

**Neurotech International Limited**  
**Appendix 4E**  
**Preliminary final report**

**Company details**

Name of entity: Neurotech International Limited  
ACN: 610 205 402  
Reporting period: For the year ended 30 June 2023  
Previous period: For the year ended 30 June 2022

**Results for announcement to the market**

				<b>\$000</b>
Revenues from ordinary activities	up	106%	to	1,254
Loss from ordinary activities after tax attributable to the owners of Neurotech International Limited	up	132%	to	(7,792)
Loss for the year attributable to the owners of Neurotech International Limited	up	132%	to	(7,792)

*Dividends*

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

*Comments*

The loss for the Group after providing for income tax amounted \$7,791,939 (30 June 2022: \$3,362,241).

The increase in revenues is due the increase in R&D Grant Income of \$1,188,529.

The loss from ordinary activities includes \$6,452,761 in Research and Development expenditure.

**Net tangible assets**

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security (cents)	<u>0.45</u>	<u>0.20</u>

**Attachments**

Additional Appendix 4E disclosure requirements can be found in the director's report and the 30 June 2023 financial statements and accompanying notes.

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

**Signed**



**Winton Willesee**  
**Director**  
**30 August 2023**

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**NEUROTECH INTERNATIONAL LIMITED**

**ACN 610 205 402**

**ANNUAL REPORT - 30 JUNE 2023**

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## DIRECTORS' REPORT

### DIRECTORS

Mark Davies (Non-Executive Chairman)  
Thomas Duthy (Executive Director)  
Winton Willesee (Non-Executive Director)  
Gerald Quigley (Non-Executive Director and Director of Public Relations)

### COMPANY SECRETARY

Erlyn Dawson

### REGISTERED AND PRINCIPAL OFFICE

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### AUDITORS

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Level 9  
5 Spring Street  
PERTH WA 6000

### SHARE REGISTRY

Automic Registry Services  
Level 2, 267 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

### CHAIRMAN'S LETTER

Dear Shareholder,

It is with great pleasure that I present to you the Annual Report for Neurotech International Ltd ('NTI', 'Neurotech' or 'the Company') for the year ended 30 June 2023.

During the 2022/23 financial year, Neurotech remained focused on enhancing the quality of life of individuals with neurodevelopmental disorders through the development of innovative treatment solutions. To complement our Mente technology, we dedicated our efforts to conducting clinical studies that assessed the neuro-protective, anti-inflammatory, and neuro-modulatory activities of our lead drug candidate, NTI164.

The Company achieved several major milestones, including the completion of our Phase I/II clinical trial in ASD, the initiation of a larger Phase II/III trial in ASD, initiation of clinical trials in rare paediatric neurological disorders, as well as successfully raising capital to fund the significant growth opportunities we see for our business.

In addition to the focused continuation of the Clinical trial program in ASD, Neurotech has also implemented a new strategic direction to offer 'multiple shots on goal' and maximise long-term growth of the Company. The company implemented and initiated clinical trials in new indications belonging to the rare diseases categories as this is a strategic decision that will deliver shareholder value into the future.

Specifically, clinical trials in Paediatric Autoimmune Neuropsychiatric Disorders Associated with Streptococcal Infections (PANDAS) and Paediatric Acute-Onset Neuropsychiatric Syndrome (PANS) and Rett Syndrome have been initiated, both of which are rare diseases and therefore allow Neurotech to take advantage of the regulatory and financial incentives associated with orphan indications.

In the first half of the 2023 financial year, Neurotech announced several changes to the board and senior management including my appointment as Non-Executive Chairman, Dr Thomas Duthy as Executive Director, Gerald Quigley as Non-Executive Director and Dr Alexandra Andrews as Chief Operating Officer. These appointments were made in line with the Company's commercial and operational strategy as it reviews Neurotech's assets to maximise shareholder value.

During the year, the Company was deeply saddened by the passing of one of its directors, Professor Allan Cripps who made a significant contribution to the Company during his appointment since May 2021.

As we reflect on this year, I would like to thank my fellow Board members, Neurotech's management and staff for their efforts that have allowed us to move forward. Lastly, I would like to thank our shareholders on their ongoing support and investment in Neurotech. We have an exciting 12 months ahead and I look forward to bringing positive developments in 2024 as the Board and management continue to deliver value to our shareholders.

**Mark Davies**  
Chairman

## DIRECTORS' REPORT

The Directors present their report together with the financial report of Neurotech International Limited and its controlled entities (**Group**) for the financial year ended 30 June 2023 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.

- Mark Davies Non-Executive Chairman (appointed as director on 16 April 2019)
- Thomas Duthy Executive Director (appointed 1 September 2022)
- Winton Willesee Non-Executive Director (appointed 16 April 2019)
- Gerald Quigley Non-Executive Director (appointed 7 July 2022)
- Allan Cripps Non-Executive Director (deceased 20 December 2022)
- Brian Leedman Non-Executive Chairman (resigned 15 August 2022)
- Krista Bates Non-Executive Director (resigned 15 August 2022)

### PRINCIPAL ACTIVITIES

Neurotech International Limited is a medical device and solutions company conducting clinical trials 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.

### DIVIDENDS PAID OR RECOMMENDED

The Directors of the Company do not recommend the payment of a dividend in respect of the current financial year ended 30 June 2023 (2022: Nil).

### OPERATING RESULTS

The consolidated Group's net loss after providing for income tax for the year ended 30 June 2023 amounted to \$7,791,939 (30 June 2022: \$3,362,241). Refer Note 1(c) on the preparation of the financial statements on a going concern basis.

### REVIEW OF OPERATIONS

During the financial year period, NTI made significant progress in its clinical study of NTI164 for paediatric Autism Spectrum Disorder (ASD). The Company completed its Phase I/II trial in ASD and initiated a larger, Phase II/III trial in this same indication. Furthermore, the Company initiated a clinical trial in Paediatric Autoimmune Neuropsychiatric Disorders Associated with Streptococcal Infections (PANDAS) and Paediatric Acute-Onset Neuropsychiatric Syndrome (PANS) and announced plans for a new trial in Rett syndrome. These clinical trials will be further investigating the safety and efficacy of NTI164, a proprietary drug formulation derived from a unique cannabis strain with low THC (<0.3%) and a novel combination of cannabinoids including CBDA, CBC, CBDP, CBDB and CBN. NTI164's unique composition works differently to CBD and has powerful effects on inflammatory pathways. Grown in Australia under strict horticultural conditions that ensure its integrity, NTI164 has multi-functional modes of action, including: neuro-protection, neuro-

## DIRECTORS' REPORT

modulation and neuro-regulation. Preclinical and clinical studies to date have shown that NTI164 is a powerful neuro-anti-inflammatory modulator, can suppress a wide range of inflammatory cytokines, and improves neuronal cell viability and overall health.

### NTI164 in Children with Autism Spectrum Disorder

NTI's world first clinical trial of NTI164 in children with ASD was conducted at Monash Children's Hospital by Professor Michael Fahey, Head of the Paediatric Neurology Unit at Monash Medical Centre and director of Neurogenetics. The Phase I/II open-label study yielded breakthrough results, demonstrating the safety and efficacy of NTI164 in children with ASD.

#### 28 Day Results from Phase I/II Clinical Trial of NTI164 in Paediatric ASD

In July 2022, NTI announced successful outcomes after 28 days of treatment relating to the safety, tolerability, and efficacy of NTI164 on key behavioural parameters that impact ASD patients.

The safety data concluded that NTI164 at 5, 10, 15 and 20mg/kg administered in two doses daily, was safe and well-tolerated in the study population. The efficacy data demonstrated statistical significance at 28 days of treatment. 93% (13 out of 14 active patients) showed symptom improvement relating to severity of illness after 28 days of daily treatment with NTI164. The results also demonstrated:

##### GLOBAL IMPROVEMENT

- 64% of patients had a global improvement of "much improved"
- 29% of patients had a global improvement of "minimally improved"
- 7% of patients had "no change"

##### THERAPEUTIC EFFECT (EFFICACY INDEX)

- Two patients recorded a Marked Therapeutic Index Score of 2, representing "vast improvement" meaning: complete or near remission of all symptoms.
- Ten patients recorded a Moderate Therapeutic Index Score of 5 & 6, representing "Decided improvement" meaning: partial remission of symptoms.

##### SEVERITY OF ILLNESS

- The average rating for the severity of illness score was reduced to 3.6 from a baseline of 4.4 (out of a score of 7 meaning "extremely ill" and 1 meaning, "not ill").

The study was subsequently granted HREC approval to continue for a further 52 weeks due to the positive therapeutic effects of NTI164, combined with feedback from parents and clinicians who requested children remain on treatment and that the "washout" period be eliminated.

#### Further Significant Clinical Improvement at 20 Weeks

In October 2022, NTI announced that the 12 paediatric ASD patients who continued to receive daily treatment of NTI164 continued to show statistically significant improvements across all gold-standard ASD measures after 20 weeks of daily treatment with NTI164.

The study found significant improvements in various measures of ASD, including severity of illness, anxiety, social responsiveness, and adaptive behaviour.

Notably, the study showed that 40% of patients were markedly/severely ill at the start of the study, however this reduced to 0% from weeks 4 onwards. The data also showed that NTI164 was safe and well-tolerated with no serious adverse effects.

#### 52 Week Results from Phase I/II Clinical Trial in ASD

In March 2023, the full results from 52 weeks of daily treatment with NTI164 in the Phase I/II clinical trial in paediatric ASD were announced. The results showed strong safety and efficacy effects of daily oral treatment, with statistically significant improvements in severity of illness, social responsiveness, and adaptive behaviour. These results will inform Investigational New Drug (IND) enabling clinical trials in the US.

## DIRECTORS' REPORT

### Summary of Efficacy Measures -

The tabulated results of all measures

Sub-Domain	Scale	Paired T-Test	Paired T-Test
		20 weeks	52 weeks
<b>Severity of illness</b>	<b>CGI-S</b>	<b>0.005</b>	<b>0.032</b>
<b>Adaptive behaviour composite (Total)</b>	<b>Vineland-3</b>	<b>0.0005</b>	<b>0.028</b>
Communication	Vineland-3	0.002	0.0001
Daily living skills	Vineland-3	0.019	0.005
Socialisation	Vineland-3	0.014	0.118
<b>Social responsive scale – Total T-score</b>	<b>SRS-2</b>	<b>0.012</b>	<b>0.049</b>
Social awareness – T-score	SRS-2	0.596	0.421
Social cognition – T-score	SRS-2	0.028	0.105
Social communication – T-score	SRS-2	0.019	0.216
Social motivation – T-score	SRS-2	0.118	0.005
Restricted interest and repetitive behaviour – T-score	SRS-2	0.009	0.109
Social communication and interaction – T-score	SRS-2	0.029	0.081
<b>Anxiety, depression and mood scale - Total</b>	<b>ADAMS</b>	<b>0.001</b>	<b>NM</b>
<b>Anxiety scale for children - Child's total</b>	<b>ASC-ASD-C</b>	<b>0.025</b>	<b>NM</b>
Performance anxiety	ASC-ASD-C	0.364	NM
Anxious arousal	ASC-ASD-C	0.120	NM
Separation anxiety	ASC-ASD-C	0.025	NM
Uncertainty	ASC-ASD-C	0.033	NM
<b>Anxiety scale for children - Parent's total</b>	<b>ASC-ASD-P</b>	<b>0.034</b>	<b>NM</b>
Performance anxiety	ASC-ASD-P	0.070	NM
Anxious arousal	ASC-ASD-P	0.333	NM
Separation anxiety	ASC-ASD-P	0.025	NM
Uncertainty	ASC-ASD-P	0.066	NM
Sleep disturbances scale for children - Total	SDSC	0.016	NM
Disorders of initiating and maintaining sleep	SDSC	0.010	NM
Sleep breathing disorders	SDSC	0.047	NM
Sleep-wake transition disorders	SDSC	0.094	NM

\* Statistical analysis versus baseline; NM – not measured

#### Severity of Illness

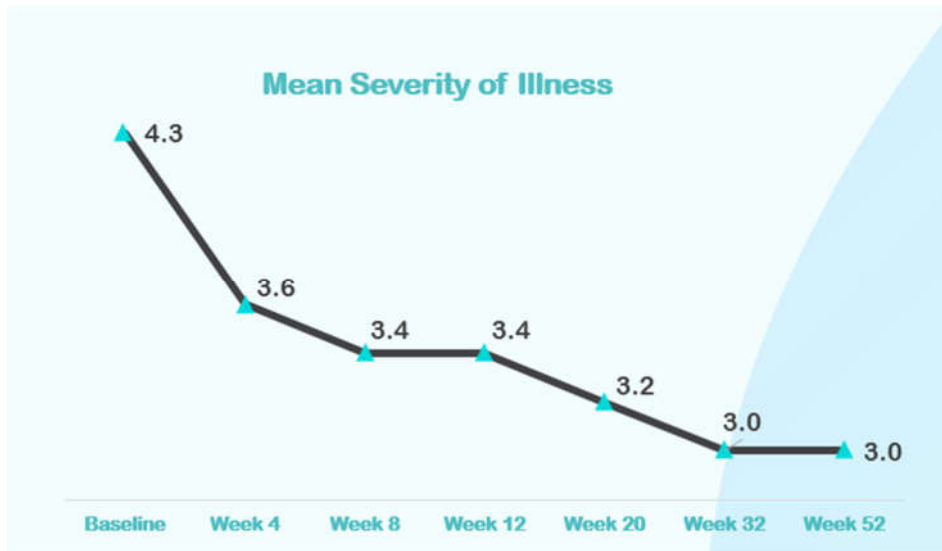
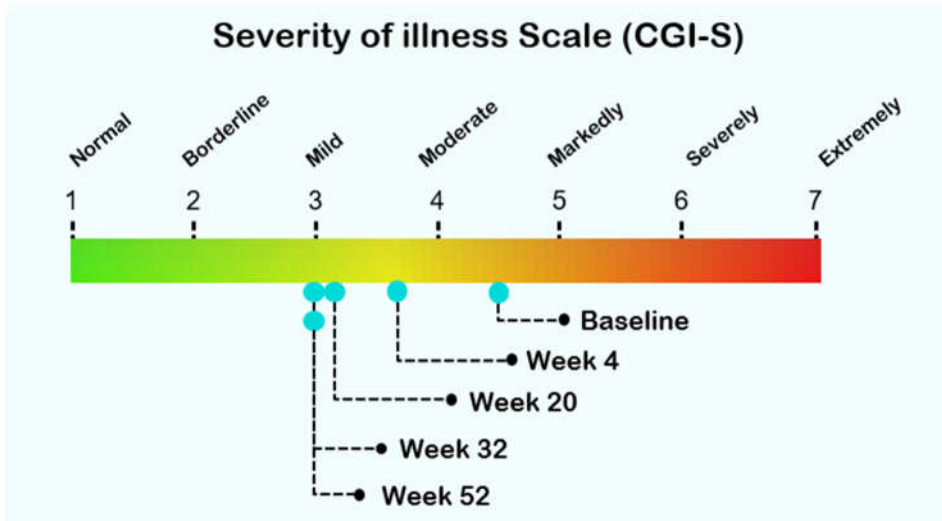
At 52 weeks of treatment (n=11), the mean severity of illness rating of the CGI-S was 3.0, representing an improvement of 30.2% from baseline (CGI-S: 4.3). The mean difference between 52 weeks of treatment and baseline was -1.1, 95% Confidence Interval (CI) = -2.08, -0.12, p value=0.032 (28 days: -0.714, 95% CI = -1.332, -0.097, p=0.027; 20 weeks: -1.1, 95% CI = -1.772, -0.3948, p=0.005).

