

# Brain Resource Limited (ASX: BRC)

Investor Presentation  
May 2018

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# 1. BUSINESS OVERVIEW

COMPANY OVERVIEW

TEAM

CORPORATE OVERVIEW

PROBLEM

SOLUTION

DIFFERENTIATION

GO-TO-MARKET

COMPETITION

# COMPANY OVERVIEW

## ABOUT BRAIN RESOURCE

Powered by the largest standardized neuroscientific database in the world, Brain Resource is the only platform to assess, screen, benchmark and train emotional and cognitive brain capacities

- Headquartered in San Francisco, USA and Sydney, AUS
- Well-funded covering specific corporate objectives through CY2018:
  - >A\$50M of R&D funding deployed over time. Recapitalization (A\$10M new capital and A\$14M debt converted to equity) in Dec-17 to fund expansion. Current cash position of A\$8.4M
- Seasoned management team with significant experience growing digital SaaS businesses from early stage to profitability (ex-TPG, AMZN, MWW)
- Operating two innovative products:
  - **MyBrainSolutions:** the world's first integrated Digital Brain Assessment and Training platform
    - 550K registered users
    - 26 U.S. Corporate B2B Customers
    - 5 Channel Partners
    - 1 B2C Affinity Group
  - **i-SPOT:** the world's 1<sup>st</sup> cognitive and genetic test to predict drug effectiveness for Depression and ADHD. Two clinical trials seeking FDA approval - data collection and initial model to be completed in July 2018



### Select B2B Customers



### Channel Partners



### B2C Affinity Group



# THE TEAM

## EXECUTIVE LEADERSHIP



Louis Gagnon,  
**CEO / Managing Director**  
TPG (Ride), Amazon, Yodle



Evian Gordon, MD, PhD,  
**CMedO / Chairman**  
Brain Resource (Founder)



Matt Mund,  
**COO**  
Monster Worldwide, IBM



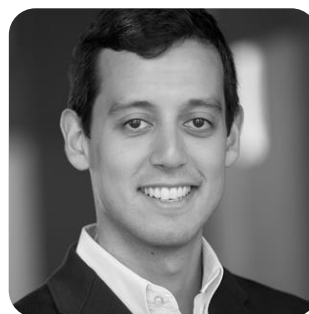
Marcel Legrand,  
**CRO**  
Vertical Knowledge, Blackfin Capital,  
Monster Worldwide



Matt Resteghini,  
**CMO**  
Randstad Digital Ventures,  
Monster Worldwide



Donna Palmer, PhD,  
**CSO**  
Brain Resource



Emil Vasilev,  
**Finance**  
Ride, Corsair Capital,  
Barclays Capital



Meredith Haase,  
**Human Resources**  
Monster Worldwide,  
Dechert

# THE TEAM

## SELECT BOARD MEMBERS AND ADVISORS



**Matthew Morgan,**  
**Non-Executive Director**

Millers Point, Sensera, Think Mobility, Leaf Resources,  
Diversa, QIC



**Ajay Arora,**  
**Non-Executive Director**

Nefflix, Imgur, Amazon



**Steve Koslow, PhD,**  
**Non-Executive Director**

Inaugural Director of the Human Brain Project  
at National Institute of Mental Health;  
90 publications and 20 book chapters



**Johann Berlin,**  
**Content Partner**

TLEX Institute, Business Insider



**Barbara Van Dahlen, PhD,**  
**Advisor – Mental Health**

Founder/President of Give an Hour  
TIME's Magazine 100 Most Influential People in  
the World



**Patrick Manzo,**  
**Advisor – Privacy/Security**

Monster Worldwide



**Christopher Dolan,**  
**Advisor – Technology**

Sonos, ANSWR, Monster Worldwide



**John Rush, MD,**  
**Advisor – iSPOT (Depression)**

Internationally-acclaimed depression psychiatrist  
One of the "World's Most Influential Scientific  
Minds" according to Thomson Reuters  
Columbia, MD; Princeton, BS



**Glen Elliott, PhD, MD,**  
**Advisor – iSPOT (ADHD)**

Child and adolescent psychiatrist at Stanford  
Principal Investigator in the largest study in  
improving the diagnosis and treatment of ADHD



**David Whitehouse,**  
**Advisor – Health Systems**

25 years of C-level experience in health care  
Former Chief Marketing and Medical Officer  
for Optum Health  
(part of United Insurance)

# CORPORATE OVERVIEW

ASX: BRC



## Market Capitalisation and Enterprise Value

|   |             |                |
|---|-------------|----------------|
| Ordinary shares on issue                      | m           | 531.3          |
| Share price (9 May 2018)                      | A\$/share   | 0.038          |
| <b>Market capitalisation</b>                  | <b>A\$m</b> | <b>\$20.2m</b> |
| Debt & Convertible Pref's (as at 31 Mar 2018) | A\$m        | \$0.0m         |
| Cash (as at 31 Mar 2018)                      | A\$m        | (\$8.4m)       |
| <b>Enterprise Value</b>                       | <b>A\$m</b> | <b>\$11.8m</b> |

## Top Shareholders (15 April 2018)

| Name                                      | Shares Held (m) | % of Shares on Issue |
|---|-----------------|----------------------|
| HSBC Custody Nominees (Australia) Limited | 207.4m          | 39.0%                |
| Buttonwood Nominees Pty Limited           | 18.8m           | 3.5%                 |
| CS Third Nominees Pty Limited             | 17.6m           | 3.3%                 |
| <b>Top 20 Shareholders</b>                | <b>366.6</b>    | <b>69.0%</b>         |

## Share Price History (A\$)

0.038 AUD 0.00 (0.00%)  
May 9, 2:20 PM GMT+10 · Disclaimer



## Board of Directors

| Name           | Position                   |
|----------------|----------------------------|
| Evian Gordon   | Executive Chairman (CMedO) |
| Louis Gagnon   | Managing Director (CEO)    |
| Ajay Arora     | Non-Executive Director     |
| Stephen Koslow | Non-Executive Director     |
| Matthew Morgan | Non-Executive Director     |

# PROBLEM

MENTAL DISORDERS HAMPER BRAIN CAPACITIES  
AT AN UNPRECEDENTED SCALE



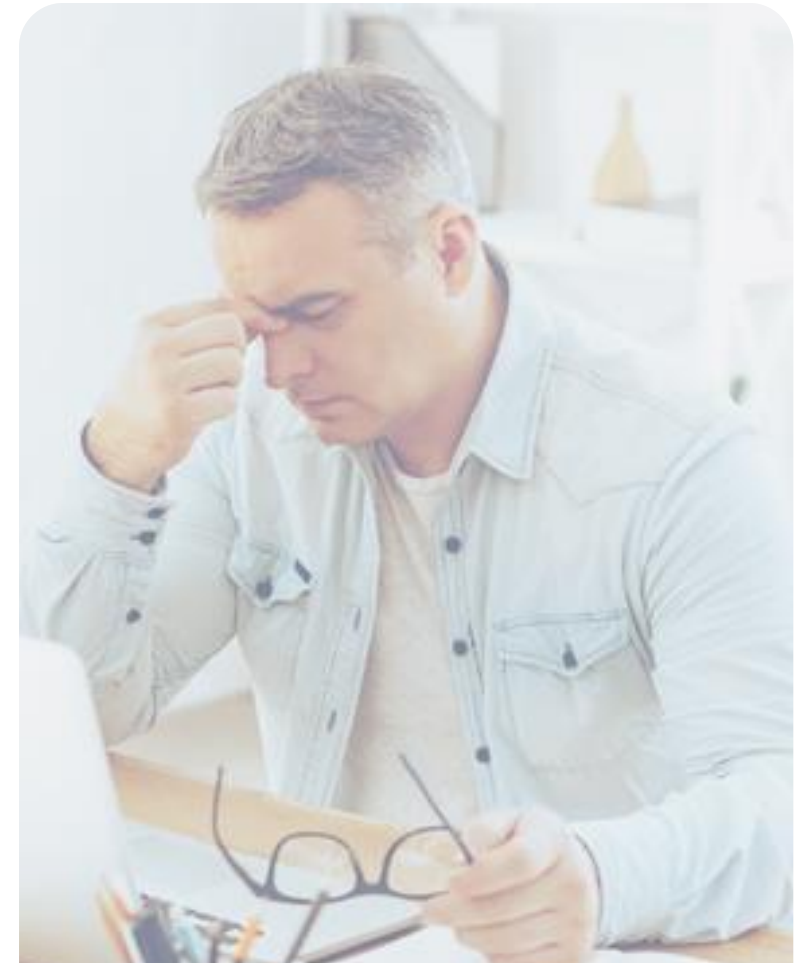
1 in 4 Americans is affected by a mental disorder<sup>[1]</sup>



