

1. Company details

Name of entity: Neurotech International Limited
ACN: 610 205 402
Reporting period: For the half-year ended 31 December 2021
Previous period: For the half-year ended 31 December 2020

2. Results for announcement to the market

				\$000
Revenues from ordinary activities	up	55.2%	to	47
Loss from ordinary activities after tax attributable to the owners of Neurotech International Limited	down	50%	to	(1,813)
Loss for the period attributable to the owners of Neurotech International Limited	down	50%	to	(1,813)

The loss from ordinary activities includes \$1,184,209 in Research and Development expenditure as well as \$105,000 for fair value movement in deferred consideration account.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets / (deficiency) per ordinary security (cents)	<u>0.41</u>	<u>0.34</u>

4. Dividends

There were no dividends paid, recommended or declared during the financial period.

5. Audit review

This report is based on the financial statements which have been reviewed by BDO Audit (WA).

6. Attachments

The interim financial report for the period ended 31 December 2021 is attached.

Signed



Brian Leedman
Chairman
24 February 2022



Neurotech
International

NEUROTECH INTERNATIONAL LIMITED

ACN 610 205 402

CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2021

CONTENTS

	PAGE
CORPORATE DIRECTORY	3
DIRECTORS' REPORT	4
AUDITOR'S INDEPENDENCE DECLARATION	7
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	8
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	9
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	10
CONSOLIDATED STATEMENT OF CASH FLOWS	12
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	13
DIRECTORS' DECLARATION	19
INDEPENDENT AUDITORS' REVIEW REPORT	20

CORPORATE DIRECTORY

DIRECTORS

Brian Leedman (Chairman)
Mark Davies (Non-Executive Director)
Winton Willesee (Non-Executive Director)
Krista Bates (Non-Executive Director)
Allan Cripps (Non-Executive Director)

COMPANY SECRETARY

Erlyn Dawson

REGISTERED AND PRINCIPAL OFFICE

Suite 5 CPC, 145 Stirling Highway
NEDLANDS WA 6009
Telephone: (08) 9389 3130
Website: www.neurotechinternational.com
Email: info@neurotechinternational.com

AUDITORS

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000

SHARE REGISTRY

Automic Registry Services
Level 5, 191 St Georges Terrace
PERTH WA 6000
Telephone: (08) 9324 2099

HOME EXCHANGE

Australian Securities Exchange Ltd
Exchange Plaza
2 The Esplanade
PERTH WA 6000
ASX Code: NTI

DIRECTORS' REPORT

The Directors present their report together with the financial report of Neurotech International Limited and its controlled entities (**Group**) for the half-year ended 31 December 2021 and the Auditor's Report thereon.

BOARD OF DIRECTORS

The names and details of the Directors in office during the financial period and until the date of this report are set out below.

- Brian Leedman Chairman
- Mark Davies Non-Executive Director
- Winton Willesee Non-Executive Director
- Krista Bates Non-Executive Director
- Allan Cripps Non-Executive Director

PRINCIPAL ACTIVITIES

Neurotech International Limited is a medical device and solutions company conducting clinical and preclinical studies to assess the neuro-protective, anti-inflammatory and neuro-modulatory activities of its proprietary cannabis strains. Neurotech is also commercialising *Mente*, 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.

OPERATING RESULTS

The consolidated Group's net loss after providing for income tax for the half-year ended 31 December 2021 amounted to \$1,812,665 (31 December 2020: \$3,622,765). At 31 December 2021, the Group has \$3,025,308 Cash and Cash Equivalents (30 June 2021: \$4,827,370). Refer Note 1(d) on the preparation of the financial statements on a going concern basis.

REVIEW OF OPERATIONS

On 7 July 2021 the Group announced that it had achieved further success in its in-vitro studies in Multiple Sclerosis using human brain cells to assess and validate the anti-inflammatory and neuro-modulatory properties of its proprietary NTI/Dolce cannabis leads. Neurotech has been undertaking a series of preclinical studies to assess the neuroprotective, anti-inflammatory and neuro-modulatory activities of the proprietary NTI/Dolce cannabis leads CBDA, CBDP, CBDDB all with less than 0.3% THC. The July results reconfirmed the potent anti-inflammatory properties of the NTI/Dolce strains and provided further evidence for their development as neuro anti-inflammatory therapies across a number of neuro diseases. These studies were conducted at three leading independent laboratories – Monash University, University of Wollongong and RMIT University.

