Quarterly report for the period ending 31 March 2017

KEY HIGHLIGHTS

- *Neurotech secures leading Austrian medical devices specialist as distribution partner*
- *Austrian distribution partner, Dengg, to oversee a test study of Mente Autism*
- *Patient enrolment completed in US clinical trial; results to assist with FDA approval process and US market entry*
- *Neurotech files pre-submission package with the US FDA*
- *Neurotech management changes*

Perth, Australia & Malta – 26 April 2017 – Neurotech International Limited (ASX: NTI) ("Neurotech" or the "Company") is pleased to present its quarterly report for the period ending 31 March 2017.

Neurotech's focus during the quarter was the consolidation of its distribution network, the rollout of Mente Autism into a new region and the filing of a pre-submission package with the United States Food and Drug Administration (FDA), a key step in the Company's plans to market Mente Autism in the United States.

EXPANDING DISTRIBUTION NETWORK

As announced today, post the end of the Quarter the Company secured the Bonvie Group ("Bonvie") as its marketing and distribution partner for Mente Autism in Greece and Cyprus.

Neurotech also secured Dengg Medizintechnik ('Dengg') as its exclusive Austrian marketing and distribution partner for Mente Autism in March. Dengg will oversee a test study of Mente Autism to be conducted at a local university hospital children's department. The first Mente Autism device arrived in Austria in late March, with the first sessions scheduled to begin by early May. The study is expected to run for eight weeks, with the first batch of devices for sale to be shipped immediately following the test study. Austria is a perfect stepping-stone to target German-speaking markets, therefore allowing Neurotech to expand throughout the German, Austrian and Swiss regions.

During the period, over 30 Mente Autism devices were shipped to various distributors in Europe, Middle East and Southeast Asia. The majority of these devices have been delivered under a trade-in program for existing users of Mente 2 to upgrade their devices to Mente Autism.

CLINICAL TRIAL

Subject recruitment has been completed for the fully independent clinical trial of Mente Autism by the Carrick Institute in the United States (**US**), and 130 Mente Autism devices (active and control) were shipped to US during the quarter for the clinical trial. The clinical trial is a randomised, double blind, placebo-controlled prospective clinical study. Each trial per patient will take twelve weeks, with first results expected in the third quarter of 2017. The results are expected to also assist with the FDA approval process and US market entry.

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FDA PRE-SUBMISSIONS

Neurotech filed a pre-submission package with the United States Food and Drug Administration ('FDA') for Mente Autism. The Company has requested a meeting with the FDA to work cooperatively on the regulatory and clinical plan to support FDA clearance of Mente Autism. Neurotech management expects the meeting to take place in the third quarter of 2017.

The pre-submission is a written request for feedback from the FDA regarding product development, including planned non-clinical evaluations, proposed clinical study protocols or data requirements, prior to making a submission to the FDA. Neurotech currently plans to market Mente Autism in the US as a Class II regulated device, supported by clinical data.

During the quarter Neurotech also appointed leading FDA consultancy Emergo as its regulatory consultant in the USA. Emergo has assisted with the preparation of the pre-submission package to the FDA and will continue to provide support in addressing regulatory matters.

ITALIAN DISTRIBUTION AGREEMENT UPDATE

The Company has billed its Italian distributor €113,280 and delivered 30 out of 120 units to date. Payment is overdue and the Company is engaged in discussions with the distributor in relation to the outstanding payments, with a view to a resolution as soon as possible.

MANAGEMENT CHANGES

With the Company now focussed on the commercial roll out of its Mente Autism devices, Dr Adrian Attard Trevisan has requested a change in role that would enable him to remain focussed on research. Dr Attard Trevisan will hand over his role in the day-to-day management of the company. He will continue to maintain an active consultancy and advisory role within Neurotech relating to neuroscientific research and development as Chief Scientific Adviser. Dr Attard Trevisan will remain on the Board as a Non-Executive Director and continue as Chairman of the Scientific Advisory Board. These changes have been requested by Dr Attard Trevisan, with the full support of the Board, and will enable him to focus full time on scientific and academic research.

