

### Interview with TTB Senior Adviser/ IBM's Mental Fitness 360 co-Founder

Total Brain (ASX:TTB) is the developer of a neuroscience-based mental health & fitness platform powered by the largest standardized neuroscientific database in the world formed over almost two decades and with \$50m of R&D funding. RaaS recently had the opportunity to put questions to Nicole Gardner, the co-founder of IBM's Mental Fitness 360 program (previously known as Thrive 360). Ms Gardner, who until earlier this year held the role of VP, Federal Healthcare Industry Leader, IBM Global Services, has recently joined Total Brain's advisory board. We felt that given our view the IBM Mental Fitness 360 partnership was a breakthrough deal for Total Brain that an interview with its founder would be of interest to investors. The full interview is on the following two pages. Our base case DCF valuation for Total Brain is \$138m or \$1.27/share. In our view, continued momentum with cash generation together with ongoing confirmation that Total Brain's platform is being adopted by corporates and organisations should underpin its share price performance.

### Business model

Total Brain operates a subscription as a service (SaaS) model for its mental health and fitness platform. The science behind the platform has been developed over almost two decades with input from the leading academic institutions in the field. This has generated a proprietary neuroscientific database of scale which underpins the scientific validation that differentiates Total Brain from other brain training and wellness applications. The app, promoted by affinity partners, assesses the four core brain capacities (emotion, feeling, cognition, self-control), pre-screens seven common mental health conditions and delivers personalised brain and mind/body training.

### Interview with Nicole Gardner, Senior Advisor and Executive-in-Residence of Total Brain and IBM Mental Fitness 360 co-founder

In August 2019, Total Brain's technology was chosen by IBM to be embedded in its Mental Fitness 360 platform for rollout to 18m veterans under the Get Results in Transition (GRIT) program funded by US veterans. Ms Gardner was a co-architect of Mental Fitness 360 (previously called Thrive 360) as a long-time champion of mental health initiatives within IBM and more recently VP, Federal Healthcare Industry Leader. She has recently joined Total Brain's advisory board and took the time to respond to a list of questions we sent through. These together with Ms Gardner's responses are set out on the following two pages.

### Base case valuation is \$138m or \$1.27/share

We use the discounted cashflow methodology to value Total Brain, arriving at a base case valuation of \$138m or \$1.27/share. Our valuation reflects a 41% CAGR in free cashflows from 2023-2029. Using the same WACC, the last share price of \$0.38 reflects an estimated 15% CAGR in free cashflows from 2023-2029.

Historical earnings and RaaS Advisory estimates						
Year end	Revenue (A\$m)	EBITDA reported (A\$m)	NPAT reported (A\$m)	EPS* (c)	P/E (x)	EV/Sales (x)
06/19	2.6	(6.7)	(8.6)	(12.16)	na	6.6
06/20e	5.4	(6.8)	(7.0)	(7.90)	na	5.5
06/21e	12.3	(1.8)	(1.6)	(1.45)	na	2.7
06//22e	20.8	4.0	2.6	2.42	15.2	1.6

Source: Company data, RaaS Advisory Estimates for FY20e, FY21e, FY22e \*adj for one-time items

### Healthcare services

2 July 2020

#### Share details

ASX Code	TTB
Share price (intraday)	\$0.38
Market Capitalisation	\$41.1M
Shares on issue	108.3M
Net cash at March 31	\$13.5m
Free float	~57%

#### Share performance (12 months)



#### Upside Case

- Highly scalable SaaS model
- Significant validation from IBM choosing the platform as the engine for Mental Fitness 360
- Targeting predominantly US corporates and consumers

#### Downside Case

- Enterprise sales cycle for the B2B product takes from 9-18 months
- New consumer product yet to be fully trialed in market
- Commercial success to date has been elusive

#### Board of Directors

Dr Evian Gordon	Executive Chairman/ Founder
Louis Gagnon	Managing Director/ CEO
Matthew Morgan	Non-Executive Director
David Torrible	Non-Executive Director
David Daglio	Non-Executive Director

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## **Interview with Nicole Gardner, Senior Adviser and Executive-in-Residence at Total Brain and co-founder of IBM's Mental Fitness 360 program**

***RaaS:** You have been in the healthcare space for over 10 years and serving federal institutions in the US through various roles for more than 35 years (recently as VP, Federal Healthcare Industry Leader, IBM Global Services and a co-Founder of the Mental Fitness 360 program at IBM). Is 2020 the year for mental health to be recognised?*

**Nicole Gardner:** While mental health practitioners have known all along, it is only recently that a wider audience has begun to appreciate the significant role mental health plays as an extension of physical health. Total well-being is not possible without recognition of the impact of mental health and fitness on how our bodies and minds function together.

