

Neurotech

Quarterly report for the period ending 30 September 2017

KEY HIGHLIGHTS

- *Fundraising of \$2.641 million completed and a further \$1.359 million subject to shareholder approval to be sought at the upcoming AGM*
- *preliminary results of US Clinical Trial presented at world renowned mental health conference at the University of Cambridge in September*
- *Marketing and distribution partner appointed in Australia*
- *Initial shipments of devices to Turkey*
- *Restructured agreement with Italian distributor*
- ***Investor conference call scheduled for 8 November 2017***

Perth, Australia & Malta – 30 September 2017 – Neurotech International Limited (ASX: NTI) (“Neurotech” or the “Company”), is pleased to present its Quarterly Report for the period ending 30 September 2017.

Chief Executive Officer Wolfgang Storf said: “We continued to consolidate our business infrastructure and operations while achieving several milestones during the period. The preliminary results from the US clinical study were presented in Cambridge, UK this month and the statements from Professor Carrick were very encouraging. We also made big strides in the Australian market with the appointment of a distribution partner. With the capital raising conducted post the end of the quarter, we have positioned ourselves strongly coming into a year of particularly important activities for the Company.”

Key milestones achieved during the September quarter are further detailed below.

CLINICAL TRIAL

The preliminary findings for the Clinical Trial of the Mente Autism device being conducted by the US-based Carrick Institute were presented by Professor Frederick R Carrick at the 6th Cambridge International Conference on Mental Health, on 22 September at Clare College, Cambridge, UK. Professor Carrick, noted that “the preliminary findings demonstrate positive changes in children’s neurological function... with the positive effect of the Mente Autism device demonstrated with statistical significance on patients measured to date.”

Neurotech International Ltd

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FURTHER EXPANSION OF DISTRIBUTION NETWORK

In September, Neurotech also secured Sydney-based Medilink as its marketing and distribution partner in Australia. After successfully receiving TGA registration, the appointment of a distribution partner in Australia is another important milestone for Neurotech, representing the Company's push into the region. The first batch of 13 demonstration and user devices were shipped to Australia in October.

During the quarter Neurotech also completed a shipment of 25 devices to Turkey, part payment for these devices had been received in the quarter to 30 June 2017. These devices replaced existing Mente 2 systems with the current version of the device. The delivery of the shipment to Turkish distributor ESE Pazarlama (previously MBM Medikal) follows the recent renewal of the distribution partner's contract for a further three years.

ITALIAN DISTRIBUTION AGREEMENT UPDATE

In August, the Company announced a restructuring of the distribution agreement with its Italian distributor, Promosalute. This restructured agreement, which commenced in October 2017, requires Promosalute to place minimum orders and complete payment for Mente Autism units over an initial contract term to mid-2019, with the potential for extension beyond this.

As part of its marketing and commercial plan for Italy, Promosalute will be opening three neurofeedback technology centres. These will be used to build awareness and aid in education around autism and specifically the potential of neurofeedback and the Mente Autism device as a therapy.

NEUROTECH ATTENDS INTERNATIONAL EVENTS

During the quarter, Neurotech attended the Autism Show, held in Manchester, UK. The Autism Show is the United Kingdom's national event for autism and the largest event in the country dedicated to the autism community with over 3,000 attendees.

On 22 September, the Company provided three presentations to academic researchers attending the 6th Cambridge International Conference on Mental Health, held 20-22 September 2017 in Cambridge, UK. Representatives of Neurotech at the conference included Neurotech founder Dr Adrian Attard Trevisan, as well as senior research and development staff Dr Marco Rotonda and Dr Emanuela Russo.

CAPITAL RAISING

Subsequent to the end of the quarter, Neurotech completed a well oversubscribed A\$4 million placement to institutional and sophisticated investors. The funds raised, at \$0.20 per share, will provide the Company with the financial platform for further manufacturing and acquiring of additional inventory, product enhancements, pursuit of strategic opportunities and working capital.

OUTLOOK

Over the remainder of 2017, and into the first half of 2018, the Company is focused on the continued expansion of its distribution network, particularly the United Kingdom.

During this period, Neurotech will also look forward to the conclusion of the Clinical Trial in the US and the release of the final results.

Finally, the Company will also continue to progress its regulatory approval process in the US and investigate potential strategic initiatives to drive shareholder value.

INVESTOR CONFERENCE CALL

Neurotech Chief Executive Officer Wolfgang Storf will hold a conference call for shareholders and other interested parties on Wednesday 8 November 2017. In addition to providing an update on the Company's activities and outlook, Wolfgang will address questions from investors. Please submit all questions in advance of the call to matt@nwrcommunications.com.au

The call is scheduled for Wednesday 8 November at 5pm AEDT (2pm AWST / 6am GMT).

To connect to the call please use either the following weblink to register or join using one of the dial-in numbers and access code.

WEBLINK:

<https://attendee.gotowebinar.com/register/4882060712152116737>

DIAL-IN:

Australia: +61 2 9091 7604

UK: +44 20 3713 5012

USA: +1 562 247 8421

Italy: +39 0 230 57 81 73

Access code: 525 617 270

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About Neurotech

Neurotech International Limited is a medical device and solutions company incorporated in Australia and operating through its wholly-owned, Malta-based subsidiary AAT Research Limited. Neurotech's primary mission is to improve the lives of people with neurological conditions, with a vision of becoming the global leader in home-use and clinical neurotechnology solutions that are both accessible and affordable. Through flagship device Mente Autism and its associated platform, Neurotech is focused on the development and commercialisation of technological solutions for the diagnosis and treatment of such conditions, starting with autism.

Mente Autism is a clinical-quality EEG device that uses neurofeedback technology to help children with ASD. Designed for home use, Mente Autism helps relax the minds of children on the spectrum which in turns helps them to focus better and engage positively with their environment.

For more information about Neurotech and Mente Autism please visit:

<http://www.neurotechinternational.com>.

<http://www.mentetech.com>.

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Neurotech International Limited

ABN

73 610 205 402

Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3	3
1.2 Payments for		
(a) research and development	(142)	(142)
(b) product manufacturing and operating costs	(205)	(205)
(c) advertising and marketing	(10)	(10)
(d) leased assets	-	-
(e) staff costs	(144)	(144)
(f) administration and corporate costs	(172)	(172)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	6
1.5 Interest and other costs of finance paid	(7)	(7)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(671)	(671)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) intellectual property	(235)	(235)
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(235)	(235)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	8	8
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	8	8

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,637	2,637
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(671)	(671)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(235)	(235)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	8	8

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	6	6
4.6	Cash and cash equivalents at end of quarter	1,745	1,745

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	144	135
5.2	Call deposits	1,601	2,502
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,745	2,637

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

117

Director remuneration for the period to September 2017.

7. Payments to related entities of the entity and their associates

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

22

Management Fees of \$22,500 paid to associates entity for services provided to 30 September 2017.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	468	352
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	204
9.2 Product manufacturing and operating costs	308
9.3 Advertising and marketing	28
9.4 Leased assets	
9.5 Staff costs	217
9.6 Administration and corporate costs	196
9.7 Other (fee payable for capital raising)	240
9.8 Total estimated cash outflows	1,193

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: .31 October 2017...

Print name: Fleur Hudson
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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.