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## DIRECTORS' REPORT

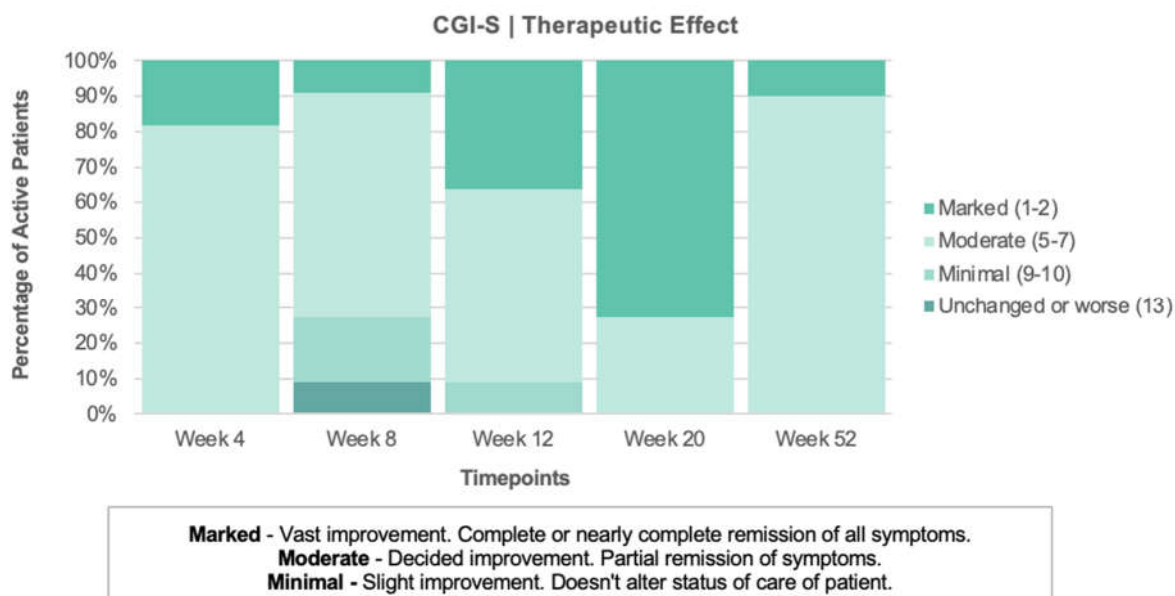
The results for severity of illness at 52 weeks versus all other timelines, including baseline for the 11 patients assessed is shown below:



### Therapeutic Effect

After 52 weeks of daily treatment with NTI164, relative to baseline, of the 11 patients evaluable, 10% of patients demonstrated the highest and second highest possible efficacy index scores of 1 and 2: Marked Therapeutic Effect – Vast Improvement.

Moderate Therapeutic Effect with partial remission of symptoms was seen in 90% of patients at 52 weeks.



Overall, the longitudinal trial demonstrated that daily treatment with NTI164 is associated with statistically significant and clinically meaningful symptom improvement relating to severity of illness, adaptive behaviour, socialisation and communication. Data shows children taking NTI164 daily experienced marked improvement with daily living skills and socialisation. These children also experienced improvement to their levels of anxiety and improvements in sleep.

**Further Extension of Phase I/II Clinical Trial in ASD**

In May 2023, NTI announced securing HREC clearance to extend the Phase I/II trial of NTI164 in children with ASD. This extension allows for an additional two years of daily oral treatment with NTI164 for ASD patients who have already participated in the trial for a total of 1.5 years. During this extension, the Company will continue to collect periodic safety information under the HREC approval, providing valuable long-term data.

The extension allows these 11 ASD patients to transition to a compassionate use program, specifically the Special Access Scheme (SAS) Category B, through Monash Medical Centre. The SAS B program will be applicable only to NTI164 and for the 11 ASD patients under the care of Professor Michael Fahey, the treating clinician. NTI will also benefit from reduced charges associated with pharmacy, clinician, and pathology costs for supplying the drug to these patients.

**Initiation of Phase II/III Clinical Trial In ASD**

In November 2022, the Company received HREC approval and Clinical Trial Notification (CTN) scheme clearance by the Therapeutic Goods Administration (TGA) to commence the larger, Phase II/III Clinical Trial in Children ASD. Subsequently, the Company announced in December 2022 that the first patient had been randomised and treated as part of this larger, randomised, double-blind, placebo-controlled clinical trial, titled 'NTIASD2'.

NTIASD2 aims to evaluate the effectiveness and safety of NTI164 compared to placebo in paediatric patients with ASD.

A total of 54 patients will be enrolled through the Paediatric Neurology Unit at Monash Medical Centre in Melbourne, Victoria. The trial will span 16 weeks, consisting of an 8-week treatment phase followed by an 8-week open-label maintenance period and a 2-week wash-out period. Participants who wish to continue receiving NTI164 after the trial will have the opportunity to do so for an additional 38 weeks. A 2-week down-titration phase will be implemented at the end of this period.

In line with the aforementioned Phase I/II trial in ASD, the primary outcome measure of the NTIASD2 trial is the Clinical Global Impression-Severity (CGI-S) which evaluates severity of illness on a 7-point scale. Secondary endpoints include assessing changes in adaptive behaviour, social responsiveness, improvement, anxiety, depression and mood, and safety as measured by blood, liver, and kidney tests at specified intervals.

Recruitment is expected to be completed in the second half of the calendar year 2023.

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## DIRECTORS' REPORT

### Pre-IND Meeting with the US Food and Drug Administration (FDA)

In January 2023 Neurotech announced the US FDA had granted the Company a virtual Face-to-Face Pre-IND (PIND) meeting on 15 March 2023. The purpose of this meeting was to discuss the development plans for the Neurotech's lead drug candidate, NTI164 with the agency in relation to the proposed clinical development program in ASD. The Company obtained valuable information on the chemistry/manufacture/control package, non-clinical requirements, and proposed clinical developmental program for NTI164 in ASD.

### Phase II Clinical Trial for NTI164 for Children with Rett Syndrome

In March 2023, NTI announced the launch of a new clinical program in Rett Syndrome, with plans to conduct a Phase II clinical trial of daily oral NTI164 in females aged 5-20. It was announced that the trial will be conducted across two sites in Melbourne, the Royal Children's Hospital and Monash Children's Hospital. Subsequently, in April 2023, the Company added an additional third site to the trial, at The Children's Hospital at Westmead led by Associate Professor Carolyn Ellaway, Senior Staff Specialist NSW Genetic Metabolic Disorders Service, the Sydney Children's Hospital Network and Metabolic Genetics.

Rett syndrome is a rare genetic neurological and developmental disorder characterised by neurodegeneration and inflammation. Rett syndrome is an orphan disease with no cure and an annual market opportunity estimated at over US\$2 billion. Subsequently, this indication is in line with Neurotech's strategic focus on rare neurological disorders in children that are characterised by persistent neuroinflammation.

Children with Rett syndrome typically experience normal early development between 7-18 months after birth, followed by a slowing of development, loss of functional use of the hands, distinctive hand movements along with difficulty walking, communicating, irritability and seizures. Current treatments only address symptoms and provide support that may improve movement, communication and social participation into adulthood.

The trial's proposed primary endpoints at 12 weeks of treatment include the Rett Syndrome Behaviour Questionnaire, Clinical Global Impression Scale-Improvement, and severity of illness. Key secondary endpoints include safety, adverse events, and measures associated with hand function, motor skills, communication, and quality of life. If successful, the Company will follow with a 14-week double-blind, randomised, placebo-controlled Phase II in 34 participants to determine further efficacy and safety.

In June 2023, Associate Professor Carolyn Ellaway presented at the 2023 International Rett Syndrome Foundation (IRSF) Rett Syndrome Scientific Meeting in Nashville, Tennessee on the subject of "NTI164: A Novel, Full-Spectrum Medicinal Cannabis-Derived Treatment for Rett Syndrome". This esteemed event served as a global platform to share knowledge and engage with the Rett Syndrome community regarding the promising progress in the development of NTI164. The Company was delighted to have the opportunity to share this information with clinicians and researchers, representing academia, industry, and governmental agencies from around the world.

NTI is committed to presenting its innovative research to a diverse and influential audience, contributing to the collective understanding and progress in the field of Rett syndrome.

Subsequent to the end of the financial year, on 10 July 2023, the Company announced Human Research Ethics Committee (HREC) approval and Clinical Trial Notification (CTN) scheme clearance by the Therapeutic Goods Administration (TGA) to initiate its planned Phase I/II trial of NTI164 in female patients with Rett syndrome. The study will be conducted across three centres in Australia with Principal Investigator Associate Professor Carolyn Ellaway, Senior Staff Specialist NSW Genetic Metabolic Disorders Service, the Sydney Children's Hospital Network and Metabolic Genetics at The Children's Hospital at Westmead and Associate Principal Investigators Professor Michael Fahey, Head of the Paediatric Neurology Unit at Monash Medical Centre, Director of Neurogenetics and Dr Giuliana Antolovich, Department of Neurodevelopment & Disability, Royal Children's Hospital Melbourne.

### Phase I/II Clinical Trial for NTI164 in PANDAS/PANS

In October 2022, NTI announced the initiation of a new Phase I/II Clinical trial of NTI164 in children diagnosed with Paediatric Autoimmune Neuropsychiatric Disorders Associated with Streptococcal Infections (PANDAS) and Paediatric Acute-Onset Neuropsychiatric Syndrome (PANS), designated 'NTIPAN1'.

PANDAS/PANS is a clinical diagnosis given to children who have a dramatic (typically within one day) onset of neuropsychiatric symptoms including intense anxiety, Obsessive-Compulsive Disorder (OCD) and/or severely restrictive

## DIRECTORS' REPORT

eating. Children may exhibit repetitive tic movements, become moody, irritable/aggressive, and anxious. The cause of PANS is unknown in the majority of cases; however, the disorder is hypothesised to be triggered by infections, metabolic disturbances, and other inflammatory reactions.

NTIPANS1 is a single-arm, open-label, Phase I/II clinical trial consisting of 15 paediatric patients with a clinical diagnosis of moderate to severe PANDAS/PANS to determine the efficacy and safety of orally administered NTI164 in these patients. The Phase I/II clinical trial has been registered on the Australian New Zealand Clinical Trials Registry (ANZCTR) under registration number: ACTRN12622001419752.

The primary endpoints of the trial are the change from baseline at 12 weeks for the Revised Children's Anxiety and Depression Scale-Parent-rated (RCADS-P) score and Clinical Global Impression (CGI) of severity (CGI-S) and improvement (CGI-I). Secondary clinical endpoints include other gold-standard, validated assessment tools: Yale Global Tic Severity Scale (YGTSS), Children's Yale-Brown Obsessive-Compulsive Scale, Conners Scale and EQ-5D-Y. Other secondary endpoints will examine the Safety and Tolerability of orally administered NTI164 (at 5,10,15 and 20 mg/kg/day).

In January 2023, NTI announced Human Research Ethics Committee (HREC) approval and Clinical Trial Notification (CTN) scheme clearance by the Therapeutic Goods Administration (TGA) to commence the Phase I/II clinical trial of NTI164 in PANDAS/PANS.

In February 2023, the Company announced clinical trial commencement at two centres within Australia; the Children's Hospital at Westmead and the Paediatric Neurology Unit at Monash Medical Centre.

On 3 May 2023, NTI announced the successful completion of patient recruitment for the Phase I/II clinical trial of NTI164 in PANDAS/PANS whereby a total of 15 paediatric patients had commenced treatment. The company congratulated Co-Principal Investigators; Professor Russell Dale and Professor Michael Fahey and their respective clinical teams on the rapid enrolment.

On 30 May 2023, the Company announced Human Research Ethics Committee (HREC) approval to extend the current Phase I/II clinical trial of NTI164 in children diagnosed with PANDAS/ PANS to allow children to continue to receive treatment after they turn 18 years of age. This decision by the HREC was granted based on requests from investigators and parents so that a patient who turns 18 years of age while on NTI164 treatment may elect to continue daily oral NTI164 dosing beyond their 12-week treatment phase and into the fifty-four (54) week extension phase of the trial. This HREC approval gives the Company upmost flexibility and will provide valuable data with respect to regulatory submissions.

The Company intends to progress the development of NTI164 in PANDAS/PANS using available regulatory mechanisms, including orphan drug designations where applicable. During this financial period, the Company also filed additional provisional patent applications around this novel application of NTI164 in PANDAS/PANS. NTI anticipates releasing top-line results of the NTIPANS1 trial in Q3 CY2023.

### MENTE DEVICE

Neurotech has continued its Mente activities, pursuing its business model including engaging with partners on sales and distribution.

### KEY RISKS

The Company, like all companies of this nature, face risks associated with the growth and development of their business. One of the Company's primary activities involves clinical trials which are inherently uncertain.