The interaction and impact of mental fitness on work performance, quality of life, relationships and healthcare costs for everyone cannot be underestimated. And there is a wide spectrum of the mental health continuum – from people who are clinically depressed, to all of us who experience stress in our daily lives, to those who are always striving to improve, mental fitness affects us all. The more mentally fit we are, the more physically fit we can be, the lower our health care costs can be. Of course, the inverse is true as well. And this insight is only recently recognized in mainstream general medical practice and is only now emerging as a culture shift in our society.

This is especially true as we struggle with COVID-19 and its impact on everyone and especially vulnerable populations. The impact of ongoing stress and trauma is only just becoming visible with the recent suicides in the healthcare professional arena and more first responders and front-line workers speaking out about their daily trauma experiences. For the general public, the impact of social isolation and fear and uncertainty are bound to have long term detrimental effects. It is essential that we recognize these pain points, acknowledge their impact and design interventions to help us to mitigate the future impact and address the resulting mental health challenges.

I hope that the universality of this experience will help us to reduce the societal stigma of talking about mental health and promote an atmosphere of tolerance and respect that supports everyone to ask for help when they need it.

If we cannot move into a more tolerant era and we don't promote this awakening, the damage of continuous trauma and stress will lead to poorer workforce performance, more chronic illness and higher health care costs across the board.

***RaaS:** What makes the partnership between Total Brain and IBM strategic?*

**Nicole Gardner:** IBM offers unparalleled global reach across every industry. And as one of the world's top brands, IBM has existing relationships in the US Federal government space with agencies that specialize in serving populations that sorely need mental fitness solutions. IBM offers its clients and partners operational excellence and best-practices as well as the ability to scale to fit any population.

Combining Total Brain's cutting-edge technology and unprecedented neuroscientific assets as well as the breadth of data packaged in a modern, user-friendly delivery channel for individuals and practitioners (clinicians and care managers) with IBM's strength and reach is a powerful platform team for any community.

***RaaS:** Can you talk about the findings from the initial pilot of IBM's Mental Fitness 360 (formerly Thrive 360) to veterans? What benefits did they derive from the platform?*

**Nicole Gardner:** Transitioning from active duty to civilian life is a very stressful phase of an individual's life, no matter how successful they may have been in the military. Acknowledging the impact of that stress can add to the pain points that a transitioning veteran might experience. The field test of IBM's Mental Fitness 360 solution conducted with 1,403 U.S. veterans, was very successful, as reported in IBM's blog post (<https://ibm.co/38PqYCg>). Veterans spent between 11 and 16 minutes per day, on average, using the GRIT

application. A survey of the field testers found that 69% of them would recommend the application to other veterans. The Total Brain-powered “Mind Gym” was cited as the top feature. The test group as a whole spent about 20 hours per day doing tests and exercises. At day 70 of the field test, that correlated to 84,000 minutes (1,400 hours) spent in the Mind Gym — or about 60 minutes per person.

The second-most popular feature was a job-matching service that connects veterans with personalized job opportunities aligned with their backgrounds, skills, military experience and interests using Watson Employment Manager and an aggregator of more than 51,000 job sites.

***RaaS: What opportunities do you see for delivering mental fitness solutions to communities beyond veterans?***

**Nicole Gardner:** As described by IBM here <https://www.ibm.com/industries/federal/grit-veterans>, veterans are not alone in facing mental health difficulties during life transitions. Addicts in recovery, inmates coming out of prison and young adults aging out of foster care, students, law enforcement officials, for example, can face tremendous difficulties coping with their new reality. Current global events make the need for scalable tele-mental health solutions even more apparent.

