ASX Announcement
23 October 2024

Quarterly Activities Report
for the period ending 30 September 2024

Neurotech International Limited (ASX: NTI) ('**Neurotech**', '**NTI**' or '**the Company**') a clinical-stage biopharmaceutical development company focused predominately on paediatric neurological disorders, is pleased to present its activities report for the quarter ended 30 September 2024 (Q1 FY2025), together with its Appendix 4C Quarterly Cash Flow Report.

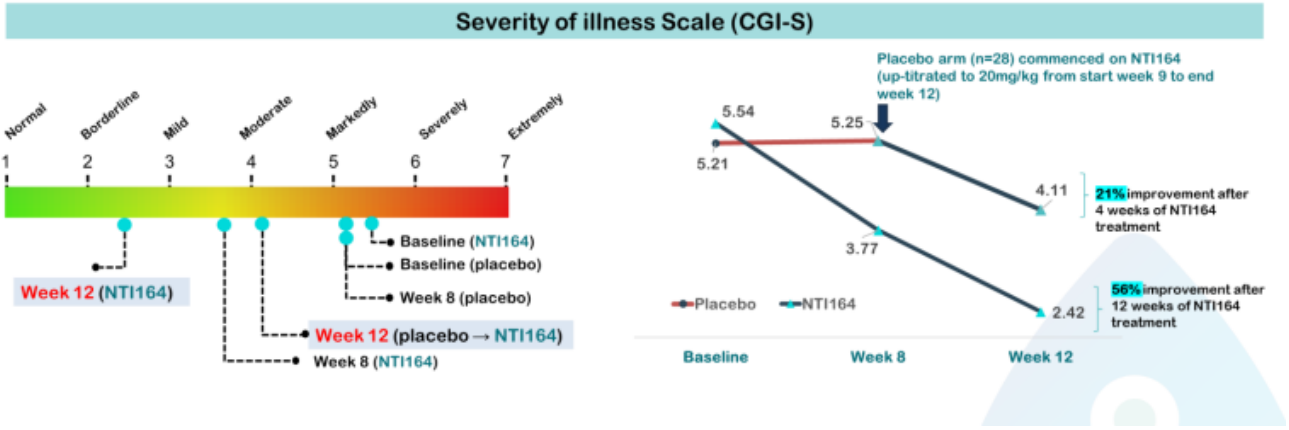
CLINICAL UPDATES

Autism Spectrum Disorder (ASD)

In July, Neurotech announced several important clinical updates for the NTIASD2 Phase II/III clinical trial, which reported statistically significant and clinically meaningful improvements in ASD in Q4 FY24. The trial met the primary and all key secondary endpoints. On 18 July, Neurotech reported the final analysis at 8 weeks on the effects of NTI164 on anxiety, depression and mood (ADAMS) versus placebo (a secondary endpoint). There was a marked treatment effect of NTI164 versus placebo to week 8 with a significant improvement in the ADAMS scale ($p<0.001$). Approximately 40-50% of children with autism experience clinically significant levels of anxiety. The prevalence of depression in autistic children has been estimated at 10-20%. Patients on placebo saw a deterioration in their ADAMS score, despite 43% of these patients already receiving existing treatments for their anxiety/depression.

An additional further analysis was conducted on the effect of NTI164 in children who were receiving placebo for 8 weeks and then crossed-over to NTI164 from the end of week 8 (beginning of week 9) to week 12 per the trial protocol. In addition, CGI-S information was analysed at week 12 for those patients who were initially enrolled in the NTI164 arm of the trial.

Neurotech observed further significant improvements in ASD patients who received NTI164 following the primary endpoint analysis at 8 weeks as previously reported. At 12 weeks, NTI164 patients showed a mean CGI-S score of 2.42, representing a 56% improvement from baseline (CGI-S: 5.54) with children re-classified under this scale as borderline ill (CGI-S score of 2.42). In general, for a CGI-S score of 2, ASD symptoms are present but only just noticeable and not significantly impairing for the child. This is a very significant improvement at 12 weeks for those patients on NTI164 relative to their baseline score of 5.54 (markedly ill), and versus 8 weeks (mildly ill, CGI-S 3.77). Markedly ill patients show significant impairments, needing substantial, consistent support to manage daily life. This is shown below.