As much as is possible the Company manages those risks it can manage, which include risks associated with managing and protecting its intellectual property portfolio, risks relating to the consistent and scaled production and supply of its cannabis strains, regulatory issues in relation to its clinical trials and its Mente approvals, as well as maintaining good relationships with its contractors and supplier.

## DIRECTORS' REPORT

### CORPORATE ACTIVITY

On 15 August 2022 current Non-Executive Director Mr Mark Davies was appointed as Chairman of the Board and Mr Brian Leedman and Ms Krista Bates resigned as Directors. On 7 July 2022 the Company appointed Mr Gerald Quigley as a Non-Executive Director.

On 16 August 2022 the Company announced the proposed issue of 20,000,000 options to Dr Thomas Duthy and 5,000,000 options to Mr Gerald Quigley as an equity-based incentive component to their remuneration packages. These options were issued following the Company's 2023 AGM on 30 November 2022.

On 1 September 2022, Neurotech appointed Dr Thomas Duthy as Executive Director. Dr Duthy has over 18 years experience in financial markets and executive level/ Board positions in ASX-listed companies. Dr Duthy established Nemean Group in 2018 specialising in offering corporate advisory and investor relations services specifically in the Life Sciences and Technology sectors. Before establishing Nemean Group, Dr Duthy held the position of Head of Corporate Development and Investor Relations at Sirtex Medical (ASX:SRX). Currently, Dr Duthy serves as a Director of Invex Therapeutics (ASX:IXC) and is Chairman of Arovella Therapeutics (ASX:ALA). Prior to his appointment to the board, Dr Duthy served as a consultant to the Company with a focus on investor relations and Strategic Corporate Development since 15 August 2022.

On 1 September 2022, Neurotech appointed Dr Alexandra Andrews as Chief Operating Officer. Dr Andrews served as Chief Executive Officer from 8 March 2022.

On 21 December 2022, the company was deeply saddened to announce the passing of Emeritus Professor Allan Cripps AO, Non-Executive Director and Chief Scientist of the Company. Professor Cripps added significant value to the company since his appointment in May 2021 and was instrumental in helping shape Neurotech's pre-clinical and clinical programs.

On 28 October 2022, the Company announced that it had received binding commitments from institutional, professional and sophisticated investors for an equity placement totalling \$9,000,000 at an issue price of \$0.10 per share ("Placement"). A total of 90,000,000 shares were issued partly on 7 November 2022 and 21 December 2022 under this placement.

In addition, each Placement participant was entitled to subscribe for one free attaching option for every two shares subscribed for under the placement. 45,000,000 NTIOA options were issued under a transaction-specific prospectus on 25 January 2023. PAC Partners and Peloton Capital acted as Joint Lead Managers for the Placement and their nominees received 10,000,000 NTIOA options as part consideration for their engagement on 25 January 2023.

On 31 October 2022, the Company announced that it received \$1.189 million R&D Tax Incentive rebate for the 2022 financial year. The R&D Tax Incentive funds received will be invested into the Company's clinical pipeline, which now consists of multiple, parallel Phase I/II and Phase II/III clinical trials for NTI164 in paediatric neurological disorders including Autism Spectrum Disorder (ASD), Paediatric Autoimmune Neuropsychiatric Disorders Associated with Streptococcal Infections (PANDAS) / Paediatric Acute Onset Neuropsychiatric Syndrome (PANS), Rett syndrome and cerebral palsy (CP).

Other than detailed above, no other matters or circumstances have arisen since 30 June 2022 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.

### MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

#### *Receipt of HREC Approval for Phase I/II Clinical Trial in Rett Syndrome<sup>1</sup>*

On 10 July 2023, Neurotech announced receipt of written Human Research Ethics Committee (HREC) approval and Clinical Trial Notification (CTN) scheme clearance by the Therapeutic Goods Administration (TGA) to commence the

<sup>1</sup> ASX Announcement 10 July 2023 – Neurotech Receives HREC Approval for Phase I/II Clinical Trial in Rett Syndrome

## DIRECTORS' REPORT

Phase I/II clinical trial investigating the use of NTI164 in female Rett Syndrome patients.

The Company's Phase I/II clinical trial in Rett Syndrome will be conducted across three centres in Australia with Principal Investigator Associate Professor Carolyn Ellaway, Senior Staff Specialist NSW Genetic Metabolic Disorders Service, the Sydney Children's Hospital Network and Metabolic Genetics at The Children's Hospital at Westmead and Associate Principal Investigators Professor Michael Fahey, Head of the Paediatric Neurology Unit at Monash Medical Centre, Director of Neurogenetics and Dr Giuliana Antolovich, Department of Neurodevelopment & Disability, Royal Children's Hospital Melbourne.

### *First Patient Treated in Phase I/II Rett Syndrome Clinical Trial<sup>2</sup>*

On 1 August 2023, the Company announced the first patient had been enrolled and treated in the Company's Phase I/II clinical trial investigating the use of NTI164 in female Rett Syndrome patients. The preliminary (top-line) results of the trial are anticipated in Q1 CY2024.

### *Corporate*

On 8 August 2023, the Company issued 10,000,000 options to Max Capital in the Company's class of listed Options (ASX security code: NTIOA, exercisable at \$0.135 each and expiring 30 January 2025). These securities have been approved by shareholders at the General Meeting on 1 June 2023.

Other than detailed above, no other matters or circumstances have arisen since 30 June 2023 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.

## 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 financial year.

### **AGM**

The Company anticipates that it will hold its next Annual General Meeting ('AGM') on or after 23 November 2023.

In accordance with ASX Listing Rule 3.13.1, the closing date for the receipt of nominations from persons wishing to be considered for election as a director of the Company is 28 September 2023.

Any nominations must be received in writing no later than 5.00pm (WST) on 28 September 2023 at the Company's registered office.

## ENVIRONMENTAL REGULATION

### *National Greenhouse and Energy Reporting Act 2007*

This is an Act to provide for the reporting and dissemination of information related to greenhouse gas emissions, greenhouse gas projects, energy production and energy consumption, and for other purposes. The Entity is not subject to the *National Greenhouse and Energy Reporting Act 2007*.

<sup>2</sup> ASX Announcement 1 August 2023 – First Patient Treated in Phase I/II Rett Syndrome Clinical Trial

## DIRECTORS' REPORT

### BOARD OF DIRECTORS

#### Mark Davies – Non-Executive Chairman

**Experience and Expertise** Mark Davies graduated from the University of Western Australia with a Bachelor of Commerce. He has over 20 years' experience in trading, investment banking and providing corporate advice. He worked at Montagu Stockbrokers before co-founding investment banking firm Cygnet Capital and more recently 1861 Capital. Mark specialises in providing corporate advice and capital raising services to emerging companies seeking business development opportunities and funding from the Australian market.

**Other Current Directorships** Non-Executive Chairman of Exopharm Limited (ASX: EX1)

**Former Directorships in last 3 years** None

**Special Responsibilities** Chairman of the Board (appointed 15 August 2022)

**Interests in Shares and Options** 9,793,017 ordinary shares  
2,000,000 unlisted \$0.038 options expiring 30 November 2023

#### Thomas Duthy – Executive Director (Appointed 1 September 2022)

**Experience and Expertise** Dr Duthy has over 18 years of direct financial markets experience and is the Founder and CEO of Nemean Group Pty Ltd, a boutique corporate advisory and investor relations firm specialising in the life sciences and technology sectors. At Nemean, Tom has worked alongside a number of ASX-Listed medical device, biotechnology and technology companies in both an investor relations capacity and corporate development. He has provided advisory services to a number of private companies in relation to capital structuring and initial public offerings.

Tom was the Global Head of Investor Relations & Corporate Development at Sirtex Medical Limited (ASX:SRX), which was sold to CDH Investments in September 2018 for A\$1.9 billion and remains the largest medical device transaction in Australian corporate history. Tom spent ten years as a leading sell-side Healthcare & Biotechnology analyst at Taylor Collison Limited, focused mainly on small cap companies.

Tom holds a PhD (with commendation) from the University of Adelaide and an MBA from Deakin University. He is a Member of the Australian Institute of Company Directors (MAICD).

**Other Current Directorships** Non-Executive Chairman of Arovella Therapeutics (ASX:ALA)  
Executive Director of Invex Therapeutics (ASX:IXC)

**Former Directorships in last 3 years** Non-Executive Director of Respi Limited (ASX:RSH)  
Non-Executive Director of Liver Foundation Limited

**Special Responsibilities** Executive Management, Strategy

**Interests in Shares and Options** Nil ordinary shares  
10,000,000 unlisted \$0.10 options expiring 23 December 2027  
10,000,000 unlisted \$0.15 options expiring 23 December 2027

## DIRECTORS' REPORT

### Winton Willesee – Non-Executive Director

**Experience and Expertise** Mr Willesee is an experienced company director with over 20 years' experience in various roles within the Australian capital markets.

Mr Willesee has considerable experience with ASX listed and other companies over a broad range of industries having been involved with many successful ventures from early stage through to large capital development projects.

He has a core expertise in strategy, company development, corporate governance, company public listings, merger and acquisition transactions and corporate finance.

Mr Willesee holds a Master of Commerce, a Post-Graduate Diploma in Business (Economics and Finance), a Graduate Diploma in Applied Finance and Investment, a Graduate Diploma in Applied Corporate Governance, a Graduate Diploma in Education and a Bachelor of Business. He is a Fellow of the Financial Services Institute of Australasia, a Graduate of the Australian Institute of Company Directors, a Member of CPA Australia and a Fellow of the Governance Institute of Australia and the Institute of Chartered Secretaries and Administrators/Chartered Secretary.

**Other Current Directorships** Non-Executive Director of Nanollose Limited (ASX:NC6)  
Non-Executive Director of One Click Group Limited (ASX:1CG)  
Non-Executive Director of Bridge SaaS Limited (ASX:BGE)  
Non-Executive Chairman of Citius Resources PLC (LSE: CRES)  
Non-Executive Director of Metals One PLC (AIM: MET1)

**Former Directorships in last 3 years** Non-Executive Director of Hygrovest Ltd (ASX:HGV) (resigned 20 March 2023)  
Non-Executive Director of eSense Lab Ltd (ASX:ESE) (resigned 21 September 2021)  
Non-Executive Chairman of New Zealand Coastal Seafoods Limited (ASX:NZS) (retired 10 March 2023)

**Interests in Shares and Options** 7,132,436 ordinary shares  
2,000,000 unlisted \$0.038 options expiring 30 November 2023

### Gerald Quigley – Non-Executive Director and Director of Public Relations (Appointed 7 July 2022)

**Experience and Expertise** Mr Quigley is a Pharmacist and consumer health commentator. As a leading media health commentator heard each week on television and radio stations across Australia.

He has extensive knowledge relating to pharmaceutical and nutraceutical product development, dispensing & marketing in addition to product positioning within the relevant regulatory landscapes (e.g. TGA, FDA).

Mr Quigley holds a Bachelor of Pharmacy.

**Other Current Directorships** Nil

**Former Directorships in last 3 years** Nil

**Special Responsibilities** Public Relations (appointed 7 July 2022)

**Interests in Shares and Options** 277,777 ordinary shares  
5,000,000 unlisted \$0.10 options expiring 23 December 2025



## DIRECTORS' REPORT

### Allan Cripps – Non-Executive Director and Chief Scientist (Deceased 20 December 2022)

**Experience and Expertise** Professor Cripps is a Professor Emeritus in the School of Medicine and Dentistry and the Menzies Health Institute Queensland at Griffith University, Australia. He was a member of the Infection and Immunity Research Team at the Menzies Health Institute Queensland at Griffith University, Australia.

He is recognised nationally and internationally as a distinguished academic, clinical scientist and health services leader and has made significant contributions in immunology, vaccine development, diagnostics health services delivery and professional health education. The focus of Professor Cripps' research activities over the last 5 decades have been in the field of immunology and inflammation. In 2015 he was awarded an Officer of the Order of Australia (AO) in recognition of his contributions to mucosal immunization, public health and higher education.

Professor Cripps has experience in the development of immunity in children and mucosal immune mechanisms, in recent years he has made a significant contribution to the field of immunology through translational research and human clinical studies. Professor Cripps is also a co-inventor on several patents in the fields of diagnostic technology and vaccine protein antigens for respiratory infection. He has published over 325 peer reviewed scientific papers and presented at many national and international scientific conferences.

**Other Current Directorships** None

**Former Directorships in last 3 years** Non-Executive Director of BARD1 Life Sciences Limited (deceased 20 December 2022)

**Special Responsibilities** Chief Scientist (deceased 20 December 2022)

**Interests in Shares and Options** Nil

### Brian Leedman – Non-Executive Chairman (resigned 15 August 2022)

**Experience and Expertise** Mr Leedman is formerly the Chairman (WA) of Ausbiotech, Founder and Executive Director of ResApp Health, Founder of OncoSil Medical and Biolife Sciences Limited (acquired by Imugene Limited) and Non-executive Director of Alcidion Corporation and former Chairman of NeuroScientific Biopharmaceuticals and former chairman of Nutritional Growth Solutions. He holds a BEc and an MBA from the University of Western Australia and has over 15 years' experience in the biotechnology sector.

**Other Current Directorships** OncoSil Medical Ltd (ASX:OSL)

**Former Directorships in last 3 years** NGS Limited (ASX:NGS) (resigned 28 February 2022)  
ResApp Health Limited (ASX:RAP) (resigned November 2022)  
NeuroScientific Biopharmaceuticals Limited (ASX: NSB) (resigned May 2021)

**Special Responsibilities** Chairman of the Board (until 15 August 2022)

**Interests in Shares and Options at date of resignation** 3,206,316 ordinary shares  
10,000,000 unlisted \$0.015 options expiring 31 October 2023  
10,000,000 unlisted \$0.02 options expiring 31 October 2023

## DIRECTORS' REPORT

### Krista Bates – Non-Executive Director (resigned 15 August 2022)

**Experience and Expertise** Ms Bates is an experienced non-executive and executive director of listed companies (Australian Stock Exchange and London Stock Exchange) and various private companies in multiple jurisdictions. She is commercially experienced, particularly talented in turnarounds, structuring, risk mitigation and strategic roll-out of commercial initiatives. She has an exceptional legal background with over 23 years' experience in the legal market, with extensive experience working in emerging markets in both a commercial and legal capacity.

