

# Neurotech

## Quarterly report for the period ending 31 March 2018

- *Data collection and analysis for US clinical trial of Mente Autism device completed*
- *Assuming positive results, US FDA submission for Mente Autism expected to follow*
- *Medical technology specialist Ashnev Medicals secured as Indian distribution partner – further expanding distribution network*
- *Improvements made to the Mente Autism device*
- *Increased marketing initiatives underway*

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

Chief Executive Officer Wolfgang Storf said:

“This is an exciting period for Neurotech as we await the release of our major US clinical trial results, and if successful, US FDA submission for Mente Autism.

“Securing Ashnev Medicals as our Indian distribution partner is a major win as we see significant market potential in the region. Its expertise and network will assist Neurotech to penetrate this growing market. The Company is poised to offer real therapeutic benefit and we are pleased that Ashnev Medicals have recognised real value in our Mente Autism device.”

A summary of activities during the March quarter are detailed below.

### **DATA COLLECTION FOR US CLINICAL TRIAL COMPLETE, AWAITING RESULTS**

Data collection and analysis for primary outcome measures for the US neurofeedback study of autism using the Mente Autism device has been completed.

The Mente Autism device uses neurofeedback technology to relax the minds of children on the autism spectrum to help them focus better and engage positively with the environment. During the 12-week clinical trial the treatment was given to children for 40 minutes each morning.

The Carrick Institute has prepared the resulting data for submission for publication. If published the results of the study will be available to both Neurotech and the public.

Preliminary findings announced in September 2017 demonstrated positive changes in children’s neurological functions following use of the Mente Autism device over a 12-week period. Should these preliminary positive outcomes be confirmed, the results will then be submitted to the US FDA in due course.

### **DISTRIBUTION PARTNER SECURED**

Medical technology specialist Ashnev Medicals has been secured as Neurotech’s exclusive marketing and distribution partner in India. Ashnev Medicals is based in Kerala, India and has spent over a decade

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#### **Neurotech International Ltd**

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working with the latest technology in medical equipment, pharmaceutical products, health and rehabilitation diagnostics and treatment.

Following a period of product training, marketing activities focused on key Indian cities Kerala, Cochin and Trichur will commence.

## **OUTLOOK**

The board and management expect the current quarter to be pivotal for Neurotech as it readies itself for the US clinical trial results. Once these results are announced the company will prioritise its FDA submission for Mente Autism.

Whilst Neurotech is awaiting the outcome of the clinical trial, it is undertaking design improvements to the next batch of Mente Autism devices. This includes improvements to wi-fi connectivity, synchronisation and usability improvements linked to the firmware and the Mente Autism application. The process to obtain an updated CE technical file for the new batch is underway, and production will start immediately once this is confirmed. Obsolete stock valued at approximately A\$41,000 will be decommissioned in anticipation of the release of the updated iteration of the device, which is expected to be available to the market early in H2 CY2018. The updated iteration of the device will also require increased company expenditure associated with product manufacturing during the June quarter.

In accordance with the Company's commitment to quality control, no sales of obsolete stock occurred during the last quarter, with sales expected to recommence once the updated device is available, which is expected to be available to the market early in H2 CY2018.

The board and management are also planning increased marketing and PR activities in line with the anticipated release of the Clinical Trial results. Some of these activities have commenced including digital marketing and search engine optimisation projects to improve the visibility of Mente Autism.

Neurotech management continues its program of outreach to existing and potential distribution partners. It has commenced discussions with several potential distribution partners in new geographies, while preparing for sessions in H2 CY2018 with existing distribution partners to present the Clinical Trial results and introduce the new iteration of the Mente Autism device.

Upon the release of the Clinical Trial results and availability of the new devices, further marketing materials and initiatives will also be deployed.

During January, Promosalute conducted a targeted online marketing campaign in Italy to attract interest in the Mente Autism device. Promosalute will be extending its online marketing activities in the coming months to target a wider audience. Promosalute has also advised that it will increase the number of 'Autism and Neurofeedback Centres' in the coming months, with the three previously announced centres now active. The role of these centres is to assess the suitability of potential patients for the Mente Autism device, offer pre-sales and post-sales services to customers as well as provide medical consultations as demand for the Mente Autism devices increases. Promosalute are continuing to actively engage with several medical professionals to increase awareness of Mente Autism and to build a network of key opinion leaders in Italy.

Neurotech has already established a relationship with select key opinion leaders in Italy, from which management expects several endorsements to be received in the short term. The first new research devices have also been completed and are to be shipped to key opinion leaders imminently.

For more information about Neurotech and Mente Autism please visit:

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

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

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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 March 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3	36
1.2 Payments for		
(a) research and development	(346)	(687)
(b) product manufacturing and operating costs	(82)	(559)
(c) advertising and marketing	(7)	(30)
(d) leased assets	-	-
(e) staff costs	(240)	(569)
(f) administration and corporate costs	(222)	(575)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	24
1.5 Interest and other costs of finance paid	(6)	(17)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(889)</b>	<b>(2,377)</b>

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

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
(d) intellectual property	(181)	(551)
(e) other non-current assets	-	-
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	2	2
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (provide details if material)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(179)</b>	<b>(549)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	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)
3.5 Proceeds from borrowings	-	8
3.6 Repayment of borrowings	(367)	(397)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(367)</b>	<b>3,371</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	4,534	2,637
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(889)	(2,377)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(179)	(549)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(367)	3,371

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	40	57
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>3,139</b>	<b>3,139</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	21	419
5.2	Call deposits	3,118	4,115
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,139</b>	<b>4,534</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	39
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	

Includes \$39,167 directors fee for the period to 31 March 2018

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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	

Administration services fees of \$22,500 paid to associates entity for services provided to 31 March 2018.

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
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.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	105
9.2 Product manufacturing and operating costs	637
9.3 Advertising and marketing	25
9.4 Leased assets	-
9.5 Staff costs	226
9.6 Administration and corporate costs	351
9.7 Other	-
<b>9.8 Total estimated cash outflows</b>	<b>1,344</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
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: 30 April, 2018  
.....

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.