Neurotech International Limited

PROSPECTUS

For the offer of 35,000,000 Shares at 20 cents per Share to raise $7,000,000 (Share Offer).

For the offer of up to 2,529,076 Options to the Lead Manager (Options Offer).

Proposed ASX Code: NTI

Azure Capital

Lead Manager
Azure Capital Limited
(AFSL No. 276569)

This Prospectus and any accompanying Application Form contain important information and should be read in their entirety. If you have any questions about an Offer or this Prospectus you should speak to your professional adviser. The Securities offered by this Prospectus should be considered as a speculative investment.
Corporate Directory

Directors
Peter O’Connor – Chairman
Peter Griffiths – Deputy Chairman and Non-Executive Director
Dr Adrian Attard Trevisan – Founder and Chief Scientific Officer
Mag. Wolfgang Storf – Chief Executive Officer
Simon Trevisan – Non-Executive Director
Cheryl Tan – Non-Executive Director

Company Secretary
Fleur Hudson

Registered Office
Level 14, 191 St Georges Terrace
Perth WA 6000, Australia
T: +61 8 9321 5922
F: +61 8 9321 5932

Principal Office
Neurotech International Limited
Block LS3, Malta Life Sciences Park
San Gwann Industrial Estate
San Gwann, SGN 3000
MALTA
T: +356 2133 0588
E: info@neurotechinternational.com

Share Registry*
Security Transfer Australia Pty Ltd (t/as Security Transfer Registrars)
770 Canning Highway
Applecross WA 6153, Australia
T: +61 8 9315 2333
F: +61 8 9315 2233

Auditor*
BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008, Australia

Lead Manager
Azure Capital Limited
Level 34, Exchange Plaza
2 The Esplanade
Perth WA 6000, Australia
AFSL No. 276569

Solicitors to the Offers
Jackson McDonald
Level 17, 225 St Georges Terrace
Perth WA 6000, Australia

Investigating Accountant
BDO Corporate Finance (WA) Pty Ltd
38 Station Street
Subiaco WA 6008, Australia

Patent Attorney
Wrays
56 Ord Street
West Perth WA 6005, Australia

Proposed ASX Code
NTI

Website
www.neurotechinternational.com

*Included for information purposes only. This entity has not been involved in the preparation of this Prospectus.
Important Notice

**Prospectus**

This Prospectus is dated 12 September 2016 and was lodged with the ASIC on that date. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The Company will apply to ASX within 7 days following the Prospectus Date for the Shares offered by this Prospectus to be listed for quotation by ASX. The Company will not apply to ASX for quotation of Options.

The Company will not issue any Securities on the basis of this Prospectus later than 13 months after the Prospectus Date.

Before applying for Securities under this Prospectus, potential investors should carefully read this Prospectus so that they can make an informed assessment of:

- the rights and liabilities attaching to the Securities;
- the assets and liabilities of the Company; and
- the Company’s financial position and performance and prospects.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of the Offers should be considered highly speculative.

No person is authorised to give any information or make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not contained in this Prospectus shall not be relied on as having been made or authorised by the Company or the Directors.

**Exposure Period**

This Prospectus is subject to an exposure period of 7 days from the date of lodgement with ASIC pursuant to the Corporations Act. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, and in such circumstances, any Applications received during the Exposure Period may need to be dealt with in accordance with section 724 of the Corporations Act.

This Prospectus will be available online at the Company’s website, www.neurotechinternational.com, during the Exposure Period. Applications received during this time will not be processed until after the expiration of the Exposure Period and preference will not be conferred on such Applications.

**Electronic Prospectus**

This Prospectus may be viewed in electronic form at www.neurotechinternational.com by Australian investors only. If you receive the electronic form of this Prospectus you should ensure that you download and read the entire Prospectus. A paper copy of this Prospectus may be obtained free of charge on request during the Offer Period by calling the Share Registry. The information on the Company’s website, www.neurotechinternational.com, does not form part of this Prospectus.

**Applications**

Applications for Securities may only be made on printed copies of an Application Form attached to or accompanying this Prospectus. The Corporations Act prohibits any person from passing an Application Form to any other person unless it is attached to, or accompanied by, a hard copy of this Prospectus or a complete and unaltered electronic copy of this Prospectus.

An Application Form included in this Prospectus may only be distributed if it is included in, or accompanied by, a complete and unaltered copy of this Prospectus. The Application Form contains a declaration that the investor has personally received the complete and unaltered Prospectus prior to completing the Application Form. The Company reserves the right not to accept a completed Application Form if it has reason to believe that the Applicant has not received a copy of this Prospectus or if it has reason to believe that the Application Form has been altered or tampered with in any way.

**Privacy**

If you apply for Securities, you will provide personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration. Corporate and tax laws require some personal information to be collected. If you do not provide the information requested, your Application may not be able to be processed efficiently, or at all.

**Offer restrictions**

The Company has not taken any action to register or qualify Securities or the Offers, or otherwise to permit a public offering of Securities, in any jurisdiction outside Australia. The distribution of this Prospectus (including in electronic form) in jurisdictions outside Australia may be restricted by law and therefore persons outside Australia who obtain this Prospectus should seek advice on, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer or invitation in any jurisdiction in which, or any person whom, it would be unlawful to make such an offer or invitation.

**Residents of the United Stated of America**

The Securities have not been, and will not be, registered under the US Shares Act of 1993 as amended (US Shares Act), and may not be offered, sold or resold:

(a) in the United States or to, or for the account or benefit of US Persons (as defined in Rule 902 under the US Shares Act) except in a transaction exempt from the registration requirements of the US Shares Act and applicable United States state securities laws; and

(b) outside the United States, except to non-US persons in offshore transactions in compliance with Regulation S under the US Shares Act.

**Residents of Singapore**

This Prospectus has not been registered with the Monetary Authority of Singapore. This Prospectus and any other materials in connection with the offer or sale, solicitation or invitation for subscription, or purchase of Securities may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore, other than to the following (each an Exempt Investor):

(a) to an ‘institutional investor’ under section 274 of the Securities and Futures Act, Chapter 289 of Singapore (SFA);
(b) to a ‘relevant person’ pursuant to section 275(1) of the SFA, or any person pursuant to section 275(1A) of the SFA, and, in each case, in accordance with the conditions specified in section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Securities are subscribed for or purchased, and if you are an Exempt Investor, you are subject to restrictions on transferability and re-sale. The Securities may not be transferred or re-sold in Singapore, except as permitted under the SFA. By accepting this Prospectus, you agree to be bound by the disclaimers, limitations and restrictions described herein.

This Prospectus is distributed in connection with an offer of Securities in Singapore that will not be issued to any person other than a person to whom this Prospectus is sent with the consent of the Company. A person receiving a copy of this document in Singapore may not treat the same as constituting an invitation to that person unless such an invitation could lawfully be made to them without compliance with any registration or legal requirements, or where such registration or legal requirements have been complied with.

Residents of Hong Kong

WARNING: The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offers. If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice.

This Prospectus has not been registered in Hong Kong and it has not been approved by the Securities and Futures Commission of Hong Kong under the Securities and Futures Ordinance (Chapter 571) of Hong Kong (SFO). This Prospectus and any other materials in connection with the offer or sale, solicitation or invitation for subscription, or purchase of Securities may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Hong Kong, other than to:

(a) a ‘professional investor’ under the SFO;

(b) in circumstances which will not result in this Prospectus constituting a ‘prospectus’ under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance.

By accepting this Prospectus, you agree to be bound by the disclaimers, limitations and restrictions described herein.

Forward looking statements

This Prospectus contains forward-looking statements which incorporate an element of uncertainty or risk, such as ‘intends’, ‘may’, ‘could’, ‘believes’, ‘estimates’, ‘targets’ or ‘expects’. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events are, as at this Prospectus Date, expected to take place, but there is no guarantee that such will occur as anticipated or at all given that many of the events are outside the Company’s control.

Accordingly, the Company and the Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur.

Further, other than by lodgement of a replacement or supplementary prospectus during the Offer Period if required by law, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

No prospective financial forecasts

The Directors have considered the matters outlined in ASIC Regulatory Guide 170. The Company will use the proceeds of the Share Offer to further research, develop and commercialise Mente and its suite of other proposed products. Given the Company is an early stage company which has only just commenced commercialising its first product, Mente, reliable forecasts of any possible revenue and expenses cannot be prepared and accordingly the Directors have not included forecasts in this Prospectus.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration purposes only and should not be interpreted to mean that any person shown endorses this Prospectus or its content. Diagrams are illustrative only and may not be drawn to scale. The people and assets depicted in photographs in this Prospectus are not employees or assets of the Company unless specifically stated.

Meaning of terms

Capitalised terms and certain other terms used in this Prospectus are defined in the Glossary in Section 13.

References to “our”, “us” and “we” are references to the Company.

References to “I”, “you” and “your” are references to the Applicant.

Currency

References to “$, “A$”, “AUD”, or “dollar” are references to Australian currency, unless otherwise stated.

Time

References to time relate to the time in Perth, Western Australia, unless otherwise stated.
# Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>KEY OFFER INFORMATION</td>
<td>1</td>
</tr>
<tr>
<td>CHAIRMAN’S LETTER</td>
<td>2</td>
</tr>
<tr>
<td>1 INVESTMENT OVERVIEW</td>
<td>4</td>
</tr>
<tr>
<td>2 DETAILS OF THE OFFERS</td>
<td>15</td>
</tr>
<tr>
<td>3 COMPANY OVERVIEW</td>
<td>23</td>
</tr>
<tr>
<td>4 INDUSTRY OVERVIEW</td>
<td>37</td>
</tr>
<tr>
<td>5 BOARD AND MANAGEMENT</td>
<td>41</td>
</tr>
<tr>
<td>6 CORPORATE GOVERNANCE</td>
<td>45</td>
</tr>
<tr>
<td>7 RISK FACTORS</td>
<td>60</td>
</tr>
<tr>
<td>8 INTELLECTUAL PROPERTY REPORT</td>
<td>68</td>
</tr>
<tr>
<td>9 INVESTIGATING ACCOUNTANT’S REPORT</td>
<td>94</td>
</tr>
<tr>
<td>10 MATERIAL CONTRACTS</td>
<td>120</td>
</tr>
<tr>
<td>11 ADDITIONAL INFORMATION</td>
<td>130</td>
</tr>
<tr>
<td>12 AUTHORISATION</td>
<td>138</td>
</tr>
<tr>
<td>13 GLOSSARY</td>
<td>140</td>
</tr>
</tbody>
</table>
Key Offer Information

Indicative Timetable for Share Offer

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodgement of Prospectus with ASIC</td>
<td>12 September 2016</td>
</tr>
<tr>
<td>Opening Date of Share Offer</td>
<td>19 September 2016</td>
</tr>
<tr>
<td>Closing Date of Share Offer</td>
<td>3 October 2016</td>
</tr>
<tr>
<td>Despatch of holding statements</td>
<td>10 October 2016</td>
</tr>
<tr>
<td>Shares commence trading on ASX</td>
<td>17 October 2016</td>
</tr>
</tbody>
</table>

These dates are indicative only and subject to change. The Company, acting in consultation with the Lead Manager, may vary these dates without notice, including whether to close the Share Offer early or accept late Applications, either generally or in particular cases, without notification to you. If you wish to submit an Application and subscribe for Shares you are encouraged to do so as soon as possible after the Share Offer opens as the Share Offer may close at any time without notice.