Ms Bates is currently a Non-executive Director of AusCann Holdings (ASX:AC8), Australian Cannabis Ventures and Australia-Africa Minerals & Energy Group. She was also a Corporate Partner at Lavan law firm. She is the founder of KB Corporate Advisors which provides legal and corporate advisory services.

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**Other Current Directorships** Non-executive Director of AusCann Holdings (ASX:AC8)  
Non-executive Director of Duratec Limited (ASX: DUR)

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**Former Directorships in last 3 years** None

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**Interests in Shares and Options at date of resignation** 450,000 ordinary shares

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## DIRECTORS' REPORT

### COMPANY SECRETARY

#### Erlyn Dawson – Company Secretary

##### Experience and Expertise

Mrs Dawson is an experienced corporate professional with a broad range of corporate governance and capital markets experience, having been involved with several public company listings, merger and acquisition transactions and capital raisings for ASX-listed companies across a diverse range of industries.

Mrs Dawson began her career in corporate recovery and restructuring at Ferrier Hodgson and is now the Managing Director of corporate services firm, Azalea Corporate, which provides outsourced company secretarial, accounting and administration services to a portfolio of ASX-listed companies.

Mrs Dawson holds a Bachelor of Commerce (Accounting and Finance) and a Graduate Diploma in Applied Corporate Governance. She is a member of the Governance Institute of Australia/Chartered Secretary.

### DIRECTORS' MEETINGS

Attendances by each Director during the year were as follows:

Director	Number Eligible to Attend	Number Attended
Mark Davies	9	9
Winton Willesee	9	9
Thomas Duthy	7	7
Gerald Quigley	8	8
Allan Cripps	5	3
Brian Leedman	2	2
Krista Bates	2	2

## DIRECTORS' REPORT

### REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the Director and Executive remuneration arrangements of the Group and the Group and has been audited in accordance with the requirements by section 308(3C) of the *Corporations Act 2001* and the Corporations Regulations 2001.

For the purposes of this report, Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group and the Consolidated Entity, directly or indirectly, including any Director (whether Executive or otherwise) of the Group.

#### Key Management Personnel disclosed in the Report

Names and positions held of Parent Entity Directors and Key Management Personnel in office at any time during the financial year are:

##### *Directors*

Mark Davies	Non-Executive Chairman
Thomas Duthy	Executive Director
Winton Willesee	Non-Executive Director
Gerald Quigley	Non-Executive Director
Allan Cripps	Non-Executive Director and Chief Scientist (deceased 20 December 2022)
Brian Leedman	Non-Executive Chairman (resigned 15 August 2022)
Krista Bates	Non-Executive Director (resigned 15 August 2022)

#### Remuneration Governance

The full Board filling the role of the Nomination and Remuneration Committee is responsible with respect to the following:

- remuneration policies and practices;
- remuneration of the Executive Officer and Executive Directors;
- composition of the Board; and
- performance Management of the Board and of the Executive Officer.

## DIRECTORS' REPORT

### *Use of Remuneration Consultants*

During the year, the Group has not required or used any remuneration consultants.

### *Executive Remuneration Policy and Framework*

The full Board reviews and make recommendations regarding the following:

- (a) Service contracts in place between KMP and Company;
- (b) strategies in relation to Executive remuneration policies;
- (c) compensation arrangements for the Chairman, Non-Executive Directors, CEO, and other Senior Executives as appropriate;
- (d) performance related incentive policies;
- (e) the Group's recruitment, retention and termination policies;
- (f) the composition of the Board having regard to the skills/experience desired and skills/experience represented;
- (g) the appointment of Board members;
- (h) the evaluation of the performance of the CEO;
- (i) consideration of potential candidates to act as Directors; and
- (j) succession planning for Board members.

### *Key Management Personnel Remuneration Policy*

The Board's policy for determining the nature and amount of remuneration of Key Management Personnel for the economic entity is as follows:

The remuneration structure for Key Management Personnel is based on a number of factors including particularly the skills and experience of the individual concerned. The contracts for service between the Group and Key Management Personnel are on a continuing basis, subject to review with the Board proposing a review in the immediate future. There is no scheme to provide retirement benefits, other than statutory superannuation.

Upon their respective appointment to the Company, all Directors and executives enter into an agreement with the Group.

The structure of the performance-based elements of an Executive's remuneration are designed to encourage retention of the Executives while also rewarding short term performance of the individual and long-term performance of the Group, and therefore contributing to the wealth of the Group's shareholders. Executives are subject to an annual performance review against objectives relevant to their role, and the performance against these objectives is used to determine the amount of their annual short-term incentive bonus received.

## DIRECTORS' REPORT

### Key Management Personnel Compensation

The compensation of the Group's Key Management Personnel is disclosed below:

2023 Key Management Person	Short-term Benefits				Termination Benefits	Share-based payment			Total (\$)	Performance related
	Salary (\$)	Bonus (\$)	Post Retirement benefits (\$)	Annual leave (\$)	Termination Benefits (\$)	Shares (\$)	Options (\$)	Total Share Based Payments (\$)		
<b>DIRECTORS</b>										
Brian Leedman <sup>3</sup>	90,000	-	-	-	-	-	-	-	90,000	-
Mark Davies	57,500	-	-	-	-	-	-	-	57,500	-
Thomas Duthy <sup>1</sup>	140,000	-	-	-	-	-	712,931	712,931	852,931	84%
Winton Willesee	40,000	-	-	-	-	-	-	-	40,000	-
Krista Bates <sup>3</sup>	5,000	-	-	-	-	-	-	-	5,000	-
Allan Cripps <sup>4</sup>	16,667	-	-	-	-	-	-	-	16,667	-
Gerald Quigley <sup>1</sup>	39,355	-	-	-	-	-	103,351	103,351	142,706	72%
<b>MANAGEMENT</b>										
Dr Alexandra Andrews <sup>2</sup>	192,962	-	20,261	9,613	-	-	7,493	7,493	230,329	3%
<b>TOTAL</b>	<b>581,484</b>	<b>-</b>	<b>20,261</b>	<b>9,613</b>	<b>-</b>	<b>-</b>	<b>823,775</b>	<b>823,775</b>	<b>1,435,133</b>	

<sup>1</sup> Remuneration and other term of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Thomas Duthy  
 Title: Executive Director  
 Agreement commenced: 1 September 2022

## DIRECTORS' REPORT

Annual remuneration: \$180,000 plus GST  
Share based payment: 20,000,000 options\*

Name: Gerald Quigley  
Title: Non-executive Director  
Agreement commenced: 7 July 2022  
Annual remuneration: \$40,000  
Share based payment: 1,000,000 options\*\*

On appointment as a director, the Company agreed to seek shareholder approval for the issue of the following options to Dr Duthy and Mr Quigley:

	Duthy \$0.10	Duthy \$0.15	Quigley \$0.10
Number of options in series	10,000,000*	10,000,000*	5,000,000**
Grant date share price	\$0.084	\$0.084	\$0.084
Exercise price	\$0.10	\$0.15	\$0.10
Expected volatility	76.98%	76.98%	76.98%
Option life	5 years	5 years	3 years
Expiry	23/12/2027	23/12/2027	23/12/2025
Interest rate	3.28%	3.28%	3.17%
Valuation	\$511,337	\$443,015	\$199,593
Expensed in the period	\$381,985	\$330,946	\$103,351

<sup>2</sup> Options granted to the Group's COO Dr Alexandra Andrews on 1 June 2023

	Tranche 1	Tranche 2	Tranche 3	Total
Number of options	2,500,000	1,666,667	1,250,000	5,416,667
Underlying share price	\$0.04	\$0.04	\$0.04	
Exercise price	\$0.08	\$0.12	\$0.16	
Expected volatility	71.98%	71.98%	71.98%	
Expiry date (years)	0.8	0.8	0.8	
Vesting date	28 Jun 2023	1 Sep 2023	1 Mar 2024	
Expected dividends	-	-	-	
Risk free rate	3.84%	3.84%	3.84%	
Total Value	\$6,385	\$1,279	\$337	\$8,001
Expensed in the financial year ended 30 June 2022	\$6,385	\$961	\$147	\$7,493

<sup>3</sup> Resigned 15 August 2022

<sup>4</sup> Deceased on 21 December 2022

## DIRECTORS' REPORT

2022 Key Management Person	Short-term Benefits				Termination Benefits	Share-based payment			Total (\$)	Performance related
	Salary (\$)	Bonus (\$)	Post Retirement benefits (\$)	Annual leave (\$)	Termination Benefits (\$)	Shares (\$)	Options (\$)	Total Share Based Payments (\$)		
<b>DIRECTORS</b>										
Brian Leedman	120,000	-	-	-	-	-	-	-	120,000	-
Mark Davies	40,000	-	-	-	-	-	-	-	40,000	-
Winton Willesee	40,000	-	-	-	-	-	-	-	40,000	-
Krista Bates	40,000	-	-	-	-	-	13,935	13,935	53,935	26%
Allan Cripps	40,000	-	-	-	-	-	10,742	10,742	50,742	21%
<b>MANAGEMENT</b>										
Dr Alexandra Andrews	72,552	-	7,255	6,139	-	-	59,280	59,280	145,226	41%
<b>TOTAL</b>	<b>352,552</b>	<b>-</b>	<b>7,255</b>	<b>6,139</b>	<b>-</b>	<b>-</b>	<b>83,957</b>	<b>83,957</b>	<b>449,904</b>	



## DIRECTORS' REPORT

### Equity Instruments Disclosure Relating to Key Management Personnel

#### Shares:

Number of shares held by Parent Entity Directors and other Key Management Personnel of the Group, including their personally related parties, are set out below.

Name	Balance at the start of the year	Acquired as part of remuneration	Acquired on market	Exercise of options	Disposed	Other	Balance at the end of the year
<b>Directors</b>							
Mark Davies	7,793,017	-	-	2,000,000	-	-	9,793,017
Winton Willesee	5,132,436	-	-	2,000,000	-	-	7,132,436
Gerald Quigley	-	-	277,777	-	-	-	277,777
Allan Cripps <sup>1</sup>	180,000	-	-	-	-	(180,000)	-
Brian Leedman <sup>2</sup>	3,206,316	-	-	-	-	(3,206,316)	-
Krista Bates <sup>2</sup>	450,000	-	-	-	-	(450,000)	-
Alexandra Andrews	-	-	-	-	-	-	-
<b>Total</b>	<b>16,761,769</b>	<b>-</b>	<b>277,777</b>	<b>4,000,000</b>	<b>-</b>	<b>(3,836,316)</b>	<b>17,203,230</b>

<sup>1</sup> Deceased 20 December 2022

<sup>2</sup> Other represents the number of shares held at resignation date of 15 August 2022

## DIRECTORS' REPORT

### Options

Number of options held by Parent Entity Directors and other Key Management Personnel of the Group, including their personally related parties, are set out below.

Name	Balance at the start of the year	Acquired as part of remuneration	Exercised	Other	Balance at the end of the year
Mark Davies <sup>1</sup>	4,000,000	-	(2,000,000)	-	2,000,000
Winton Willesee <sup>1</sup>	4,000,000	-	(2,000,000)	-	2,000,000
Thomas Duthy		20,000,000			20,000,000
Gerald Quigley	-	5,000,000	-	-	5,000,000
Brian Leedman	20,000,000	-	-	-	20,000,000
Krista Bates	500,000	-	-	(500,000) <sup>2</sup>	-
Allan Cripps	500,000	-	-	(500,000) <sup>2</sup>	-
Alexandra Andrews	15,000,000	5,416,667	-	(15,000,000) <sup>2</sup>	5,416,667
<b>Total</b>	<b>44,000,000</b>	<b>30,416,667</b>	<b>(4,000,000)</b>	<b>(16,000,000)</b>	<b>54,416,667</b>

<sup>1</sup> Exercised 2,000,000 options (NTIOPT3) at \$0.0189 per share

<sup>2</sup> Options lapsed

### Voting and comments made at the Group's 2022 Annual General Meeting

The Group received a 99.34% "yes" votes on its remuneration report for the 2022 financial year (2021: 98.82% yes). The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

## DIRECTORS' REPORT

### Transactions with Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

For the year ended 30 June 2023 the aggregate amount recognised during the year relating to Directors, Key Management Personnel and their related parties were as follows.

Director	Transaction	Transactions value for the year ended 30 June		Balance outstanding as at 30 June	
		2023 (\$)	2022 (\$)	2023 (\$)	2022 (\$)
Winton Willesee (Director and Shareholder (via an associated entity) of Azalea Corporate Services Pty Ltd)	Corporate administration services	143,722	90,200	-	25,850
Winton Willesee (Director and Shareholder (via an associated entity) of Azalea Accounting Services Pty Ltd)	Bookkeeping and accounting services	-	21,058	-	1,955
<b>Total</b>		<b>143,722</b>	<b>111,258</b>	<b>-</b>	<b>27,805</b>

Payments to Azalea Corporate Services Pty Ltd (director related entity of Winton Willesee) for corporate administration services including company secretarial and accounting services and front and registered office services. Payments to Azalea Accounting Services Pty Ltd (director related entity of Winton Willesee) for bookkeeping and financial reporting services fees.

***This is the end of the Audited Remuneration Report.***

## INDEMNIFICATION OF DIRECTORS AND OFFICERS

### (a) Indemnification

The Group has agreed to indemnify the current Directors and Group Secretary of the Group against all liabilities to another person (other than the Group or a related body corporate) that may arise from their position as Directors and Group Secretary of the Group, except where the liability arises out of conduct involving a lack of good faith.

The Agreement stipulates that the Group will meet to the maximum extent permitted by law, the full amount of any such liabilities, including costs and expenses.

### (b) Insurance Premiums

During the year ended 30 June 2023, the Company paid insurance premiums in respect of Directors and Officers Liability Insurance for Directors and Officers of the Company. The liabilities insured are for damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as Directors and Officers of the Company to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## NON-AUDIT SERVICES

No non-audit services were provided by the Group's auditor during the year ended 30 June 2023 or 30 June 2022.

## INDEMNITY AND INSURANCE OF AUDITOR

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor. During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

## CORPORATE GOVERNANCE

The Board is responsible for the overall corporate governance of the Group, and it recognises the need for the highest standards of ethical behaviour and accountability. It is committed to administering its corporate governance structures to promote integrity and responsible decision making.