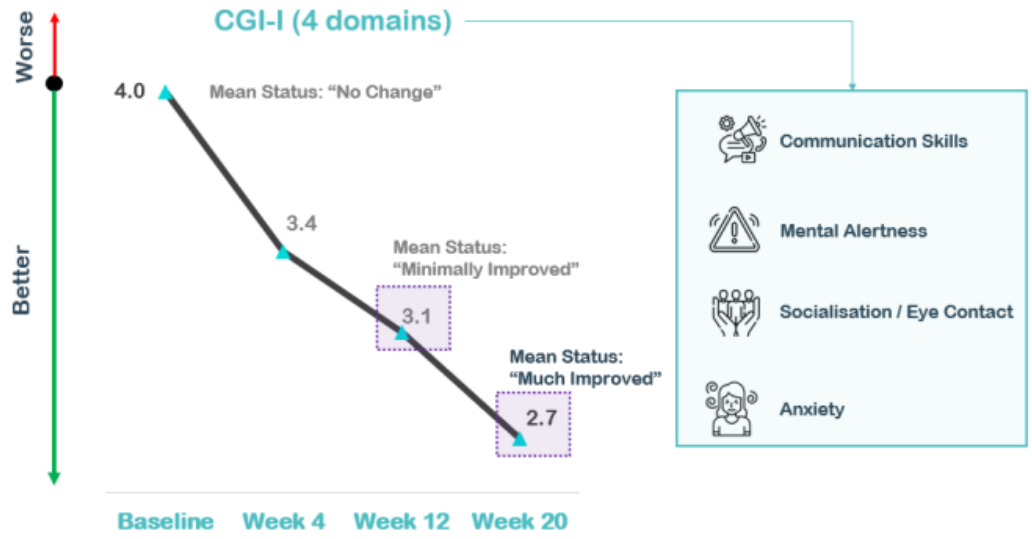
Rett Syndrome

Rett Syndrome is the second leading cause of intellectual disability in girls, with an urgent medical need to develop safe and effective therapies to treat this progressive neurological disease. Rett Syndrome is an orphan disease with no cure and an annual market opportunity estimated at over US$2 billion[1].

On 31 July 2024, Neurotech announced further clinical efficacy and the safety results for all 14 female paediatric patients who completed 20 weeks of daily oral treatment with NTI164 under the Company's one year extension period of the Phase I/II clinical trial investigating the use of NTI164 in Rett Syndrome.

There were no serious adverse events (SAEs), no adverse events (AEs) reported between 12 weeks to 20 weeks and no weight loss (mean weight was stable versus 12 weeks and weight recorded at baseline). At 12 weeks, two patients (14%) experienced nausea/vomiting effects. This safety profile compares favourably with the only FDA approved treatment for Rett Syndrome, DAYBUE™ (trofinetide).

Overall, the 20 week data showed an improvement of 33% versus baseline (compared to 23% improvement at 12 weeks). Between 12 to 20 weeks, there was an additional CGI-I improvement of -0.4, representing a significant, additional improvement of 13% (p=0.007), which continues the trajectory of clinical improvement overall. This is shown below.



On 30 August 2024, Neurotech submitted a request with the US Food and Drug Administration (FDA) for orphan drug designation (ODD) for the use of NTI164 in children and adults diagnosed with Rett Syndrome. The FDA has authority to grant orphan drug designation to a drug or biological product to prevent, diagnose or treat a rare disease or condition. ODD qualifies sponsors for incentives including: (a) tax credits for qualified clinical trials (b) exemption from user fees and (c) potential seven years of market exclusivity after approval. The Orphan Drug Act defines a rare disease as a disease or condition that affects less than 200,000 people in the United States. Neurotech expects the outcome of the ODD from the FDA Office of Orphan Products Development before December 2024.

[1] https://www.livewiremarkets.com/wires/a-de-risked-biotech-with-4x-upside

PANDAS/PANS

On 9 July 2024, Neurotech announced the filing of an ODD with the US FDA for PANDAS/PANS. On 4 October 2024, Neurotech announced it was unsuccessful with the ODD request from the FDA. The FDA has granted Neurotech a 12-month abeyance to address the agency's objections. The FDA had no objections to Neurotech's submitted non-clinical and clinical evidence supporting the scientific rationale for the ODD, NTI164's mechanism of action, efficacy in pre-clinical and human clinical trials to date and relevance of NTI164 to PANDAS/PANS. The FDA did not agree with the prevalence data submitted by Neurotech based on a significant literature review by Neurotech and indicted PANDAS/PANS may not constitute the definition of a rare disease in the United States. Neurotech, in consultation with its regulatory advisors, will consider providing a response to the FDA in the months ahead.