Key Offer Details

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price per Share</td>
<td>$0.20</td>
</tr>
<tr>
<td>Shares offered under this Prospectus</td>
<td>35,000,000</td>
</tr>
<tr>
<td>Amount to be raised (before costs) under Share Offer</td>
<td>$7,000,000</td>
</tr>
<tr>
<td>Shares on issue at Lodgement Date</td>
<td>49,932,612</td>
</tr>
<tr>
<td>Shares to be issued to executives before the Admission Date</td>
<td>1,466,000</td>
</tr>
<tr>
<td>Shares to be issued to the Lead Manager on completion of the Share Offer</td>
<td>937,500</td>
</tr>
<tr>
<td>Shares to be issued before the Admission Date in consideration for exclusivity over North American e-commerce platform</td>
<td>699,000</td>
</tr>
<tr>
<td>Total Shares on issue on completion of the Share Offer</td>
<td>88,035,112</td>
</tr>
<tr>
<td>Options to be issued for cancellation of options issued by the Company's subsidiary</td>
<td>8,365,314</td>
</tr>
<tr>
<td>Options to be issued to Lead Manager under the Options Offer</td>
<td>2,529,076</td>
</tr>
<tr>
<td>Total Options on issue on the Admission Date</td>
<td>10,894,390¹</td>
</tr>
<tr>
<td>Market capitalisation on completion of the Offers based on the price per Share under the Share Offer</td>
<td>$17,607,022</td>
</tr>
</tbody>
</table>

Note:

1. In addition to these Options, the Company proposes to issue to Neurotech’s key management, at a future point in time, up to 2,233,538 Options, with an exercise price of no less than $0.20, and the terms of which will be determined at the time of issue. The grant of any of these Options will be subject to any receipt of any relevant regulatory approvals, including Shareholder approval.
Chairman’s Letter

Dear Investor,

On behalf of the board of directors of Neurotech International Limited (the Company), I am pleased to present this Prospectus to you and invite you to participate in the Share Offer of 35,000,000 Shares at an offer price of $0.20 each, to raise $7,000,000 before costs.

Leveraging significant research, development and market testing to date, Neurotech is now working towards commercialisation of its Mente Autism technology, a unique and award-winning neurofeedback device that has successfully demonstrated behavioural improvements in children with autism, which in turn brings about improved communication skills, enhanced concentration and longer timeframes for actual learning.

Autism is a lifelong development condition which affects the way an individual relates to the environment and social interactions, resulting in difficulties in learning, forming social bonds, communication, as well as restrictive and repetitive interest and behaviours. It affects 1 in 68 children and has no known cure; thus, the goal of every treatment is to manage or reduce symptoms, lower the risk of additional developmental delays and improve lifestyle.

Through the acquisition of its main operating subsidiary, AAT Research Ltd, in 2016, Neurotech has developed a device which, unlike other standard treatments for autism, is simple to use, safe, affordable, sufficiently portable for home use, and most importantly, has shown to be effective in modulating and improving the mood and behaviour of autistic patients. Now in its third iteration, Mente Autism compartmentalises well-established neurofeedback technology and brings this highly specialised treatment from clinics into the comfort of the patients’ homes.

Along with hardware improvements, Mente Autism also incorporates platform technology to enable the development of other neurotechnology applications in addition to autism management, including the potential to develop epilepsy prediction systems and the electrotherapeutic treatment of depression and anxiety.

Further detail on the technology and the neurotechnology and home device markets can be found in Sections 3 and 4 of this Prospectus.

The Company is seeking to raise $7,000,000 before costs under this Prospectus. Funds raised will primarily be applied towards accelerating the release of Mente Autism in global markets, scaling up of third party manufacturing efforts, ongoing enhancements of the Mente platform as well as corporate overheads as the product is commercialised.

This Prospectus also includes the Options Offer to the Lead Manager and its nominees.

This Prospectus contains important information regarding the Offers as well as financial position, operations, management team and future plans of Neurotech. The key risks associated with an investment in the Company are contained in Section 7, which should be considered in detail. I encourage you to read this Prospectus thoroughly and carefully before making any investment decision and consult with your independent professional adviser in connection with the Offers. In particular, investors should be aware that Neurotech is an early stage technology company with a limited trading history. Neurotech has incurred losses since its inception while investing in technology and product research and development. Historical financial information and losses to date are contained in Section 9.

On behalf of the Board, I invite you to consider this opportunity to invest in the Company and look forward to welcoming you as a shareholder.

Yours faithfully

Peter O’Connor
Chairman
1. Investment Overview
# 1 Investment Overview

<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
<th>Further Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Prospectus</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Who is the issuer of this Prospectus?</strong></td>
<td>Neurotech International Limited ACN 610 205 402, referred to as “Neurotech” or “Company” in this Prospectus.</td>
<td></td>
</tr>
</tbody>
</table>
| **What is the purpose of this Prospectus and the Offers?** | The purpose of this Prospectus is to offer Shares to investors for the Company to:  
- raise $7,000,000 pursuant to the Share Offer;  
- satisfy the requirements of ASX for the admission of the Company on the official list of ASX; and  
- otherwise position the Company to meet its business objectives.  
This Prospectus also includes an Offer to the Lead Manager and its nominees for the issue of up to 2,529,076 Options. The Options Offer is not open to the public. | Section 2.3 |

## Business Model

| What does Neurotech do? | Neurotech researches, designs, markets and through third party manufacturers, produces wearable neurotechnology devices to assist with neurological conditions such as autism.  
Neurotech’s current core focus is the design, manufacturing, sale and distribution of its first product, Mente. Mente is a portable electroencephalogram (EEG) medical device that uses neurofeedback to help relax the minds of children with autism spectrum disorder (ASD or autism). | Sections 3.2 and 3.3 |
| What are the key assets of Neurotech? | The key asset of Neurotech is its Mente device, a wearable neurotechnology device which assists with managing the symptoms of children with autism.  
Through the adoption of the Mente device, Neurotech has also amassed a secure and protected database of neurological information of children with autism, which is continually growing through ongoing usage. The database represents the key means by which Neurotech’s algorithms are continually finessed and improved upon. In addition, the database is an unparalleled resource which provides Neurotech with the ability to conduct deep analytics to underpin future pipeline initiatives. | Sections 3.3 and 3.4 |
<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
<th>Further Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is Neurotech's business model and strategy?</td>
<td>The Company's business model and strategy is to expand the reach of its current Mente product and enter into new markets. It plans to do this via a combination of third party distributors and direct sales. In conjunction, Neurotech will continue research and development on enhancing the Mente platform, building out its database as well as developing related neurotechnology applications.</td>
<td>Section 3.6</td>
</tr>
<tr>
<td>What Material Contracts has Neurotech entered into?</td>
<td>The Company is party to the following key contracts:</td>
<td>Section 10</td>
</tr>
<tr>
<td></td>
<td>- distribution agreements;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- employment and services contracts with key personnel; and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- a manufacturing contract.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Terms of these and other Material Contracts are summarised in Section 10.</td>
<td></td>
</tr>
<tr>
<td>Investment Highlights and Risks</td>
<td>• Neurotech’s initial product, Mente Autism, is a multi-award winning, independently certified medical device that assists with the management of autism.</td>
<td>Section 3</td>
</tr>
<tr>
<td></td>
<td>• Mente Autism is unique in bringing existing and well-established neurofeedback therapy from hospitals and clinics into a clinical grade device that is suitable and affordable for home use, without loss in efficacy.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Mente Autism’s initial target market of autism management has a large global addressable market, with an estimated 1 in 68 children diagnosed with ASD and a number of the alternative current management options being expensive and/or difficult to access.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Mente 2, the predecessor to Mente Autism, is independently certified, with FDA listing and CE Marking.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Mente 2 has already had initial sales across Europe, Middle East and Asia.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Neurotech has executed its first material distribution agreement which covers Italy and includes a ‘take or pay’ commitment for the distributor to purchase 8,700 units over the period to July 2019.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Neurotech has a database of neurological information of existing users of the Mente device, which is fundamental in the continued refinement of Neurotech’s algorithms and provides the ability to develop future portable neurofeedback applications in the medical field, including epilepsy, anxiety and depression.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Neurotech is led by a Board and a senior management team that have deep experience in commercialising medical technology, research and development, as well as corporate management and capital market funding.</td>
<td></td>
</tr>
<tr>
<td>Topic</td>
<td>Summary</td>
<td>Further Information</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>What are the key investment risks?</td>
<td>The key risks of investing in the Company are set out below. These risks are not exhaustive. See Section 7 for further details of specific risks and general investment risks. The Securities offered pursuant to this Prospectus should be considered speculative due to the nature of Neurotech’s business and stage of commercial development. There is no guarantee as to payment of dividends, return of capital or the market value of Securities. Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.</td>
<td>Section 7</td>
</tr>
<tr>
<td>Competition and new technologies</td>
<td>The industry in which Neurotech is involved is subject to increasing domestic and international competition, which is fast-paced and fast-changing. While Neurotech will undertake all reasonable due diligence in its business decisions and operations, Neurotech will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of Neurotech’s business.</td>
<td>Section 7.2(a)</td>
</tr>
<tr>
<td>Key distributor credit risk</td>
<td>Neurotech’s most material distribution agreement is the Italian Distribution Agreement, which contains minimum purchase quantities over specified timeframes. If the Italian distributor became insolvent, or the agreement is terminated for any other reason, this would have a negative impact on Neurotech’s cash flows and profitability, particularly in the short to medium term when this contract is expected to be Neurotech’s main source of potential income as Neurotech seeks to develop other revenue streams, including direct sales.</td>
<td>Section 7.2(b)</td>
</tr>
<tr>
<td>Commercialisation risk</td>
<td>There is a risk that Neurotech will not be able to successfully commercialise or sell its products, or be able to attract sufficient customers to be profitable to fund future operations.</td>
<td>Section 7.2(c)</td>
</tr>
<tr>
<td>Topic</td>
<td>Summary</td>
<td>Further Information</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>No profit to date and limited operating history</td>
<td>Neurotech has incurred losses since its inception and has changed the scale of its business operations. It is therefore not possible to evaluate its prospects based on past performance. Since Neurotech intends to invest in the commercial development of Mente, the Directors anticipate making further losses in the foreseeable future with no guarantee of profitability or positive cash flow.</td>
<td>Section 7.2(d)</td>
</tr>
<tr>
<td>Manufacturing and product quality risk</td>
<td>Neurotech’s Mente Autism device has not yet been produced on a large scale. If Neurotech or its suppliers are unable to manufacture products in sufficient quantities or at an appropriate cost level, it may not be able to meet demand for its products, which may adversely impact its sales revenue objectives and/or clinical study patient enrolment timelines. Products must also be produced to a certain regulatory standard. There is a risk manufactured products do not meet regulatory standards or standards change, resulting in the inability to sell or manufacture the products.</td>
<td>Section 7.2(e)</td>
</tr>
<tr>
<td>Intellectual property protection</td>
<td>While Neurotech has secured four granted patents in Malta, these are limited in nature and not considered material to the operations of Neurotech. Nevertheless, there is a risk that granted patents have been secured or are being pursued that could restrict Neurotech’s activities, or information made public prior to the priority date of these patents could affect their validity. In addition, while the possible future commercial success of any of Neurotech’s products may rely upon the ability to obtain and maintain patent protection, there is no guarantee that any such applications will lead to valid granted patents.</td>
<td>Sections 7.2(f) and 7.2(g)</td>
</tr>
</tbody>
</table>
Instead, a substantial majority of Neurotech’s current intellectual property and trade secrets lie in its software, algorithms and database of neurological information which evolve on a continual basis and are protected through various security measures rather than through a suite of patents.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
<th>Further Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Clinical Trial risk</td>
<td>A core workstream for Neurotech is to progress its fully independent US Clinical Trial, which is currently underway. Whilst Mente 2.0 is currently listed with the FDA as a Neurological Biofeedback Medical Device, a successful clinical trial will be necessary to assist Neurotech with applying for FDA clearance for Mente Autism, and enable Neurotech to make additional claims in the United States as to the efficacy of Mente Autism in relation to the treatment and management of autism. There is a risk the results of the US Clinical Trial are not viewed as successful, delayed, suspended or terminated due to decisions by the institutional review board responsible for oversight of the trial. Importantly, Neurotech has already received the European CE Marking as a Class Ila medical device and FDA listing as a Neurological Biofeedback Medical Device for Mente 2.0. Neurotech expects to receive a similar CE Marking for Mente Autism, which would allow Mente Autism to be readily marketed in the Company’s first key geographical focus in Europe.</td>
<td>Sections 7.2(h)</td>
</tr>
<tr>
<td>Regulatory risk</td>
<td>Mente Autism is subject to various regulatory and registration requirements which will be required for clearance of the product. Regulatory approvals may be time consuming, may change in the future, and their outcomes are uncertain. There is no guarantee that Neurotech will obtain all necessary regulatory approvals for Mente Autism in each jurisdiction that Neurotech seeks to operate in. There is also no guarantee Neurotech will obtain necessary approvals for future products in the markets that Neurotech plans to commercialise.</td>
<td>Sections 7.2(i)</td>
</tr>
<tr>
<td>Topic</td>
<td>Summary</td>
<td>Further Information</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td><strong>Financial Information</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>What is Neurotech’s financial position?</td>
<td>Neurotech’s historical operations have been focussed on the development and commercialisation of the Mente product. Thus, Neurotech has historically incurred research, development and corporate costs and generated only limited revenue since incorporation from the initial market sales of the Mente product.</td>
<td>Section 9</td>
</tr>
<tr>
<td>How will the Company generate revenue?</td>
<td>The Company’s focus is the development and commercialisation of its Mente device, which is the only current product available for sale. Neurotech intends to sell Mente via distribution agreements as well as other revenue models, including direct sales. To date, the Company has largely pursued a distributorship revenue model to commercialise Mente. This typically involves the appointment of either an exclusive distributor or non-exclusive re-seller within a particular country or region. The distributor or re-seller acquires units from Neurotech at wholesale prices, and is responsible for the marketing, sale and distribution of those units to end users within their allocated region or country. Under the distributorship revenue model Neurotech typically sells the Mente units to its distributors / re-sellers at wholesale prices, with volume discounts considered for large orders. In addition to the distributorship model, Neurotech is considering introducing a direct sales revenue model whereby end users in selected markets will be able to directly acquire units from Neurotech.</td>
<td>Section 3.6</td>
</tr>
<tr>
<td>Will the Company pay dividends?</td>
<td>The Company’s focus in the short to medium term is to continue the development and commercialisation of its Mente product, and as such the Company has no plan or intention to pay a dividend in the immediate future. Payment of any dividends will depend on the Company’s future profitability and financial position and will be assessed by the Board at the appropriate time.</td>
<td>Section 3.11</td>
</tr>
<tr>
<td>Topic</td>
<td>Summary</td>
<td>Further Information</td>
</tr>
<tr>
<td>-------</td>
<td>---------</td>
<td>---------------------</td>
</tr>
<tr>
<td><strong>Directors and Key Managers</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| **Who are the Directors and key managers?** | Peter O’Connor – Chairman  
Peter Griffiths – Deputy Chairman and Non-Executive Director  
Dr Adrian Attard Trevisan – Founder and Chief Scientific Officer  
Mag. Wolfgang Storf – Chief Executive Officer  
Simon Trevisan – Non-Executive Director  
Cheryl Tan – Non-Executive Director  
Mario Raciti – Chief Commercial Officer  
Angelica Micallef Trigona – Chief Marketing Officer  
Fleur Hudson – Company Secretary | Section 5 |
| **What are the Security interests of Directors in the Company?** | As at the Prospectus Date, various Directors have relevant interests in Securities in the Company. These interests are set out in Sections 2.8 and 11.4.  
Directors (or their associated entities) are entitled to participate in the Share Offer by subscribing for Shares on the same terms and conditions as other Applicants.  
Certain Directors (or the ir associated entities) are also entitled to be issued further Shares, rights to Shares and Options under the terms of their service and employment agreements with the Company. These entitlements are set out in Section 10.5. | Sections 2.8, 10.5 and 11.4 |
| **What payments and benefits are to be made or given to Directors and their Related Parties?** | The Directors are entitled to be paid fees for their services as Directors as set out in Sections 10.4 and 11.3.  
Neurotech has entered into:  
• consultancy services agreements with Mag. Wolfgang Storf and a company controlled by him, pursuant to which Mag. Storf and the company are entitled to the fees and other benefits as described in Section 10.5; and  
• an executive employment contract with Dr Adrian Attard Trevisan, pursuant to which Dr Attard Trevisan is entitled to the fees and other benefits as described in Section 10.5.  
The Directors have the benefit of an indemnity from the Company in respect of certain liabilities they may incur in acting as directors and have liability insurance premiums paid for by the Company, on the terms generally described in Section 10.6. | Sections 10.4, 10.5, 10.6 and 11.3 |
## The Offers