The Group's corporate governance structures, policies and procedures are described in its Corporate Governance Statement which is available at the Group's website at:

<http://neurotechinternational.com/investor-centre/corporate-governance>

## SHARES

As at the date of this report there are 873,909,482 (2022: 697,699,126) ordinary shares on issue.

## OPTIONS

All options granted confer a right of one ordinary share for every option held. The Group has the following unlisted options on issue as at 30 June 2023:

Grant Date	Expiry Date	Exercise Price (\$)	Balance at end of the year Number	Vested and exercisable Number
18/11/2019	18/11/2024	\$0.0589	6,500,000	6,500,000
18/11/2019	18/11/2024	\$0.0199	5,429,754	5,429,754
17/12/2020	30/11/2023	\$0.038	4,000,000	4,000,000
23/12/2022	23/12/2027	\$0.10	10,000,000	6,666,667
23/12/2022	23/12/2027	\$0.15	10,000,000	6,666,667
23/12/2022	23/12/2025	\$0.10	5,000,000	5,000,000
28/06/2023	28/06/2026	\$0.10	5,000,000	5,000,000
28/06/2023	10/03/2024	\$0.08	2,500,000	2,500,000
28/06/2023	10/03/2024	\$0.12	1,666,667	-
28/06/2023	10/03/2024	\$0.16	1,250,000	-
			<b>51,346,421</b>	<b>41,763,088</b>

## AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2023 has been received and can be found on page 29.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

Signed on behalf of the Board of Directors.



**Winton Willesee**  
**Non-Executive Director**  
**Dated 30 August 2023**

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

As lead auditor of Neurotech International Limited for the year ended 30 June 2023, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

30 August 2023

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	CONSOLIDATED	
		30 June 2023 (\$)	30 June 2022 (\$)
<b>CONTINUING OPERATIONS</b>			
Revenue	3	5,959	38,262
Other income	4	1,248,090	569,842
Cost of sales	5	-	(6,523)
Obsolete stock write-off / (write back)	5	-	(26,857)
Professional consultant and advisory expenses		(266,616)	(304,192)
Professional legal expenses		(83,811)	(59,896)
Corporate and administration expenses		(598,357)	(346,180)
Depreciation and amortisation expenses		(1,744)	(588)
Finance expenses		-	(1,369)
Advertising and marketing expenses		(10,928)	(12,478)
Employee benefits expense		(742,682)	(538,838)
Bad debt reversal		9,043	-
Share based payments expense	6	(876,592)	(83,957)
Research expense	7	(6,452,761)	(2,578,153)
Equipment and materials direct cost		-	(669)
Other expenses		(21,540)	(10,645)
<b>LOSS BEFORE INCOME TAX</b>		<b>(7,791,939)</b>	<b>(3,362,241)</b>
Income tax benefit	8	-	-
<b>LOSS AFTER INCOME TAX</b>		<b>(7,791,939)</b>	<b>(3,362,241)</b>
Other comprehensive income/(loss)		-	-
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange difference on translation of foreign operations		(10,747)	25,409
<b>Total comprehensive loss for the year</b>		<b>(7,802,686)</b>	<b>(3,336,832)</b>
<b>Basic loss per share (cents per share)</b>	22	<b>(0.98)</b>	<b>(0.48)</b>

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 30 JUNE 2023

	Notes	CONSOLIDATED	
		30 June 2023 (\$)	30 June 2022 (\$)
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	11	5,025,795	1,895,431
Trade and other receivables	12	257,562	99,483
Prepayments		16,820	18,238
Inventories		7,781	7,202
<b>TOTAL CURRENT ASSETS</b>		<b>5,307,958</b>	<b>2,020,354</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		872	2,617
<b>TOTAL NON-CURRENT ASSETS</b>		<b>872</b>	<b>2,617</b>
<b>TOTAL ASSETS</b>		<b>5,308,830</b>	<b>2,022,971</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	1,346,867	592,980
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,346,867</b>	<b>592,980</b>
<b>TOTAL LIABILITIES</b>		<b>1,346,867</b>	<b>592,980</b>
<b>NET ASSETS</b>		<b>3,961,963</b>	<b>1,429,991</b>
<b>EQUITY</b>			
Contributed Equity	14	34,350,859	25,776,778
Reserves	15	6,039,148	4,349,318
Accumulated Losses	16	(36,428,044)	(28,696,105)
<b>TOTAL EQUITY</b>		<b>3,961,963</b>	<b>1,429,991</b>

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



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Contributed Equity (\$)	Accumulated Losses (\$)	Share-based Payment Reserve (\$)	Foreign Currency Translation Reserve (\$)	Total (\$)
<b>FINANCIAL YEAR ENDED 30 JUNE 2023</b>					
<b>Balance at 1 July 2022</b>	<b>25,776,778</b>	<b>(28,696,105)</b>	<b>4,273,060</b>	<b>76,258</b>	<b>1,429,991</b>
(Loss) for the year	-	(7,791,939)	-	-	(7,791,939)
Exchange Difference	-	-	-	(10,747)	(10,747)
<b>Total comprehensive (loss)</b>	<b>-</b>	<b>(7,791,939)</b>	<b>-</b>	<b>(10,747)</b>	<b>(7,802,686)</b>
Transactions with equity holders in their capacity as equity holders					
Share issues on conversion of options (Note 14)	1,150,552	-	-	-	1,150,552
Placement Shares	9,000,000	-	-	-	9,000,000
Share based payments (Note 6)	-	-	876,592	-	876,592
Options issued to JLM	(70,000)	-	70,000	-	-
Share issue cost	(692,486)	-	-	-	(692,486)
<b>Balance at 30 June 2023</b>	<b>35,164,844</b>	<b>(36,488,044)</b>	<b>5,219,652</b>	<b>65,511</b>	<b>3,961,963</b>

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 YEAR ENDED 30 JUNE 2023

	Contributed Equity (\$)	Accumulated Losses (\$)	Share-based Payment Reserve (\$)	Foreign Currency Translation Reserve (\$)	Total (\$)
<b>FINANCIAL YEAR ENDED 30 JUNE 2022</b>					
<b>Balance at 1 July 2021</b>	<b>25,750,378</b>	<b>(25,333,864)</b>	<b>3,394,103</b>	<b>50,849</b>	<b>3,861,466</b>
(Loss) for the year	-	(3,362,241)	-	-	(3,362,241)
Exchange Difference	-	-	-	25,409	25,409
<b>Total comprehensive (loss)</b>	<b>-</b>	<b>(3,362,241)</b>	<b>-</b>	<b>25,409</b>	<b>(3,336,832)</b>
Transactions with equity holders in their capacity as equity holders					
Share issues on conversion of options (Note 14)	26,400	-	-	-	26,400
Share based payments (Note 6)	-	-	83,957	-	83,957
Options issued to Dolce Cann (Note 15)	-	-	795,000	-	795,000
<b>Balance at 30 June 2022</b>	<b>25,776,778</b>	<b>(28,696,105)</b>	<b>4,273,060</b>	<b>76,258</b>	<b>1,429,991</b>

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

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

		CONSOLIDATED	
	Notes	30 June 2023 (\$)	30 June 2022 (\$)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		5,959	38,262
Other receipts		1,188,529	569,333
Payments to suppliers and employees		(7,571,004)	(3,561,846)
Interest paid		-	(1,369)
Interest received		59,561	486
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	17	<b>(6,316,955)</b>	<b>(2,955,134)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for plant and equipment		-	(3,205)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>-</b>	<b>(3,205)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		9,447,319	26,400
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		<b>9,447,319</b>	<b>26,400</b>
<b>Net increase/(decrease) in cash held</b>		<b>3,130,364</b>	<b>(2,931,939)</b>
Cash and cash equivalents at beginning of financial year		1,895,431	4,827,370
<b>Cash and cash equivalents at end of financial year</b>	11	<b>5,025,795</b>	<b>1,895,431</b>

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

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The primary accounting policies adopted in the preparation of the Financial Statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

### (a) General Information

Neurotech International Limited (Company) or (Entity) is a public Company limited by shares, incorporated in Australia with operations in Malta. The Consolidated Financial Report of the Company as at and for the year ended 30 June 2023 comprises the Company and its subsidiaries (together referred to as the 'Consolidated Entity' or 'Group').

Neurotech International Limited is a medical device and solutions company conducting clinical 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.

The nature of the operations and principal activities of the Consolidated Entity are described in the Directors' Report.

### (b) Basis of Preparation

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Neurotech International Limited is a for profit entity for the purpose of preparing the Financial Statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied.

#### (i) Compliance with IFRS

The Financial Statements of the Group also comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standard Board (IASB).

The Financial Statements were approved by the Board of Directors on 31st August 2023.

#### (ii) Historical cost convention

The financial report has been prepared on an accrual basis and is based on historical costs *modified* by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. All amounts are presented in Australian dollars, unless otherwise noted.

#### (iii) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (c) 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.

For the year ended 30 June 2023 the Group made an operating loss of \$7,791,939 (2022: loss of \$3,362,241), had cash outflows from operating activities of \$6,316,955 (2022: \$2,955,134). The Company had cash on hand as at 30 June 2023 of \$5,025,795 (2022: \$1,895,431) and net assets of \$3,961,963 (2022: \$1,429,991).

The consolidated entity's ability to continue as a going concern is dependent on raising further capital along with reducing costs and the cash impact of its costs. These factors indicate material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as going concern and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Company and consolidated entity will continue as going concern, after consideration of the following factors:

- The Company has the ability to issue additional shares (or other securities) under the Corporations Act 2001 to raise further working capital and has been successful in doing this previously, as evidenced by the successful shares issued in the recent financial years;
- The Company may be able to access funding for its activities at the project level via investments or grants or a combination of both; and
- The consolidated entity has the ability to scale down its operations in order to curtail expenditure, in the event capital raisings are delayed or insufficient cash is available to meet projected expenditure.

Accordingly, the Directors believe that the consolidated entity will be able to continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The consolidated entity's ability to continue as a going concern is mainly dependent on its ability to obtain additional working capital through the issue of equity as and when required.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

### (d) Impact of the adoption of new Accounting Standards

There were no new accounting Standards adopted by the Group during the financial year.

#### Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Financial Statements requires Management to make judgments, estimates and assumptions that affect the reported amounts in the Financial Statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the Financial Statements are outlined below:

### (i) *Share based payments*

The Group measures the cost of equity settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model, inputs used in valuing share-based payments, including options, are estimates.

### (ii) *Treatment of costs incurred for Research and Development*

The Group's consideration of whether its internal projects to develop medical devices are in a research phase or development phase involves significant judgement.

The Group considers a project to be in a development phase when the following can be demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- there is intention to complete the project;
- the existence of a market to be able to sell output resulting from the completion of the project;
- how the intangible asset will generate probable future economic benefits;
- there are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- expenditure attributable to the project can be reliably measured.

When the above 6 criteria are met, the Group will recognise an intangible asset in relation to the project, otherwise costs incurred to date on the project are expensed as incurred.

### (e) *Principles of Consolidation*

The Consolidated Financial Statements incorporate the assets and liabilities of all the subsidiaries that Neurotech International Limited ('the Parent Entity') has the power to control the Consolidated Entity when the Group is exposed to, or has rights to, variable returns from its involvement with the Consolidated Entity and has the ability to affect those returns through its power to direct the activities of the Consolidated Entity, the financial and operating policies as at 30 June 2023 and the results of all subsidiaries for the year ended 30 June 2023. All intercompany balances and transactions between the Group and the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Group.

#### *Subsidiaries*

Subsidiaries are all entities controlled by the Consolidated Entity. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

In the Company's Financial Statements, investments in subsidiaries are carried at cost. The Financial Statements of the subsidiary are prepared for the same reporting period as the Group, using consistent accounting policies. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

In preparing the Consolidated Financial Statements, all intercompany balances and transactions, income and expenses and profit or losses resulting from inter-entity transactions have been eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. The investments in subsidiaries held by Neurotech International Limited are accounted for at cost in the separate Financial Statements of the Group less any impairment charges. The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

### (f) Foreign Currency translation

#### *Functional and presentation currency*

Items included in the Financial Statements of each of the Group entities are measured using the currency of the primary economic environment in which the Entity operates ('the functional currency'). The Consolidated Financial Statements are presented in Australian dollars (A\$), which is Neurotech International Limited's functional and presentation currency. The functional currency of the subsidiaries of Neurotech International Limited incorporated in Malta is the Euro (EUR€).

#### *Foreign currency transactions and balances*

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

#### *Translation of Foreign Operations*

The Statement of Profit or Loss and Other Comprehensive Income is translated at the average exchange rates for the year.

The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of the foreign entity, the deferred cumulative amount recognised in equity relating to that foreign operation will be recognised in the Statement of Profit or Loss and Other Comprehensive Income.

### (g) Revenue recognition

The Group's revenue is substantially from the sale of Mente devices, which to date are principally sold through Distributors which Neurotech has Distribution Agreements with Sales are recognised when control of the products has transferred, being when the products are delivered to the distributor, the distributor has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the distributor's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the distributor, and either the distributor has accepted the products in accordance with the distribution agreement, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

With the exception of devices which are defective, Distributors are not able to return devices to Neurotech, that is, there is no "Right of Return", consequentially it is not necessary for the Group to consider the probability of units being returned which would lead to the recognition of a refund liability, and a right of return asset.

### (h) Other income

#### *Interest Income*

Interest income is recognised using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

#### *Research and development grants*

Government grants relating to research and development activities are recognised when received.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### **Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the group will comply with all attached conditions. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

#### **(i) Research and development**

Research expenditure is recognised as an expense as incurred.

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

#### **(j) Income Tax Expenses or Benefit**

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the Financial Statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit. Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities, associates and interests in joint ventures where the Parent Entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not be reversed in the foreseeable future. Current and deferred tax balances relating to amounts are recognised directly in equity.

Neurotech International Limited and its resident subsidiaries have unused tax losses. However, no deferred tax balances have been recognised, as it is considered that asset recognition criteria have not been met at this time.