And in general, one time or another, everyone struggles to cope with a big transition, whether it is marriage, divorce, college graduation, a job change, having kids or losing someone close. In the long run, digital mental health solutions could help people in all walks of life face everyday challenges and maintain an even keel whenever their seas get rough.

***RaaS: What attracted you to join Total Brain’s team?***

**Nicole Gardner:** I was delighted to be invited to join TTB’s team as Senior Advisor and Executive-in-Residence because I firmly believe that mental health and mental fitness are essential to unlocking wellness and vitality for any population. In the Total Brain platform, I see huge potential to help individuals address their issues in a very data driven and action-oriented manner. In addition, I see tremendous opportunity to help employers to take a holistic view of how their workforce is performing and to design purposeful programs to help people thrive. For clinicians and care managers, adding a mental fitness component to their tool kit which is data driven and real time, provides new insights and a broader ability to address the social determinants of health so that programs can be tailored and customized to optimize efficacy.

In the long run, as the ongoing impact of mental health becomes more visible and people generally recognize how important it is to understand the parameters of their own capabilities, they will begin to understand that they can exercise their brains and improve their abilities. The Total Brain solution can help people to feel empowered to take control of their mental health and improve their ability to thrive.

Contributing to that equation and having the opportunity to help shape the future of mental health options and solutions is exciting and very gratifying. I am delighted to be part of TTB’s senior leadership team.