The Group also announced on 21 July 2021 an update with respect to its Phase I/II open label clinical study in 20 children aged between 5-17 years with Autism Spectrum Disorder (ASD). The study was conducted under the guidance and supervision of Associate Professor Michael Fahey, Head of Paediatric Neurology Monash Children's Hospital. This is the first time in the world that full-spectrum <0.3% natural THC medicinal cannabis strains have been assessed in ASD. Extensive medical data was collected and psychological assessments carried out throughout the program.

The Company also advised that it was assessing the development of an over the counter (OTC / via pharmacy) neuro anti-inflammatory products, which would target general health and well-being categories.

Neurotech also advised it had successfully scaled up production of NTI/Dolce lead strains with partners Dolce

DIRECTORS' REPORT

Cann and CannaPacific Pty Ltd to ensure sufficient supply for the current study, and enable the Company to expand its preclinical program in order to rapidly move to further human clinical studies in 2022.

On 23 September 2021, NTI provided a further update on its ASD Phase I/II open label clinical study, noting that the Phase III, multi cohort registration studies in children with ASD had been mapped out, so they could be conducted as a follow up study to the Phase I/II study. Subject to final results of the Phase I/II trials, the Phase III program was scheduled to commence in the 1H of 2022.

On 14 October 2021, NTI announced that it had filed its first strategic provisional patent applications with IP Australia to underpin future world-wide patent families in respect to research conducted into the novel neuro-regulatory and anti-inflammatory properties of the NTI/Dolce medicinal cannabis strains. The two patents were lodged to cover:

- 1) Uniqueness of the NTI-164 strain – composition profile with low THC (<0.3%) and a unique combination of 'rarer' cannabinoids, and
- 2) The application, formulation and use of the strain in relation to the treatment of a broad range of neuro-inflammatory disorders both on its own and in conjunction with current broadly available treatment options – 'combination treatment therapies'.

On 22 October 2021, NTI successfully completed preclinical studies assessing the effects of NTI164, its proprietary medical cannabis strain, against cytokines in Multiple Sclerosis (MS) models. The studies were performed in collaboration with RMIT University and Monash University. Results confirmed the potent anti-inflammatory and neuro-regulatory activity of the NTI164, specifically:

- NTI164 reduced the inflammatory cytokine IL-12 by 44%, substantially outperforming CBD alone (15% reduction) and CBD/THC in combination (19% reduction); and
- NTI164 reduced the inflammatory cytokine TNF-alpha by 42%, outperforming CBD alone (29% reduction) and CBD/ THC in combination (25% reduction)

The preclinical studies demonstrated that NTI164 strain can suppress the expression of key MS markers, IL12 and TNF-alpha, in human derived microglial cells. These studies were an expansion of the earlier findings (refer ASX Announcement 25 May 2021) in which NTI164 significantly suppressed the expression of COX-2 inhibition in human derived microglial cells.

On 1 December 2021, NTI advised that preclinical studies demonstrated that NTI164 can improve the efficacy of prednisone at low doses (i.e. 5uM and 25uM). Significant anti-inflammatory synergistic activity was observed when NTI164 was combined with prednisone (at the low doses). These findings may have significant applications about the use of prednisone across a variety of indications.

Importantly, the combination treatment and formulation fall under NTI's recently lodged patent applications (refer ASX announcement 14 October 2021). The results provide NTI with an ideal platform to progress strategic partnerships and further expand its clinical trial portfolio. The prednisone / NTI164 study further expands NTI's preclinical portfolio allowing the Company to develop a solid pipeline of combination products using major off patent generic actives with proven efficacy without side effects.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than detailed in the Review of Operations, there were no significant changes in the state of affairs of the Group during the half-year.

DIRECTORS' REPORT

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matters or circumstances have arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

IMPACT OF COVID-19 GLOBAL PANDEMIC

The impact of the Coronavirus (COVID-19) pandemic is ongoing and is causing delay to Phase I/II trials as well as business development activities and meetings. Whilst it has had limited financial impact for the consolidated entity up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

OUTLOOK

The 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 which are accessible and affordable. The Board is reviewing the options for it to continue the development of Mente which includes accessing sufficient funding in a suitably attractive form to shareholders to fund the continued development.