### What is the Share Offer?

The Company is inviting eligible investors to apply for 35,000,000 Shares at $0.20 per Share to raise $7,000,000, before costs.

### What will be the capital structure of the Company on completion of the Offers?

The Company presently has 49,932,612 Shares on issue and on completion of the Offers will have:

- 88,035,112 Shares on issue; and
- a maximum of 10,894,390 Options on issue.

Major shareholder Dr Attard Trevisan will hold 22.4% of the share capital if the subscription is raised under the Share Offer.

Refer to Section 2.7 for a table showing the capital structure of the Company, including Securities on issue before and after completion of the Offers.

### How will funds raised from the Share Offer be used?

The Company intends to use the funds raised from the Share Offer in order to fund:

- Sales and marketing efforts to accompany the release of Mente Autism and other revenue models;
- Ongoing research and development and enhancements to the Mente platform and other pipeline initiatives;
- Clinical trials in the United States;
- Working capital, corporate and administrative costs;
- Repayment of bank debt; and
- Costs of the Offers.

No funds will be raised from the issue of Options under the Options Offer.

Refer to Section 2.5 for a more detailed budget for the Company’s use of funds.

The Board reserves the right to vary the way in which funds are applied.

### What are the securities being offered?

Under the Share Offer, the Company is offering fully paid ordinary shares in the Company, which rank equally with existing Shares. A summary of the rights attaching to Shares is set out in Section 11.1.

Under the Options Offer, the Company is offering Options to subscribe for Shares to the Lead Manager and its nominees. The terms of Options are set out in Section 11.2.

### Will the Shares be quoted on ASX?

The Company will apply for quotation of the Shares under the ASX code “NTI”.

---

<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
<th>Further Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Offers</td>
<td>The Company is inviting eligible investors to apply for 35,000,000 Shares at $0.20 per Share to raise $7,000,000, before costs.</td>
<td>Sections 2.1 and 2.2</td>
</tr>
</tbody>
</table>
| What will be the capital structure of the Company on completion of the Offers? | The Company presently has 49,932,612 Shares on issue and on completion of the Offers will have:  
- 88,035,112 Shares on issue; and  
- a maximum of 10,894,390 Options on issue.  
Major shareholder Dr Attard Trevisan will hold 22.4% of the share capital if the subscription is raised under the Share Offer.  
Refer to Section 2.7 for a table showing the capital structure of the Company, including Securities on issue before and after completion of the Offers. | Section 2.7 |
| How will funds raised from the Share Offer be used? | The Company intends to use the funds raised from the Share Offer in order to fund:  
- Sales and marketing efforts to accompany the release of Mente Autism and other revenue models;  
- Ongoing research and development and enhancements to the Mente platform and other pipeline initiatives;  
- Clinical trials in the United States;  
- Working capital, corporate and administrative costs;  
- Repayment of bank debt; and  
- Costs of the Offers.  
No funds will be raised from the issue of Options under the Options Offer.  
Refer to Section 2.5 for a more detailed budget for the Company’s use of funds.  
The Board reserves the right to vary the way in which funds are applied. | Section 2.5 |
| What are the securities being offered? | Under the Share Offer, the Company is offering fully paid ordinary shares in the Company, which rank equally with existing Shares. A summary of the rights attaching to Shares is set out in Section 11.1.  
Under the Options Offer, the Company is offering Options to subscribe for Shares to the Lead Manager and its nominees. The terms of Options are set out in Section 11.2. | Sections 11.1 and 11.2 |
<p>| Will the Shares be quoted on ASX? | The Company will apply for quotation of the Shares under the ASX code “NTI”. | Section 2.16 |</p>
<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
<th>Further Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is there a minimum subscription to the Offers?</td>
<td>The Minimum Subscription amount to the Share Offer is $7,000,000. Shares will not be issued unless and until Applications for the Minimum Subscription have been received. There is no minimum subscription amount to the Options Offer.</td>
<td>Section 2.2</td>
</tr>
<tr>
<td>Is the Share Offer underwritten?</td>
<td>No, the Share Offer is not underwritten.</td>
<td>Section 10.2</td>
</tr>
<tr>
<td>What are the expenses of the Offers?</td>
<td>The expenses of the Offers will be approximately $762,000.</td>
<td>Section 11.5</td>
</tr>
<tr>
<td>Will any Shares be subject to escrow restrictions?</td>
<td>Shares issued under the Share Offer will not be subject to any escrow restrictions. The Company anticipates that some Existing Shares held by Directors, promoters, service providers of the Company and Shareholders who provided capital to the Company before the Offers, and all Options, will be subject to escrow restrictions as a condition of the Company being listed of ASX.</td>
<td>Section 2.9</td>
</tr>
<tr>
<td>Are there any taxation consequences?</td>
<td>The acquisition and disposal of Securities may have tax consequences for you depending on your individual taxation circumstances and affairs. You should consult your taxation adviser for advice about any taxation consequences for you in subscribing for and disposing of Securities. The Company and the Directors do not give any advice regarding the taxation consequences of subscribing for Securities. To the extent permitted by law, the Company, the Directors and the Company’s advisers and officers, do not accept any responsibility or liability for any taxation consequences for persons subscribing for Securities.</td>
<td>Section 11.6</td>
</tr>
<tr>
<td>Applying for Shares under the Share Offer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Who can apply for Shares under the Share Offer?</td>
<td>You may apply for Shares if you have an address in Australia. Persons resident outside Australia should consult the Important Notice section at the front of this Prospectus and Section 2.13 before applying for Shares.</td>
<td>Important Notice section Section 2.13</td>
</tr>
<tr>
<td>How do I apply for Shares?</td>
<td>You must complete an Application Form accompanying this Prospectus in accordance with the instructions on the Application Form. Your cheque for your Application Money must accompany the Application Form.</td>
<td>Section 2.11 Application Form</td>
</tr>
<tr>
<td>Topic</td>
<td>Summary</td>
<td>Further Information</td>
</tr>
<tr>
<td>-----------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Can the Offers be withdrawn?</td>
<td>Yes, the Company reserves the right to withdraw the Offers at any time before the issue of Securities to Applicants. If the Share Offer is withdrawn, Application Money will be refunded to Applicants in full without interest.</td>
<td>Section 2.1</td>
</tr>
</tbody>
</table>

### Further information

**How can I obtain further information?**

You should read this Prospectus in full.

If after reading this Prospectus you have any questions or are unsure what do to, you should speak to your qualified investment adviser.

Certain information referred to in this Prospectus, including copies of the Company’s corporate governance charters and policies, is available on the Company website at www.neurotechinternational.com.

**How can I contact the Company?**

You can contact the Company as follows:

- By telephone: +61 8 9321 5922
- By email: info@neurotechinternational.com
- By mail: Level 14, 191 St Georges Terrace
  Perth WA 6000
  Australia

Please direct your enquiry to the attention of the Company Secretary.
2. Details of Offers
2 Details of the Offers

2.1 Share Offer

Subject to Section 2.13, this Prospectus invites investors to apply for 35,000,000 Shares at an issue price of $0.20 per Share to raise $7,000,000 before expenses associated with the Offer.

All Shares issued pursuant to this Prospectus will be issued as fully paid and will rank equally in all respects with the Existing Shares. Further details of the rights attaching to Shares are set out in Section 11.1.

The Company reserves the right to reject any Application or to allocate any Applicant fewer Shares than the number applied for.

The Company reserves the right to withdraw the Share Offer at any time before Shares are issued under the Share Offer.

2.2 Minimum subscription to Share Offer

The minimum subscription for the Share Offer is $7,000,000 through the issue of 35,000,000 Shares.

If the minimum subscription for the Share Offer has not been raised within three (3) months after the Prospectus Date, the Company will either refund Application Money without interest or issue a supplementary or replacement prospectus to Applicants which will allow them one (1) month to withdraw their Application and obtain a refund of their Application Money.

2.3 Purpose of the Share Offer

The purpose of the Share Offer is to:

- Provide for sales and marketing efforts to accompany the release of Mente Autism and other revenue models;
- Provide for ongoing research and development and enhancements to the Mente platform and other pipeline initiatives;
- Fund clinical trials in the United States;
- Provide funds for general working capital, corporate overheads and administration costs;
- Repay bank debt;
- Fund costs of the Offers; and
- Enable the Company to list on ASX, and thereby provide a market for Shares and better enable the Company to access capital markets.

