

Neurotech

Quarterly report for the period ending 31 December 2017

KEY HIGHLIGHTS

- *Design agreement signed with German company eemagine Medical Imaging Solutions GmbH to deliver enhancements on the Mente Autism headband*
- *Successful \$4m placement to sophisticated and institutional investors completed*
- *ISO 13485 certification successfully renewed*
- *Investor conference call held on 8 November 2017*

Perth, Australia & Malta – 30 January 2018 – Neurotech International Limited (ASX: NTI) (“Neurotech” or the “Company”), is pleased to present its Quarterly Report for the period ending 31 December 2017.

Chief Executive Officer Wolfgang Storf said: “We are continually looking to improve and enhance the Mente Autism product and feedback from our distribution partners and customers is crucial to the success of our company. With this in mind, we established a partnership with Germany company, eemagine, to help us enhance and design the next generation of Mente Autism. At the same time, we continued to build on the milestones achieved in previous quarters and the consolidation of our operations in the various regions in which we are continually establishing a commercial and marketing presence.”

Key milestones achieved during the December quarter are detailed below.

DESIGN AGREEMENT

In December, Neurotech announced it has engaged an established leader of cutting edge technology, eemagine Medical Imaging Solutions GmbH, to review the design of the Company’s Mente Autism device. eemagine brings years of knowledge and experience in the design of medical research devices.

Under the terms of the agreement, eemagine will deliver several design enhancements to the product, and explore the feasibility of incorporating its proprietary, research grade, waveguard™ touch electrodes within the headband. eemagine will also design a new headband to suit varying ages of children, providing flexibility, and continued use of Mente Autism as the child grows.

CAPITAL RAISING

Neurotech completed an oversubscribed A\$4 million placement to institutional and sophisticated investors during the quarter. 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.

Neurotech International Ltd

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ISO 13485 RENEWED

Neurotech's Malta-based subsidiary, AAT Medical, successfully renewed its ISO 13485:2012 certification in November. The certification is provided to companies which meet the requirements and standards to design, manufacture and service therapeutic neurological, active medical devices. The ISO renewal audit was conducted by ITALCERT.

INVESTOR CONFERENCE CALL

Neurotech Chief Executive Officer Wolfgang Storf presided over a well-attended conference call for shareholders and other interested parties in November, providing an update on the company's activities. The recording of the investor call is available at <http://mentetech.com/wp-content/uploads/2017/11/NTI%20Conference%20Call.mp4>.

OUTLOOK

Over the current half, the Company will be focusing on the enhancements to the Mente Autism product and the new, flexible design of the headband.

During the period the Company will also selectively expand its distribution network and build out the necessary sales ecosystems across key jurisdictions, including building out the medical profession network in collaboration with its distribution partners, and creating awareness about Mente Autism. Management will also further progress key regulatory aspects, including its FDA submission.

Finally, Neurotech will look forward to, as per its announcement in January 2018, the publication of the results of the US clinical trial and, assuming positive outcomes, the subsequent submission to the US FDA for Mente Autism.

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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")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	30	63
1.2 Payments for		
(a) research and development	(199)	(341)
(b) product manufacturing and operating costs	(272)	(507)
(c) advertising and marketing	(13)	(23)
(d) leased assets	-	-
(e) staff costs	(185)	(329)
(f) administration and corporate costs	(181)	(353)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	13
1.5 Interest and other costs of finance paid	(4)	(11)
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	(817)	(1,488)
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 (6 months) \$A'000
(d) intellectual property	(135)	(370)
(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	(135)	(370)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	4,000	4,000
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	(240)	(240)
3.5 Proceeds from borrowings	-	8
3.6 Repayment of borrowings	(30)	(30)
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	3,730	3,738

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	1,745	2,637
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(817)	(1,488)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(135)	(370)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	3,730	3,738

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	11	17
4.6	Cash and cash equivalents at end of quarter	4,534	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	419	144
5.2	Call deposits	4,115	1,601
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)	4,534	1,745

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	119
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	

Director remuneration for the period to 31 December 2017

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	22
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	

Management Fees of \$22,500 paid to associated entity for services provided to 31 December 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	401	365
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	343
9.2 Product manufacturing and operating costs	44
9.3 Advertising and marketing	24
9.4 Leased assets	
9.5 Staff costs	225
9.6 Administration and corporate costs	201
9.7 Other	-
9.8 Total estimated cash outflows	837

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:  Date: ..30 January 2018.....
(Company secretary)

Print name: Fleur Hudson

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.