72% are undiagnosed, untreated<sup>[2]</sup> or ill-treated<sup>[3]</sup>



Their reduced Emotional and Cognitive capacities cause \$193 billion per year in lost earnings<sup>[4]</sup>



Sources:

1. Center for Disease Control and Prevention 2. 60% untreated, per National Alliance on Mental Illness 3. Assumed that 30% of the 40% who get treated are unsuccessful, on average, per National Council for Community Behavioral Healthcare 4. National Alliance on Mental Illness



# SOLUTION

## DIGITAL BRAIN CAPACITY ASSESSMENT/TRAINING



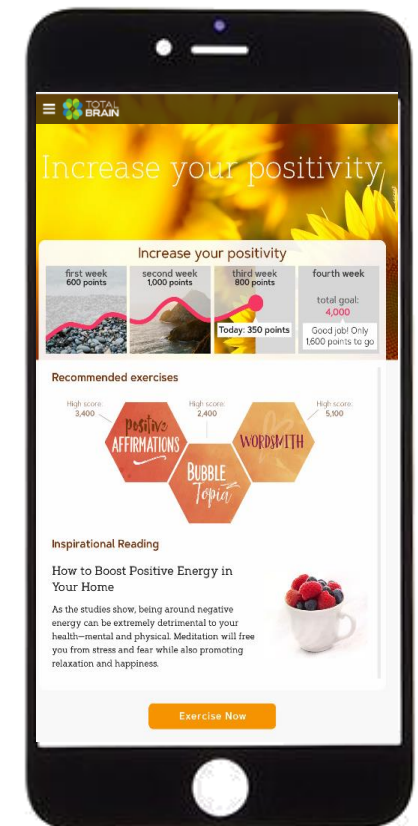
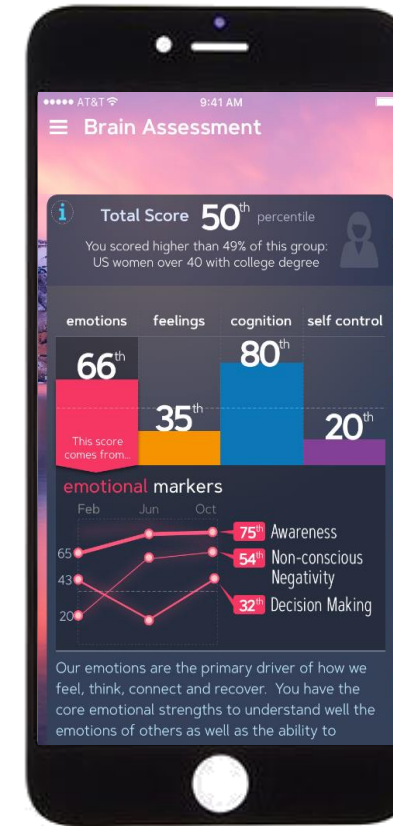
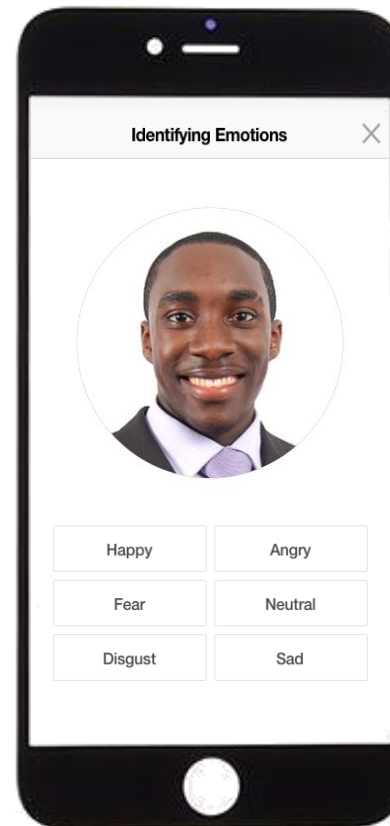
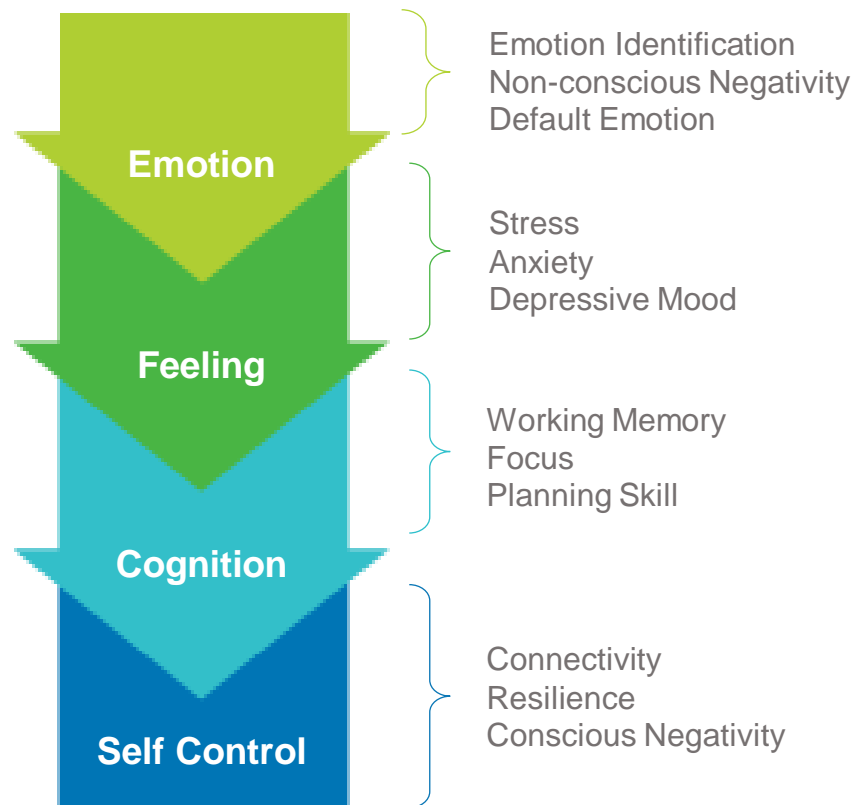
4 TotalBrain Capacities

12 Markers

Clinically Valid Digital  
Assessment (20 min.)