2.4 Options Offer

Under this Prospectus the Lead Manager (or its nominees) is offered and may subscribe for up to 2,529,076 Options under the terms of the Lead Manager Mandate (refer Section 10.2).

The terms of the Options are described in Section 11.2.

No amount is payable on application for Options and no funds will be raised by the Company by the issue of Options under this Prospectus.

There is no minimum subscription to the Options Offer.

The Options Offer is made only to the Lead Manager and its nominees.
2.5 **Use of funds**

Based on current business performance and technology development requirements, the Company believes that the below estimated expenditures, in particular for ongoing enhancements to the Mente platform, will be sufficient for the Company’s proposed expenditures on this item in the two year period following admission to the Official List. As detailed in Section 3.2, the Company has invested four years in developing the technology and intellectual property associated with Mente, and the Company is now intending to focus additional efforts on its commercial operations by increasing its investment in the sales and marketing of Mente Autism, whilst continuing to upgrade Mente Autism based on customer feedback and requests.

The Company intends to use the funds raised from the Share Offer as follows:

<table>
<thead>
<tr>
<th>Use of Funds</th>
<th>Minimum Subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and marketing for Mente Autism</td>
<td>$2,104,000</td>
</tr>
<tr>
<td>Ongoing R&amp;D, enhancements to Mente platform and other pipeline initiatives</td>
<td>$1,957,000</td>
</tr>
<tr>
<td>Repayment of bank debt</td>
<td>$560,000</td>
</tr>
<tr>
<td>Clinical trial in the United States</td>
<td>$300,000</td>
</tr>
<tr>
<td>Costs of the Offers</td>
<td>$761,350</td>
</tr>
<tr>
<td>General working capital, corporate and administrative costs</td>
<td>$1,317,650</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7,000,000</strong></td>
</tr>
</tbody>
</table>

**Notes:**

1. Costs of the Offers include Lead Manager fees of 6.0% on total funds raised under the Share Offer, and other costs identified in Section 11.5.
2. Working capital costs comprise the Company’s administration and overhead costs, and include operating expenses, accounting costs, auditing costs, insurance costs, legal costs, share registry costs, directors’ fees, ASX fees and regulatory compliance costs and expenses.
3. The stated use of funds is current as at the Prospectus Date. The use of funds may change depending on any intervening events or changes in the Company’s circumstances. The Board reserves the right to change the way funds are used and applied.

2.6 **Working capital**

On completion of the Share Offer and the issue of Shares under the Share Offer the Company will have enough working capital to carry out its objectives as stated in this Prospectus.

2.7 **Capital structure**

On completion of the Offers the capital structure of the Company will be as follows:

<table>
<thead>
<tr>
<th>Shares</th>
<th>Number (% of total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Shares</td>
<td>49,932,612 (56.7%)</td>
</tr>
<tr>
<td>Shares issued under Share Offer</td>
<td>35,000,000 (39.8%)</td>
</tr>
<tr>
<td>Shares to be issued to executives(^2)</td>
<td>1,466,000 (1.7%)</td>
</tr>
<tr>
<td>Shares to be issued to the Lead Manager</td>
<td>937,500 (1.1%)</td>
</tr>
</tbody>
</table>
Notes:

1. Based on total Shares outstanding, assuming no exercise of Options.

2. If the Company receives conditional approval for admission to the official list of ASX, Dr Attard Trevisan will be entitled to be issued 1,000,000 Shares, and Mag. Storf, or his associated entity, will be entitled to be issued 466,000 Shares. These Shares are proposed to be issued before the Admission Date. Refer to Section 10.5 for further information about Securities that may be issued to executives.

3. The Company has agreed to issue 699,000 Shares to two of its existing Shareholders who were previously shareholders of AAT Research in order to ensure Neurotech has the exclusive ability to establish an e-commerce platform in the US, should it decide to do so at a future time. These Shares are proposed to be issued before the Admission Date.

4. Based on fully diluted capital, including full exercise of Options.

5. Options to be issued to holders of AAT Research Options, including certain Directors and employees (or their associated entities), exercisable at $0.20 and expiring on 30 November 2020. Refer to Sections 10.9 and 11.2 for further information about these Options.

6. In addition to these Options, the Board has resolved to issue to members of the Company’s key management, at a future point in time, up to 2,233,538 Options with an exercise price of no less than $0.20, the terms of which will be determined at the time of issue. The grant of these Options will be subject to any receipt of any relevant regulatory approvals, including Shareholder approval. The Board considers the issue of these Options to be an effective means by which it may remunerate and incentivise its key management.

7. Options to be issued to the Lead Manager or its nominees are exercisable at $0.20 and expiring on 30 November 2020. Further information about these Options is in Sections 10.2 and 11.2.
2.8 Substantial Shareholders

The Shareholders who have a relevant interest in 5% or more of Shares as at the Prospectus Date and on completion of the Share Offer are as follows:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Before Share Offer</th>
<th>After completion of the Share Offer¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Krystle Attard Trevisan²</td>
<td>18,740,889</td>
<td>19,740,889</td>
</tr>
<tr>
<td>Transcontinental Investments Pty Ltd³</td>
<td>5,405,100</td>
<td>5,405,100</td>
</tr>
<tr>
<td>Shimano Ventures Ltd⁴</td>
<td>4,657,588</td>
<td>4,657,588</td>
</tr>
<tr>
<td>Alexander Grech</td>
<td>2,965,624</td>
<td>2,965,624</td>
</tr>
</tbody>
</table>

Notes:

1. The interests shown in the table above do not include any Shares that a person may subscribe for under the Share Offer. The interests also assume no Options are exercised.

2. 18,740,889 Shares are currently registered in the name of Mario Attard Trevisan as the former trustee of the Paloma Trust. Krystle Attard Trevisan has a legal right to become registered holder of these Securities as the current trustee of the Paloma Trust. Adrian Attard Trevisan has a relevant interest in these Securities as a beneficiary of the Paloma Trust. If the Company receives conditional approval for admission to the official list of ASX, Dr Attard Trevisan will be entitled to be issued a further 1,000,000 Shares, which are proposed to be issued before the Admission Date. Refer to Section 10.5 for further information about Securities that may be issued to Dr Attard Trevisan.

3. Held by Transcontinental Investments Pty Ltd. Simon Trevisan has a relevant interest in these Securities as a director, joint controller and substantial shareholder of Transcontinental Investments Pty Ltd.

4. Held by Shimano Ventures Ltd. Peter Griffiths has a relevant interest in these Securities as a partner of Shimano Ventures Ltd.

2.9 Escrow restrictions

The Shares issued under the Share Offer will not be subject to escrow restrictions and will be transferable from the date of their issue.

The Company anticipates that if it is admitted to the official list of ASX, at least 30,543,109 Existing Shares and all granted Options will be classified by ASX as “restricted securities” and required to be held in escrow for the period of time as determined by ASX.

The Company anticipates that:

(a) Existing Shares issued to Directors, other related parties and promoters of the Company and all granted Options, will be required to be held in escrow for 24 months from the Admission Date; and

(b) Existing Shares issued to seed capital investors in Neurotech who are not Directors, other related parties or promoters of the Company, will be required to be held in escrow for 12 months from the date of issue of those Shares.

Securities required to be held in escrow will not be able to be sold, mortgaged, assigned or transferred for the escrow period without the consent of ASX.

The Company expects to announce to ASX the details of the Existing Shares and Options which are classified by ASX as “restricted securities” and the escrow restrictions applicable to those Shares, prior to the Shares commencing trading on ASX.
2.10 **Lead Manager**

Azure Capital Limited has been appointed by the Company to manage the Offers. The Lead Manager will be entitled to payment of a fee of 6.0% of the total amount raised under the Share Offer. Refer to Section 10.2 for further details of the terms under which the Lead Manager has been engaged by the Company.

2.11 **Applications for Shares**

You can only apply for Shares under the Offer by using the Application Form attached to or accompanying this Prospectus.

The Application Form must be completed in accordance with the instructions set out on the back of the Application Form. Completed Application Forms and accompanying cheques for Application Money must be received by 5.00pm (WST) on the Closing Date at either of the following addresses:

<table>
<thead>
<tr>
<th>Post</th>
<th>Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neurotech International Limited</td>
<td>Neurotech International Limited</td>
</tr>
<tr>
<td>Security Transfer Registrars</td>
<td>c/- Security Transfer Registrars</td>
</tr>
<tr>
<td>PO Box 535</td>
<td>770 Canning Highway</td>
</tr>
<tr>
<td>Applecross WA 6953</td>
<td>Applecross WA 6153</td>
</tr>
<tr>
<td>Australia</td>
<td>Australia</td>
</tr>
</tbody>
</table>

Cheques must be made payable to “**Neurotech International Limited – Application Funds**” and crossed “Not Negotiable”.

No brokerage or transfer/stamp duty is payable.

Applications under the Share Offer must be for a minimum of 10,000 Shares at $0.20 totalling $2,000 and thereafter increments of 2,500 Shares at $0.20 each totalling $500.

The Company reserves the right not to accept a completed Application Form if it has reason to believe that the Applicant has not received this Prospectus in paper or electronic form, or if it has reason to believe that this Prospectus or Application Form provided to you has been altered or tampered with in any way.

2.12 **Application Money to be held on trust**

Application Money will be held by the Company on trust in accordance with the requirements of the Corporations Act until Shares are issued under the Share Offer or any refund of Application Money in the circumstances described in this Prospectus. The Company will retain any interest earned on Application Money, including in the event of any refund of Application Money.

2.13 **Applicants outside of Australia**

This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue this Prospectus or make an Offer.

It is the responsibility of any Applicant who is resident outside Australia to ensure compliance with all laws of any country relevant to their Application, and any such Applicant should consult their professional adviser as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be allotted Offered Securities. Return of a duly completed Application Form will constitute a representation and warranty that there has been no breach of such regulations.

The Company has not taken any action to register or qualify the Offered Securities or the Offers, or otherwise to permit a public offering of the Offered Securities, in any jurisdiction outside Australia.
2.14 Allotment of Shares

Subject to ASX granting approval for the Company to be admitted to the official list of ASX, the allotment of Shares to Applicants will occur as soon as practicable after the Closing Date for the Share Offer, following which Holding Statements will be despatched. It is the responsibility of Applicants to determine their allocation prior to trading Shares. Applicants who sell Shares before they receive their Holding Statements will do so at their own risk.

2.15 Allocation of Shares

The Directors have the right to allocate Shares at their discretion. They may reject any Application or allocate to any Applicant fewer Shares than applied for.

The Directors will generally allocate Shares at their discretion in manner which they consider to be fair and reasonable, having regard to the requirements of the ASX Listing Rules that the Company must have a prescribed minimum number of Shareholders holding a marketable parcel of Shares.

If your Application is not accepted, or is accepted in part only, the relevant part of the Application Money will be returned to you without any interest.

2.16 ASX listing and quotation

The Company will apply to ASX within seven (7) days after the Prospectus Date for the ASX to admit the Company to the ASX and for quotation of the Shares offered under this Prospectus (apart from any Shares that may be designated by ASX as Restricted Shares) on the official list of ASX, under the ASX code “NTI”.

If approval for quotation of the Shares to be issued pursuant to this Prospectus is not granted within three (3) months after the Prospectus Date, the Company will not allot or issue any Shares and will repay all Application Money without interest as soon as practicable.

The Company will not apply for quotation of the Options offered under this Prospectus on the official list of ASX.

ASX does not take any responsibility for the contents of this Prospectus. The fact that ASX may admit the Company to its official list of ASX is not to be taken in any way as an indication of the merits of the Company or Securities offered pursuant to this Prospectus.

2.17 CHESS and issuer sponsorship

The Company will apply to participate in the Clearing House Electronic Sub-register System (CHESS), operated by ASX Settlement (a wholly owned subsidiary of ASX), in accordance with the ASX Listing Rules and ASX Settlement Rules. The Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company’s principal register of Shares.

Under CHESS, the Company will not issue certificates to Shareholders. Instead, the Company will provide Shareholders with a Holding Statement (similar to a bank account statement) that sets out the number of Shares allotted to them under this Prospectus.