Neurotech's development plans for PANDAS/PANS remain unaffected by the FDA's decision, given the strength of the clinical data to date (>52 weeks), excellent safety and new data showing NTI164 reverses immune dysregulation seen in these patients. The Company notes the FDA had no objections to Neurotech's submitted non-clinical and clinical evidence supporting the scientific rationale for the ODD, NTI164's mechanism of action, efficacy in pre-clinical and human clinical trials to date and relevance of NTI164 to PANDAS/PANS. Neurotech, in consultation with its regulatory advisors, will consider providing a response to the FDA in the months ahead. In addition, the Company will postpone a planned European ODD application for PANDAS/PANS until further supportive data becomes available.

During the quarter, the results of the proteomic analysis undertaken as part of the 15 patient, open-label Phase I/II clinical trial of NTI164 ("NTIPANS1") in children diagnosed with Paediatric Autoimmune Neuropsychiatric Disorders Associated with Streptococcal Infections (PANDAS) and Paediatric Acute-Onset Neuropsychiatric Syndrome (PANS). NTI164 was shown to positively modify immune cell function and gene translation dysregulation, improving overall health and functional outcomes of children. The disease-modifying potential of NTI164 may improve children with PANDAS/PANS by normalising their immune function and gene translation profiles. NTI164 appears to have both significant anti-inflammatory effects, as well as potential as an epigenetic modulator.

The key results were:

- Protein expression of genes relating to immune cell function can be modulated by NTI164
- PANDAS/PANS patients show dysregulation in gene translation and immune function, which is modified by NTI164
- NTI164 modifies the phosphoproteome of children with PANDAS/PANS

Professor Russell Dale, Professor of Paediatric Neurology, University of Sydney and Children's Hospital at Westmead and Co-Principal investigator of the NTIPANS1 trial said *"My research group hypothesises PANDAS/PANS is the result of gene-environment (epigenetic) neuroimmune dysregulation leading to persistent or progressive neuroinflammation. Currently most patients are symptomatically managed, whereas NTI164's anti-neuroinflammatory properties have now been shown to induce important epigenetic and proteomic changes in immune cells collected from patients at baseline (day zero) and after 12 weeks of treatment. This data is exciting as it demonstrates that the biological aspects of this debilitating condition can be modified by NTI164, including immune and epigenetic dysregulation, improving overall health and functional outcomes of children with PANDAS/PANS. We eagerly await further genomic analysis from these same patients."*

The genomic analysis is pending.

Cerebral Palsy

On 29 January 2024, Neurotech received human research ethics committee (HREC) approval) for a Phase I/II clinical trial investigating the use of NTI164 in paediatric patients with Spastic Diplegia Cerebral Palsy (Spastic CP), the most common form of CP, representing up to 80% of cases.

Due to the prioritisation of financial resources towards the Company's current focus on ASD, Rett Syndrome and PANDAS/PANS, along with the Company's FDA IND-enabling toxicology and human pharmacokinetic activities, the Company does not intend to initiate a new Phase I/II clinical trial in cerebral palsy in the second half of CY2024 as initially planned. The Company may re-consider its position in CY2025.

FDA IND-Enabling Studies

Neurotech commenced its animal pharmacology and toxicology Studies during the quarter. Such pre-clinical data is a requirement from the FDA prior to the approval of an Investigational New Drug (IND). Such studies are also a requirement for the Therapeutic Goods Administration (TGA) in assessing provisional product registrations.

In addition, Neurotech has completed the design of a Phase I human pharmacokinetic (PK) clinical trial of NTI164 in healthy adult volunteers and has filed for HREC approval. The protocol will examine the effects of a single ascending dose (SAD) of NTI164 (Part A) followed by multiple ascending doses (MAD) of NTI164 (Part B). The PK study will commence in Q4 CY2024, with results available in Q1 CY2025.