### Exhibit 3: Financial year financial summary

Total Brain (TTB.AX)						Share price (30 June 2020)						A\$	0.38				
Profit and Loss (A\$m)						Interim (A\$m)						H119A	H219A	H120F	H220F	H220F	H220F
Y/E 30 June	FY18A	FY19A	FY20F	FY21F	FY22F	Revenue	H119A	H219A	H120F	H220F	H220F	H220F	H220F	H220F	H220F	H220F	H220F
Revenue	2.6	2.6	5.4	12.3	20.8	Revenue	1.1	1.5	2.2	3.2	4.9	7.4					
Gross profit	2.5	2.3	4.4	10.1	17.1	EBITDA	(4.4)	(3.7)	(3.8)	(3.0)	(1.8)	(0.0)					
GP margin %	95.3%	87.8%	82.3%	82.3%	82.3%	EBIT	(4.5)	(4.0)	(3.9)	(3.2)	(2.0)	(0.2)					
EBITDA	(4.9)	(6.7)	(6.8)	(1.8)	4.0	NPAT (normalised)	(4.5)	(4.1)	(3.9)	(3.1)	(1.4)	(0.1)					
Depn	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	Minorities	0.0	0.0	0.0	0.0	0.0	0.0					
Amort	(0.1)	(0.4)	(0.3)	(0.4)	(0.4)	NPAT (reported)	(4.5)	(4.1)	(3.9)	(3.1)	(1.4)	(0.1)					
EBIT	(23.4)	(7.2)	(7.1)	(2.3)	3.6	EPS (normalised)	(6.9)	(0.6)	(4.8)	(3.0)	(1.3)	(0.1)					
Interest	(0.5)	0.0	0.1	0.2	0.2	EPS (reported)	(6.9)	(0.6)	(4.8)	(3.0)	(1.3)	(0.1)					
Tax	0.8	0.0	0.0	0.6	(1.0)	Dividend (cps)	0.0	0.0	0.0	0.0	0.0	0.0					
Minorities	0.0	0.0	0.0	0.0	0.0	Imputation	30.0	30.0	30.0	30.0	30.0	30.0					
Equity accounted assoc	(0.0)	0.0	0.0	0.0	0.0	Operating cash flow	(2.3)	(3.4)	(4.3)	(0.7)	(1.1)	(0.2)					
NPAT pre significant items	(23.1)	(8.6)	(7.0)	(1.5)	2.7	Free Cash flow	(1.0)	(2.0)	(3.2)	0.3	(0.1)	0.8					
Significant items	0.0	0.0	0.0	0.0	0.0	Divisionals	H119A	H219A	H120F	H220F	H220F	H220F					
NPAT (reported)	(23.1)	(8.6)	(7.0)	(1.5)	2.7	B2B Revenue	0.9	0.9	1.1	1.8	2.3	3.6					
Cash flow (A\$m)						B2C Revenue	0.1	0.2	0.2	0.5	1.7	2.8					
Y/E 30 June	FY18A	FY19A	FY20F	FY21F	FY22F	Total Revenue	0.9	1.1	1.3	2.3	4.0	6.5					
EBITDA	(4.9)	(6.7)	(6.8)	(1.8)	4.0	Gross profit	1.0	1.3	1.8	2.6	4.0	6.1					
Interest	0.0	0.0	0.1	0.2	0.2	Gross Profit Margin %	106%	114%	143%	116%	102%	94%					
Tax	0.0	0.0	0.0	0.0	(1.0)	Employment	2.8	2.7	3.7	3.7	3.9	4.1					
Working capital changes	1.0	1.1	1.6	0.3	(0.6)	Marketing	0.4	0.4	0.4	0.4	0.4	0.4					
Operating cash flow	(3.9)	(5.6)	(5.0)	(1.3)	2.6	Other costs	1.2	1.3	1.5	1.5	1.5	1.6					
Mtce capex	0.0	0.0	(0.1)	(0.1)	(0.1)	Total costs	4.4	4.4	5.6	5.6	5.9	6.1					
Free cash flow	(3.9)	(5.6)	(5.1)	(1.4)	2.5	EBITDA	(3.4)	(3.1)	(3.8)	(3.0)	(1.8)	(0.0)					
Growth capex	(1.7)	(2.7)	(2.1)	(2.0)	(2.0)	EBITDA margin %	nm	nm	nm	nm	nm	0%					
Acquisitions/Disposals	0.0	0.0	0.0	0.0	0.0	Margins, Leverage, Returns	FY18A	FY19A	FY20F	FY21F	FY22F						
Other	(0.1)	0.1	0.0	0.0	0.0	EBITDA margin %	(186.7%)	(258.7%)	(126.1%)	(14.8%)	19%						
Cash flow pre financing	(5.7)	(8.2)	(7.2)	(3.4)	0.5	EBIT margin %	(893.4%)	(274.8%)	(132.2%)	(18.3%)	17%						
Equity	10.5	6.7	14.0	0.0	0.0	NPAT margin (pre significant items)	(882.9%)	(329.4%)	(130.6%)	(12.0%)	13%						