The overarching consideration of the Board is to maximise the value of its assets for the benefit of its shareholders.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2021 has been received and can be found on page 7.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

Signed on behalf of the Board of Directors.



Brian Leedman
Chairman

Dated at Perth, Western Australia, 24 February 2022

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF NEUROTECH INTERNATIONAL LIMITED

As lead auditor for the review of Neurotech International Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Neurotech International Limited and the entities it controlled during the period.



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 24 February 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	CONSOLIDATED	
		31 December 2021 (\$)	31 December 2020 (\$)
CONTINUING OPERATIONS			
Revenue		47,732	30,754
Other income		151,508	58
Cost of sales		(14,682)	(225)
Provision for obsolete stock written off		14,682	-
Professional consultant and advisory expenses		(182,103)	(118,137)
Professional legal expenses		(46,052)	(10,043)
Corporate and administration expenses		(202,645)	(130,556)
Finance expenses		(9,711)	(1,235)
Advertising and marketing expenses		(13,906)	(5,146)
Employee benefits expense		(340,055)	(191,816)
Licence fee expense		-	(2,173,896)
Research expense	2	(1,184,209)	(281,084)
Share based payments expense	3	(24,677)	(741,439)
Equipment and materials direct cost		(686)	-
Other expenses		(7,861)	-
LOSS BEFORE INCOME TAX		(1,812,665)	(3,622,765)
Income tax benefit		-	-
LOSS AFTER INCOME TAX		(1,812,665)	(3,622,765)
Other comprehensive income/(loss)		-	-
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		1,995	(17,353)
Total comprehensive loss for the period		(1,810,670)	(3,640,118)
Basic and diluted loss per share (cents per share)	4	(0.26)	(1.01)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income are to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	CONSOLIDATED	
		31 December 2021 (\$)	30 June 2021 (\$)
CURRENT ASSETS			
Cash and cash equivalents		3,025,308	4,827,370
Trade and other receivables		47,070	178,514
TOTAL CURRENT ASSETS		3,072,378	5,005,884
TOTAL ASSETS		3,072,378	5,005,884
CURRENT LIABILITIES			
Trade and other payables		169,262	349,418
Short-term borrowings		30,098	-
TOTAL CURRENT LIABILITIES		199,360	349,418
NON-CURRENT LIABILITIES			
Contingent consideration		-	795,000
TOTAL NON-CURRENT LIABILITIES		-	795,000
TOTAL LIABILITIES		199,360	1,144,418
NET ASSETS		2,873,018	3,861,466
EQUITY			
Contributed Equity	5	25,762,258	25,750,378
Reserves	6	4,257,289	3,444,952
Accumulated Losses		(27,146,529)	(25,333,864)
TOTAL EQUITY		2,873,018	3,861,466

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Contributed Equity (\$)	Accumulated Losses (\$)	Share-based Payment Reserve (\$)	Foreign Currency Translation Reserve (\$)	Total (\$)
HALF-YEAR ENDED 31 DECEMBER 2021					
Balance at 1 July 2021	25,750,378	(25,333,864)	3,394,103	50,849	3,861,466
(Loss) for the period	-	(1,812,665)	-	-	(1,812,665)
Exchange difference	-	-	-	1,995	1,995
Total comprehensive (loss)	-	(1,812,665)	-	1,995	(1,810,670)
Exchange difference	-	-	-	(9,335)	(9,335)
Exercise of options	11,880	-	-	-	11,880
Reclassification of deferred consideration	-	-	795,000	-	795,000
Share based payments – Note 3	-	-	24,677	-	24,677
Share issue costs	-	-	-	-	-
Balance at 31 December 2021	25,762,258	(27,146,529)	4,213,780	43,509	2,873,018

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Contributed Equity (\$)	Accumulated Losses (\$)	Share-based Payment Reserve (\$)	Foreign Currency Translation Reserve (\$)	Total (\$)
HALF-YEAR ENDED 31 DECEMBER 2020					
Balance at 1 July 2020	15,498,123	(17,903,236)	1,681,269	77,551	(646,293)
(Loss) for the period	-	(3,622,765)	-	-	(3,622,765)
Exchange Difference	-	-	-	(17,353)	(17,353)
Total comprehensive (loss)	-	(3,622,765)	-	(17,353)	(3,640,118)
Transactions with equity holders in their capacity as equity holders					
Share issues	5,211,982	-	-	-	5,211,982
Share based payments – Note 6	-	-	1,205,834	-	1,205,834
Share issue costs	(230,942)	-	-	-	(230,942)
Balance at 31 December 2020	20,479,163	(21,526,001)	2,887,103	60,198	1,900,463