Mental Disorder and  
SuperPower Screening  
Capacity/Marker  
Percentile Ranking

Personalized Brain  
Training (AI-driven)



# SOLUTION

## ANONYMOUS POPULATION INSIGHTS



### IMPACT SUMMARY

Reporting Period: Annual 2017

| ALL EMPLOYEES                         |                         |  |                    |
|---------------------------------------|-------------------------|--|--------------------|
| BRAIN CAPACITY                        |                         |  |                    |
| <i>n</i> = 3,152 (assessed 1 or more) | Percentile Rank         | vs. Last Period  |                    |
| Overall                               | 61st                    | +1 pts   |                    |
| Emotion                               | 61                      | -3   |                    |
| Feeling                               | 62                      | -3   |                    |
| Thinking                              | 52                      | -4   |                    |
| Self Regulation                       | 68                      | +8   |                    |
| At-Risk Population                    | % of Initial Assessment | # of Emp.  | vs. Last Period    |
| Highly Stressed                       | 8%                      | 151  | -4%                |
| < 100% Productive                     | 32%                     | 1040   | +16%               |
| Program Engagement                    |                         | User Satisfaction  |                    |
|                                       | In-Period All Time      | 93% Overall Satisfaction<br>27% Excellent   45% Very Good   21% Good |                    |
| Registered Users                      | 18,043                  | Assessment Engagement  |                    |
| Initial Assessment                    | 2,797 14,199            | Registered Users   | In-Period All Time |
| Follow Up Assessment                  | 355 6,892               | % Assess   | 15% 79%            |
| Employees Who Train                   | 4,269 13,567            | % Assess and Train   | 12% 72%            |
| Avg. Brain Points                     | 4,078 6,281             | Training Engagement  |                    |
| Avg. Training Time                    | 1hr 7 1hr 44            | Registered Users   | In-Period All Time |
| Assess and Train                      | 2,169 12,934            | % Who Train (overall)  | 18.1% 60.1%        |
|                                       |                         | % Brain Train  | 23% 75%            |
|                                       |                         | % Mind-Body Train  | 50% 45%            |

EMPLOYEES WHO TRAIN

| BRAIN CAPACITY                           |                 |                 |
|--|-----------------|-----------------|
| <i>n</i> = 170 (assessed 2X and trained) | Percentile Rank | vs. Last Period |
| Overall                                  | 70th            | +8 pts          |
| Emotion                                  | 67              | +5              |
| Feeling                                  | 71              | +8              |
| Thinking                                 | 54              | +1              |
| Self Regulation                          | 77              | +10             |

Average In-Period Training Time: 51 minutes

*"Vs Last Period" calculations are based on 170 employees who trained and assessed twice. The 4,269 employees who trained but did not assessed twice most likely experienced similar results to those who assessed twice.*

| PRODUCTIVITY   |          |               |            |
|--|----------|---------------|------------|
| <i>n</i> = 95 (assessed 2x and high-impact trained)<br><i>n</i> = 2255* (high-impact training) | Baseline | Post Training | Difference |
| Physical Presence <sup>(1)</sup>   | 98.31%   | 99.84%        | + 1.53%    |
| Mental Presence <sup>(2)</sup>   | 80.80%   | 83.33%        | + 2.53%    |
| Productivity Difference <sup>(3)</sup>   | 79.43%   | 83.20%        | + 3.76%    |

| ESTIMATED BENEFIT * | \$785K |
|---------------------|--------|
|---------------------|--------|

\*Gross financial result based on self-report of *n*=95 employees who trained and followed up in the period. Productivity difference applies to 2,255 employees who trained on high impact exercises. 2,255 employees x 3.76% difference x 40 hours x 6 weeks (lasting effect of productivity gains) x \$35.87 hour

#### SAMPLE REAL CUSTOMER REPORT

Management Insights (anonymized):

- TotalBrain Tracking

Brain Capacity Risks:

- Scale and trending of highly stressed and unproductive employees
- Future expansion to top 8 mental disorders (Summer '18)

Engagement KPIs:

- Insights into usage and engagement throughout the funnel

Engagement KPIs for all clients to-date:

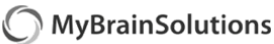
- 65% of registered users Assess
- 44% of those take the Practice

Management Insights (anonymized):

- TotalBrain Tracking Employees Who Train

Productivity & Impact:

- Leveraging self reported data + Avg. FTE costs



1) Physical Presence = 100% - % of absent hours  
2) Mental Presence = Employee's self-reported relative performance rating in %

3) Productivity Difference = Physical Presence Difference + Mental Presence Difference

# DIFFERENTIATION

## UNIQUE PROPRIETARY ASSETS



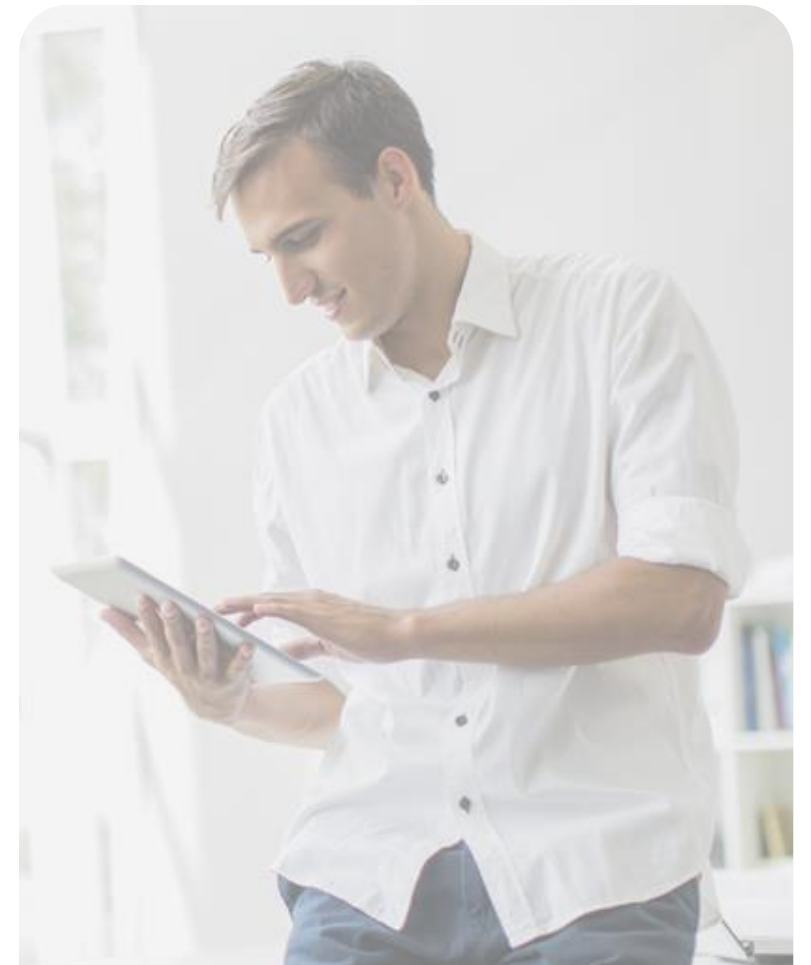
The **ONLY consolidated digital neuroscientific assessment** of the Total Brain – Emotion, Feeling, Cognition, Self-Control (10 publications)



The world's **LARGEST standardized neuroscientific database** (1M data sets, 300 publications)