Debt	(0.1)	0.0	0.0	0.0	0.0	Net Debt (Cash)		6.62	5.21	11.77	8.34	8.87					
Dividends paid	0.0	0.0	0.0	0.0	0.0	Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	n/a	2.19					
Net cash flow for year	4.7	(1.5)	6.8	(3.4)	0.5	ND/ND+Equity (%)	(%)	(43.6%)	(34.8%)	(77.4%)	(48.6%)	(45.9%)					
Balance sheet (A\$m)						EBIT interest cover (x)	(x)	n/a	n/a	n/a	n/a	(4.6%)					
Y/E 30 June	FY18A	FY19A	FY20F	FY21F	FY22F	ROA		(95.8%)	(32.3%)	(28.4%)	(8.1%)	12.4%					
Cash	6.6	5.2	11.8	8.3	8.9	ROE		(124.4%)	(40.8%)	(29.7%)	(5.6%)	10.1%					
Accounts receivable	1.3	0.8	0.7	1.4	2.2	ROIC		(162.5%)	(109.5%)	(167.9%)	(37.0%)	94.8%					
Inventory	0.0	0.0	0.0	0.0	0.0	NTA (per share)		41.0%	34.3%	24.9%	23.5%	26.0%					
Other current assets	0.0	0.2	0.3	0.3	0.3	Working capital		82.8%	35.3%	(10.0%)	57.6%	129.1%					
Total current assets	8.0	6.2	12.8	10.0	11.3	WC/Sales (%)		31.6%	13.6%	(1.9%)	4.7%	6.2%					
PPE	0.2	0.2	0.3	0.3	0.4	Revenue growth		10.4%	(0.5%)	106.4%	129.5%	68.7%					
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT growth pa		n/a	n/a	n/a	n/a	(258.4%)					
Intangibles	14.7	14.9	15.5	17.1	18.7	Pricing		FY18A	FY19A	FY20F	FY21F	FY22F					
Deferred tax asset	0.0	0.0	0.0	0.0	0.0	No of shares (y/e)	(m)	53	59	108	108	108					
Other non current assets	0.0	0.0	0.0	0.0	0.0	Weighted Av Dil Shares	(m)	36	59	108	108	108					
Total non current assets	14.9	15.2	15.8	17.5	19.1	EPS Reported	cps	(6.38)	(14.53)	(7.61)	(1.37)	2.50					
Total Assets	22.9	21.4	28.6	27.5	30.4	EPS Normalised/Diluted	cps	(12.98)	(12.16)	(7.80)	(1.37)	2.50					
Accounts payable	0.5	0.5	0.8	0.8	0.9	EPS growth (norm/dil)		n/a	n/a	n/a	n/a	nm					
Short term debt	0.0	0.0	0.0	0.0	0.0	DPS	cps	-	-	-	-	-					
Tax payable	0.0	0.0	0.0	0.0	0.0	DPS Growth		n/a	n/a	n/a	n/a	n/a					
Deferred revenue	0.5	0.6	0.7	1.1	1.2	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%					
Total current liabilities	1.0	1.1	1.5	1.9	2.1	Dividend imputation		30	30	30	30	30					
Long term debt	0.0	0.0	0.0	0.0	0.0	PE (x)		-	-	-	-	15.2					
Other non current liabs	0.1	0.1	0.1	0.1	0.1	PE market		15.6	15.6	15.6	15.6	15.6					
Total long term liabilities	0.1	0.1	0.1	0.1	0.1	Premium/(discount)			(100.0%)	(100.0%)	(100.0%)	(2.7%)					
Total Liabilities	1.1	1.2	1.6	2.0	2.2	EV/EBITDA		(5.5)	(2.6)	(4.3)	(17.9)	8.0					
Net Assets	21.8	20.2	27.0	25.5	28.2	FCF/Share	cps	(7.3)	(9.6)	(4.6)	(1.2)	2.5					
Share capital	58.1	64.8	78.5	78.5	78.5	Price/FCF share		(5.2)	(4.0)	(8.3)	(32.6)	15.1					
Accumulated profits/losses	(40.2)	(48.8)	(55.8)	(57.3)	(54.6)	Free Cash flow Yield		(19.2%)	(25.2%)	(12.1%)	(3.1%)	6.6%					
Reserves	3.9	4.2	4.3	4.3	4.3												
Minorities	0.0	0.0	0.0	0.0	0.0												
Total Shareholder funds	21.8	20.2	27.0	25.5	28.2												