The Company expects to complete the necessary pre-clinical toxicology and human PK trial in line with FDA, TGA and European Medicines Agency (EMA) standards for NTI164 before the end of Q1 CY2025.

Outlook

Neurotech has developed a significant clinical portfolio across three paediatric neurological disorders. These patients continue to receive daily NTI164 therapy and over time these patients have seen further improvement, or their disorder has stabilised. The Company aims to complete its necessary IND-enabling studies before the end of Q1 CY2025 and secure orphan drug designations in Rett Syndrome. Based on clinician interest for NTI164, Neurotech is assessing a new rare neurological disorder where progressive neuroinflammation is a hallmark of the disease and no treatments are available.

Neurotech is well funded with cash and cash equivalents of $8.7 million (as at 30 September 2024) to deliver on future clinical and regulatory initiatives. The Company anticipates receipt of the FY24 R&D tax incentive rebate to be paid in Q4 CY2024.

For the remainder of the 2024 calendar year, Neurotech anticipates:

- HREC approval for human Phase I PK study
- Orphan Drug Designation in the USA for Rett Syndrome
- Continuation of FDA IND / EMA enabling toxicology program
- Commencement of the Phase I human PK trial

An additional Orphan Drug Designation in Europe for Rett Syndrome is now anticipated in Q1 CY2025.

CORPORATE ACTIVITY

During the quarter, Professor Carolyn Ellaway (who was appointed part time Chief Medical Officer (CMO) on 5 July 2024) informed Neurotech that her hospital employer would not permit her to hold a formal appointment outside of the hospital. Although Professor Ellaway was required to relinquish her role as CMO of the Company (1 day per week) she is fully committed to Neurotech's development and will remain as a medical consultant to the Company.

Professor Ellaway presented Neurotech's Phase I/II Clinical Data on Friday, 4 October at the 9th World Rett Syndrome Congress in the Gold Coast in October. Her oral presentation was titled "*A novel full-spectrum medicinal cannabis-derived clinical trial in Rett syndrome*".

Global Partnering and Registration Strategy

During the quarter, the Company was pleased to announce its targeted global partnering strategy and registration-directed initiatives in Australia. Neurotech is committed to securing one or more strategic partnerships for NTI164 in the United States (US), Europe and certain Asian territories (e.g. Japan). Such partner(s) will have the necessary financial resources and experience in late-stage drug development, clinical trials, and commercialisation. Prospective partners will be responsible for all costs of development and commercialisation of NTI164 outside of Australia. These partnerships may take the form of licensing transactions, equity-based investment(s) or M&A.

A partnership will minimise the financial, clinical and regulatory risks for Neurotech shareholders in these markets. This strategy, if successful, will allow Neurotech to focus its financial resources and expertise towards registration of NTI164 in Australia, where the Company intends to maintain 100% commercial ownership of NTI164 in the Australian market. The Company believes there is a large opportunity for NTI164 for all three neurological disorders where Neurotech has generated solid clinical evidence to date.

In parallel, Neurotech is committed to accelerating NTI164 registration in Australia by exploring a provisional registration pathway. Neurotech expects to formalise a pre-submission meeting with TGA in Q2 CY2025 to discuss the planned provisional determination application and subsequent submission for provisional registration. The provisional determination process is expected to complete in 2H CY2025 with Neurotech (on success) intending to file for provisional registration also in 2H CY2025. The TGA registration process takes approximately 220 working days from submission.

Alleged Breaches of Licence Deed

The Company received correspondence from Dolce's solicitors dated 4 September 2024 alleging that Neurotech has breached certain provisions of the Licence Deed for Neurotech's exclusive worldwide licence to use certain cannabis strains for medicinal use in treating neurological disorders executed with Dolce Cann Global Pty Ltd ("Dolce") dated 29 September 2020 (Licence Deed) (refer ASX announcements dated 3 July 2020, 30 September 2020 and 2 March 2021). If the alleged breaches are not remedied, Dolce has indicated that it may wish to terminate the Licence Deed and pursue potential remedies.

The Board has considered the allegations raised in the correspondence and unequivocally refutes the claims as baseless. Neurotech directly owns a portfolio of patent applications associated with the composition of different cannabinoids, their use in neurological disorders and modification of proteomic pathways in humans.