This statement also advises investors of either their Holder Identification Number (HIN) in the case of a holding on the CHESS sub-register or Security Holder Reference Number (SRN) in the case of a holding on the issuer sponsored sub-register.

A statement will be routinely sent to holders at the end of any calendar month during which their holding changes. A holder may request a statement at any other time; however, a charge may be incurred for additional statements.
2.18 Privacy disclosure

The Company collects information about each Applicant from the Application Forms for the purpose of processing the Application and, if the Applicant is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, you agree that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement.

The Company and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act 1988 (Cth) (Privacy Act):

(a) the Share Registry for ongoing administration of the Company's register; and

(b) the printers and the mailing house for the purposes of preparation and distribution of Holding Statements and for the handling of mail.

If an Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the Company's register even if that person ceases to be a security holder of the Company. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) the Company or the Share Registry. You can request access to your personal information by writing to the Company through the Share Registry.

2.19 Forward-looking statements

Given the nature of the Company's business is at an early stage of commercial development, there are significant uncertainties associated with forecasting future revenue. On this basis, the Directors, having considered ASIC regulatory guidance, do not believe that reliable forecasts can be prepared and accordingly have not included forecasts in this Prospectus.

Refer to Section 3 for further information about the Company's business and activities.

Notwithstanding the above, this Prospectus includes, or may include, forward-looking statements including, without limitation, forward-looking statements regarding the Company's financial position, business strategy, and plans and objectives for its projects and future operations (including development plans and objectives), which have been based on the Company's current expectations about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future.

Matters not yet known to the Company or not currently considered material to the Company may impact on these forward-looking statements. The statements reflect views held only as at the Prospectus Date. In light of these risks, uncertainties and assumptions, the forward-looking statements discussed in this Prospectus might not occur. Investors are therefore cautioned not to place undue reliance on these statements.
3. Company Overview
3 Company Overview

Neurotech is a medical device and solutions company incorporated in Australia, which operates through its Malta-based subsidiary, AAT Research.

Neurotech is developing neuro-stimulation and neuro-diagnostic solutions to be delivered via the Mente platform, an innovative platform technology to enable medical practitioners to remotely monitor and play an active role in home-based therapies. Neurotech has commercialised its first product which assists with the management of children with Autism Spectrum Disorder (ASD) with additional research and development commenced on a number of separate initiatives relating to tinnitus, anxiety, depression and epilepsy.

Its first product, Mente Autism, is a portable, electroencephalographic (EEG) medical device for home use that uses closed-loop neurofeedback to help relax the minds of children with ASD. Its unique technology creates personalised auditory stimulation which uses power ratios of different brain wave activity that are present in children with ASD to normalise the connectivity pathways in the brain.

The use of neurofeedback as a method to treat neurological conditions, including ASD, is not a new concept and has been around for some time, with experimentation in the area taking place more than 10 years ago. This need arose as a response to the limitations of existing treatments, including behavioural therapy and psychopharmacological and biomedical interventions, which may be associated with side effects, risks or require ongoing or long term treatment.

Neurofeedback has since emerged as a non-pharmaceutical treatment form, with benefits including a non-invasive approach which has been shown to enhance neuroregulation and metabolic function in patients with ASD. The key difference between previous work and what Neurotech has achieved with Mente Autism, is enabling the use of the technology safely in the home by making it small, wearable and affordable to the everyday family. This type of treatment was previously restricted to clinical institutions, yet Mente Autism’s results to date are comparable to clinical EEG systems.

Neurotech has obtained a number of independent certifications, CE Marking (Mente 2.0), FDA listing (Mente 2.0) as well as ISO certification (AAT Medical, a fully owned subsidiary of the Company), and is in the process of pursuing a similar CE Marking for Mente Autism. Neurotech is now focused on driving the commercialisation of the Mente Autism device.

3.1 Our vision

Neurotech’s primary mission is to improve the lives of people with neurological conditions, with a vision of becoming the global leader in home-use and clinical neurotechnology solutions which are accessible and affordable. Through its first flagship medical device, Mente Autism, and the associated software platform, Neurotech is focused on the development and commercialisation of technological solutions for the diagnosis and treatment of such conditions, starting with ASD.

Neurotech has a three-pillared approach to achieve these goals - leveraging its research and development heritage and capabilities, commercialisation of medical neurotechnological solutions grounded in research and analytics, and outsourcing non-core functions to quality counterparties:

- **Research and development**
  
  Since inception, Neurotech has been built on a strong foundation of research and development, with a focus on excellence and quality outcomes. These include:
  
  o **Design and development** of the Mente platform and associated cloud-based medical data management and analysis; converting academic results and findings into commercial applications, of which Mente Autism is the initial product (Section 3.3);
  
  o **Adherence to the appropriate quality and regulatory standards**, encompassing in-house research and development, operations as well as product manufacturing by third-party providers; and
• Continual generation and protection of intellectual property and know-how (Section 3.8).

• Commercialisation
  Neurotech’s commercialisation strategy is underpinned by:
  o Market access, focussed on achieving endorsement for Mente Autism from key influencers and decision-makers such as medical practitioners, governments, regulators, purchasers (partners and end users), and patient groups; and
  o Sales and marketing, including branding, communications, institutional and partner collaborations, and establishing go-to-market strategies for Mente Autism (Section 3.6).

• Outsourcing
  o Manufacturing and non-core functions are subcontracted to enable Neurotech to concentrate on its core competencies of research, development and commercialisation.

The above functions are supported by Neurotech’s international team of scientists, engineers, researchers, software developers, marketers and accountants. Neurotech also has state-of-the-art research facilities in Malta equipped with the necessary laboratory equipment to enable fine-tuned control of the quality of its research and testing. The Malta research facility enables Neurotech to:

• Perform clinical high-density electroencephalography (HD-EEG) sessions and collect electrophysiological data for research and clinical purposes;
• Record vital, physiological and emotional responses of test subjects;
• Design and test prototypes;
• Design protocols for clinical trials; and
• Analyse human locomotion and gait.

3.2 Company history and corporate structure

The Company was incorporated in Australia in 2016 as the holding company to pursue a listing on the ASX for the wholly owned Neurotech Group of companies. This includes the Company’s main operating subsidiary, AAT Research, which was successfully acquired by the Company in 2016 and holds the assets essential to the operations of the Company (Figure 1).

AAT Research was incorporated in Malta in 2012 by Neurotech’s Founder and Chief Scientific Officer, Dr Adrian Attard Trevisan. Dr Attard Trevisan, a neuroscientist and academic researcher, founded AAT Research with the mission of utilising his research and development skills to produce cutting-edge medical technologies to provide patients with the opportunity to have an improved quality of life. Dr Attard Trevisan holds Ph.D.’s in Neuroscience and Human Physiology, a Masters Degree in Engineering and Audiological Sciences and was recently appointed as a Research Fellow at the Bedford Centre for Mental Health Research in association with the University of Cambridge.

In 2013, Neurotech released its first product, Mente version 1.0 (Mente 1), which was a ‘proof of concept’ portable EEG device comprising a headband, two sensors, a reference ear piece and Bluetooth connectivity to a user’s mobile or desktop device. Neurotech sold over 50 Mente 1 units.

Incorporating user feedback from Mente 1, Neurotech released Mente version 2.0 (Mente 2) in late 2014, which comprised four sensors, no ear piece, wifi connectivity, online user accounts and a secure medical practitioner dashboard for direct access and remote monitoring. In the same year, Neurotech was the winner of the Best App at the eBusiness Awards for its Mente product application, awarded by the Malta Communications Authority.
In 2015, Mente 2 was successfully listed with the FDA and received CE Marking certification as a Class IIa certified medical device.

Neurotech has since sold over 350 Mente 2 units in Asia, the Middle East and Europe, predominantly via third party distributors. Feedback gathered from Mente users, comprising parents, teachers and medical professionals, has reported various positive developments in behaviour including improved communication skills, enhanced behaviour and performance, lengthier attention spans and longer timeframes of actual learning. There are currently over 200 active Mente 2 users.

Neurotech plans to release the current version of the device, Mente version 3.0 under the brand name Mente Autism (Mente Autism), which is expected to be shortly after completion of the Offers. Mente Autism incorporates a number of new features and changes to address feedback from user studies with earlier versions. It comprises five high-performance and replaceable sensors and allows dynamic and real time therapy reporting to a secure online platform. Mente Autism is fully self-contained within the headband and does not require connectivity to mobile or desktop app during a therapy session. Mente Autism also has been designed as a clinical grade retail platform to allow the delivery of other neurotechnology applications with full EEG monitoring.

Neurotech has to date adopted a technology-focused approach and is now poised to invest in sales and marketing to properly commercialise its innovation.

With approximately 1 in 68 children estimated to be diagnosed with ASD\(^1\), Neurotech believes there is a clear, addressable and large market opportunity for an easy to use and effective medical device to assist with the management of ASD. Neurotech believes that Mente Autism can address this opportunity and aims to establish Mente Autism as the portable neurofeedback device of first choice to assist with the management of autism.

---

\(^1\) Centre for Disease Control and Prevention (USA) – 2014.
3.3 Overview of technology

Mente Autism uses unique and award-winning technology to help relax the minds of children with ASD, enabling them to better focus and engage positively with their environment.

Mente Autism is an easy-to-use, effective neurofeedback system for safe home application. It reads the user’s brain activity to identify and suppress abnormally high brainwaves that are typically found in children on the autism spectrum, by creating personalised auditory stimulation to reduce unwanted signals. This can be compared to noise-reduction headphones, which create counter-noise to eliminate undesirable external noise. The reduction in the user’s brainwaves from the use of this daily therapy helps relax the user’s mind, which in turn brings about enhanced concentration and communication.

As shown in Figure 2 below, the Mente Autism system comprises two main software and hardware elements:

1. A headband with five integrated sensors. This comes in a product box that includes a USB cable to charge the headband, a pair of earphones, an activation card, charger and quick start guide.

2. The Mente Autism software or application (app). The app can be used on Android/iOS mobile devices or directly on a Windows-operated PC. As part of the setup process, the user is instructed to download the app. The apps for iOS and Android devices are available for download on the respective App Stores. The Windows version is available for download from our User Login area, accessible using the customer’s credentials.

Figure 2: How Mente Autism Works

1. Mente Autism connects to Wi-Fi at the start of every session.

2. Volume is set. An impedance check is made throughout the session. If any of the sensors is not correctly placed or moves during a session, the app issues a notification (if connected to Wi-Fi). The audio jack must also be in place. Therapy is delivered through earphones.

3. The Mente Autism session starts and brainwaves are recorded through the EEG sensors and can be viewed using the app.

4. Mente Autism algorithms process the waves and create a binaural beat representation based on the user’s brainwaves readings.

5. Soundwaves are converted to vibrations by the tympanic membrane and amplified, creating a tsunami-like wave according to the fundamental frequencies of the binaural beat.

6. These waves create electrical impulses through the cranial nerves up to the auditory cortex.

7. A closed loop is created by the system and the brainwave recordings control and stabilise the binaural sounds that are heard via the earphones.

8. The session lasts for 40 minutes and the system stops by itself. The session data is stored on the headband and will be uploaded to the Mente Autism Cloud system when reconnected to Wi-Fi (at the end of the session or prior to a new session).

9. The server generates a report based on a session’s data and is accessible through the user dashboard and the Mente Autism app.
Mente Autism is recommended for daily use for a single 40-minute session in the morning. The Mente Autism headband records brainwave levels in real time. This data is stored on the device, analysed and processed before being converted into tailor-made auditory stimulation which is played back to the user via earphones. This is the basis of the therapy. Users and guardians are able to monitor the therapy with a specialised mobile app that is directly connected with both the device and the cloud server.

At the end of each session the Mente Autism hardware and software elements integrate via Wi-Fi with the Mente Cloud (Mente Cloud) service which generates a report that records and measures the user’s progress. These reports can be viewed on the monitoring app or via an online dashboard, where access can also be granted to a healthcare professional for remote monitoring and management.