#### **(k) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (l) Inventories

Inventories consist of autism related neurofeedback medical equipment being held for resale and are valued at the lower of cost and net realisable value. Cost is determined on the first-in first-out basis. Net realisable value is the estimate of the selling price in the ordinary course of business, less the expected selling expenses.

### (m) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days. Collectability of trade receivables is reviewed on an ongoing basis. The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Customers with heightened credit risk are provided for specifically based on historical default rates and forward-looking information. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group. Other receivables are recognised at amortised cost, less any provision for impairment.

### (n) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### (o) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (p) Financial Assets

#### Classification

All the Group's financial assets are classified in the category of "financial assets at amortised cost". Management determines the classification of financial assets at initial recognition.

#### Measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. The fair value of trade receivables and payables is their nominal value less estimated credit adjustments.

### (q) Property, Plant and Equipment

Items of property, plant and equipment are initially recorded at historical cost less accumulated depreciation. Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over their estimated useful life.

The annual rates used for this purpose, which are consistent with those used in previous years, are as follows:

Furniture and fittings	20%
Computer equipment and software	20-25%
Medical and other equipment	25%

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial year in which they are incurred.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

### (r) Intangible assets

#### Project Development Costs

Development costs that are directly attributable to the design and testing of identifiable and unique medical equipment products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the product so that it will be available for use;
- management intends to complete the product and use or sell it;
- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- product are available; and
- the expenditure attributable to the product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the medical equipment product include the development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Medical equipment product development costs recognised as assets are amortised over their estimated useful lives, which does not exceed five years.

### *Patents and trademarks*

Patents and trademarks are capitalised on the basis of the costs incurred to acquire and bring to use the respective medical equipment. These costs are amortised over their estimated useful lives of 5 to 15 years. Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of up to 15 years and are carried at cost less accumulated amortisation and impairment losses.

### **(s) Trade and Other Payables**

Liabilities are recognised for amounts to be paid in the future for goods or services received prior to the end of the period, whether or not billed to the Group before reporting date. Trade accounts payable are normally settled within 60 days.

Financial liabilities are initially measured at their fair value and subsequently measured at amortised cost using the effective interest rate method and are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

### **(t) Borrowings**

Borrowings are recognised initially at the proceeds received and net of issue costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method. Any difference between proceeds (net of issue costs) and the redemption value is recognised in the Statement of Profit or Loss and Other Comprehensive Income over the period of the borrowings using the effective yield method.

### **(u) Employee Benefits**

#### *Short term Employee Benefit Obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee benefit obligations are presented as payables.

#### *Other long-term Employee Benefit Obligations*

The Group does not recognise a liability for annual leave at reporting date, annual leave taken during the course of employment and annual leave paid to employees upon termination of employment is recognised in the financial statements of the Group when the employee is paid for their leave.

#### *Termination Benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognised termination benefits at the earlier of the following dates:

- when the Group can no longer withdraw the offer of those benefits; and
- when the Entity recognised costs for a restructuring that is within the scope of AASB 137 and involves the payment of terminations benefits.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

### (v) Share-based payments

Share-based payments which have been granted to employees comprise of shares, share rights and share options.

#### *Shares*

The value of shares granted and issued to key management personnel in a year is recognised as an employee benefit expense with a corresponding increase in equity (share capital). The value of shares granted and vested to key management personnel in one year, which will be issued in a future year are recognised as an employee benefit expense with a corresponding increase in equity (share capital reserve). Upon issuing of the shares, the value in the share capital reserve will be transferred to share capital.

The value of shares granted and in the process of vesting to key management personnel are recognised as an employee benefit expense with a corresponding increase in equity (share-based payments reserve). Upon vesting and subsequent issue of the shares, the value in the share-based payments reserve will be transferred to share capital.

The basis for the value recognised for each share is the price at the time when the terms of the grant are agreed between the Group and the counter party.

#### *Share rights*

The value of share rights granted to key management personnel in a year is recognised as an employee benefit expense with a corresponding increase in equity (share-based payments reserve). In the year in which the share rights become vested, the value of share rights which have vested will be recognised in share capital reserve.

Upon issue of the related shares, the value in the share capital reserve is transferred to share capital. The basis for the value recognised for each share right is the price at the time when the terms of the grant are agreed between the Group and the counter party.

#### *Share options*

The fair value of options granted to employees (including Key Management Personnel) is recognised as an employee benefit expense with a corresponding increase in equity (share-based payments reserve). The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the Entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised in each period takes into account the most recent estimate.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (w) Share-based Payment Transactions for the acquisition of goods and services

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions. The Group measures the value of equity instruments granted at the fair value of the goods and services received, unless that fair value cannot be measured reliably.

If the fair value of the goods or services received cannot be reliably measured, the transaction is measured by the by reference to the fair value of the instruments granted.

### (x) Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

### (y) Earnings or Loss per share

Basic earnings or loss per share are calculated by dividing the net profit or loss attributable to members of the Parent Entity for the reporting period by the weighted average number of ordinary shares of the Group.

### (z) Fair Value

The fair values of financial assets and liabilities are determined in accordance with generally accepted pricing models based on estimated future cash flow. There are currently no assets and liabilities which require fair valuing under the measurement hierarchy. Due to their short-term nature, the carrying amounts of the current receivables, current payables and current borrowings are assumed to approximate their fair value.

### (aa) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2. Segment Information

The Directors have considered the requirements of AASB 8 – Operating segments. Operating segments are identified, and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker, which is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and consolidated statement of cash flows.

One segment is identified, being Medical Device Development and Distribution. The Group's business includes the commercialisation of 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. Concurrently the Group is conducting clinical studies to assess the neuro-protective, anti-inflammatory and neuro-modulatory activities of its proprietary NTI/Dolce cannabis strains.

### 3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue represents the value of medical equipment and services sold by the Group measured on a point in time basis.

	CONSOLIDATED	
	30 June 2023 (\$)	30 June 2022 (\$)
Sales Mente products	5,959	38,262
	<b>5,959</b>	<b>38,262</b>

### 4. OTHER INCOME

	CONSOLIDATED	
	30 June 2023 (\$)	30 June 2022 (\$)
Research and development grants received	1,188,529	569,333
Shipping of sales products	-	23
Interest income	59,561	486
	<b>1,248,090</b>	<b>569,842</b>

### 5. EXPENSES

#### Cost of sales expenses

	CONSOLIDATED	
	30 June 2023 (\$)	30 June 2022 (\$)
Cost of units sold (Mente Products)	-	6,523
Obsolete stock provision	-	26,857
	-	<b>33,380</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 6. 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	
	30 June 2023 (\$)	30 June 2022 (\$)
Options issued to Dr Alex Andrews (CEO)- Reversal	(59,280)	59,280
Options issued to directors	816,282	24,677
Options issued to Dr Alex Andrews (COO)	7,493	-
Options issue to Max Capital	60,000	-
Options issued to Prof Cripps' estate	52,097	-
	<b>876,592</b>	<b>83,957</b>

#### Options issued to directors

At the 2022 Annual General Meeting held on 30 November 2022, shareholders approved the issue of options to Dr Thomas Duthy and Gerald Quigley in their capacity as Directors. The options were issued on 23 December 2022 and valued using the Black-Scholes option valuation model with the following inputs:

	Duthy \$0.10	Duthy \$0.15	Quigley \$0.10
Number of options in series	10,000,000	10,000,000	5,000,000
Grant date share price	\$0.084	\$0.084	\$0.084
Exercise price	\$0.10	\$0.15	\$0.10
Expected volatility	76.98%	76.98%	76.98%
Option life	5 years	5 years	3 years
Expiry	23/12/2027	23/12/2027	23/12/2025
Interest rate	3.28%	3.28%	3.17%
Valuation	\$511,337	\$443,015	\$199,593
Expensed in the period	\$381,985	\$330,946	\$103,351

#### Duthy

No vesting conditions will apply in respect of 6,667,667 Options (being 3,333,333 Options exercisable at \$0.10 and 3,333,334 Options exercisable at \$0.15). The remaining Options will vest and become exercisable upon the following vesting conditions being satisfied:

- 6,666,667 Options (being 3,333,334 exercisable at \$0.10, and 3,333,333 exercisable at \$0.15) will vest upon Dr Duthy remaining engaged by the Company as a director on the first anniversary of his appointment; and
- 6,666,666 Options (being 3,333,333 exercisable at \$0.10, and 3,333,333 exercisable at \$0.15) will vest upon Dr Duthy remaining engaged by the Company as a director on the second anniversary of his appointment.

#### Quigley

Mr Quigley's options will be subject to a vesting condition that the relevant Related Party remains a director for 12 months from the date of issue of the Related Party Options.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Options issued to COO

The share-based payments expense for the year ended 30 June 2023, included an amount of \$7,493 representing the expense for the financial year of the options granted to the Group's COO Dr Alexandra Andrews on 22 December 2022. The assessed fair value of these options was determined using a Black-Scholes option pricing model with the following inputs:

	Tranche 1	Tranche 2	Tranche 3	Total
Number of options	2,500,000	1,666,667	1,250,000	5,416,667
Underlying share price	\$0.04	\$0.04	\$0.04	
Exercise price	\$0.08	\$0.12	\$0.16	
Expected volatility	71.98%	71.98%	71.98%	
Expiry date (years)	0.8	0.8	0.8	
Vesting date	28 Jun 2023	1 Sep 2023	1 Mar 2024	
Expected dividends	-	-	-	
Risk free rate	3.84%	3.84%	3.84%	
Total Value	\$6,385	\$1,279	\$337	\$8,001
Expensed in the financial year ended 30 June 2022	\$6,385	\$961	\$147	\$7,493

Detailed remuneration disclosures for Directors and Executives for the year to 30 June 2023 are provided in the Remuneration Report on pages 19 to 26.

### Options issued to Max Capital

At the 2023 General Meeting held on 1 June 2023, shareholder approved to issue 10,000,000 Corporate Advisor Options to Max Capital. These options are part of the Company's class of listed options (ASX security code: NTIOA) exercisable at \$0.135 each and expiring 30 January 2025. The options fair value of \$60,000 was based on listed option trading price of \$0.006 on 1 June 2023.

### Options issued to Professor Cripps' estate

At the 2022 Annual General Meeting held on 30 Nov 2022, shareholders approved the issue of director options to Professor Allan Cripps. As announced by the Company on 21 December 2022, Professor Cripps passed away prior to the Options being issued to him in accordance with the Shareholder approval.

At 2023 General Meeting held on 1 June 2023, shareholder approved to issue 5,000,000 Options to the executor of Professor Cripps' estate, in recognition of Professor Cripps' prior work and the ongoing benefits of his work and the introduction of his network continues to have for the Company.

The options were issued on 28 June 2023 and valued using the Black-Scholes option valuation model with the following inputs:

	NTIOPT25
Number of options in series	5,000,000
Grant date share price	\$0.040
Exercise price	\$0.10
Expected volatility	71.98%
Option life	3 years
Expiry	28/06/2026
Interest rate	3.38%
Valuation	\$52,097
Expensed in the period	\$52,097



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 7. RESEARCH EXPENSES

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

	CONSOLIDATED	
	30 June 2023 (\$)	30 June 2022 (\$)
Research and development grant income	1,188,529	569,333
<b>Research and development expenses</b>		
Product development & formulation	277,543	381,226
Clinical programme	6,123,629	2,108,058
Patent and IP expenses	49,068	36,123
Other	2,521	52,746
<b>Total research and development expense</b>	<b>6,452,761</b>	<b>2,578,153</b>

### 8. INCOME TAX

The current taxation charge comprises taxation at 30.00% on the profit generated by one of the Group's entities as adjusted for tax purposes.

A deferred taxation asset arising on temporary differences and unused tax losses has not been recognised in these financial statements.

	CONSOLIDATED	
	30 June 2023 (\$)	30 June 2022 (\$)
The numerical reconciliation between tax expense and the accounting loss before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting (loss) before income tax	(7,791,939)	(3,362,241)
Income tax benefit calculated at the Group's statutory income tax rate of 30.00% (2022 30.00%)	(2,337,582)	(1,008,672)
Tax effect on non-assessable income	356,559	-
Tax effect of non-deductible expenses	284,685	47,422
Tax losses not brought to account	2,409,456	961,250
Income tax benefit	-	-

Historical tax losses not brought to account are estimated at \$13,611,113 (2022: \$7,632,858).

The benefit for tax losses will only be obtained if:

- the Group derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- the Group continues to comply with the conditions for deductibility imposed by Law; and
- no changes in tax legislation adversely affect the ability of the Group to realise these benefits.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 9. FINANCIAL RISK MANAGEMENT

### i. Overview

The financial risks arising from the Group's operations comprise market, liquidity and credit risk. These risks arise in the normal course of business, and the Group manages its exposure to them in accordance with the Group's portfolio risk management strategy.

The objective of the strategy is to support the delivery of the Group's financial targets while protecting its future financial security and flexibility by taking advantage of the natural diversification provided by the scale, diversity and flexibility of the Group's operations and activities.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring risk and the management of capital.

The Group's Risk Management Framework is supported by the Board. The whole Board is responsible for approving and reviewing the Group's Risk Management Strategy and Policy. Management is responsible for monitoring appropriate processes for identifying, monitoring and managing significant business risks faced by the Group and considering the effectiveness of its internal control system.

The Board has established an overall Risk Management Policy which sets out the Group's system of risk oversight, management of material business risks and internal control.

The Group holds the following financial instruments:

	CONSOLIDATED	
	30 June 2023 (\$)	30 June 2022 (\$)
<b>Financial assets</b>		
Cash and cash equivalents	5,025,795	1,895,431
	<b>5,025,795</b>	<b>1,895,431</b>
<b>Financial Liabilities</b>		
Trade and other payables	1,289,100	520,062
	<b>1,289,100</b>	<b>520,062</b>

### ii. Financial Risk Management Objectives

The overall financial Risk Management Strategy focuses on the unpredictability of the finance markets and seeks to minimise the potential adverse effects on financial performance and protect future financial security.

### iii. Credit Risk

Credit risk is the risk of the financial loss to the Group if counterparty to a financial instrument fails to meet its contractual obligations and the risk arises principally from the Group's cash and cash equivalents, deposits with banks and financial institutions, and receivables.