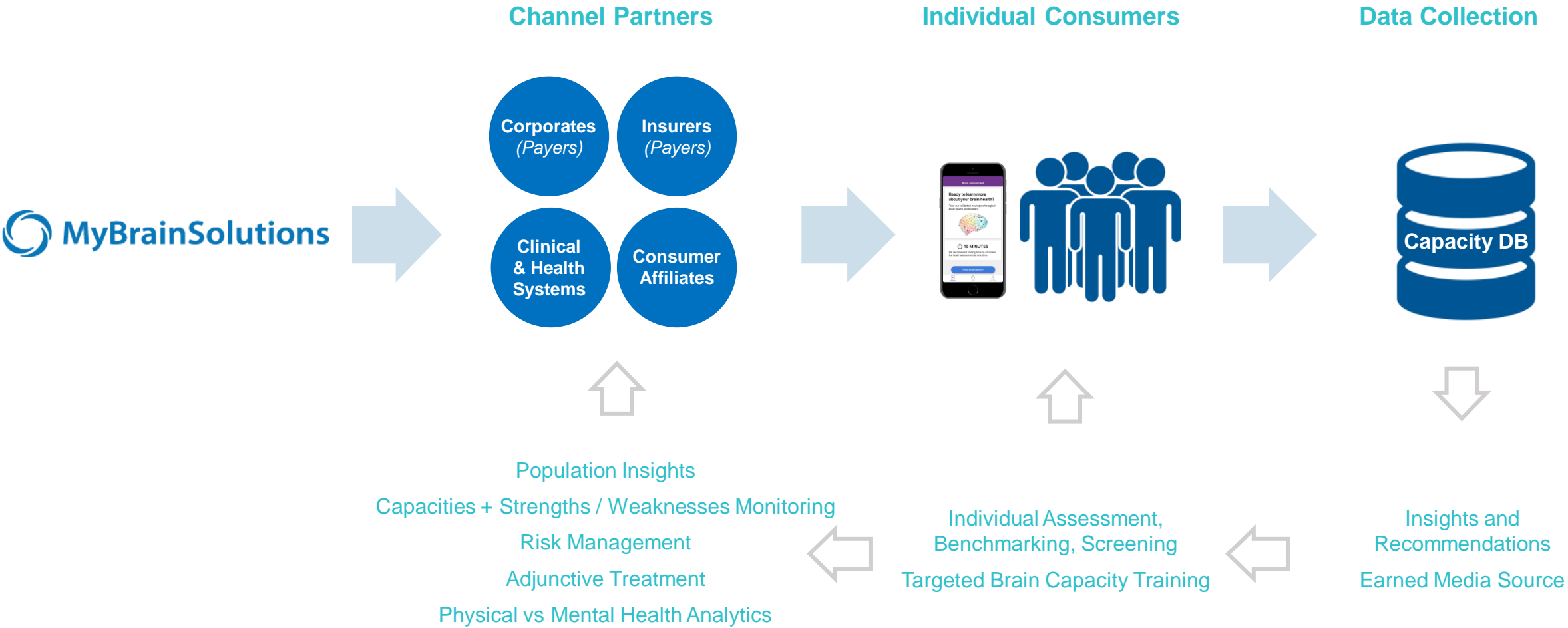


The world's only platform to combine personalized **brain** and **mind-body trainings** backed by science and AI



# GO-TO-MARKET

## POPULATION AND INDIVIDUAL VALUE CHAIN



# CHARGING MODEL & BUYERS

TESTING A STANDARDIZED FRAMEWORK\*



## BUYERS AND CHARGING MODELS

|  | Corporates<br>(Payers)              | Insurers<br>(Payers)                | Clinical & Health<br>Systems        | Consumer<br>Affiliates              | Consumers  |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|
|  | E.g. Boeing                         | E.g. Aetna                          | E.g. Amen Clinics                   | E.g. AARP                           | Disorder Fighters<br>Holistic Health Practitioners<br>Students/Parents |
| FIXED - \$13.80 PEPY<br>Price Per Employee Per Year                            | <input checked="" type="checkbox"/> |                                     |                                     |                                     |  |
| VARIABLE - \$92 PUPY**<br>Price Per User Per Year                              | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>                                    |
| User Volume Discount<br>1 - 9,999 10%<br>10,000 - 49,999 25%<br>50,000 - + 40% | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |

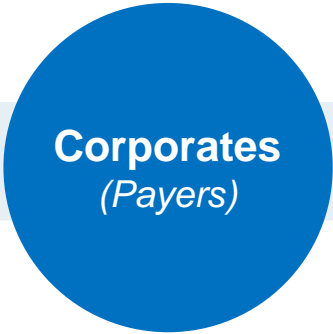
\* Up until CY2018, there was no price standard. Standardization to come with new product launch in H2 CY2018. Includes Assessment, Screening, and Training.  
\*\* Total client spending capped at total cost for PEPY. User = one who took an assessment.

# BUYERS & CHANNELS

COVERING A BROAD OPPORTUNITY SET



## TARGET BUYERS & CHANNEL PARTNERS



E.g. Boeing



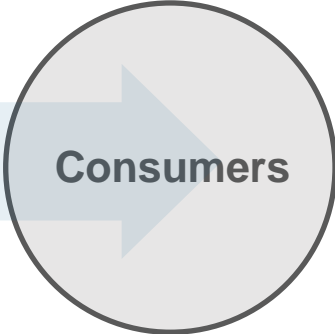
E.g. Aetna



E.g. Amen Clinics



E.g. AARP



Consumers

Disorder Fighters  
Holistic Health Practitioners  
Students/Parents

Direct Marketing  
Acquisition

Viral Distribution

Self Service  
eCommerce

### Corporate Channels

- Mercer
- Castlight- New
- Welltok
- Targeting: Health Risk Assessment Cos.
- Targeting: Employee Assistance Program Cos.



### Insurance Channels

- Kaiser Permanente
- Humana
- Aetna



### Corp Dev Partners / Internal Teams

- TLEX - New
- Give an Hour - New
- Joe Parks - New
- Targeting: Clinics Billing Cos.
- Targeting: Wellness & Fitness Brands



# COMPETITION



## BRC'S HIGHLY-DIFFERENTIATED PRODUCT AND VALUE PROPOSITION

|   | Brain Resource®   | COMPANY 1  | COMPANY 2   | COMPANY 3   | COMPANY 4                                       | COMPANY 5   | COMPANY 6   | COMPANY 7                       | COMPANY 8  |
|---|---|--|---|---|---|---|---|---------------------------------|--|
| Assessment/Screening Robustness                         |   |  |   |   |   |   |   |                                 |  |
| Practice/Training                                       |   |  |   |   |   |   |   |                                 |  |
| Brain Capacity Coverage                                 |   |  |   |   |   |   |   |                                 |  |
| Population Dashboard                                    |   |  |   |   |   |   |   |                                 |  |
| Custom Analytics  |   |  |   |   |   |   |   |                                 |  |
| Price   |   |  |   |   | N/A   |   | N/A   | N/A                             |  |
| Valuation (USD) / Capital Raised (USD) / Lead Investors | \$15mm / >\$40mm / ASX  | Unknown / \$12mm / LFE Capital                                   | \$72mm / \$26mm / TT Capital Partners             | \$320mm / \$74mm / Spectrum Equity  | \$37mm / \$22mm / Mayfield Fund                 | \$140mm / \$79mm / FirstMark Capital  | \$30mm / \$25mm / Chrysalis Ventures  | Unknown / \$7mm Raised / Angels | Unknown / \$15mm Raised / Angels                                 |
| Notes   | A robust platform with a clinically validated assessment, mind-body and brain exercises, deep reporting and analytics, and the ability to impact both emotion and cognition, or the total brain | Mind-body only, no brain exercise; No assessment; 2.5x MBS price | Mind-body and brain exercises; weak questionnaire | Mind-body only, no brain exercise; No assessment; 50% more than MBS price | Mind-body only, no brain exercise; Simple quiz. | Brain exercises only, no mind-body; Very focused on memory. Fit test on games, but no clinically validated assessment; 2x MBS price | Stress and resilience focused; not brain focused; Limited questionnaire is not a clinical assessment; Dashboard and analytics are basic |                                 | Mind-body only, no brain exercise; No assessment; 4.5x MBS price |