Key features of the Mente Autism product include:

- Designed for safe and easy home use: Mente Autism is light, portable, safe and simple to activate. It requires little to no direct supervision and does not restrict users and data collection to a clinical setting.
- Personalised therapy: Mente Autism’s unique technology creates a personalised neurofeedback therapy that is specific to each user.
- Daily session reports: These reports record each session and provide graphs that track progress. Healthcare professionals and carers can be authorised by a child user’s parents to access and review these reports remotely via the Mente Cloud.
- Advanced sensory and chip technology: Mente Autism’s sophisticated sensors and top-of-the-line built-in circuitry pick up highly detailed and minute electrical signals from the scalp that are key for the therapy sessions and report generation.
- Connectivity: Mente Autism’s built-in Wi-Fi connection links the headband to the product’s app and provides flexibility and mobility due to its signal reach, reliable signal and fast and efficient projection of results.
- Medical professional monitoring: Approved medical professionals can monitor sessions in real-time using the Mente Cloud, carry out and upload questionnaires and reports which will be visible to the patient on the Mente Autism software application or on the Mente Cloud, and download clinical grade EEG files of each patient therapy session.

3.4 Mente Autism trials and user studies

The use of neurofeedback as a method to manage and treat ASD has been studied since the late 1990s, with over 20 medical papers published covering studies of baseload EEG profiles and brain imaging of ASD children, the efficacy of neurofeedback as a treatment form for ASD and other neurological conditions and literature reviews.

Studies and presentations published by Neurotech or Neurotech’s founder, Dr Attard Trevisan, include:


In addition to studies and presentations published by Neurotech and its founder, Neurotech has undertaken various user studies for Mente including:

- An 8 participant study to test the ability of the 2-channel EEG headband to suppress delta waves in subject’s brain (associated with sleep), while promoting alpha and beta waves (associated with focus and mental activity). The study showed significantly decreased delta waves with all participants demonstrating behavioural improvement (2013); and
- A 25 participant study to test the efficacy of a 4-channel EEG system. The study showed significantly decreased delta waves, increased alpha and beta waves, reduced negative behaviour, including escape situations as well as improved communication (2015).

The following are also currently underway:

- A 4 patient user trial undertaken by one of the major hospitals in Bologna, Ospedale Maggiore di Bologna (IRCCS), and commissioned by ANGSA, Italy’s main country-wide autism lobby group (Section 3.6), and
- A 4 patient user study undertaken by the Italian Red Cross (Section 3.6).

Also, of the over 200 current active Mente 2 users, 97 were classified as having conducted a statistically significant number of sessions. Of this data set, 51 where determined to have had a successful result based on significant physiological and behavioural improvements across a battery of standardised tests, including EEG outcomes, attention span, reactions, as well as motor and communication skills.

Following these user and pilot studies, a fully independent double-blind randomised clinical trial is currently underway in the United States (US) for Mente Autism, headed by a reputable US-based research institute and a panel of independent evaluators (US Clinical Trial). The clinical trial protocol has received ethics committee clearance, is registered with the National Institutes of Health in the US and can be monitored via the website www.clinicaltrials.gov, with identification number NCT02773303.

The US Clinical Trial will enrol 64 ASD children as subjects as well as a control group which will use sham (or control) devices. As part of the trial, a triage of baseload measures, including qEEG scans and behavioural characteristics, will be undertaken by medical professionals upon enrolment, during and at the end of the 12-week therapy period to analyse changes that occur as a result of the Mente Autism therapy. Neurotech expects to receive results of the US Clinical Trial in mid 2017.

Results from the US Clinical Trial will be used to assist Neurotech in applying for FDA clearance for Mente Autism. This is a higher level of approval compared to Mente 2, which is currently listed with the FDA as a Neurological Biofeedback Medical Device (see Section 3.7). Achieving FDA registration for Mente Autism would represent additional validation which would enable Neurotech to make claims as to the efficacy of Mente Autism, specifically in relation to the treatment and management of autism in the United States (such claims are not currently possible based on the current FDA listing of Mente 2).

Results from the US Clinical Trial would also be used to support Neurotech’s commercialisation strategy in markets outside the United States, as an additional independent source verifying the efficacy of Mente Autism.
3.5 Pipeline products

In line with Neurotech’s vision of becoming the global leader in home-use and clinical neurotechnology solutions, Neurotech has a pipeline of future potential products currently under research and development which will be delivered via the Mente platform and integrate with the Mente Cloud.

These products are split between the business-to-consumer (B2C) or end user/consumer family of products for home-use such as Neurotech first product, Mente Autism, and the business-to-business (B2B) or business-focused family of products for clinical use.

Subject to continued research and development, the B2B line will include an in-hospital medical professional product offering and a non-invasive electrotherapy stimulation application to treat different conditions. This B2B offering is planned to comprise a hardware element, Mente Pro, and a software platform, Mente Suite, that would enable medical practitioners to apply different therapies using Mente Pro in a clinical setting as well as allowing them to analyse, monitor and intervene via Mente Cloud in home-based therapies in use by their patients who use the Mente B2C line of products.

Figure 3. The Mente Platform

Mente Pro is being developed as a 32-channel EEG headset for EEG data collection and brain mapping and for performing therapies for conditions such as tinnitus, anxiety, depression and epilepsy. These various therapies are envisaged to be offered through software modules available in Mente Suite.

Mente Suite is being developed as a modular software solution for exclusive use by medical professionals and will be compatible with both the Mente B2C and Mente Pro B2B product lines. The modularity of the system will enable medical professionals, hospitals and clinics to include treatment modules as they are required, which makes the platform highly flexible and scalable.

Both Mente Pro and Mente Suite are being built on clinical specifications for EEG devices, which will assist to render them eligible to hospital tendering and state funding.
3.6 Commercial strategy

Neurotech plans to pursue multiple go-to-market models to commercialise the Mente product family.

Geographical focus

Neurotech’s first geographical focus is Europe, with the first key market being Italy where Neurotech has recently signed its first material exclusive distribution agreement which is set to launch in September 2016 (Italian Distribution Agreement). Further details on the Italian Distribution Agreement are set out below.

Once established in Italy, Neurotech intends to then build a commercial presence in Germany, Austria, Switzerland, United Kingdom and France.

Neurotech’s second priority is North America (encompassing United States and Canada) as well as Australia. The key pre-cursor for market entry into the United States will be a successful outcome to the US Clinical Trial as detailed in Section 3.4, followed by FDA registration to register the Mente device for use as a specific treatment for autism (currently only listed as a Neurological Biofeedback Medical Device).

Neurotech’s third geographical focus will be emerging markets such as countries in in the Asia Pacific region, META (Middle East, Turkey, Africa), and Latin America. Many of these markets are less regulated and will be considered with an opportunistic approach on a case-by-case basis.

Market access

Neurotech’s go-to-market models vary by country, as this is based on each country’s unique characteristics and requirements, country risk profile, regulatory environment and required investment. Neurotech’s overarching objective is to achieve the most cost-efficient entry per geography, taking such market access requirements into consideration.

Neurotech’s market access plans are currently focused on identifying and engaging with key stakeholders for each country and region, both for Mente Autism, but also to lay the groundwork for future B2B opportunities. Such stakeholders include key opinion leaders such as medical professionals, government and regulatory authorities, foundations and lobby groups, as well as the end users themselves. Particularly because Mente Autism is designed for children, these stakeholders play an important role in a number of ways, from enabling medical reimbursement systems to lower the cost of procuring devices for end users, to providing positive research and results-based endorsements from respected medical practitioners who care for the children and from the support groups they form part of.

In order to support these market entries, Neurotech has appointed a Chief Commercial Officer, Mario Raciti, to define and execute on entry strategies for each of the identified focus territories (Section 5.3). His role will encompass building on Neurotech’s and the products’ brand, reviewing and creating appropriate pricing models, incentive schemes and product buying options, reviewing current distribution partners and selecting new distributors as well as educating and training key stakeholders in each country.

The above sales operations will also be supported through renewed investment in Neurotech’s branding and marketing activities. These include a roll-out of new Company branding, B2B and B2C product branding, leveraging Neurotech’s online and website presence, targeted utilisation of social media channels and digital marketing as well as enhanced physical presence through public relations and communications projects and participation in targeted events such as congresses and trade shows.
Distribution model

Since inception, Neurotech has chosen to adopt a distribution model to distribute and commercialise Mente Autism in various countries. This has enabled Neurotech to leverage the distributors’ local market and regulatory knowledge, existing networks, reach to end users and associated groups, for minimum capital outlay. Future distributor selection will focus on finding experienced and proven partners in the neurological industry in Neurotech’s target markets, who understand the market dynamics and are able to leverage their network for the most time and cost efficient entry into the various markets. Key contact points which distributors should have for each country include strong and demonstrable relationships with:

- **Medical professionals** – including through Mente Autism user studies conducted in research ventures and direct contact with medical authorities;
- **Foundations and support groups** – who are critical to gaining acceptance and uptake in a particular region or country; and
- **Government authorities and regulators** – who are crucial to understanding any additional specific regulation or registrations, and obtaining medical reimbursement for the devices, if available.

At a practical level, the distributorship revenue model typically involves the appointment of either an exclusive distributor or non-exclusive re-seller within a particular country or region. The distributor or re-seller acquires units from Neurotech at wholesale prices, and is responsible for the marketing, sale and distribution of those units within their allocated country. Distributors are typically also responsible for registration within their assigned country.

**Italian Distribution Agreement**

In December 2015, Neurotech entered into the Italian Distribution Agreement. The contract includes an obligation to purchase a minimum of 8,700 units over an initial term expiring in July 2019, with an option to extend this for an additional two years subject to minimum purchase quantities. To access the market, the Italian distributor has adopted a multi-pronged sales and marketing approach targeting Neurotech’s identified key stakeholder groups, including with:

- **Medical professionals** – maintaining ongoing and direct contact with the Italian medical authorities;
- **Key opinion leaders and support groups** – by promoting Mente Autism through collaboration with ANGSA and a partnership with Comitato Provinciale di Roma (Italian Red Cross).

ANGSA is Italy’s main country-wide autism lobby group. The group has commissioned an independent 4-participant Mente Autism user trial that is currently being conducted at Ospedale Maggiore di Bologna and has shown the efficacy of the Mente Autism device in early tests, allowing ANGSA to endorse and promote Mente Autism to its members across the country.

In a historic move, the distributor has also entered into a partnership with the Italian branch of the Red Cross, Comitato Provinciale di Roma, who has chosen Mente Autism as its first partnership with a commercial product. The Italian Red Cross has also commissioned a 4-patient user study, which is currently underway. Mente Autism will also be promoted across Italy under the banner of the Italian Red Cross.

- **Government authorities** – through meetings with medical authorities to include neurofeedback as one of the therapies for ASD as part of formal guidelines, which could enable Mente Autism to be added to a list of reimbursable therapies for autism in Italy, if successful.
Other distribution agreements

In addition to the Italian Distribution Agreement, Neurotech has a number of other existing distributor arrangements in place in various European, Middle Eastern and Asian countries, which are listed in Section 10.3.

The Company is currently undertaking an extensive review of these of its distribution agreements which may result in a number of these agreements being cancelled if the distributor is currently in breach of their agreement or alternatively not being renewed or extended upon expiry. In conjunction with this review, the Company will also begin identifying and evaluating a number of new potential distributors for targeted regions (see Section 3.6).