Cash at bank is placed with reliable financial institutions. For banks and financial institutions, the Group banks only with financial institution with high quality standing or rating.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared risk characteristics and the days past due. Trade receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as net

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	CONSOLIDATED	
	30 June 2023 (\$)	30 June 2022 (\$)
<b>Trade receivables</b>		
Trade receivable	-	-
<b>Other receivables</b>		
GST receivable	253,033	99,483
Security deposits	858	-
<b>Total trade and other receivables</b>	<b>253,891</b>	<b>99,483</b>
<b>Cash at bank and Commercial Bills</b>		
Cash at bank – National Australia Bank	5,011,927	1,890,571
Cash at bank – Bank of Valletta Plc. **	13,868	4,860
	<b>5,025,795</b>	<b>1,895,431</b>

\*\*Bank of Valletta is currently rated 'BBB-' by an international rating agency.

#### iv. Liquidity Risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

Ultimate responsibility for Liquidity Risk Management rests with the Board of Directors. The Board has determined an appropriate Liquidity Risk Management Framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring budgeted and actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of the discounting is not significant.

Contractual maturities of financial liabilities	Less than 6 months (\$)	6 – 12 months (\$)	More than 12 months (\$)	Total (\$)	Carrying Amount (\$)
<b>Group - at 30 June 2023</b>					
Trade payables	1,289,100	-	-	1,289,100	1,289,100
<b>Total</b>	<b>1,289,100</b>	<b>-</b>	<b>-</b>	<b>1,289,100</b>	<b>1,289,100</b>
<b>Group - at 30 June 2022</b>					
Trade payables	520,062	-	-	520,062	520,062

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Contractual maturities of financial liabilities	Less than 6 months (\$)	6 – 12 months (\$)	More than 12 months (\$)	Total (\$)	Carrying Amount (\$)
<b>Total</b>	<b>520,062</b>	-	-	<b>520,062</b>	<b>520,062</b>

The Group has an unsecured General Banking Facility of €60,000 (\$98,377) by Bank of Valletta P.L.C., which was undrawn at 30 June 2023.

### v. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates may affect the Group's income or the value of its holdings of financial instruments. The objective of Market Risk Management is to manage and control market risk exposures within acceptable parameters, while optimising return.

### vi. Foreign Exchange Risk

The Group is exposed to currency risk on financial assets or liabilities that are denominated in a currency other than the respective functional currencies of the Group's, the Australian Dollar (AUD) for Parent Entity and Euro (EUR) for the subsidiaries of Consolidated Entity.

The Parent Entity which has a functional currency of Australian Dollars has no exposure to foreign exchange risk as there are no financial assets or liabilities denominated in a foreign currency (30 June 2022: nil). The subsidiaries of the of the Parent Entity, which have a functional currency of the Euro (EUR) have no exposure to foreign exchange risk as there are no financial assets or liabilities denominated in a foreign currency (30 June 2022: nil).

### vii. Interest Rate Risk

The Group's exposure to interest rates primarily relates to the Group's cash and cash equivalents. As the Group has no significant interest-bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates. The Group has a low level of interest-bearing liabilities and as such does not actively manage exposure to interest rate risk

#### Profile

At the reporting date, the interest rate profile of the Group's and the Entity's interest-bearing financial instruments are:

#### Variable Rate Instruments

	CONSOLIDATED	
	30 June 2023 (\$)	30 June 2022 (\$)
Financial Assets	5,025,795	1,895,431
Financial Liabilities	-	-
	<b>5,025,795</b>	<b>1,895,431</b>

As at 30 June 2023 the Group had no interest bearing borrowings or other liabilities.

The Group's exposure to interest rate risk and effective weighted average interest rate by maturing periods is set out in tables below. All cash balances and borrowings are subject to a floating interest rate. The Group does not earn interest on cash held in the EUR currency, and the below stated weighted average interest rate reflects this.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 June 2023

	Weighted Average Effective Interest	Cash Available for use	Total
Cash and cash equivalents	1.19%	5,025,795	5,025,795

30 June 2022

	Weighted Average Effective Interest	Cash Available for use	Total
Cash and cash equivalents	0.10%	1,895,431	1,895,431

Up to the end of the reporting period, the Group did not have any hedging policy with respect to interest rate risk as exposure to such risk was not deemed to be significant by the directors since these assets are of a short-term nature. Management considers the potential impact on profit or loss of a defined interest rate shift that is reasonably probable at the end of the reporting period to be immaterial.

### Cash Flow Sensitivity Analysis for Variable Rate Instruments

The Board's assessment of a reasonably possible change in interest rates relating to the Company's Cash and Cash equivalents and borrowings is disclosed in the table below:

	Number of basis points
Cash and cash equivalents	25

Management considers the potential impact on profit or loss of a reasonably possible change in interest rates at the end of the reporting period to be immaterial based on the prevailing interest rates.

## 10. CAPITAL MANAGEMENT

When managing capital, the Board's objective is to maintain optimal returns to Shareholders and benefits for other Stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group.

The Group has no formal financing and gearing policy or criteria during the year having regard to the early status of its development and low level of activity. This position has not changed from the previous year.

## 11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following Consolidated Statement of Financial Position amounts:

	CONSOLIDATED	
	30 June 2023 (\$)	30 June 2022 (\$)
Cash at Bank and on hand	3,010,795	1,880,431
Term Deposit	2,015,000	15,000
	<b>5,025,795</b>	<b>1,895,431</b>

The term deposit amount is used as security for credit cards. No amount of the Group's Cash at bank and on hand is restricted (30 June 2022: Nil). Refer to Note 9 Financial Risk Management for risk exposure analysis for Cash and

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

cash equivalents.

### 12. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	30 June 2023 (\$)	30 June 2022 (\$)
Trade receivables	-	-
<b>Net Trade receivables</b>	-	-
GST/VAT/Sales Tax Receivable	257,562	99,483
	<b>257,562</b>	<b>99,483</b>

### 13. PAYABLES

	CONSOLIDATED	
	30 June 2023 (\$)	30 June 2022 (\$)
Trade payables	1,289,100	520,062
Accrued expenses	48,155	66,779
Provision for annual leave	9,612	6,139
	<b>1,346,867</b>	<b>592,980</b>

### 14. CONTRIBUTED EQUITY

	CONSOLIDATED			
	2023 (Shares)	2022 (Shares)	2023 (\$)	2022 (\$)
Ordinary Shares	873,909,482	697,699,126	34,350,859	25,776,778
<b>Total Share Capital</b>	<b>873,909,482</b>	<b>697,699,126</b>	<b>34,350,859</b>	<b>25,776,778</b>

#### Movements of share capital during the year

Date	Details	No of shares	Issue price (\$)	\$
	<b>Opening Balance at 1 July 2022</b>	<b>697,699,126</b>		<b>25,776,778</b>
06.09.2022	Exercise of NTIOPT10	9,000,000	0.0150	135,000
06.09.2022	Exercise of NTIOPT11	9,000,000	0.0200	180,000
06.10.2022	Exercise of NTIOPT11	250,000	0.0200	5,000
12.10.2022	Exercise of NTIOPT11	750,000	0.0200	15,000

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Date	Details	No of shares	Issue price (\$)	\$
25.10.2022	Exercise of NTIOPT10	1,000,000	0.0150	15,000
07.11.2022	Placement - \$9M to institutional investors -T1	75,000,000	0.1000	7,500,000
07.11.2022	Exercise of NTIOPT3	4,000,000	0.0189	75,600
07.11.2022	Exercise of NTIOPT12 (NTIAP)	3,630,000	0.0300	108,900
18.11.2022	Exercise of NTIOPT3	6,000,000	0.0189	113,400
18.11.2022	Exercise of NTIOPT12 (NTIAP)	528,000	0.0300	15,840
21.12.2022	Placement - \$9M to institutional investors - T2	15,000,000	0.1000	1,500,000
22.12.2022	Exercise of NTIOPT12 (NTIAP)	2,462,000	0.0300	73,860
24.01.2023	Exercise of NTIOPT7 Options	11,590,356	0.0050	57,952
31.01.2023	Exercise of NTIOPT7 Options	5,000,000	0.0050	25,000
31.01.2023	Exercise of NTIOPT8 Options	33,000,000	0.0100	330,000
	Capital raising costs			(1,576,471)
	<b>Closing Balance at 30 June 2023</b>	<b>873,909,482</b>		<b>34,350,859</b>

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.

### *Movements of share capital during the previous year*

Date	Details	No of shares	Issue price (\$)	\$
	<b>Opening Balance at 1 July 2021</b>	<b>696,819,126</b>		<b>25,750,378</b>
16.11.2021	Exercise of options	396,000	0.03	11,880
24.01.2022	Exercise of options	484,000	0.03	14,520
	<b>Closing Balance at 30 June 2022</b>	<b>697,699,126</b>		<b>25,776,778</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 15. RESERVES

	CONSOLIDATED		
	Share Based Payments Reserve (\$)	Foreign Currency Translation Reserve (\$)	Total Reserves (\$)
<b>Balance as at 30 June 2021</b>	<b>3,394,103</b>	<b>50,849</b>	<b>3,444,952</b>
Foreign exchange movement	-	25,409	25,409
Share based payments	83,957	-	83,957
Recognition of deferred consideration (note 14)	795,000	-	795,000
<b>Balance as at 30 June 2022</b>	<b>4,273,060</b>	<b>76,258</b>	<b>4,349,318</b>
Foreign exchange movement	-	(10,747)	(10,747)
Share based payments	946,592	-	946,592
<b>Balance as at 30 June 2023</b>	<b>5,219,652</b>	<b>65,511</b>	<b>5,285,163</b>

#### (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.

### 16. ACCUMULATED PROFIT/(LOSS)

	CONSOLIDATED	
	30 June 2023 (\$)	30 June 2022 (\$)
Accumulated (loss) at the beginning of the year	(28,696,105)	(25,333,864)
Loss attributable to shareholders	(7,791,939)	(3,362,241)
<b>Accumulated (loss) at the end of the year</b>	<b>(36,488,044)</b>	<b>(28,696,105)</b>

### 17. CASH FLOW INFORMATION

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	CONSOLIDATED	
	30 June 2023 (\$)	30 June 2022 (\$)
Reconciliation of cash flow from operating activities with the loss from continuing operations after income tax:		
<b>Non-cash flows in profit from ordinary activities</b>		
Net (Loss) after Income Tax	(7,791,939)	(3,362,241)
Share based payments	876,592	83,957
Depreciations	1,745	-
Share issue costs	-	-
<b>Changes in assets &amp; liabilities</b>		
(Increase)/Decrease in trade and other receivables	(158,079)	43,467
(Increase)/Decrease in prepayments	1,418	17,327
(Increase)/Decrease in inventories	(579)	(7,202)
Increase/(Decrease) in trade and other payables	753,887	244,148
(Decrease) arising from exchange rate movements	-	25,410
<b>Cash flow used in Operating Activities</b>	<b>(6,316,955)</b>	<b>(2,955,134)</b>

### 18. INTERESTS IN OTHER ENTITIES

Name of Entity	Place of business/country of incorporation	Ownership Interest held by the Group		Principal Activities
		2023	2022	
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

### 19. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No other matters or circumstances have arisen since 30 June 2023 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.

### 20. REMUNERATION OF AUDITOR

During the year the following fees were paid or payable for services provided by the Auditor of the Entity and its related parties.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	CONSOLIDATED	
	30 June 2023 (\$)	30 June 2022 (\$)
<b>Audit and Other Assurance Services</b>		
BDO Audit (WA) Pty Ltd	53,345	53,319
<b>Total remuneration for Audit and Other Assurance Services</b>	<b>53,345</b>	<b>53,319</b>

### 21. COMMITMENTS

The Company has no commitments not recognised as liabilities as at 30 June 2023 (2022: \$nil).

### 22. LOSS PER SHARE

	CONSOLIDATED	
	30 June 2023 (\$)	30 June 2022 (\$)
Basic loss per share (cents per share)	(0.98)	(0.48)
<b>(Loss) used in the calculation of Earnings (Loss) Per Share</b>	<b>(7,791,939)</b>	<b>(3,362,241)</b>
Weighted average number of ordinary shares	798,771,972	697,272,507

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.

### 23. CONTINGENT LIABILITIES

The Board is not aware of any circumstances or information, which leads them to believe there are any material contingent liabilities outstanding as at 30 June 2023.

### 24. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

At 30 June 2023 and 30 June 2022, the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short-term maturities of these assets and liabilities. The fair values of non-current financial assets and non-current financial liabilities are not materially different from their carrying amounts.

### 25. RELATED PARTY DISCLOSURES

#### *Parent Entity*

The legal Parent Entity of the Group is Neurotech International Limited (NTI). NTI owns 100% of the issued ordinary shares of AAT Research Limited (directly), AAT Medical Limited, and AAT Intellectual Property Limited (indirectly) which are the subsidiaries of AAT Research Limited. All subsidiaries are incorporated in Malta.

#### *Wholly owned Group transactions*

Loans made by Neurotech International Limited (NTI) to wholly owned subsidiary companies are contributed to meet required expenditure payable on demand and are not interest bearing.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Key Management Personnel

	CONSOLIDATED	
	30 June 2023 (\$)	30 June 2022 (\$)
Short-term employee benefits	611,357	365,946
Share-based payment	823,775	83,957
	<b>1,435,132</b>	<b>449,903</b>

Detailed remuneration disclosures for Directors and Executives for the year to 30 June 2023 are provided in the Remuneration Report on pages 19 to 26.

### Transactions with other related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transaction occurred with related parties for the year ended 30 June 2023:

	CONSOLIDATED	
	30 June 2023 (\$)	30 June 2022 (\$)
Administration fee to Azalea Corporate Services Pty Ltd	143,722	116,050
Bookkeeping and accounting services to Azalea Corporate Accounting Services Pty Ltd	-	23,013
<b>Total</b>	<b>143,722</b>	<b>139,063</b>

### Notes in relation to the table of related party transactions.

Payments to Azalea Consulting Pty Ltd (director related entity of Winton Willesee) for corporate administration services including company secretarial and accounting services and front and registered office services.

Payments to Azalea Corporate Accounting Services Pty Ltd (director related entity of Winton Willesee) for bookkeeping and financial reporting services fees.

## 26. PARENT ENTITY INFORMATION

The following information related to the Parent Entity, Neurotech International Limited, as at 30 June 2023.