Best Worst

## 2. BUSINESS UPDATE

PROGRESS VS. CY2018 OBJECTIVES

FINANCIAL UPDATE

PRODUCT UPDATE

GO-TO-MARKET UPDATE

iSPOT UPDATE

LOOKING AHEAD

CONTACTS



# CY2018 OBJECTIVES

PROGRESS AS OF 30 APRIL 2018



|                       | OBJECTIVE  | Timeframe | Status  |
|-----------------------|--|-----------|---------|
| FINANCIAL & USER KPIS | 2x CY18 revenue to US\$3.2mm (from US\$1.6mm in CY17)                    | CY-18     | Ongoing |
|                       | 75%+ Recurring SaaS-based revenue (from 60% in CY17)                     | CY-18     | Ongoing |
|                       | 2x Total User Registrations (from 223k in CY17)*                         | CY-18     | Ongoing |
|                       | 2x Total Brain Profiles (from 131k in CY17)*                             | CY-18     | Ongoing |
| PRODUCT               | Upgrade MBS value proposition, new features & UX                         | CY-18     | Ongoing |
|                       | Transition to scalable cloud-based software infrastructure               | Q2-18     | Ongoing |
|                       | Complete iSPOT GWAS Testing and Validation and explore Strategic Options | Q2-18     | ✓       |
|                       | Rebrand MBS to TotalBrain  | Q3-18     | Ongoing |
| CORPORATE             | Enable sale of unmarketable parcel share                                 | Q1-18     | ✓       |
|                       | Appoint 3 New Advisors & 1 New Board Director                            | Q1-18     | ✓       |
|                       | Complete hiring plan (80%+ completed in Q1 CY2018)                       | Q1-18     | ✓       |
|                       | Increase media engagement and PR   | CY-18     | Ongoing |

Note:  
\*User Registrations defined as total individuals who create a registration in Brain Resource system. Brain Profiles defined as number of total assessments captured.

# YTD SUMMARY PROGRESS

## FUNCTIONAL MILESTONES TOWARDS OBJECTIVES



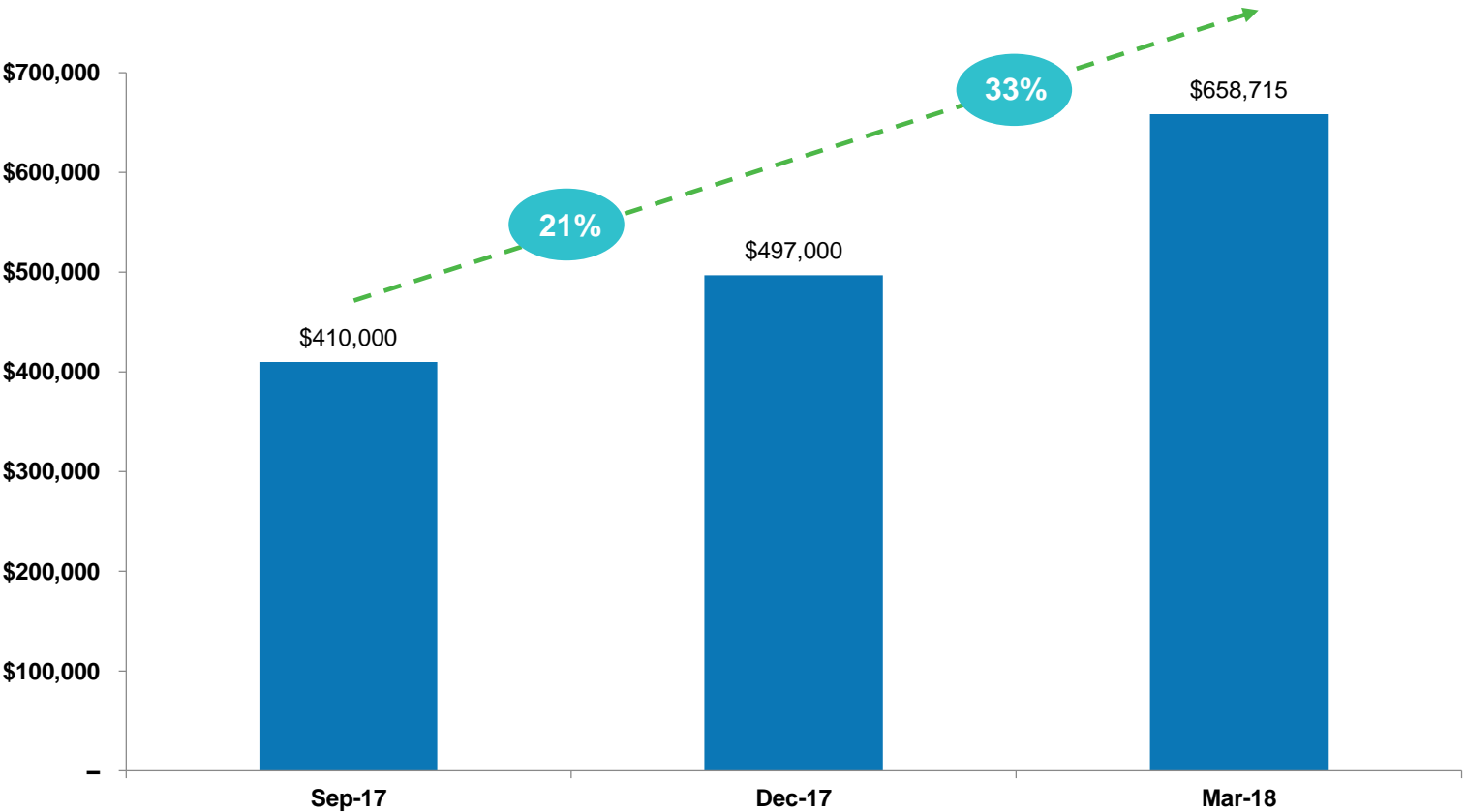
|                      | KEY PROJECTS  | STATUS |
|----------------------|---|--------|
| PRODUCT & TECHNOLOGY | Fixed IT stability issues that were a threat to client operations and migrated to Amazon Web Services (AWS)               | ✓      |
|                      | Re-architected technology stack to support big data and analytics at scale  | ✓      |
|                      | Built product roadmap for transition to TotalBrain, including Mental Fitness Report – critical client ROI enabler upfront | ✓      |
| SALES & MARKETING    | Built detailed Sales & Existing Channel Enablement plan, new CRM and scalable pipeline process                            | ✓      |
|                      | Redesigned sales team commission and reseller plan  | ✓      |
|                      | Initiated negotiations of multiple new channel partnerships. Tested B2B lead-gen campaigns with prospect nurturing        | ✓      |
|                      | Created new sales enablement materials (client pitch decks, case studies, whitepapers)                                    | ✓      |
|                      | Established detailed Go-to-Market transition plan from MyBrainSolutions to TotalBrain                                     | ✓      |
| SCIENCE              | Completed iSPOT Genetics data for 850,000 SNPs and hired investment banker to explore strategic alternatives              | ✓      |
|                      | Revised scientific aspects of revamped Assessment and new Screening product   | ✓      |
|                      | Reviewed scientific evidence in marketing case studies  | ✓      |
| CORPORATE & FINANCE  | Hired and on-boarded 14 new hires across technology, product, marketing, sales and operations, 3 new advisors             | ✓      |
|                      | Built detailed monthly financial reporting vs. forecast and implemented regular strategic review                          | ✓      |
|                      | Expanded PR engagement through press (AFR article 2/17) and other media (blogs, LinkedIn, Twitter, FB)                    | ✓      |
|                      | Established new company mission and corporate values  | ✓      |
|                      | Sold unmarketable parcels   | ✓      |
|                      | Established new employee policies (compensation plan, ESOP, expenses, travel and remote work)                             | ✓      |

# FINANCIAL UPDATE

## QUARTERLY CASH RECEIPTS – FY2018



Cash Receipts from Customers (\$AUD)



