convertible notes (**Notes**) to the Noteholder. Proceeds from the issue of the Notes will be used:

- to repay the principal and interest of the US\$500,000 loan currently owing from the Company to the Noteholder; and
- to replace the capital repaid to F45 Inc as announced to ASX on 21 March 2022.

The following table sets out a summary of the key terms of the Notes.

<b>Number of Notes and face value</b>	1,278,485 Notes, each with a face value of AUD\$1.00
<b>Conversion Price</b>	\$0.138 per share (being a 20% premium to the closing price of the Company's shares on ASX on 31 March 2022)
<b>Interest rate</b>	12% per annum
<b>Maturity Date</b>	18 months from the issue date
<b>Security</b>	Unsecured
<b>Conversion</b>	<p>The Company must use reasonable endeavours to obtain shareholder approval for the conversion of all of the Notes into shares for the purposes of item 7 of section 611 of the <i>Corporations Act 2001</i> (Cth) (<b>Shareholder Approval</b>) as soon as practicable (and in any event within 4 months of issue of the Notes).</p> <p>The Noteholder may convert some or all of the Notes at the Conversion Price (in increments of at least AUD\$100,000), provided that on conversion the Noteholder's (and its associates') relevant interest in the Company's shares does not exceed the level permitted by Chapter 6 of the <i>Corporations Act 2001</i> (Cth), or the Shareholder Approval (if obtained).</p>

	If the Shareholder Approval is not obtained, the Notes will be repayable on the date that is 2 months after the Noteholder issues a demand for repayment of the outstanding Notes.
<b>Redemption</b>	<p>On written notice from the Noteholder, some or all of the outstanding Notes must be redeemed on the earlier of an event of default occurring and the Maturity Date.</p> <p>Events of default include an insolvency event, a failure by the Company to pay any amount due and payable to the Noteholder when due, the Company breaching a moratorium on senior debt and a representation or warranty given by the Company under the Agreement being not true in a material respect.</p>
<b>Transferability</b>	The Notes are not transferable.

Assuming that the Shareholder Approval is obtained, the maximum number of shares that the Notes may be converted into is 10,931,974 shares. Assuming that the Noteholder is issued the maximum number of Shares on conversion of the Notes and does not dispose of any of the Noteholder's existing Shares, the Noteholder will hold 22.71% of the Company's issued capital on conversion of the Notes.<sup>1</sup>

The Notes will be issued under the Company's available placement capacity under ASX Listing Rule 7.1.

*Authorised on behalf of the Total Brain board of directors by Non-Executive Director Matt Morgan.*

**For more information contact:**

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<sup>1</sup> Assuming the Company does not issue any shares (including on conversion of existing options), other than the shares issued on conversion of the Notes, and that the Noteholder does not dispose of any shares currently held by it. The Noteholder's current shareholding is based on the notice of change of interests of substantial holder lodged with ASX on 2 August 2021.



**About Total Brain Limited (ASX: TTB)**

Total Brain Limited is a San Francisco and Sydney-based company that has developed and offers Total Brain, the world's first mental health self-monitoring & self-care platform powered by the largest standardized brain database. Its SaaS platform has helped more than 1 million registered users to-date scientifically measure and optimize their brain capacities while managing the risk of common mental conditions. Benefits for employers, large organisations and insurers include productivity improvements and healthcare cost reduction. For more information, please visit [www.totalbrain.com](http://www.totalbrain.com) and follow us on [Twitter](#), [LinkedIn](#) and [Facebook](#).