

Neurotech

Quarterly report for the period ending 30 September 2018

KEY HIGHLIGHTS

- US clinical trial results confirm positive impact of Mente Autism for children with autism spectrum disorder
- Strong in-quarter sales of Mente Autism device achieved, following outcomes of US clinical trial
- US FDA clearance application submitted
- Neuroscience expert, Dr David Cantor, and leading Australian healthcare executive, Dr Neale Fong, join Neurotech board
- Lead investigator on the clinical trial, Professor Carrick and Neurotech Chief Executive, Wolfgang Storf visit Australia to raise awareness of Mente Autism and the clinical trial with research institutions, autism organisations as well as the general public.

Perth, Australia & Malta – 18 October 2018 – Neurotech International Limited (ASX: NTI) (“Neurotech” or “the Company”) is pleased to present its quarterly report for the period ending 30 September 2018.

The key highlight of the September quarter was the publication of the full results of the US Clinical Trial in for Mente Autism in leading medical journal *Frontiers in Neurology*. The trial demonstrated significant positive changes in the active treatment group versus the placebo including:

- **Significant reductions in the brain wave frequency bands** of interest, delta, beta and high beta, which are typically abnormally high in children with autism
- **Improved balance** with eyes open rather than closed, which is the opposite effect experienced by autistic children
- **Positive effects and a reduction of autistic behaviors**, across questionnaires used globally as validated tools in clinical applications
- **Parents indicating significant improvements in social skills and communication** of their children

Neurotech held a webinar to discuss the US clinical trial on 12 July 2018 which is available at: <https://attendee.gotowebinar.com/register/6810929568269084674>

SALES OF MENTE AUTISM DEVICE

The positive results of the trial suggest Mente Autism is uniquely placed to target autism as a home-based neurofeedback tool, and this has seen a significant increase in inbound enquiries for the device through the Company’s distributor and online channels.

Neurotech International Ltd

ABN 73 610 205 402

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Perth, Western Australia 6060

www.neurotechinternational.com

Pleasingly, this has resulted in the sale of 100 Mente Autism devices during the quarter, which have been shipped to diverse geographies including Italy, Australia as well as various countries in Europe and the Middle East.

To maintain this positive momentum, Neurotech's distributors have commenced marketing and information campaigns in these regions, with Neurotech assisting with relevant support for these activities.

MULTI-SITE STUDIES

The US Clinical Trial results provide Neurotech with independent scientific evidence supporting the use of Mente Autism for children with Autism Spectrum Disorder (**ASD**), as well as providing the Company with important supporting documentation for the FDA submission for the device.

Neurotech expects to complete several multi-site studies that will further validate the product in different target markets. These studies are aimed at generating awareness and acceptance of the technology in the regions, in addition to supporting eligibility for participating in government funded disability support schemes and health insurance rebates. The costs of these projects will largely be borne by research institutions and their associated grant funding, with Neurotech providing research units and analytical support towards the studies.

An additional 20 research devices were shipped to Italy and the Middle East ahead of multi-site studies in these regions.

US FDA CLEARANCE APPLICATION SUBMITTED

On 2 October 2018 Neurotech announced it had reached another milestone when it submitted its US Food & Drug Administration (**FDA**) clearance application for Mente Autism. The Company is seeking clearance for Mente Autism using a de-novo application process and expects the approval process to take 9 – 12 months.

AUSTRALIA

In August, CEO Wolfgang Storf was joined by the US clinical trial lead investigator Professor Frederick Carrick in Australia to discuss outcomes of the US Clinical Trial, explore opportunities for future research and generate market awareness of the device as a potential complementary therapy in the management of autism.

CORPORATE

Board Appointments

On 4 July 2018 Neurotech appointed neuroscience expert Dr David Cantor to its Board as a Non-Executive Director.