Source: RaaS Advisory

**Exhibit 4: Calendar year financial summary**

Total Brain (TTB.AX)						Share price (30 June 2020)						A\$	0.38				
Profit and Loss (A\$m)						Interim (A\$m)						H1CY18A	H2CY18A	H1CY19F	H2CY19F	H1CY20F	H2CY20F
Y/E December 31	CY18A	CY19F	CY20F	CY21F	CY22F	Revenue	EBITDA	EBIT	NPAT (normalised)	Minorities	NPAT (reported)	EPS (normalised)	EPS (reported)	Dividend (cps)	Imputation	Operating cash flow	Free Cash flow
Revenue	2.7	3.7	8.1	16.9	24.6	1.6	1.1	1.5	2.2	3.2	4.9						
Gross profit	2.5	3.1	6.7	13.9	20.3	(5.9)	(4.4)	(3.7)	(3.8)	(3.0)	(1.8)						
GP margin %	93.5%	84.2%	82.3%	82.3%	82.3%	(9.3)	(4.5)	(4.0)	(3.9)	(3.2)	(2.0)						
EBITDA	(10.2)	(7.5)	(4.8)	1.4	6.6	(11.0)	(4.5)	(4.1)	(3.9)	(3.1)	(1.4)						
Depn	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0						
Amort	(0.2)	(0.3)	(0.4)	(0.4)	(0.5)	(11.0)	(4.5)	(4.1)	(3.9)	(3.1)	(1.4)						
EBIT	(13.9)	(7.9)	(5.2)	1.0	6.1	(20.9)	(6.9)	(0.6)	(4.8)	(3.0)	(1.3)						
Interest	0.0	0.0	0.2	0.2	0.2	(20.9)	(6.9)	(0.6)	(4.8)	(3.0)	(1.3)						
Tax	0.0	0.0	0.5	(0.3)	(1.7)	0.0	0.0	0.0	0.0	0.0	0.0						
Minorities	0.0	0.0	0.0	0.0	0.0	30.0	30.0	30.0	30.0	30.0	30.0						
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	(2.2)	(2.3)	(3.4)	(4.3)	(0.7)	(1.1)						
NPAT pre significant items	(15.5)	(8.0)	(4.5)	0.8	4.6	(0.8)	(1.0)	(2.0)	(3.2)	0.3	(0.1)						
Significant items	0.0	0.0	0.0	0.0	0.0	<b>Divisionals</b>						H1CY18A	H2CY18A	H1CY19A	H2CY19F	H1CY20F	H2CY20F
NPAT (reported)	(15.5)	(8.0)	(4.5)	0.8	4.6	B2B Revenue	1.6	1.1	1.3	1.5	2.4	4.2					
<b>Cash flow (A\$m)</b>						B2C Revenue		0.0	0.2	0.7	0.7	0.7					
Y/E December 31	CY18A	CY19F	CY20F	CY21F	CY22F	Total Revenue	1.6	1.1	1.5	2.2	3.2	4.9					
EBITDA	(10.2)	(7.5)	(4.8)	1.4	6.6	Gross profit	1.5	1.0	1.3	1.8	2.6	4.0					
Interest	0.0	0.0	0.2	0.2	0.2	Gross Profit Margin %	97%	89%	87%	82%	82%	82%					
Tax	0.0	0.0	0.0	(0.4)	(1.7)	Employment	2.3	2.8	2.7	3.7	3.7	3.9					
Working capital changes	5.7	(0.1)	2.7	(0.6)	(0.6)	Marketing	0.2	0.4	0.4	0.4	0.4	0.4					
Operating cash flow	(4.5)	(7.7)	(1.9)	0.7	4.5	Other costs	1.3	1.2	1.3	1.5	1.5	1.5					
Mtce capex	0.0	(0.0)	(0.1)	(0.1)	(0.1)	Total costs	3.7	4.4	4.4	5.6	5.6	5.9					
Free cash flow	(4.5)	(7.7)	(2.0)	0.6	4.4	EBITDA	(2.2)	(3.4)	(3.1)	(3.8)	(3.0)	(1.8)					
Growth capex	(2.8)	(2.5)	(2.0)	(2.0)	(2.0)	EBITDA margin %	nm	nm	nm	nm	nm	nm					
Acquisitions/Disposals	0.0	0.0	0.0	0.0	0.0	Margins, Leverage, Returns		CY18A	CY19F	CY20F	CY21F	CY22F					
Other	(0.1)	0.1	0.0	0.0	0.0	EBITDA margin %		(384.5%)	(204.7%)	(59.2%)	8%	27%					
Cash flow pre financing	(7.4)	(10.0)	(4.0)	(1.4)	2.4	EBIT margin %		(521.2%)	(215.3%)	(64.2%)	6%	25%					
Equity	1.2	14.8	5.9	0.0	0.0	NPAT margin (pre significant items)		(582.8%)	(216.1%)	(55.3%)	5%	19%					
Debt	0.0	0.0	0.0	0.0	0.0	Net Debt (Cash)		3.27	7.62	9.58	8.18	10.59					
Dividends paid	0.0	0.0	0.0	0.0	0.0	Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	5.74	1.60					
Net cash flow for year	(6.1)	4.7	2.0	(1.4)	2.4	ND/ND+Equity (%)	(%)	(22.9%)	(46.2%)	(59.9%)	(44.9%)	(51.9%)					
<b>Balance sheet (A\$m)</b>						EBIT interest cover (x)	(x)	n/a	n/a	n/a	(18.4%)	(2.8%)					