The information presented here has been prepared using accounting policies as presented in Note 1.

	30 June 2023 (\$)	30 June 2022 (\$)
Current assets	5,048,375	1,908,501
Non-current assets	872	2,617
<b>Total Assets</b>	<b>5,049,247</b>	<b>1,911,118</b>
Current liabilities	1,262,701	481,127
Non-current liabilities	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	30 June 2023 (\$)	30 June 2022 (\$)
<b>Total Liabilities</b>	<b>1,262,701</b>	<b>481,127</b>
<b>Net Assets</b>	<b>3,786,546</b>	<b>1,429,991</b>
Loss for the year	(7,609,489)	(3,104,705)
Other comprehensive profit/(loss) for the year	-	-
<b>Total Comprehensive Loss for the Year</b>	<b>(7,609,489)</b>	<b>(3,104,705)</b>

There are no other separate commitments and contingencies for the parent entity as at 30 June 2023.

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## 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 30 to 59, are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Group's financial position as at 30 June 2023 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) the Financial Report also complies with International Financial Reporting Standards as disclosed in Note 1; and
- (c) 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 30 June 2023.

Signed in accordance with a resolution of the Directors.



**Winton Willesee**  
**Non-Executive Director**  
**Dated 30 August 2023**

## INDEPENDENT AUDITOR'S REPORT

To the members of Neurotech International Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Neurotech International Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

### Accounting for Share Based Payments

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>During the year, the group awarded share-based payments in the form of share options.</p> <p>Due to the complex and judgemental estimates used in determining the valuation of the share-based payments in accordance with AASB 2 Share Based Payments, we consider the Group's calculation of the share-based payment expense, and associated disclosures to be a key audit matter.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Reviewing relevant supporting documentation to obtain an understanding of the contractual nature, terms and conditions of the share-based payment arrangements;</li> <li>• Considering the appropriateness of the valuation methodology used by management to measure and value the share-based payments;</li> <li>• Involving our internal valuation specialists to assess the reasonableness of the volatility rates used in the valuations;</li> <li>• Assessing the allocation of the share-based payment expenses over managements expected vesting periods; and</li> <li>• Assessing the adequacy of the related disclosures in the financial report.</li> </ul>

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.





## Report on the Remuneration Report

### Opinion on the Remuneration Report

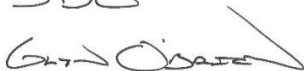
We have audited the Remuneration Report included in pages 19 to 26 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Neurotech International Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**BDO Audit (WA) Pty Ltd**

BDO  


**Glyn O'Brien**

**Director**

Perth

30 August 2023

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## ASX ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 1 August 2023.

### 1. Quotation

Listed securities in Neurotech International Limited are quoted on the Australian Securities Exchange under ASX code NTI (Fully Paid Ordinary Shares) and NTIOA (Listed Options).

### 2. Voting Rights

The voting rights attached to the Fully Paid Ordinary shares of the Company are:

- (a) at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and
- (b) on a show of hands, every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

There are no voting rights attached to any Options on issue.

### 3. Distribution of Shareholders

#### i) Fully Paid Ordinary Shares

Holdings Range	Holders	Units	%
1 – 1,000	54	6,308	-
1,001 – 5,000	95	318,310	0.04
5,001 – 10,000	262	2,210,972	0.25
10,001 – 100,000	785	32,502,926	3.72
100,001 and above	480	838,870,966	95.99
<b>Total</b>	<b>1,676</b>	<b>873,909,482</b>	<b>100.00%</b>

On 1 August 2023, there were 285 holders of unmarketable parcels of less than 8,929 ordinary shares (based on the closing share price of \$0.056).

#### ii) Listed Options exercisable at \$0.135 on or before 30 January 2025

Holdings Range	Holders	Units	%
1 – 1,000	2	6	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	82	5,522,261	10.04
100,001 and above	76	49,477,727	89.96

<b>Total</b>	<b>160</b>	<b>54,999,994</b>	<b>100.00%</b>
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iii) **NTIOPT4 - Unlisted Options exercisable at \$0.0589 on or before 18 November 2024**

Holdings Range	Holders	Units	%
<b>1 – 1,000</b>	-	-	-
<b>1,001 – 5,000</b>	-	-	-
<b>5,001 – 10,000</b>	-	-	-
<b>10,001 – 100,000</b>	-	-	-
<b>100,001 and above</b>	1	6,500,000 <sup>1</sup>	100.00
<b>Total</b>	<b>1</b>	<b>6,500,000</b>	<b>100.00%</b>

<sup>1</sup> All the securities in this class are held by:  
Shimano Ventures Ltd

iv) **NTIOPT5 - Unlisted Options exercisable at \$0.0199 on or before 18 November 2024**

Holdings Range	Holders	Units	%
<b>1 – 1,000</b>	-	-	-
<b>1,001 – 5,000</b>	-	-	-
<b>5,001 – 10,000</b>	-	-	-
<b>10,001 – 100,000</b>	-	-	-
<b>100,001 and above</b>	1	5,429,754 <sup>1</sup>	100.00
<b>Total</b>	<b>1</b>	<b>5,429,754</b>	<b>100.00%</b>

<sup>1</sup> All the securities in this class are held by:  
Shimano Ventures Ltd

v) **NTIOPT9 - Unlisted Options exercisable at \$0.038 on or before 30 November 2023**

Holdings Range	Holders	Units	%
<b>1 – 1,000</b>	-	-	-
<b>1,001 – 5,000</b>	-	-	-
<b>5,001 – 10,000</b>	-	-	-
<b>10,001 – 100,000</b>	-	-	-
<b>100,001 and above</b>	2	4,000,000 <sup>1</sup>	100.00
<b>Total</b>	<b>2</b>	<b>4,000,000</b>	<b>100.00%</b>

<sup>1</sup> Holders who hold more than 20% of securities are:  
Chincherinchee Nominees Pty Ltd – 2,000,000 options  
Seivad Investments Pty Ltd <The Davies Family A/C> – 2,000,000 options

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vi) **NTIOPT18 - Unlisted Options exercisable at \$0.10 on or before 23 December 2027**

Holdings Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 and above	1	10,000,000 <sup>1</sup>	100.00
<b>Total</b>	<b>1</b>	<b>10,000,000</b>	<b>100.00%</b>

<sup>1</sup> All the securities in this class are held by:  
Cipa Investments Pty Ltd <Cipa Investments A/C>

vii) **NTIOPT19 - Unlisted Options exercisable at \$0.15 on or before 23 December 2027**

Holdings Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 and above	1	10,000,000 <sup>1</sup>	100.00
<b>Total</b>	<b>1</b>	<b>10,000,000</b>	<b>100.00%</b>

<sup>1</sup> All the securities in this class are held by:  
Cipa Investments Pty Ltd <Cipa Investments A/C>

viii) **NTIOPT20 - Unlisted Options exercisable at \$0.10 on or before 23 December 2025**

Holdings Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 and above	1	5,000,000 <sup>1</sup>	100.00
<b>Total</b>	<b>1</b>	<b>5,000,000</b>	<b>100.00%</b>

<sup>1</sup> All the securities in this class are held by:  
Mr Gerald Quigley

ix) **NTIOPT22 - Unlisted Options exercisable at \$0.08 on or before 10 March 2024**

Holdings Range	Holders	Units	%
1 – 1,000	-	-	-

<b>1,001 – 5,000</b>	-	-	-
<b>5,001 – 10,000</b>	-	-	-
<b>10,001 – 100,000</b>	-	-	-
<b>100,001 and above</b>	1	2,500,000 <sup>1</sup>	100.00
<b>Total</b>	<b>1</b>	<b>2,500,000</b>	<b>100.00%</b>

<sup>1</sup> All the securities in this class are held by:

Dr Alexandra Elizabeth Marion Heaton

**x) NTIOPT23 - Unlisted Options exercisable at \$0.12 on or before 10 March 2024**

Holdings Range	Holders	Units	%
<b>1 – 1,000</b>	-	-	-
<b>1,001 – 5,000</b>	-	-	-
<b>5,001 – 10,000</b>	-	-	-
<b>10,001 – 100,000</b>	-	-	-
<b>100,001 and above</b>	1	1,666,667 <sup>1</sup>	100.00
<b>Total</b>	<b>1</b>	<b>1,666,667</b>	<b>100.00%</b>

<sup>1</sup> All the securities in this class are held by:

Dr Alexandra Elizabeth Marion Heaton

**xi) NTIOPT24 - Unlisted Options exercisable at \$0.16 on or before 10 March 2024**

Holdings Range	Holders	Units	%
<b>1 – 1,000</b>	-	-	-
<b>1,001 – 5,000</b>	-	-	-
<b>5,001 – 10,000</b>	-	-	-
<b>10,001 – 100,000</b>	-	-	-
<b>100,001 and above</b>	1	1,250,000 <sup>1</sup>	100.00
<b>Total</b>	<b>1</b>	<b>1,250,000</b>	<b>100.00%</b>

<sup>1</sup> All the securities in this class are held by:

Dr Alexandra Elizabeth Marion Heaton

**xii) NTIOPT25 - Unlisted Options exercisable at \$0.10 on or before 28 June 2026**

Holdings Range	Holders	Units	%
<b>1 – 1,000</b>	-	-	-
<b>1,001 – 5,000</b>	-	-	-
<b>5,001 – 10,000</b>	-	-	-
<b>10,001 – 100,000</b>	-	-	-
<b>100,001 and above</b>	1	5,000,000 <sup>1</sup>	100.00

<b>Total</b>	<b>1</b>	<b>5,000,000</b>	<b>100.00%</b>
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<sup>1</sup> All the securities in this class are held by:  
Dr Diana Christine Otczyk <Estate of Allen Cripps A/C>

#### 4. Substantial Shareholders

The names of the substantial shareholders as notified to the Company as at 1 August 2023 are:

Name: Merchant Funds Management Pty Ltd as manager of the Merchant Opportunities Fund, Merchant Funds Management Pty Ltd as manager of the Merchant Biotech Fund and Merchant Group Pty Ltd

Holder of: 36,402,227 Shares, representing 5.01% as at 4 November 2022

Notice Received: 4 November 2022

#### 5. Restricted Securities

There are no restricted securities listed on the Company's register as at 1 August 2023.

#### 6. On market buy-back

There is currently no on market buy back in place.

#### 7. Twenty Largest Shareholders

The twenty largest shareholders of the Company's quoted securities as at 1 August 2023 are as follows:

	Name	No. of Shares	%
1	Quadrangle Capital Pty Ltd	44,000,000	5.03%
2	J & J Bandy Nominees Pty Ltd <Bandy P/F A/C>	41,796,178	4.78%
3	Jalaver Pty Ltd <Falcon Pension A/C>	40,268,347	4.61%
4	Gleneagle Securities Nominees Pty Limited	37,184,222	4.25%
5	Dutch Ink (2010) Pty Ltd	33,897,522	3.88%
6	The Trust Company (Australia) Limited <MOF A/C>	30,250,000	3.46%
7	Mr Patrick Pasquale Steve Calabria <Dolce Elite A/C>	28,234,759	3.23%
8	Chincherinchee Nominees Pty Ltd	27,693,572	3.17%
9	Greywood Holdings Pty Ltd	25,000,000	2.86%
10	Citicorp Nominees Pty Limited	23,082,971	2.64%
11	Dutch Ink (2010) Pty Ltd	22,000,000	2.52%
12	The Trust Company (Australia) Limited <MBF A/C>	17,700,000	2.03%
13	Mrs Melanie Therese Verheggen	17,068,528	1.95%

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14	Spinite Pty Ltd	17,000,000	1.95%
15	Gofour Sail Pty Ltd	16,000,000	1.83%
16	Stonehorse Nominees Pty Ltd	15,000,000	1.72%
17	Mr Brian Leedman & Mrs Natasha Leedman	11,962,932	1.37%
18	Mr Stephen John Dobson	11,586,786	1.33%
19	Max Cap Investments Pty Ltd	11,080,000	1.27%
20	J & J Bandy Nominees Pty Ltd <J & J Bandy Super Fund A/C>	8,573,169	0.98%
	<b>Total</b>	<b>479,378,986</b>	<b>54.85%</b>

#### 8. Twenty Largest Listed Option Holders – NTIOA (\$0.135, 30/01/25)

The twenty largest holders of the Company's quoted Options as at 1 August 2023 are as follows:

	Name	No. of Shares	%
1	Stonehorse Nominees Pty Ltd	7,500,000	13.64%
2	The Trust Company (Australia) Limited <MBF A/C>	4,250,000	7.73%
3	Merrill Lynch (Australia) Nominees Pty Limited	3,750,000	6.82%
4	Citicorp Nominees Pty Limited	3,245,000	5.90%
5	Mr Shane Michael Gavegan	1,850,000	3.36%
6	Green Oaks Super Pty Ltd <Green Oaks SF A/C>	1,750,000	3.18%
7	Peloton Capital Pty Ltd	1,500,000	2.73%
8	Sean Alexander Kennedy	1,300,000	2.36%
9	Bond Street Custodians Limited <Salter - D79836 A/C>	1,250,000	2.27%
10	Hunter Capital Advisors P/L	1,105,000	2.01%
11	J & J Bandy Nominees Pty Ltd <J & J Bandy Super Fund A/C>	1,000,000	1.82%
11	Pac Partners Securities Pty Ltd	1,000,000	1.82%
11	Pac Partners Pty Ltd	1,000,000	1.82%
12	Certane Ct Pty Ltd <BC1>	775,000	1.41%
13	Mr Md Akram Uddin	755,666	1.37%
14	Mr Mark John Bahen & Mrs Margaret Patricia Bahen <Mj Bahen Super Fund A/C>	750,000	1.36%
15	Mr Daniel Michael Jarred O'donnell	701,069	1.27%
16	Gofour Sail Pty Ltd	650,000	1.18%
17	Mr Bo He	600,063	1.09%

<b>18</b>	Station Nominees Pty Ltd <Station Super Fund A/C>	600,000	1.09%
<b>19</b>	Mishtalem Pty Ltd	595,000	1.08%
<b>20</b>	Mr Robert Laurence Boorman & Mrs Laura Lee Boorman <The Boorman S/F-Growth A/C>	556,250	1.01%
	<b>Total</b>	<b>36,486,048</b>	<b>66.33%</b>