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Notes	CONSOLIDATED	
		31 December 2021 (\$)	31 December 2020 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		47,732	45,290
Other receipts		151,555	-
Payments to suppliers and employees		(2,013,821)	(933,297)
Interest paid		(1,593)	(1,235)
Interest received		190	18
NET CASH USED IN OPERATING ACTIVITIES		(1,815,937)	(889,224)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		11,880	3,158,982
Exercise of options		-	(208,444)
Repayment of lease liabilities		-	(7,619)
Repayment of borrowings		-	(46,582)
NET CASH PROVIDED BY FINANCING ACTIVITIES		11,880	2,896,337
Net increase/(decrease) in cash held		(1,804,057)	2,007,113
Effect of foreign exchange on cash balances		1,995	-
Cash and cash equivalents at beginning of financial period		4,827,370	12,358
Cash and cash equivalents at end of financial period		3,025,308	2,019,471

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of half-year financial statements

The consolidated interim financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretation and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. It is recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2021, together with any public announcements made during the half year ended 31 December 2021 in accordance with the continuous disclosure requirements arising under Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period with the exception of the below accounting policies.

All amounts are presented in Australian dollars, unless otherwise noted.

These half-year financial statements were approved by the Board of Directors on 24 February 2022.

(b) New or amended Accounting Standards and interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

(c) Significant Accounting Judgments, Estimates and Assumptions

The preparation of the half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2021.

(d) Going Concern

The Directors are satisfied that the going concern assumption has been appropriately applied in preparing the financial statements and the historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

2. RESEARCH EXPENSE

Research and Development is a key focal area for the Group and the expenditure is broken down as follows:

	CONSOLIDATED	
	31 December 2021 (\$)	31 December 2020 (\$)
Product development & formulation	794,119	235,038
Clinical programme	185,000	15,500
Regulatory programme	44,450	2,536
Plant production & breeding program	64,400	28,010
Patent and IP expenses	96,240	-
Total research expense	1,184,209	281,084

SHARE BASED PAYMENTS EXPENSE

The primary purpose of share-based payments is to remunerate Directors, other Key Management Personnel and Service providers for the services rendered to the Group.

	CONSOLIDATED	
	31 December 2021 (\$)	31 December 2020 (\$)
Options issued to consultants		
Corporate services	-	202,487
Options issued to Directors		
Options – Brian Leedman	-	431,617
Options – Peter Griffiths	-	34,927
Options – Mark Davies	-	36,204
Options – Winton Willesee	-	36,204
Expense recognised for the period related to previously issued options to Krista Bates	13,935	-
Expense recognized for the period related to previously issued options to Allan Cripps	10,742	-
Total share-based payments expense	24,677	741,439

Options issued to Directors

On appointment as a director, the Company agreed to seek shareholder approval for the issue of 500,000 unlisted options to Ms Bates and Professor Cripps, exercisable at \$0.09 and expiring on dates as per below. These were approved at the 2021 Annual General Meeting held on 18 November 2021. The options were valued using the Black-Scholes option valuation model with the following inputs:

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

	Ms Krista Bates	Professor Cripps
Number of options in series	500,000	500,000
Grant date share price	\$0.076	\$0.055
Exercise price	\$0.09	\$0.09
Expected volatility	120%	120%
Option life	2.12 years	1.99 years
Expiry	12/05/2023	12/05/2023
Interest rate	0.07%	0.08%
Valuation	\$22,226	\$13,793
Previously expensed	\$8,291	\$3,051
Expense adjustment	\$13,935	\$10,742

3. LOSS PER SHARE

The calculation of basic loss per share for the period ended 31 December 2021 was based on the loss attributable to ordinary shareholders of \$1,812,665 (31 December 2020: \$3,622,765) and a weighted average number of ordinary shares outstanding at the end of the period of 697,215,126 (31 December 2020: 561,035,737).

