

Neurotech

31 January 2020

ASX Release

Quarterly report for the period ending 31 December 2019

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

OPERATIONAL UPDATE

In December, Neurotech announced it had signed Holy Stone Healthcare (Holy Stone) as its exclusive distributor in Taiwan. The agreement followed two years of the two parties working together on local tests and submissions to the Taiwan Food & Drug Administration (TFDA).

Holy Stone was established in Taipei in 2001 and is committed to developing lifesaving therapeutics and targeted delivery technologies to improve the quality of life of patients worldwide.

Neurotech's three-year agreement with Holy Stone confirms exclusive distribution for the territory of Taiwan. The agreement is subject to successful approval from the TFDA, anticipated in the March 2020 quarter. The agreement is subject to standard commercial terms for contracts of this nature.

The agreement demonstrated Neurotech's commitment to provide the best service to its customers following its lengthy collaboration with Holy Stone in Taiwan.

Earlier in the quarter, Neurotech announced a new partnership between Mente and the Australian Neurofeedback Institute ("ANFI").

The partnership aims to combine the advanced neuroscience skills of ANFI along with Mente's clinically proven therapy for the Australian market.

ANFI, as the centre of excellence, collaborates with research partners in academia, world leaders in mental health treatment and neuromodulation technology manufacturers to develop, deliver, expand and promote cutting edge treatments, client outcomes and industry training.

Under the first phase of the partnership, the team at ANFI will provide qEEG services and expert analysis to support clinicians working with Mente.

Neurotech's clinically proven Mente device helps ASD children to learn to engage positively with their environment and self-regulate attention and mood.

Unfortunately, following the end of the quarter the Company received notification from the Australian Government's Therapeutic Goods Administration of the cancellation of the device from entry on the Australian Register of Therapeutic Goods under the *Therapeutic Goods Act 1989*, effective on 24 February 2020 which will impact the partnership with ANFI.

Authority

This announcement has been authorised for release by the Board of Directors of the Company.

Further Information

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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 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 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>.

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 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	36	58
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(21)	(48)
(c) advertising and marketing	(10)	(22)
(d) leased assets	-	-
(e) staff costs	(85)	(188)
(f) administration and corporate costs	(112)	(334)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (VAT Refunds)	4	107
1.9 Net cash from / (used in) operating activities	(188)	(428)

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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) intellectual property	-	-
(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	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	300	300
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(21)	(21)
3.5 Proceeds from borrowings	-	6
3.6 Repayment of borrowings	(6)	(132)
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	273	153

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	107	475
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(188)	(428)
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)	273	153

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(6)	(14)
4.6	Cash and cash equivalents at end of quarter	186	186

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	186	107
5.2	Call deposits	-	-
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)	186	107

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**

73

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**

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities (Bank Overdraft)	96	-
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 0.6254.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	23
9.3 Advertising and marketing	12
9.4 Leased assets	-
9.5 Staff costs	103
9.6 Administration and corporate costs	98
9.7 Other	3
9.8 Total estimated cash outflows	239

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.

Sign here:
(Company secretary)

Date: ...31 January 2020.....

Print name:ERLYN DALE.....

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.