Dr Cantor is a highly distinguished clinician, neuroscientist, program developer and a member of the Company's Scientific Advisory Board with a career spanning more than 40 years in the academic and clinical neuroscience sector.

He is the CEO and Clinical Director of Mind and Motion Developmental Centers of Georgia (USA), a multidisciplinary treatment facility providing a range of diagnostic and treatment services to children and adults seeking help with neurological disorders such as autism, ADHD, traumatic brain injury and sensory processing disorders. He is also the CEO and Managing Partner of BrainDx, an international software company that produces functional brain analytic software through computer assisted quantitative EEG (QEEG) reports and big database measures of brain development.

Dr Cantor's appointment followed the retirement of Neurotech founder Dr Adrian Attard Trevisan as a Non-Executive Director of the Company in June.

On 3 October 2018, Neurotech also appointed Dr Neale Fong to the board as a Non-Executive Director.

Dr Fong is a registered medical practitioner with over 35 years' experience in a wide range of leadership roles in the private and public hospital systems, and over 20 years' of experience on corporate boards. His strengths lie in governance, leading large executive teams, implementation of reform and change management, developing strategic directions and leading turnarounds.

Dr Fong is currently Chair of the Western Australian Country Health Service Board, Chair of the State Government's Ministerial Council for Suicide Prevention Council, Professor of Healthcare Leadership at Curtin University, Executive Chairman of Bethesda Health Care, and a director of several health companies.

RELEASE OF EQUITY SECURITIES FROM ESCROW

On 4 November 2018, 28,487,058 ordinary shares and 10,894,390 options, exercisable at \$0.20 and expiring 30 November 2020 will be released from escrow.

The Shares are those held by Directors of the Company, other related parties, and promoters of the Company at time of the Company's admission to the ASX on 4 November 2016.

OUTLOOK

Over the next quarter, the Company will look to continue building on its sales and marketing efforts and deliver into the growing demand. Management expects to broaden its reach with new distribution agreements through the period to the end of FY2019, with a focus on establishing a presence in the UK, France and Spain.

The Company will also be participating in various conferences in the US and Australia in the coming months, increasing awareness of Mente Autism among academics and medical professionals.

Neurotech's board and management looks forward to bringing investors continued updates during what will be a pivotal last quarter of CY2018.

For more information about Neurotech and Mente Autism please visit:

<http://www.neurotechinternational.com>.

<http://www.mentetech.com>.

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Neurotech

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.

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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 2018

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	98	98
1.2 Payments for		
(a) research and development	(13)	(13)
(b) product manufacturing and operating costs	(253)	(253)
(c) advertising and marketing	(116)	(116)
(d) leased assets	-	-
(e) staff costs	(192)	(192)
(f) administration and corporate costs	(274)	(274)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
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 (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(748)	(748)

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 (3 months) \$A'000
	(d) intellectual property	(43)	(43)
	(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	(43)	(43)

3.	Cash flows from financing activities		
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	-	-
3.6	Repayment of borrowings	-	-
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	-	-

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	2,183	2,183
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(748)	(748)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(43)	(43)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(11)	(11)
4.6	Cash and cash equivalents at end of quarter	1,381	1,381

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	632	1,206
5.2	Call deposits	746	1,006
5.3	Bank overdrafts (Credit balance)	3	(29)
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,381	2,183

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
- 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

39

Includes \$39,167 directors fee for the period to 30 September 2018

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
- 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

22

Administration services fees of \$22,500 paid to associates entity for services provided to 30 September 2018.

8. Financing facilities available

Add notes as necessary for an understanding of the position

8.1 Loan facilities

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.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

9. Estimated cash outflows for next quarter

\$A'000

9.1 Research and development

9.2 Product manufacturing and operating costs

9.3 Advertising and marketing

9.4 Leased assets

9.5 Staff costs

9.6 Administration and corporate costs

9.7 Other

9.8 Total estimated cash outflows

7

155

70

-

220

150

-

602

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: 19/10/18

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.