Appendix 4C Commentary

During the quarter, the Company recorded total cash operating expenses (excluding revenue sources) of $3.5 million (Q4 FY2024: $1.9 million), consisting of research and development costs of $2.9

million (Q4 FY24: $1.7 million), along with advertising, marketing, staff, administrative, and corporate costs of $0.6 million (Q4 FY24: $0.25 million). Total operating cash outflows for the quarter were $3.35 million (Q4 FY24: $1.95 million). R&D expenditure during the quarter reflected investment into the IND enabling pre-clinical toxicology work required to support an FDA IND and TGA provisional application, along with extension phase costs of the Phase II/III ASD clinical trial, and Phase I/II clinical trials in Rett Syndrome, maintenance costs associated with children migrating to extension phases of previous clinical trials, along with drug product manufacturing costs and regulatory development.

During the quarter, $0.4 million in financial cash was received through the exercise of share options. The Company closed the quarter with cash and cash equivalents of $8.7 million (Q4 FY24: $11.6 million).

Further, payments to related parties and their associates as detailed in Section 6 of the Appendix 4C relate to director fees ($177,000).

Authority
This announcement has been authorised for release by the Board of Neurotech International Limited.

Further Information
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About Neurotech
Neurotech International Limited (ASX:NTI)) is a clinical-stage biopharmaceutical development company focused predominately on paediatric neurological disorders with a broad-spectrum oral cannabinoid drug therapy called NTI164. Neurotech has completed a Phase II/III randomised, double-blind, placebo-controlled clinical trial in Autism Spectrum Disorder (ASD) with clinically meaningful and statistically significant benefits reported across a number of clinically-validated measures and excellent safety. In addition, Neurotech has completed and reported statistically significant and clinically meaningful Phase I/II trials in ASD and Paediatric Autoimmune Neuropsychiatric Disorders Associated with Streptococcal Infections (PANDAS) and Paediatric Acute-Onset Neuropsychiatric Syndrome (PANS), collectively PANDAS/PANS along with Rett Syndrome. Neurotech has received human ethics committee clearance for a Phase I/II clinical trial in spastic cerebral palsy.

For more information about Neurotech please visit http://www.neurotechinternational.com.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Neurotech International Limited	
ABN	**Quarter ended ("current quarter")**
73 610 205 402	30 September 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	0	0
1.2	Payments for		
	(a) research and development	(2,898)	(2,898)
	(b) product manufacturing and operating costs	0	0
	(c) advertising and marketing	(43)	(43)
	(d) leased assets	0	0
	(e) staff costs	(57)	(57)
	(f) administration and corporate costs	(478)	(478)
1.3	Dividends received (see note 3)	0	0
1.4	Interest received	125	125
1.5	Interest and other costs of finance paid	0	0
1.6	Income taxes paid	0	0
1.7	Government grants and tax incentives (R&D Rebate)	0	0
1.8	Other	0	0
1.9	**Net cash from / (used in) operating activities**	**(3,351)**	**(3,351)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) intellectual property	0	0

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(f) other non-current assets	0	0
2.2	Proceeds from disposal of:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
2.6	**Net cash from / (used in) investing activities**	**0**	**0**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	434	434
3.4	Transaction costs related to issues of equity securities or convertible debt securities	0	0
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	0	0
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	**Net cash from / (used in) financing activities**	**434**	**434**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	11,623	5,022
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,351)	(4,494)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	0

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	434	11,097
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
4.6	**Cash and cash equivalents at end of period**	**8,704**	**11,623**

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	4,189	2,108
5.2	Call deposits	4,515	9,515
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**8,704**	**11,623**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	177
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

Payments at section 6. relate to director fees ($177,000).

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	65	0
7.2	Credit standby arrangements	0	0
7.3	Other (please specify)	0	0
7.4	**Total financing facilities**	65	0

7.5	**Unused financing facilities available at quarter end**	65

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Overdraft facility with a limit of EUR 40,000. The lender is Bank of Valetta. The facility is unsecured. The interest rate is 5.65%.

The above values are stated in AUD, converted from EUR at an exchange rate of 0.6632.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,351)
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,704
8.3	Unused finance facilities available at quarter end (item 7.5)	65
8.4	Total available funding (item 8.2 + item 8.3)	8,769
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.62

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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.

Date: 23 October 2024
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Authorised by: The Board of Directors
.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.