### CONTINUED GROWTH IN CASH RECEIPTS

**33% INCREASE IN QUARTERLY RECEIPTS TO A\$659k**

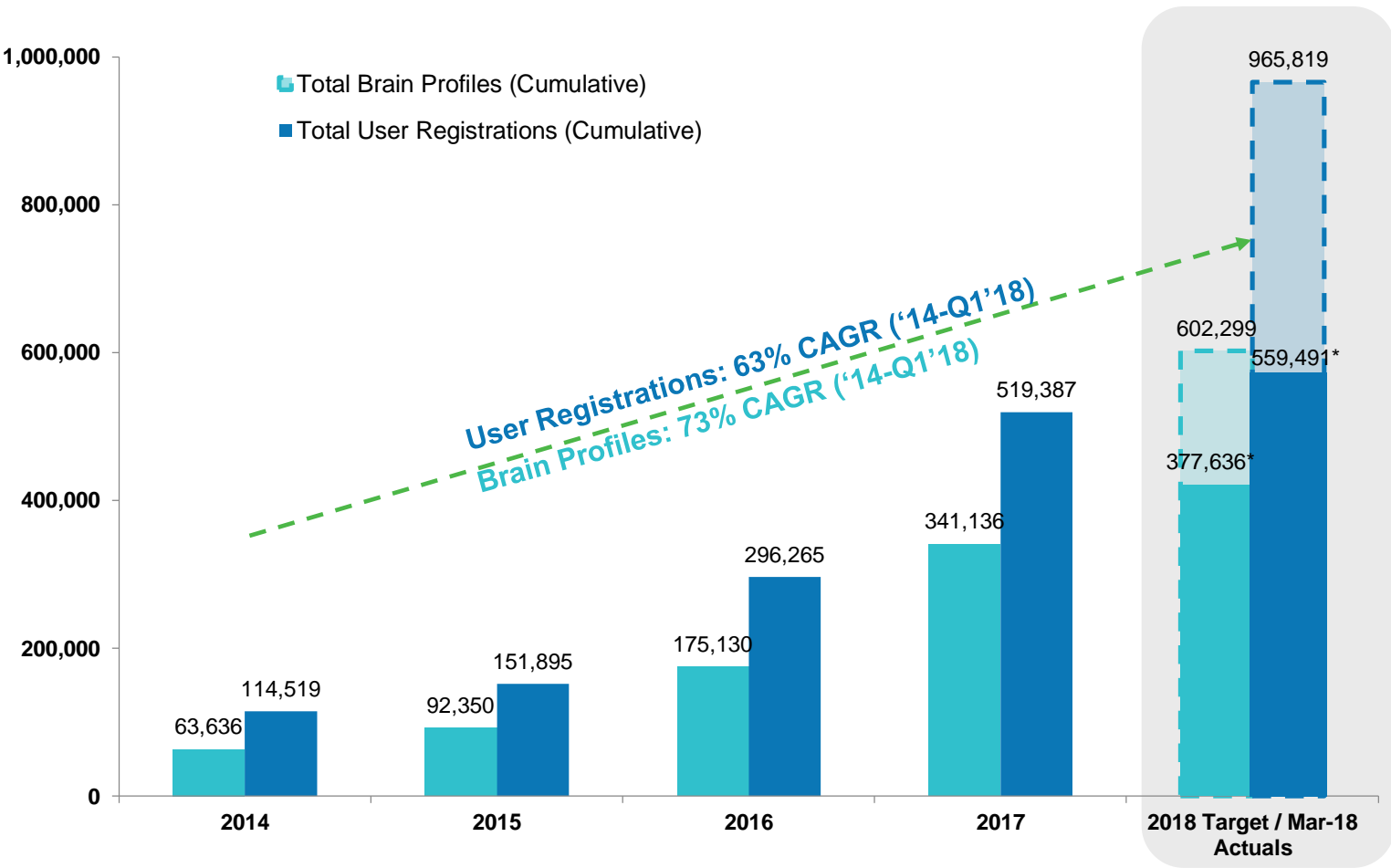
Focus on cash growth amidst significant operational changes

### SAAS REVENUE MODEL ENABLING RECURRING REVENUE INCREASE

New GTM approach and additional sales & service resources to drive additional run-rate growth throughout CY18

# FINANCIAL UPDATE

## USER KPIs



Note:  
\*Represents cumulative actual figures through the quarter ended March 31st, 2018. User Registrations defined as total individuals who create a registration in Brain Resource system. Brain Profiles defined as number of total assessments captured. User Registration figures exclude employer-pre-registered users. Brain Profiles figures include multiple assessments taken by same user.

### CONTINUED GROWTH IN USER KPIs vs. CY2018 TARGETS

**63% CAGR IN USER REGISTRATIONS '14-Q1'18**  
Q1 growth achieved without the benefit of the redesigned product, new functionalities and UX to come in H2 CY2018

**73% CAGR IN BRAIN PROFILES '14-Q1'18**  
Simplified registration funnel enables more rapid user conversion and engagement

**BIG DATA PLAY**  
Reinforces the value of the neuroscientific database, underpins product development, and helps establish thought leadership with new partners/customers