3.7 Certifications

Neurotech has achieved the following certifications for Mente:

<table>
<thead>
<tr>
<th>Certification</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CE Marking</td>
<td>Mente 2 is classified as a Class IIa medical device and is regulated under the European Union Council Medical Device Directive 93/42/EEC, which enables the devices to be marketed in Neurotech’s first key geographical focus in Europe. The CE Marking for medical devices is a certification awarded to manufacturers who develop and manufacture medical devices with strict adherence to this directive. CE Marking shows that the product complies with European health, safety and environmental protection legislation.</td>
</tr>
<tr>
<td>FDA Listed</td>
<td>In the US, the Mente 2 device is listed with the United States FDA as a Neurological Biofeedback Medical Device classified as Class 2 (special controls) under regulation number 882.5050. This indicates that Mente 2 has met the safety and functionality requirements put forth by the regulation board. AAT Medical is also registered with FDA as a developer of medical devices with registration number: 3010806606.</td>
</tr>
<tr>
<td>ISO 13485 Certified</td>
<td>AAT Medical is ISO 13485 certified. This standard, developed by the International Organization for Standardization, draws specific requirements and guidelines for a quality management system which manufacturers of medical devices can implement to develop and provide products and services that consistently meet both customer and regulatory requirements.</td>
</tr>
</tbody>
</table>

Neurotech will also pursue similar CE Marking certification for Mente Autism, which will allow Neurotech to readily market Mente Autism in its first key geographical focus in Europe. Neurotech will also seek higher level FDA clearance for Mente Autism compared to Mente 2, which will be supported by results from the US Clinical Trial.
3.8 Intellectual Property, Trade Secrets and Know How

As part of its business model, Neurotech has undertaken and continues to undertake significant research and development activity. This activity has resulted in the generation of knowledge, which is protected from leakage via confidential retention for internal use to support ongoing development activities, being trade secrets and confidential know-how, and to a lesser extent, formalised protection through patents. That is, the degree of know-how and trade secrets of Neurotech extend beyond formalised patent protection, and largely centre around the algorithms used to deliver therapy via the Mente Autism device, secure databases of user EEG data collected on a daily basis, as well as in-house algorithms to access and interrogate this data. This neurological data has been collected through the lifespan of the Mente 2 device and continues today, with approximately 200 currently active users.

While the database of EEG data of autistic children serves as a daily progress log for each individual user, at an aggregate level, the database not only provides Neurotech the ability to perform ongoing performance improvements for Mente Autism, but also enables Neurotech to create more specific profiles of end-users that would benefit most from the therapy, thereby increasing efficacy rates. The database is also used by Neurotech to extract relationships, perform simulations and undertake analytics to form the basis of future therapies and products for neurological conditions and parallel autism co-morbidities. With the imminent launch of the B2C Mente Autism, and later B2B models, all of which incorporate data collection abilities, Neurotech expects that this database will become even more significant over time.

At a practical level, Neurotech takes various steps to prevent leakage of such critical intellectual property through a combination of:

- Incorporating confidentiality clauses into employment agreements to ensure the information stays within Neurotech;
- Limiting access to confidential information and algorithms to certain authorised individuals;
- Entering into confidentiality agreements with potential collaborators, partners and third parties prior to any disclosure of any detailed technical information;
- Encryption and separation protocols built into physical devices, databases, and token-style access to the user interface for patients and clinicians; and
- Data hosting on third party servers with ISO / IEC 27001 certification, the highest international standard for information security management.

In addition to the above measures, policies and procedures which form the foundation for Neurotech's intellectual property portfolio and its protection, Neurotech also currently has a number of granted and pending patents filed in Malta (Maltese Patents), which are limited in nature and not considered material to the operations of Neurotech. These are listed below and included as part of the intellectual property report contained in Section 8.
<table>
<thead>
<tr>
<th>Patent No.</th>
<th>Status</th>
<th>Location</th>
<th>Product</th>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4340</td>
<td>Granted</td>
<td>Malta</td>
<td>Mente</td>
<td>System</td>
<td>EEG-derived structured sound textures in a closed loop for the relaxation, focus and management of ASD patients</td>
</tr>
<tr>
<td>4339</td>
<td>Granted</td>
<td>Malta</td>
<td>Epilepsy Prediction System</td>
<td>System</td>
<td>Non-invasive, low-end, 40-minute pre-emptive system for epilepsy seizure prediction</td>
</tr>
<tr>
<td>4355</td>
<td>Granted</td>
<td>Malta</td>
<td>Other</td>
<td>System</td>
<td>Cloud-based ecosystem targeting clinicians and patients for home-based therapies</td>
</tr>
<tr>
<td>4356</td>
<td>Granted</td>
<td>Malta</td>
<td>Mente and Other</td>
<td>System and hardware</td>
<td>Clinically comparable EEG system which creates virtual channels on the scalp derived from a portable 4-channel EEG system</td>
</tr>
<tr>
<td>4364</td>
<td>Pending</td>
<td>Malta</td>
<td>Other</td>
<td>System and treatment</td>
<td>Home-management cranial electrotherapy stimulation treatment using a cloud-based clinician and patient ecosystem for depressive, anxiety and sleep disorders</td>
</tr>
</tbody>
</table>

### 3.9 Financing arrangements

As at 30 June 2016, the Group had net cash of A$61,927, comprising borrowings of A$945,609 (denominated as EUR 632,984), and cash reserves (including bank guarantees) of A$1,007,536 (denominated as EUR 216,003 and A$682,690). Borrowings have been used for the purchase of equipment, in the fit out of the main office and laboratory facilities as well as general working capital.

Upon completion of the Share Offer, Neurotech intends to primarily rely on equity financing and use the funds raised from the Share Offer to finance ongoing operations. This strategy involves some risk, including around sourcing funds for future capital requirements. Refer to Section 7 for further details on such risks.

### 3.10 Key operating contracts

Contracts which are key to Neurotech’s operations include distribution agreements, manufacturing contracts and contracts with Neurotech’s employees. These are described further below.

a) Distribution agreements

Neurotech’s distribution agreements facilitate one of Neurotech’s key revenue streams. Neurotech has a number of such distribution agreements in place, of which the most material is the Italian Distribution Agreement. Refer to Sections 3.6 and 10.3 for further detail.

b) Manufacturing contracts

Neurotech entered into a new manufacturing agreement with a third party manufacturer based in Malta in January 2016, which sub-contracts components of the Mente Autism package to other parties. This contract provides strict manufacturing quality controls based on international standards. Refer to Section 10.7 for further detail.
c) Employment and services contracts with key personnel

Neurotech employs a number of key personnel, who have and will play substantial roles in ensuring the ongoing success of the business, including all the members of the board and executive team as outlined in Section 5. Refer to Section 10.5 for further information on the material terms of engagement of executives.

Refer to Section 10 for summaries of Material Contracts entered into by Neurotech.

3.11 Dividend policy

Neurotech does not expect to pay dividends in the near future as its focus will primarily be on using cash reserves to grow and develop the Neurotech business and its suite of products and services.

Any future determinations as to the payment of dividends by Neurotech will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of Neurotech, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may have franking credits attached.
4. Industry Overview
4 Industry Overview

The Company and Mente technology sit at the confluence of several market forces, including a heightened focus on understanding the brain, the increasing diagnosis of neurological conditions and the increasing adoption of home-based precision healthcare. These important and growing industries, the global neurotechnology market and the self-care or home-based precision healthcare market, are described further below.

4.1 Neurotechnology overview

Neurotechnology can be defined as the technical or computational tools that measure, analyse or alter chemical and electrical signals in the nervous system. The nervous system comprises the brain and spinal cord making up the central nervous system, and the nerves in the peripheral nervous system, which connect the central nervous system to the rest of the body.

The study of how the nervous system develops, its structure, its impact on behavioural and cognitive functions, as well as various neurological, psychiatric and developmental disorders, is the field of neuroscience, as distinct from neurotechnology. Neurotechnology in turn relies on neuroscience findings to assist in measuring, and in certain cases, altering the nervous system.

Neurotechnology has been around since the early 1970s, when the first computerised axial tomography (CAT) scans made semi-detailed pictures of the brain available. It has only been in the last twenty years however, with the advent of detailed brain imaging, that the neurotechnology industry has made significant advances, allowing a deeper understanding of the brain’s capabilities, functions and impact on neurological and psychiatric conditions. Such imaging and measuring techniques include cranial surface measurements and implants, allowing real time tracking of the brain for continuous monitoring and treatment, which can have a multitude of applications, including remote assessments.

From a medical standpoint, companies that operate in the neurotechnology industry can be split into 3 distinct sectors being:

- Neuro-pharmaceutical: includes companies that develop pharmaceuticals and biologics for the brain and nervous system;
- Neuro-devices: includes companies that develop medical devices, stimulators, surgical equipment and specialised software solutions that treat brain and nervous system illness; and
- Neuro-diagnostics: composed of companies providing tools to diagnose and monitor neurological and psychiatric illness.

4.2 Neurotechnology and neuro-device market

The market for neurotechnology has grown significantly in the last decade. This is due to a greater understanding of the neurological system and its impact on mental and physical conditions, improved technologies giving increased access to neurotechnology in the home, and an ageing population, as an older brain is more susceptible to age-related disorders such as Alzheimer’s.

Over two billion people worldwide suffer from a brain or nervous system illness, and the global economic burden of brain-related illness has exceeded US$3 trillion. Furthermore, in 2014, it was estimated that the global neurotechnology industry generated US$169 billion in revenue, comprising US$141.2 billion in neuro-pharmaceuticals, US$10.9 billion in neuro-devices, and US$16.9 billion in neuro-diagnostics.

North America dominates the current global neurotechnology market, accounting for approximately 40% of global revenue. This large portion is primarily due to its presence of sophisticated healthcare infrastructure, strong government initiatives, funding for neurotechnology research and the presence of high patient numbers suffering central nervous
system disorders. The Asia Pacific market for neuroscience is expected to experience significant growth over the next few years due to the large presence of unsatisfied medical needs, increasing awareness regarding nervous system disorders and increasing economic prosperity. The Asia Pacific market for neuroscience is anticipated to grow at a compound annual growth rate of 3% from 2015 to 2020.

In 2014, the global neuro-device market, the sector in which the Company operates, was worth US$10.9 billion in revenue, which represents 8% growth from the previous year. The neuro-device market is estimated to reach US$13.6 billion in 2019, and is the fastest growing segment of the overall medical device industry.

4.3 Government initiatives

In the recent years, there has been a significant growth in the number of government and industry projects and funding initiatives directed towards greater understanding of the human brain. This is largely recognised as the next frontier in scientific discovery (after the Human Genome Project). Such initiatives include, but are not limited to:

- The European Union’s €1.18 billion Human Brain Project, a multi-agency, multi-institutional collaboration spanning public and private sectors. The Human Brain Project aims to put in place cutting-edge, information and communications technology based research infrastructure for brain research, cognitive neuroscience and brain-inspired computing;
- The United States’ US$200 million per year Brain Initiative (Brain Research through Advancing Innovative Neurotechnologies), which is a similar initiative to the European Union’s Human Brain Project. The Brain Initiative is aimed at producing “a revolutionary new dynamic picture of the brain, that for the first time, shows how individual cells and complex neural circuits interact in both time and space”, in order to show “exactly how the brain enables the human body to record, process, utilize, store, and retrieve vast quantities of information, all at the speed of thought”;
- US National Institutes of Health’s neuroscience funding of US$5.4 billion per year. The National Institutes of Health is the largest public funder of biomedical research in the world; and
- Government schemes, such as Australia’s National Disability Insurance Scheme (NDIS), which allows children diagnosed with learning impairments such as autism to qualify for financial assistance.

4.4 Autism spectrum disorder overview

ASD, commonly known as ‘autism’, is a form of neurodevelopmental disorder. It is a lifelong development condition that affects the way an individual relates to his or her environment and their interaction with other people. The word ‘spectrum’ describes the range of difficulties that people with autism may experience and the degree to which they may be affected. It is characterised by difficulties in:

- Learning;
- Social interaction;
- Communication;
- Restricted and repetitive interests and behaviours; and
- Sensory sensitivities.

Each individual is affected differently, from being mildly affected (i.e. highly functioning) to influencing everything they do. It is estimated that one in 68 children are diagnosed with some form of autism, with almost four times as many boys than girls affected.

It is still unclear what causes autism and there is no cure, so early and effective intervention programs are a highly important for individuals to reach their learning potential.
As autism affects each individual and their learning abilities differently, it is critical for children to receive the most effective individual treatment early on. As a result, the majority of child treatments require the heavy involvement of a teacher/parent/carer in one on one tuition in attempting to teach to the individual everyday skills and learnings.

As there is no cure for ASD, the goal of every treatment is to manage or reduce symptoms, lower the risk of additional development delays and improve the lives of those with ASD. Standard treatments are typically divided into:

- Behaviour and communication therapies, which include therapies that provide structure, direction, and organisation for the patient; typically provided by medical centres;
- Educational therapies, such as occupational, sensory or speech therapy, typically provided by special needs schools and autism centres;
- Medication, typically generic neuro-blockers prescribed by medical practitioners; and
- Neurofeedback, including EEG testing and monitoring requiring close clinical supervision, typically provided at clinics.

