

# Neurotech

31 October 2019

## Quarterly report for the period ending 30 September 2019

**Neurotech International Limited (ASX: NTI)** is pleased to present its quarterly report for the period ending 30 September 2019.

### OPERATIONAL UPDATE

During the period the Company continued to develop the commercialisation of Mente, engaging with partners on territory development and the necessary regulatory approvals. The Company has also focused on developing awareness, trust and a pipeline for eCommerce enabled sales using an online and social media presence. It has enhanced the user experience of Mente for both users of the device and clinicians by progressing the digitisation and automation of the device's go-to-market model.

This development of Mente has been done within a reduced cost base and simplification of the business model, as strategic funding options are sought at the project and parent levels of the business.

Central to the above considerations the board and management of the Company has worked to consider the most appropriate ways to fund the ongoing operations of Neurotech. Subsequent to the end of the period, the Company announced a capital raising via the issue of convertible loans for a total of up to \$600,000. The raising received firm commitments from sophisticated and professional investors with an initial tranche of \$300,000 having been completed. The balance being available at the election of both parties at any time up to three months following the 2019 AGM at which relevant approvals for the Loans will be sought.

-ends-

### 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 home-use and clinical neurotechnology solutions that are both accessible and affordable. Through flagship device Mente and its associated platform, Neurotech is focused on facilitating 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>.

*For more information please contact:*

Mark Davies  
Chairman  
Neurotech International Limited  
md@1861capital.com.au

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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")**

30 September 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	22	22
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(27)	(27)
(c) advertising and marketing	(12)	(12)
(d) leased assets	-	-
(e) staff costs	(103)	(103)
(f) administration and corporate costs	(222)	(222)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (VAT Refunds)	103	103
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(240)</b>	<b>(240)</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 (3 months) \$A'000</b>
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(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>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
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	-	-
3.5 Proceeds from borrowings	6	6
3.6 Repayment of borrowings	(126)	(126)
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>(120)</b>	<b>(120)</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	475	475
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(240)	(240)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(120)	(120)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(8)	(8)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>107</b>	<b>107</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	107	107
5.2	Call deposits	-	-
5.3	Bank overdrafts (Liability)	-	-
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>107</b>	<b>107</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter  
\$A'000**

92

Payments to a director and their related entities for R&D consulting services, director's fees and accounting & company secretarial fees.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter  
\$A'000**

<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 (Bank Overdraft)	97	6
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 0.6166215:1

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	1
9.2 Product manufacturing and operating costs	28
9.3 Advertising and marketing	5
9.4 Leased assets	5
9.5 Staff costs	103
9.6 Administration and corporate costs	101
9.7 Other	-
<b>9.8 Total estimated cash outflows</b>	<b>243</b>

NB: Excludes and sales revenue, grants or other source of revenue.

<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: .....  
(Director)

Date: ...31 October 2019.....

Print name: .....Winton Willesee.....

**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.