

Neurotech

Neurotech to raise \$3m via rights issue to advance new strategic direction

- Funds will allow Neurotech to execute on new strategy across the next 12 months – focused on delivering Mente under a new go-to-market subscription model
- 1-for-1 renounceable rights issue at an issue price of \$0.03 per share to raise up to approximately \$3.3 million
- Issue price represents a 35% discount to the 1 month VWAP of 4.6 cents
- 1-for-1 free attaching option for every 1 new share subscribed for – exercisable at \$0.06 per share on or before 31 March 2021

Perth, Australia & Malta – 29 January 2019 – Neurotech International Limited (ASX: NTI) (“Neurotech” or “the Company”) is pleased to announce a renounceable rights issue (**Offer**) to shareholders, on the basis of 1 new share for every 1 Neurotech share held as at 4 February 2019 (5:00 pm WST) (**Record date**).

Pursuant to the Offer, Neurotech will issue up to 109,620,903 new fully paid ordinary shares in the Company (**New Shares**) at an issue price of \$0.03 per share, to raise up to \$3.3 million (before costs). The entitlement to subscribe for New Shares under the Offer will be renounceable.

Participants in the Offer will also be eligible for 1 free attaching option for every 1 new share subscribed for, exercisable at \$0.06 and exercisable on or before 31 March 2021.

The funds raised will support the Company’s repositioning following an intensive review of the strategic direction of the Mente product and previous distributor-focussed model. The revised strategy will see Neurotech delivering Mente through a pilot subscription-based go-to-market model, which includes:

- Changes in pricing to a “Mente Therapy Subscription”, reducing the risk for clinics and parents while aligning successful outcomes for all parties and providing a valuable recurring revenue stream to the Company;
- Leveraging Digital Marketing, eCommerce, Support and Fulfillment services to simplify and scale the buying experience;
- Focusing exclusively on enabling Clinics to offer Mente to their patients – scaling the physical clinical practice, increases credibility and local support for families and provides opportunity to use referral marketing to scale; and
- Building on the Mente software suite and data assets to deliver increasing value to clinics, doctors and patients.

Neurotech International Ltd

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The move will expand Mente’s use beyond autism, improve affordability to the consumer and create a compelling value proposition for clinics through providing a new, relatively low friction and recurring revenue stream, while increasing the care levels and enabling real-time connectivity with their patients. Broadening the use of Mente beyond autism to other potential conditions, including ADHD, will also significantly increase the potential target market of Mente users.

The net proceeds, in conjunction with existing cash reserves, will allow the Company to advance its new strategy over the next 12 months, including being used for:

- Software and support: including rollout of iOS applications and updating infrastructure to support subscription model, data capture and e-commerce integration;
- Production and quality: continued production of devices to support subscription sales;
- Marketing: including targeted clinic outreach, messaging updates, website updates and educational webinars;
- Research and development: including update of cloud data model and progressing to machine learning to expand the use cases of the Mente algorithm; and
- General corporate costs and working capital.

Further information on the new strategic direction for Neurotech and Offer is included in the accompanying presentation and the rights issue prospectus to be sent to eligible shareholders (**Offer Document**). The presentation is on the ASX and the Company’s website. The Offer Document will be separately released to ASX following lodgement with ASIC and made available on the Company’s website.

The Offer of securities is being made to eligible shareholders on the basis of one (1) new share at an issue price of 3 cents per share and one (1) attaching option for every one (1) existing share held the Company on the record date of 5:00 pm, 4 February 2019., The rights issue price represents a 35% discount to the 1 month volume weighted average price (**VWAP**) of 4.6 cents as at 25 January 2019.

Shareholders will be given the opportunity to apply for additional securities in excess of their entitlement, but allocations are not guaranteed. However, the Offer is renounceable and shareholders will be able to increase their entitlements through the purchase of additional rights.

All Directors who are eligible to participate have indicated they intend to take up a substantial part of their entitlements under the Offer.

Azure Capital Securities Pty Ltd is acting as Lead Manager to the Offer.

The proposed timetable* for the offer is as follows:

Item	Indicative Date
Announcement of Offer and lodgement of Offer Documents with ASIC and ASX	Tuesday, 29 January
Shares quoted on a “ex-rights” basis and rights trading commences	Friday, 1 February
Record Date to determine entitlements	Monday, 4 February
Offer opens	Wednesday, 6 February

Rights trading ends	Wednesday, 13 February
New securities quoted on a deferred settlement basis	Thursday, 14 February
Offer closes (5pm, WST)	Wednesday, 20 February
Issue date	Monday, 25 February
Ordinary trading of new securities commences	Tuesday, 26 February

**The above timetable is indicative and may change, subject to the Corporations Act and ASX Listing Rules.*

A prospectus for the offer and a personalised entitlement and acceptance form will be sent to eligible shareholders in accordance with the above timetable.

Shareholders should consider the disclosure document in deciding whether to participate in the Offer. Anyone seeking to acquire securities will need to complete the application form that will be in or will accompany the Offer Document.

Yours sincerely



Fleur Hudson
Company Secretary

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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* and its associated platform, Neurotech is focused on the development and commercialisation of technological solutions for the screening and treatment of symptoms associated with conditions such as autism.

Mente is the world's first home therapy that is clinically proven to increase engagement and improve relaxation in autistic children with elevated Delta band brain activity.

For more information about Neurotech and *Mente* Autism please visit:

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

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

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