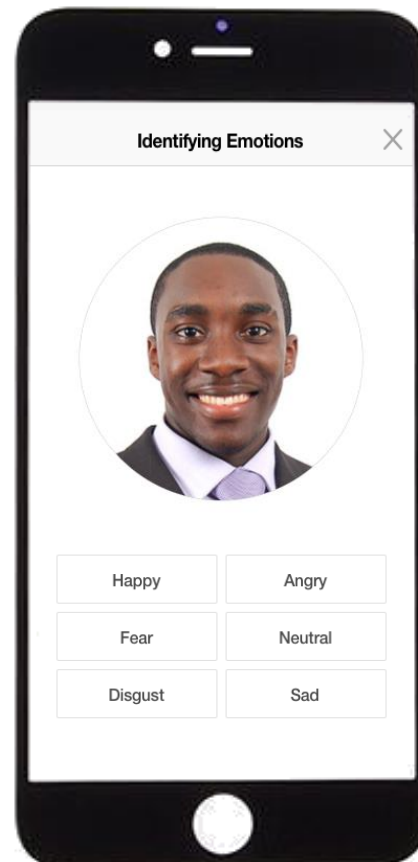
# PRODUCT UPDATE

## NEW USER EXPERIENCE (UNDER DEVELOPMENT)



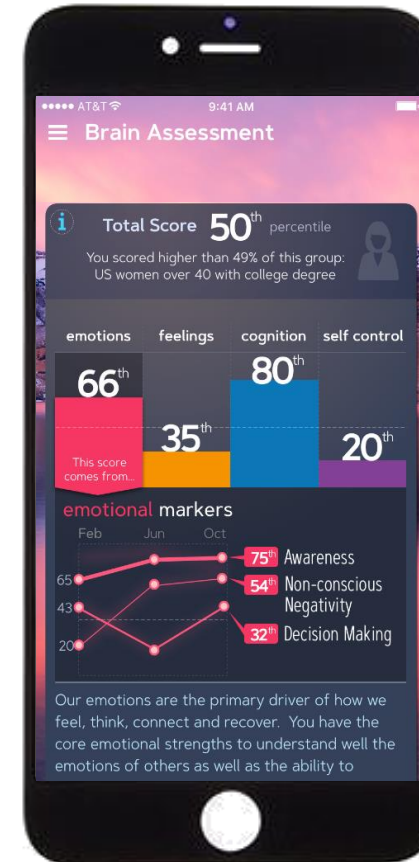
### USER EXPERIENCE

Modern design  
New interactions, new design



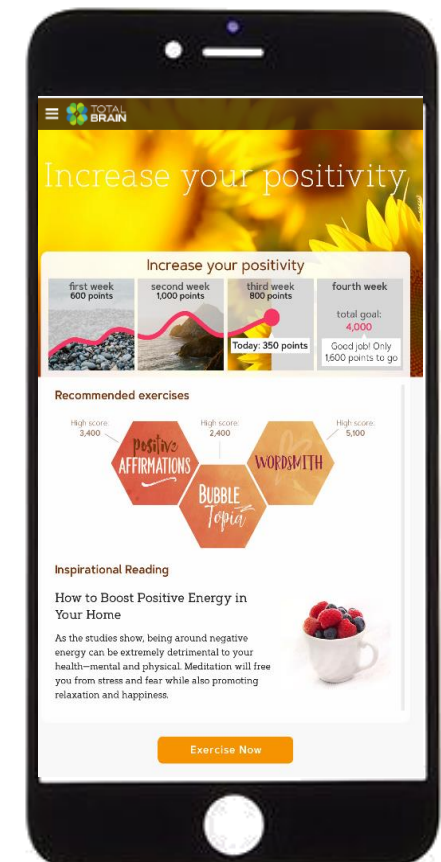
### ASSESSMENT

Rebuild and redesigned  
Increased speed



### ASSESSMENT RESULTS

Rich data visualization  
Personalized recommendations



### TRAINING

Rebuilt and redesigned  
Rich interaction models

# PRODUCT UPDATE

## RESULTS FOR COMMERCIAL BOOK OF BUSINESS (EXCL. AARP)



Reporting Period: Annual 2017  
23 Corporate Customers

ALL EMPLOYEES

| BRAIN CAPACITY                        |                         |                       |                       |           |          |
|---------------------------------------|-------------------------|-----------------------|-----------------------|-----------|----------|
| <i>n =25,260 (assessed 1 or more)</i> | Percentile Rank         | vs. Last Period       |                       |           |          |
| Overall                               | 56                      | +0                    |                       |           |          |
| Emotion                               | 54                      | -4                    |                       |           |          |
| Feeling                               | 57                      | -3                    |                       |           |          |
| Thinking                              | 46                      | -7                    |                       |           |          |
| Self Regulation                       | 66                      | +11                   |                       |           |          |
|                                       |                         |                       |                       |           |          |
| At-Risk Population                    | % of Initial Assessment | # of Emp.             | vs. Last Period       |           |          |
| Highly Stressed                       | 7.8%                    | 1,470                 | +2.5%                 |           |          |
| < 100% Productive                     | 18.3%                   | 3,403                 | -1.3%                 |           |          |
|                                       |                         |                       |                       |           |          |
| Program Engagement                    |                         | Assessment Engagement |                       |           |          |
|                                       | In-Period               | All Time              |                       |           |          |
| Registered Users                      | 121,551                 |                       | Registered Users      | In-Period | All Time |
| Initial Assessment                    | 18,611                  | 83,690                | % Assess              | 15.3%     | 68.8%    |
| Follow Up Assessment                  | 6,649                   | 48,879                | % Assess and Train    | 11.7%     | 54.1%    |
| Employees Who Train                   | 22,034                  | 73,060                | Training Engagement   |           |          |
| Avg. Brain Points                     | 6,179                   | 7,021                 | Registered Users      | In-Period | All Time |
| Avg. Training Time                    | 102 mins                | 117 mins              | % Who Train (overall) | 18.1%     | 60.1%    |
| Assess and Train                      | 14,295                  | 65,797                | % Brain Train         | 74%       | 68%      |
|                                       |                         |                       | % Mind-Body Train     | 26%       | 32%      |

EMPLOYEES WHO TRAIN

BRAIN CAPACITY

n =3,275 (assessed 2X and trained)

Percentile Rank

vs. Last Period

Overall

61

+8

Emotion

55

+4

Feeling

63

+7

Thinking

47

+4

Self Regulation

72

+7

Average In-Period Training Time: 3 hrs.

Vs Last Period based on 3,275 employees who trained and assessed twice. The 18,759 employees who trained but did not assessed twice most likely experienced similar results to those who did.

PRODUCTIVITY

n = 1,789 (assessed 2x and high-impact trained)

n = 11,940 (all users who high-impact trained)

Baseline

Post Training

Difference

Physical Presence<sup>(1)</sup>

107%

111%

+4.6%

Mental Presence<sup>(2)</sup>

80%

82%

+2%

Productivity<sup>(3)</sup>

85.58%

92.73%

7.15%

ESTIMATED BENEFIT \*

\$7M

PROGRAM COST

\$0.94M

\*Gross financial result based on self-report of n=1,789 employees who trained and followed up in the period. Productivity difference applies to 11,940 employees who trained on high impact exercises.

11,940 employees x 7.15% difference x 40 hours x 6 weeks (lasting effect of productivity gains) x \$35.87 hour

1) Physical Presence = 100% - % of absent hours



2) Mental Presence = Employee's self-reported relative performance rating in %

3) Productivity = Physical Presence + Mental Presence

# PRODUCT UPDATE

## CY2018 PRODUCT ROADMAP



|                    | Q1 2018   | Q2 2018  | Q3 2018   | Q4 2018   |
|--------------------|---|--|---|---|
| BRAND              | <br>MyBrainSolutions |  | <br>TotalBrain |   |
| INFRASTRUCTURE     | Modernized Tech Stack and Architecture<br><b>In Development</b>                                       |  |   |   |
| TOTALBRAIN MODULES |   | <b>Assessment</b><br>Rebuilt, Modular, Information Rich<br>Exceptional Capacities Screening<br><b>In Development</b> | <b>Practice (P1)</b><br>Rebuilt, Personalized, Brain and Body                                     | <b>Practice (P2)</b><br>Habituation Platform  |
| USER EXPERIENCE    |   | Lifecycle Communications   | New Consumer Experience<br>B2B2C and B2C<br>Freemium Model  | Global Language<br>Infrastructure   |
| CORPORATE MODULES  | Mental Fitness Report<br>Launch<br>Offline<br><b>Launching Soon!</b>                                  | <b>TotalBrain Integrations (P1)</b><br>Health Professional Referral  | <b>B2B Experience</b><br>Corporate Dashboard  | <b>TotalBrain Analytics</b><br>Data Append, Insights<br><b>TotalBrain Integrations (P2)</b><br>Broad Program Integration, Analytics |



# GO-TO-MARKET UPDATE

DEEPER PENETRATION IN EXISTING CHANNELS + NEW OPPORTUNITIES



| Channel Partners                         | Current Billed Population | Total Addressable Members | Current Penetration |
|--|---------------------------|---------------------------|---------------------|
| AARP                                     | 307k                      | 40M                       | 0.61%               |
| Aetna                                    | 68k                       | 46M                       | 0.15%               |
| Mercer                                   | 104k                      | 26M                       | 0.41%               |
| Kaiser Permanente                        | 30k                       | 11M                       | 0.21%               |
| Humana (under implementation)            | -                         | 13M                       | -                   |
| Jiff / Castlight                         | 16k                       | 5M                        | -                   |
| Welltok (under implementation)           | -                         | 3M                        | -                   |
| Cerner Wellness (under implementation)   | -                         | 2M                        | -                   |
| <b>Total</b>                             | <b>550k</b>               | <b>156M</b>               | <b>0.36%</b>        |
| <b>Penetration Potential</b>             | <b>1.25M</b>              | <b>156M</b>               | <b>0.80%</b>        |
| <b>Penetration Potential (Long-term)</b> | <b>15.6M</b>              | <b>156M</b>               | <b>10.0%</b>        |

*At current user assessment conversion rates, a 1.25M billed population at fixed US\$13.80 PEPY or variable US\$92 PUPY pricing represents a US\$17M recurring annual revenue opportunity, while a 15.6M billed population represents a US\$215M recurring annual revenue opportunity*

## 0.36% PENETRATION OF EXISTING CHANNEL PARTNER MEMBERSHIP

550K billed population currently at fixed PEPY pricing model.

