

Neurotech

ASX RELEASE

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Chairman's Address 2018 Annual General Meeting

Ladies and Gentlemen

Welcome to Neurotech's Annual General Meeting for the 2018 Financial Year. In my Chairman's address, I would like to share an overview of the key operational milestones we have achieved, address some of the experiences and lessons learnt, and share the outlook for the near future.

As we stand today, one in 68 children suffers from autism. Autism is a complex disorder, with far reaching financial, social and emotional consequences for the child, their families and the wider community. While there is no known cure for autism, Neurotech's Mente technology offers a glimmer of hope to these families by providing a solution that can help to manage and reduce autism symptoms.

YEAR IN REVIEW

We have had a significant year, most encouraging of which was receiving positive validation of our flagship Mente device for providing autism therapy, in a clinical trial conducted by the Carrick Institute in the US. The trial was a randomised, controlled, double-blinded investigation of 34 participants who used the Mente device over a period of 12 weeks. The results were published in a leading scientific journal, *Frontiers of Neurology*, and found that Mente significantly improved cognitive, postural and behavioural outcomes for participants in the active group, with normalisation of brain wave patterns usually associated with autism.

The significance of the trial cannot be understated, as it provided independent validation that the therapy's efficacy is not reduced when packaged in a home-friendly device – remember that auditory neurofeedback is not a novel therapy for neurological disorders and has been medically validated for decades.

In parallel, we have made usability and connectivity improvements that significantly improve the Mente device, guided by feedback from early adopters and clinicians. Importantly we have also prepared and submitted our application for US FDA approval.

It is helpful at this point to highlight the unique position that Neurotech occupies:

- We have a strong and innovative asset that delivers a therapy that helps children with autism;
- We have an independent study which provides validation of the effectiveness of Mente;
- We have a highly leverageable cloud architecture, which enables virtual data collection, monitoring and support to be provided to parents and clinicians;

Neurotech International Ltd

ABN 73 610 205 402

Level 14, 225 St Georges Terrace

Perth, Western Australia 6060

www.neurotechinternational.com

- Mente is both CE certified (for sale in Europe) and TGA registered (for sale in Australia), and positioned for US FDA in late 2019; and
- Our distributors have generated a level of early awareness of Mente, particularly in Europe, and ordered 100 units in the last quarter.

Along the way, we have challenged our traditional business-to-business distributor business model. This model means we are one step removed from driving the significant demand we know that this technology has the potential to generate, particularly from parents and trusted clinicians. Under this model, there is also a long and expensive (but tested) road of expanding the depth and breadth of the US Clinical Trial to encompass a larger data set, a longer time period and a wider age range, to satisfy autism institution and clinical requirements which are specific to each jurisdiction.

STRATEGY LOOKING FORWARD

These challenges are real, but we believe they are not insurmountable. Our focus right now is to scale the Mente platform through new approaches to market and through innovation, while being focussed on a small handful of key jurisdictions. We will maintain the key pillars of:

- Relentless improvement towards a simple, easy-to-use, quality product and ready support;
- Targeted marketing and online / social advertising;
- Continuous research, smart data capture and IP protection;
- Innovation into treatment of other neurological disorders; and
- Prudent cost management.

Our market approach strategy is currently being refined and we expect to provide a detailed update to shareholders in the new year.

MANAGEMENT AND BOARD CHANGES

To this end, we are pleased to welcome Peter Griffiths as the new CEO to lead a new chapter of the Company as it refocuses on its commercialisation strategy and build on the momentum of the success of the US Clinical Trial. Peter is uniquely placed, having followed our journey as a shareholder since 2015 and as a Board member from 2016. Peter brings more than 20 years of experience in the technology sector, with roles including consultant, founder and start-up CEO and C-suite executive. He has demonstrated success in growing and scaling software businesses, including at Cognos, IBM and CA Technologies. Peter is also a material shareholder in our company.

We are also privileged to have Dr David Cantor and Dr Neale Fong join us on the Board of Neurotech in the last 12 months, both being distinguished clinical practitioners in United States and Australia respectively. Dr Cantor also chairs our Scientific Advisory Board, which has a rotating membership on an annual basis. Both Dr Cantor and Dr Fong have been instructive in informing both our go-to-market and R&D strategies.

We take the opportunity to thank outgoing CEO, Wolfgang Storf, and Non-Executive Director, Cheryl Tan, for their contributions to the Company over the last couple of years.

CLOSING

In closing, I would like to thank my fellow board members for their untiring contribution and support, as well as to the Neurotech team, who through their hard work have brought Neurotech to where it is today. Finally, I would also like to express my thanks to our shareholders for your continued support.

I look forward to communicating our progress periodically in the coming twelve months.

Yours Faithfully

Peter O'Connor
Chairman
Neurotech International Limited

Key Achievements & Next Milestones

Achievements

The Company has made substantial achievements since listing:

- ✓ **Nov 2016:** A\$7 million ASX IPO
- ✓ **Dec 2016:** First shipments of Mente Autism & appointment of Scientific Advisory Board
- ✓ **Mar – Sep 2017:** Secured new Austrian, Greece, German & Swiss, Saudi & Australian distributors, renewed Turkey distributorship
- ✓ **Jun 2017:** Australian TGA registration received
- ✓ **Sep 2017:** Outstanding preliminary outcomes received from independent US clinical trial
- ✓ **Oct 2017:** Completed a well-over subscribed four-million-dollar placement to investors
- ✓ **Jul 2018:** Publication of US clinical trial results in leading journal *Frontiers of Neurology*
- ✓ **Throughout:** product improvements, engagement with distributors and conference representation

Looking Forward...

We are focussed on leveraging the momentum of the clinical trial to scale the Mente platform through new approaches to the market and through innovation:

Calendar year

- **Q1 2019:** Strategy and commercialisation update
- **Q1 - 2 2019:** New market entry
- **Q2 2019:** Embed technology partner for QEEG and screening
- **Mid term horizon (6 – 18 months):**
Expand home treatment protocols for adjacent conditions, such as ADHD, embed machine learning for treatment guidance and efficacy, US FDA approval
- **Long term horizon (12 – 24 months):**
Increase home EEG resolution and enhance simplicity. Add synergistic offerings for clinic to home platform