

Neurotech

30 April 2019

Quarterly report for the period ending 31 March 2019

Neurotech International Limited (ASX: NTI) is pleased to present its quarterly report for the period ending 31 March 2019.

OPERATIONAL UPDATE

During March, the Company released a new e-commerce platform and website www.mentetech.com to enable the subscription model for clinics to prescribe Mente. The release of the platform coincides with the launch of Mente in the UK, with a digital marketing program, which started in the second half of March 2019. As part of this process the Company appointed premier lead generation agency, ANCHOVY. Plc as its partner for the development of its network of clinics.

Plans for a full media launch in the UK were put on hold as a result of the PR issues surrounding the Company's founder. A series of articles in the Maltese media were also picked up by international outlets and this would have dampened the effects of the UK campaign.

Given the sensitive nature of the matter, it was not the opportune time to push ahead with a PR and media campaign. Neurotech, instead focussed on its digital marketing and lead generation efforts in the country targeting clinicians and its online awareness campaign around Mente.

The Company is currently in negotiations with existing regional distribution partners regarding new contracts based on the subscription model. Neurotech has received positive feedback from many of these partners, confirming the new business model is a more attractive proposition for the clinicians prescribing it as well as easing the financial burden on families who need the device.

During the period the Company also reconfirmed that Mente has been registered as a neurofeedback device in the United States and that it continues to target its launch of Mente to US-based clinics for mid-2019.

The most recent iteration of the Mente device, released in 2018, delivers a brain training therapy that is based on widely-published research. The results of the Mente therapy have been independently verified in a US clinical trial. The results show positive effects and a reduction in autistic behaviors. In addition, parents indicated significant improvements in social skills and communication of their children. The US trial validates the current version of Mente as a complementary home-based therapy for children with autism spectrum disorder.

Mente is helping autistic children live better lives and Neurotech continues to work closely with families, clinics and the neuroscience community to further validate and improve the outcomes that Mente enables. As a Company, Neurotech stands behind the peer-reviewed science of Mente, and the results it is delivering for children with autism spectrum disorder.

The positive outcomes that Mente enables for children with autism have been validated in a double-blind independent clinical trial in the US and many parent testimonials. The device has also achieved CE medical certification. The Company is confident in the Mente offering and the team continues to

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focus on the goal of helping to improve the lives of families working with autism and neurodevelopmental disorders.

MENTE IOS BETA AVAILABILITY

During March, Neurotech also released a publicly available beta version of the Mente app for iOS, allowing Mente users to participate and beta test on their iPhone and iPad until the official version is available from the AppStore.

Participation in the public beta is open to current Mente users. Details on how to download the App are available on the website: <http://www.mentetech.com/beta>.

CORPORATE

During January, the Company announced a renounceable rights issue to shareholders, on the basis of 1 new share for every 1 Neurotech share held as at 4 February 2019 (5.00pm WST).

On the close of the Offer the Company issued the 26,122,966 shares and 26,122,966 options to shareholders, on Monday 25 February 2019.

BOARD OF DIRECTORS UPDATE

Subsequent to the end of the quarter, Neurotech announced several new appointments:

- Mr Mark Davies as Independent Non-Executive Chairman;
- Mr Winton Willesee as Independent Non-Executive Director; and
- Ms Eryn Dale as Company Secretary.

The new appointments have been made in line with the Company's revised commercial strategy to ensure the best path towards maximising shareholder value.

Concurrently with the new appointments, Mr Peter O'Connor, Mr Simon Trevisan and Dr Neale Fong have retired as directors of the company, while Ms Fleur Hudson has retired as Company Secretary. The Company thanks the outgoing directors and Company Secretary for their hard work and support.

DR ATTARD TREVISAN UPDATE

During the quarter the Company became aware of negative media in relation to the qualifications of a founder and previous adviser to the Company, Dr Adrian Attard Trevisan.

Further, the Company announced that its wholly-owned subsidiary AAT Research Limited and AAT Medical Limited along with Dr Trevisan, had been named in legal proceedings filed in Malta by a former employee of AAT medical. The proceedings are related to the alleged use of copyrighted material by Dr Trevisan.

Investors may refer to ASX releases made in March on the matters. Dr Trevisan is no longer with the Company.

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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>.

Media enquiries

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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 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8	146
1.2 Payments for		
(a) research and development	(7)	(72)
(b) product manufacturing and operating costs	(70)	(624)
(c) advertising and marketing	(26)	(166)
(d) leased assets	-	-
(e) staff costs	(167)	(542)
(f) administration and corporate costs	(169)	(709)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	6
1.5 Interest and other costs of finance paid	(2)	(3)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material) Wolfgang Storf severance payment	-	(169)
1.9 Net cash from / (used in) operating activities	(432)	(2,133)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(25)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property	-	(58)
(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	-	(83)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	784	784
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	(49)	(49)
3.5 Proceeds from borrowings	58	62
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	793	797

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	446	2,212
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(432)	(2,133)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(83)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	793	797

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(2)	12
4.6	Cash and cash equivalents at end of quarter	805	805

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	14	36
5.2	Call deposits	791	410
5.3	Bank overdrafts (Liability)	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	805	446

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	66
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 \$66,500 director's fee for the period to 31 March 2019.
Remuneration to Executive Director Peter Griffiths is disclosed within Staff Costs, remuneration to all other directors is disclosed within Administration and Corporate costs.

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	

Administration services fees of \$22,500 paid to associates entity for services provided to 31 March 2019.

8. Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	95,238	92,374
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.		

The above Loan is a bank overdraft facility, with a limit of €60,000. The lender is Bank of Valetta. The facility is unsecured. The interest rate is 5.65%.

The Company classifies this facility as 'borrowings' on its annual and half yearly financial statements.

The above values are stated in AUD, converted from EUR at an exchange rate of 0.63:1

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	50
9.3 Advertising and marketing	25
9.4 Leased assets	-
9.5 Staff costs	200
9.6 Administration and corporate costs	100
9.7 Other	-
9.8 Total estimated cash outflows	375

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.



30 April 2019

Sign here:
(Director)

Date:

Winton Willesee

Print name:

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.