	CONSOLIDATED	
	31 December 2021 (\$)	31 December 2020 (\$)
Basic loss per share (cents per share)	(0.26)	(0.65)
a) Reconciliation of earnings to operating loss		
Loss attributable to ordinary shareholders after tax	(1,812,665)	(3,622,765)
Loss used in the calculation of EPS	(1,812,665)	(3,622,765)
b) Weighted average number of ordinary shares (WANOS) outstanding during the half year		
WANOS used in calculating basic loss per share	697,215,126	561,035,737

Effect of dilutive securities: Share options are not considered dilutive as the conversion of options to ordinary shares will result in a decrease in the net loss per share.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

4. CONTRIBUTED EQUITY

	CONSOLIDATED			
	31 December 2021 (Shares)	31 December 2020 (Shares)	31 December 2021 (\$)	31 December 2020 (\$)
Ordinary Shares	697,215,126	561,035,737	25,762,258	20,479,163
Total Share Capital	697,215,126	561,035,737	25,762,258	20,479,163

Movements of share capital during the period

Date	Details	No of shares	Issue price (\$)	\$
	Opening Balance at 1 July 2021	696,819,126		25,750,378
16/11/2021	Exercise of 396,000 NTIAP @ \$0.03, expiry 22/12/2022	396,000	0.03	11,880
	Closing Balance at 31 December 2021	697,215,126		25,762,258

The holder of Ordinary Shares is entitled to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary Shares have no par value and the Group does not have a limited amount of authorised capital.

5. OTHER RESERVES

	CONSOLIDATED		
	Share Based Payments Reserve (\$)	Foreign Currency Translation Reserve (\$)	Total Reserves (\$)
Balance at 1 July 2021	3,394,103	50,849	3,444,952
Foreign exchange movement	-	(7,340)	(7,340)
Share based payments	24,677	-	24,677
Reclassification of deferred consideration	795,000	-	795,000
Balance at 31 December 2021	4,213,780	43,509	4,257,289

(a) Share-based payments Reserve

The share-based payments reserve represents the value of options and share rights issued to key management personnel, vendors and for services in relation to capital raisings. The share-based payments reserve is used to record the value of the share-based payments provided to employees, consultants and for options issued pursuant to any acquisition or in exchange for services.

(b) Foreign Currency Reserve

The foreign currency reserve records foreign currency differences arising from the translation of financial information of the Group's Maltese subsidiaries which have a functional currency of the Euro.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

6. INTERESTS IN OTHER ENTITIES

Name of Entity	Place of business/country of incorporation	Ownership Interest held by the Group		Principal Activities
		31 December 2021	30 June 2021	
AAT Research Ltd	Malta	100%	100%	Parent Group of AAT Medical Ltd
AAT Medical Ltd	Malta	100%	100%	Executing medical research projects and Developing novel technological devices that are marketable

7. CONTINGENT LIABILITIES

As detailed in the 30 June 2021 Annual Report, the Stage 2 Dolce milestone is the completion of successful stage 1 clinical trials. Upon completion of this milestone, Dolce, or its nominees, will be issued 33,000,000 fully paid ordinary shares in the Company. As at the date of this report, due to the early stage of clinical trials it is not practical for the Directors to determine the value of any future share payment in respect to the Stage 2 milestone.

The Board is not aware of any circumstances or information, which leads them to believe there are any other material contingent liabilities outstanding as at 31 December 2021.

8. IMPACT OF COVID-19 GLOBAL PANDEMIC

The impact of the Coronavirus (COVID-19) pandemic is ongoing and is causing delay to Phase I/II trials as well as business development activities and meetings. Whilst it has had limited financial impact for the consolidated entity up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

9. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matters or circumstances have arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

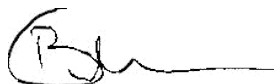
DIRECTORS DECLARATION

In the opinion of the Directors of Neurotech International Limited (Group):

- (a) the Financial Statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and Notes set out on pages 8 to 17, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of their performance, for the financial period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and other mandatory professional reporting requirements.
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* by the Financial Officer for the financial period ended 31 December 2021.

Signed in accordance with a resolution of the Directors.



Brian Leedman

Chairman

Dated at Perth, Western Australia, 24 February 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Neurotech International Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Neurotech International Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO


Glyn O'Brien

Director

Perth, 24 February 2022