Y/E December 31	CY18A	CY19F	CY20F	CY21F	CY22F	ROA		(62.3%)	(36.1%)	(19.6%)	3.5%	19.9%					
Cash	3.3	7.6	9.6	8.2	10.6	ROE		(94.3%)	(38.2%)	(18.0%)	3.2%	15.9%					
Accounts receivable	0.5	2.5	1.0	1.8	2.6	ROIC		(102.9%)	(223.5%)	(79.2%)	18.4%	113.5%					
Inventory	0.0	0.0	0.0	0.0	0.0	NTA (per share)		33.0%	40.9%	23.6%	24.4%	28.6%					
Other current assets	0.1	0.3	0.3	0.3	0.3	Working capital		(6.6%)	193.3%	18.0%	93.0%	167.6%					
Total current assets	3.8	10.4	10.9	10.3	13.4	WC/Sales (%)		(2.5%)	52.4%	2.2%	5.5%	6.8%					
PPE	0.2	0.2	0.3	0.4	0.4	Revenue growth		12.3%	38.5%	119.6%	109.3%	45.4%					
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT growth pa		n/a	n/a	n/a	(118.8%)	529.1%					
Investments	0.0	0.0	0.0	0.0	0.0	Pricing		CY18A	CY19F	CY20F	CY21F	CY22F					
Deferred tax asset	0.0	0.0	0.0	0.0	0.0	No of shares (y/e)	(m)	53	95	108	108	108					
Other non current assets	14.5	14.7	16.3	17.9	19.5	Weighted Av Dil Shares	(m)	590	95	108	108	108					
Total non current assets	14.8	15.0	16.6	18.3	19.9	EPS Reported	cps	(29.19)	(9.31)	(4.13)	0.77	4.23					
Total Assets	18.6	25.4	27.5	28.5	33.3	EPS Normalised/Diluted	cps	(29.19)	(9.31)	(4.13)	0.77	4.23					
Accounts payable	0.5	0.6	0.8	0.8	0.9	EPS growth (norm/dil)		n/a	n/a	n/a	(118.7%)	446%					
Short term debt	0.0	0.0	0.0	0.0	0.0	DPS	cps	-	-	-	-	-					
Tax payable	0.0	0.0	0.0	0.0	0.0	DPS Growth		n/a	n/a	n/a	n/a	n/a					
Deferred revenue	0.4	0.6	1.0	1.2	1.3	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%					
Total current liabilities	0.9	1.1	1.8	2.0	2.2	Dividend imputation		30	30	30	30	30					
Long term debt	0.0	0.0	0.0	0.0	0.0	PE (x)		-	-	-	49.1	9.0					
Other non current liabs	0.1	0.1	0.1	0.1	0.1	PE market		15.8	15.8	15.8	15.8	15.8					
Total long term liabilities	0.1	0.1	0.1	0.1	0.1	Premium/(discount)		(100.0%)	(100.0%)	(100.0%)	211.0%	(43.1%)					
Total Liabilities	1.0	1.2	1.9	2.1	2.3	EV/EBITDA		(2.6)	(4.1)	(6.1)	23.0	4.9					
Net Assets	17.5	24.1	25.6	26.4	31.0	FCF/Share	cps	(7.3)	(5.9)	(4.6)	-1.2	2.5					
Share capital	58.1	72.6	78.5	78.5	78.5	Price/FCF share		(5.2)	(6.4)	(8.3)	32.6	15.1					
Accumulated profits/losses	(44.8)	(52.7)	(57.2)	(56.3)	(51.8)	Free Cash flow Yield		(19.2%)	(15.6%)	(12.1%)	(3.1%)	6.6%					
Reserves	4.2	4.3	4.3	4.3	4.3												
Minorities	0.0	0.0	0.0	0.0	0.0												
Total Shareholder funds	17.5	24.1	25.6	26.4	31.0												

Source: RaaS Advisory



# FINANCIAL SERVICES GUIDE

RaaS Advisory Pty Ltd

ABN 99 614 783 363

Corporate Authorised Representative, number 1248415

of

BR SECURITIES AUSTRALIA PTY LTD

ABN 92 168 734 530

AFSL 456663

Effective Date: 26<sup>th</sup> November 2018

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- who we are
- our services
- how we transact with you
- how we are paid, and
- complaint processes

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  - Securities
- deal on behalf of retail and wholesale clients in relation to
  - Securities

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Website: [www.afca.org.au](http://www.afca.org.au); Email: [info@afca.org.au](mailto:info@afca.org.au); Telephone: 1800931678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

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