Incremental penetration to 1.25M billed population is 0.80% of addressable members, and to 15.6M billed – 10% of the addressable member base

## ADDITIONAL VALUE-CREATION UPSIDE VIA NEW TYPE OF CHANNEL PARTNERS UNDER DEVELOPMENT

If BRC was to replace current Mental Health Assessments used in HRAs, it would benefit from enterprise penetration rates of 72% and 42% employee adoption rates



# iSPOT UPDATE

## BACKGROUND & CURRENT STATUS



- **iSPOT-D (International Study To Predict Optimized Treatment in Depression) was a clinical trial to identify objective predictors of treatment response to the three most commonly used anti-depressants: Escitalopram (Lexapro), Sertraline (Zoloft), and Venlafaxine-XR (Effexor)**
  - 660 genetic variants or “SNPs” from 1,008 patients’ bloods were analyzed, included cognitive, brain imaging and genetics data testing
- **While the current business plan is focused on the development of the MBS (TotalBrain) business, the Company has engaged in a low-energy/high-potential-return project to complete genetics data acquisition**
  - The acquisition of genetics data includes a Genome-Wide Association Study (GWAS) with 850,000 SNPs
  - By July 2018, the Company expects to have completed the initial scientific analysis
- **In April 2018, Brain Resource retained a healthcare investment bank to assist with evaluating the strategic alternatives for iSPOT, including licensing, commercialization, and M&A**
  - The Company is focused on delivering an outcome that maximizes shareholder value in a timely manner

# LOOKING AHEAD

## CY2018 OUTLOOK



- **The business is tracking well against the corporate objectives, which remain unchanged**
  - Priority is to deliver a doubling of user registrations and revenue (to US\$3.2m in CY2018)
- **Focused on completing the transition to a mental health and wellbeing B2B2C platform in H2 CY2018**
  - Rebrand MBS to TotalBrain and launch a new platform that better supports a new health-oriented positioning
- **Continue to optimise our go-to-market approach, maximise revenue from existing channel partners and corporate clients, and build a solid recurring revenue base to enable growth beyond CY2018**
  - Exploring Health Risk Assessments (HRA) and Employee Assistance Programs (EAP) as low-friction channels to enable BRC to replace inefficient mental health assessment products in a large and highly-penetrated market
- **Investing in resources across business infrastructure, talent and processes within all functional areas, creating a “growth” mindset and business practice**
  - Prioritizing the development of our Data Science function to reinforce the value of our neuroscientific database and aid our future product and revenue scalability as a data-driven business
- **Lastly, while our focus is on growing the Corporate segment of Brain Resource, we have retained a healthcare investment bank to assist with evaluating the strategic alternatives for iSPOT and deliver an outcome that maximizes shareholder value in a timely manner**

# KEY CONTACTS



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# 3. APPENDIX

OUR RESULTS  
THE SCIENCE  
TESTIMONIALS

# EMPLOYER CASE STUDY

## LARGE HEALTHCARE COMPANY



MyBrainSolutions tracked and analyzed the change in pharmaceutical claims for employees for a large healthcare company following their participation in the MyBrainSolutions program

### WHAT WE LEARNED:

In the subgroup of people with the poorest sustained attention and anxiety scores, or the bottom 25% of the group:



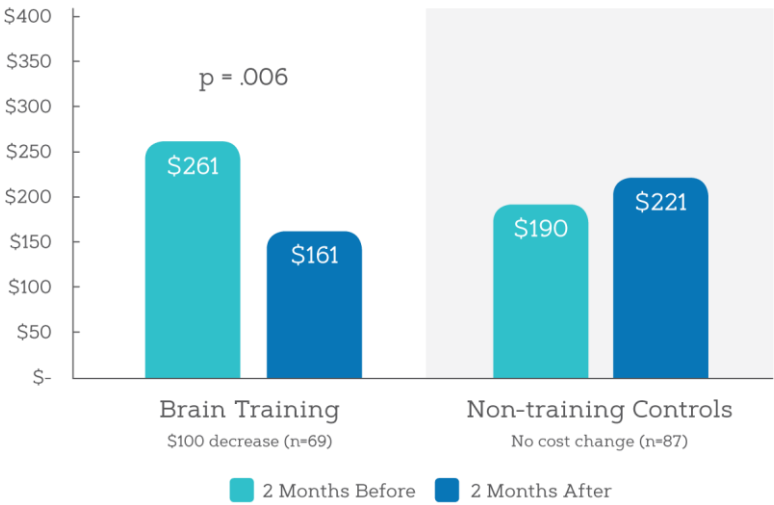
There was a \$100 reduction in total pharmaceutical cost after using MyBrainSolutions for a 2-month period



That equals a 38% reduction in cost

This reduction was not seen for people who registered for MyBrainSolutions, but did not go on to participate in any training exercises or fitness games on the site

### Total pharmaceutical costs during the 2 months before and after MyBrainSolutions



*“MyBrainSolutions brought on an ability for consumers to engage anytime, anyplace, on their own terms without having to talk to anybody.”*

- VP & Chief Medical Officer

\* A group analysis in a major U.S. technology company showed that, for its 24% most vulnerable population (those employees with the poorest sustained attention), brain training corresponded with a 38% reduction in pharmaceutical medical claims: \$600 in annual savings per employee, if we assume constant training or long lasting effect of 2-month training.

\*\* Our internal data also shows that, for its 25% most vulnerable population of our top-6 clients, brain training corresponds to a cost reduction of 50% for absenteeism (net gain of 7 hours per week at a large US manufacturer) and 28% for presenteeism.

# THE SCIENCE

## TWO UNIQUE NEUROSCIENTIFIC ASSETS



### STANDARDIZED DIGITAL HOLISTIC BRAIN ASSESSMENT (2000 - 2003)

Dr. Evian Gordon, PhD, MD led the world's top neuroscientists over a two-year period in **standardizing** how to **define** and **measure** core brain functions.

#### Standard: 4 Core Processes

(Thinking + Emotion + Feeling + Self-regulation) can be measured by **17 markers**.

**Example:** Thinking is measured by Memory (recall, working), Attention (sustained, controlled) and Executive Function.

**Asset Created:** Digitized the most valid “pen and paper” tests for each brain marker. **5,000 norms** were validated over time from more than **386K assessments**. A unique asset was created with no market equivalent. There has been **10 scientific publications** on the digital assessment alone.

### STANDARDIZED NEUROSCIENTIFIC DATABASE (2004 - 2017)

Digital assessment was part of a suite of **standardized data collection** tools used by 100s of laboratories and studies. These studies generated new assessments that fed the company's **proprietary standardized database**.

#### Database Inputs:

- 200 brain studies at Harvard, NYU, MIT, Stanford, Oxford, Cambridge, etc. Subsequently generated 300 publications (licensing)
- 20 clinical trials of psychiatric drugs (licensing)
- 2 clinical trials predicting drug effectiveness for Depression and ADHD - FDA approval possible in 2018 (proprietary)
- 600K+ individual brain assessments/brain trainings through employers and clinics (proprietary)

#### Data Types:

- 312K Cognitive Performance
- 386K Questionnaires
- 237K Brain Training Results
- 2K Genomics
- 54K EEGs
- 542 Structural and Functional MRIs

**1M standardized data sets: largest in the world and expected to grow in 2018**

# TESTIMONIALS

## WHAT CUSTOMERS ARE SAYING



### Employees loved it

*"Our client needed a solution that drew attention to cognitive health but was also cost-effective for their large workforce. We rolled out MyBrainSolutions, and their employees love it. We are most excited about the improvements in brain health scores. We highly recommend MyBrainSolutions – the ease of use and effectiveness, coupled with the affordability, makes it a win all around."*

– Emily Sharpe, Premise Health

### Helped me stay on task

*"I enjoyed MyBrainSolutions... Refocusing my attention for this activity helped me stay on task and focused with my daily work. I also believe exercising your brain is important for overall wellbeing."*

– Michelle S., Employee for a large aerospace company

### Sharpened some skills

*"I liked being challenged in ways I have not focused on, like positive thinking, or relieving some stress by my breathing. It also sharpened some skills I had let get rusty."*

– George S., Employee for a large aerospace company