Dr Marco Rotonda and Dr Emanuela Russo will head up Neurotech's Research & Development efforts. In addition to daily research operations, they will be responsible for product development and continued refinement of Mente Autism, a key focus in the commercialisation of the product. Both are valued members of the existing team who have been personally recruited by Dr Attard Trevisan.

Dr Rotonda, who has been appointed Head of Research and Development, is a neuroscientist with outstanding proficiency in working with neurofeedback and EEG technology. He joined Neurotech after almost eight years with Italian neuroscience technology company Brain Balance. He holds a doctorate in Cognitive Psychology, Psychophysiology and Personality from Sapienza University of Rome. He graduated from the same university with a degree in Cognitive Psychology with a thesis on neurofeedback.

Dr Russo will assist Dr Rotonda in addition to leading scientific affairs and clinical studies for Neurotech, and in particular, provide any support required for the US clinical trial for Mente Autism. Also holding a doctorate (in Cognitive Psychology, Psychophysiology and Personality) from Sapienza University of Rome, Dr Russo specialises in the neural correlates of awareness, perception and attention, which hold particular significance to Neurotech's research and product development.

CONFERENCES

During the quarter, Neurotech attended the 2017 Arab Health conference in Dubai, the largest gathering of healthcare and trade professionals in the Middle East and North Africa region, and had

the opportunity to demonstrate the Mente Autism device to potential partners from seven different countries.

In March, Neurotech was also an exhibitor at the 2nd International Brain Stimulation Conference in Barcelona, Spain, unveiling a prototype professional EEG recording system, Mente Pro.

The Conference attracts leading experts in brain stimulation and neuroscience from around the world. Feedback from medical professionals who visited Neurotech's booth at the conference was very positive, with particular interest shown in the versatility of the prototype and its ability to provide various non-invasive treatments in a single system.

For more information about Neurotech and Mente Autism please visit:

http://www.neurotechinternational.com.
http://www.mentetech.com.

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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 Autism and its associated platform, Neurotech is focused on the development and commercialisation of technological solutions for the diagnosis and treatment of such conditions, starting with autism. For more information, visit: http://www.neurotechinternational.com.

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+Rule 4.7B

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	**Quarter ended ("current quarter")**
73 610 205 402	31 March 2017

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	19	19
1.2	Payments for		
	(a) research and development	(394)	(736)
	(b) product manufacturing and operating costs	(297)	(665)
	(c) advertising and marketing	(32)	(134)
	(d) leased assets	-	-
	(e) staff costs	(281)	(477)
	(f) administration and corporate costs	(97)	(269)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	10	13
1.5	Interest and other costs of finance paid	(11)	(97)
1.6	Income taxes paid	-	(15)
1.7	Government grants and tax incentives	(30)	5
1.8	Other (provide details if material)	-	108
1.9	**Net cash from / (used in) operating activities**	**(1,113)**	**(2,248)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(42)	(79)
	(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**	**(42)**	**(79)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	7,000
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	-	(887)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(24)	(797)
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**	**(24)**	**5,316**

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	4,574	379
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,113)	(2,248)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(42)	(79)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(24)	5,316

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	(23)	4
4.6	**Cash and cash equivalents at end of quarter**	**3,372**	**3,372**

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	89	112
5.2	Call deposits	3,283	4,462
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,372**	**4,574**

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	55
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 $32,500 directors fee for the period to March 2017 and
$22,500 paid to associates entity for management services provided to 31 March 2017.

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

Management Fees of $22,500 paid to associates entity for services provided to 31 March 2017.

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	438	425
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.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Research and development	230
9.2	Product manufacturing and operating costs	88
9.3	Advertising and marketing	45
9.4	Leased assets	
9.5	Staff costs	215
9.6	Administration and corporate costs	182
9.7	Other (provide details if material)	
9.8	**Total estimated cash outflows**	**760**

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: ..... Date: 26 April 2017
(Company secretary)

Print name: FLEUR HUDSON

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.