Given the prevalence of autism, both in adults and children, the addressable market for Neurotech’s flagship product, Mente Autism, is large. For example, within Australia, the best practice management of looking after a child with ASD is estimated at A$50,000 – 60,000 per year; further studies by researchers the University of Pennsylvania and London School of Economics estimate the lifetime cost of autism at US$1.4 – 2.4 million per person.

4.5 Home-based precision health care

The second market that is relevant to Neurotech is the growing market of home-based health care. Health care, and neurotechnology, is today moving towards a precision-based model of personal care, particularly for management of lifestyle conditions and chronic illnesses. This is driven by increased diagnoses and technological advances, enabling hospital grade technology to be adopted in the home, which reduces patients’ medical costs and improves lifestyle.

Examples of such health-care devices initially included devices for the monitoring and treatment of various conditions such as diabetes, asthma, sleep disorders and blood pressure, which now form the primary care used by patients, shifting treatment mode from hospital to home-based healthcare.

With increasing advances in technology and declining costs, the global market revenue for such devices is estimated to grow at a rate of 7% per year, to reach US$16.9 billion in 2019.

4.6 Competitors and barriers to entry

There are no direct competitors to Neurotech’s Mente Autism in the provision of wearable and home-based neurofeedback devices for the management of autism. Other ASD-assisting wearable devices, such as Brain Power LLC, are not based on EEG technology and are designed to assist teaching content only to children with autism, as distinct from improving their mental state through the alteration of brain waves.

Neurotech believes that its research and development conducted to date, the significant in-house technological knowhow, its database of neurological information, the measures undertaken to protect this intellectual property and the relatively lengthy timeframes required to introduce a similar product into the market, including obtaining various regulatory certifications, provide Neurotech with a material competitive advantage and introduce a significant barrier to entry for an alternative company or product to enter the market in a meaningful way.
5. Board & Management
5 Board and Management

5.1 Board

The Company will be managed by the Board of Directors. The Board comprises six Directors, detailed below:

Peter O’Connor - Non-Executive Chairman MA, Barrister-at-Law

Peter O’Connor is an experienced global and regional asset allocation and manager selection adviser for financial institutions, family offices and charities. He was Chairman of a number of publicly quoted investment companies with particular exposure in Asia. Of British/Irish descent, he travels regularly to Asia, Australia and Canada. Mr O’Connor was the Co-Founder and Deputy Chairman of IMS Management Ltd and FundQuest UK Ltd from 1998 to 2008. He has a wealth of global experience in the fund management and private equity industries. He has extensive global experience in the funds management industry, both public and private companies in developed and emerging economies. He has been Non-Executive Director at Northern Star Resources Limited since May 21, 2012.

Peter is a member of the Risk, Nomination & Remuneration and Share Trading Committees.

Peter Griffiths – Deputy Chairman & Non-Executive Director B.Sc. (Hons)

Peter Griffiths has over 20 years of leadership experience in the software industry. As EVP and Group Executive at CA Technologies, he was responsible for investment and strategy across the five business units that drove the company’s leadership in IT Management Cloud, Application Development, Operations, DevOps and Security for enterprise and growth markets. As a member of CA Technologies’ executive management team, Peter also oversaw all aspects of Operations, M&A activity, Industry Solutions, and the CA Technologies Innovation Center, driving mobile-first software products and the transition to SaaS offerings and business models.

Peter is a member of the Audit, Nomination & Remuneration and Risk Committees.

Dr Adrian Attard Trevisan - Founder and Chief Scientific Officer Ph.D. Human Physiology, Ph.D. Neurosciences, Masters Engineering and Audiological Devices

Dr Adrian Attard Trevisan is a neuroscientist and founder of AAT Research, and the key developer of Mente. He holds a Ph.D. in Human Physiology from the Università degli Studi di Milano, Italy; a Ph.D. in Neurosciences from the University of London, UK; and Masters degrees in Engineering and Audiological Sciences. He has worked on international research projects in England and France and has lectured at the University of London and London Metropolitan University, as well as giving guest lectures and presentations at the University of Malta, Oxford University, University of London and Università degli Studi di Milano.

Adrian was made a Research Fellow of the University of Cambridge as part of the Bedfordshire Centre for Mental Health Research. He has benefited from research grants awarded by the Medical Research Council and formed part of research projects under a number of EU funding programmes.

Adrian is a member of the Risk Committee.

Mag. Wolfgang Storf – Chief Executive Officer Master of International Business Administration

Mag. Wolfgang Storf joined Neurotech in 2016 as Chief Executive Officer. He was previously chief strategy officer with the MS Pharma Group, Chief Executive Officer of Novartis-Sandoz in South Africa and held other senior management positions with Novartis-Sandoz, Apotex and Johnson & Johnson in different regions of the world.
Wolfgang is a seasoned senior executive with proven global strategic and execution leadership experience, covering both commercial and technical operations as well as research and development responsibility in multinational and private businesses in the pharmaceutical and medical industry. He has a highly successful record of entering new markets, leading company turnarounds and effectively managing crisis missions.

He also has experience in post-merger integration programs in both branded / un-branded markets, supported by a wide-ranging and broad product expertise.

Wolfgang holds a Masters of International Business Administration from the University of Innsbruck, Austria and Seville, Spain.

Wolfgang is a member of the Risk Committee.

Simon Trevisan - Non-Executive Director B.Ec Lib (Hons), MBT (UNSW)

Simon Trevisan is the managing director of the Transcontinental Group including TRG Properties Pty Ltd. He has 20 years’ experience in public and private investments, corporate finance and management of large public and private businesses. He has been responsible for the funding and management of a number of public companies and TRG Properties’ substantial property investments. His experience includes the establishment and listing of Mediterranean Oil & Gas plc, an AIM listed oil and gas company with production and a substantial oil discovery in Italy. Mr Trevisan was Executive Chairman of ASX listed gold explorer Aurex Consolidated Ltd and a founding executive director of ASX-listed Ausgold Limited and Regalpoint Resources Ltd. He was also responsible for arranging debt funding for the development of in excess of $500 million of property and significantly involved in arranging and drawing down one of the first foreign bank project facilities for a resources development in Indonesia.

He has a Bachelor of Economics and a Bachelor of Laws from the University of Western Australia and a Masters Degree in Business and Technology from the University of New South Wales. Before becoming managing director of the Transcontinental Group, Simon practised as a solicitor with Allens Arthur Robinson Legal Group firm, Parker and Parker, in the corporate and natural resources divisions.

Simon is also currently a director of ASX-listed Regalpoint Resources Ltd, Zeta Petroleum plc and BMG Resources Ltd. He is a board member of not for profit St George’s College Foundation, and St George’s College Inc.

Simon is a member of the Audit and Share Trading Committees.

Cheryl Tan – Non-Executive Director B.Comm, B.Sc (Hons), GradDip (Applied Finance)

Cheryl Tan is an Associate Director with Azure Capital Limited with 10 years’ experience in the corporate advisory and finance industry, advising clients across a wide variety of engagements, including project financing, general corporate advisory and mergers and acquisitions, particularly within the telecommunications, utilities and infrastructure sectors. Recent transactions include arranging debt finance for the acquisition of Perth’s wholesale fruit and vegetable trading market by an industry consortium from the State of Western Australia, takeover defence for iiNet Ltd, Australia’s second largest internet service provider, in relation to its A$1.6 billion scheme of arrangement with TPG Telecom Ltd, and the refinancing of a multi-currency, multi-tranche and multi-option syndicated corporate debt facility for Austal Ltd.

Prior to Azure, Cheryl spent over a year at BankWest, subsidiary of the Halifax Bank of Scotland (Australia) at the time, within the credit risk modelling division, undertaking several aspects of credit risk modelling required to achieve advanced Basel II accreditation.

Cheryl holds a Bachelor of Commerce and a Bachelor of Science from the University of Western Australia, as well as a Graduate Diploma of Applied Finance from Kaplan Professional.

Cheryl is a member of the Audit Committee.
5.2 Independent Directors

Peter O’Connor is considered to be an independent Director because he is free from any business or other relationship with Neurotech that could materially interfere with, or reasonably be perceived to material interfere with, the independent exercise of his judgement as a Director.

5.3 Senior Management

The Company’s senior management presently comprises Mag. Wolfgang Storf (Chief Executive Officer), Dr Adrian Attard Trevisan (Chief Scientific Officer), Mario Raciti (Chief Commercial Officer), Angelica Micallef Trigona (Chief Marketing Officer) and Fleur Hudson (Company Secretary).

Further details for Mario Raciti, Angelica Micallef Trigona and Fleur Hudson are included below:

Mario Raciti - Chief Commercial Officer Dip Paramedic and Nursing

Mario Raciti has over 20 years of experience in the sales and marketing of products and services in the medical industry, encompassing diagnostic, patient monitoring systems, workstations, information systems, and equipment across the neuroscience, cardiology, radiology and homecare industries. This included various roles as country and accounts manager across Germany and Austria, most recently for Natus Medical Incorporated (Europe), a leading provider of medical devices, software and services for newborn care, neurology, sleep and other markets. Prior to that, Mario held similar roles at other medical device and equipment companies such as CareFusion, Weinmann Medical and Welch Allyn.

As a result of his experience, Mario has deep knowledge of various go-to-market models as well as a strong network of key industry stakeholders, including medical professionals, hospital chains and government authorities, particularly in Germany and Austria.

Angelica Micallef Trigona - Chief Marketing Officer BA (Hons)

Angelica Micallef Trigona has over 20 years of marketing and human resource management experience, and joined Neurotech in 2014 as head of marketing and operations. Prior to this Angelica worked in the IT industry for GFI Software, commencing whilst the business was in its start-up phase. In her 15 years at GFI she headed worldwide marketing and human resources teams, as well as various projects and processes. In 2007, she received the Foundation for Human Resources Development (FHRD) Excellence award.

Fleur Hudson - Company Secretary BA, LLB, LLM

Fleur Hudson has a Bachelor of Arts, a Bachelor of Laws and Master of Laws degrees. She has been a Director of Transcontinental Group since 2009 and was appointed as Company Secretary of Ausgold Limited (resigning in November 2011), Regalpoint Resources Limited and BMG Resources Limited in 2010.

Prior to 2009, Fleur practised as a Solicitor with international law firms in Perth and London since 1998. As a Solicitor, she has advised large national and international companies with respects to a variety of civil construction, infrastructure and commercial issues.

Fleur is a member of the Share Trading Committee.
6. Corporate Governance
6 Corporate Governance

The Company’s corporate governance policies and procedures have been designed to be consistent with the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (3rd edition) (Recommendations), and are outlined below.

The Board has adopted the corporate governance policies described below. Copies of the policies are available on Neurotech’s web site at www.neurotechinternational.com.

As Neurotech’s activities develop in size, nature and scope, the implementation of additional corporate governance policies will be given further consideration.

6.1 The Board

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

6.2 Composition of the Board

The Constitution requires a minimum number of three (3) Directors. The maximum number of Directors is fixed by the Board but may not be more than 10, unless the members of the Company in general meeting resolve otherwise.

The relevant provisions in the Constitution, the Corporations Act and the ASX Listing Rules determine the terms and conditions relating to the appointment and termination of Directors. All Directors, other than the Chief Executive Officer, are subject to re-election by rotation every three years.

Identification of potential Board candidates includes consideration of the skills, experience, personal attributes and capability to devote the necessary time and commitment to the role.

6.3 Charters and policies

Set out in the table below is a list of the Company’s corporate governance charters and policies and a brief description of the purpose of each. Copies of the charters and policies are in the Corporate Governance section of the Company’s website.

<table>
<thead>
<tr>
<th>Charter / policy</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Charter</td>
<td>Sets out the various responsibilities of the Board with regard to the overall operation and stewardship of the Company and its subsidiaries.</td>
</tr>
<tr>
<td>Code of Conduct</td>
<td>The Code of Conduct aims to develop a consistent understanding of, and approach to, the desired standards of conduct and behaviour of the Directors, officers, employees and consultants in carrying out their roles for the Company.</td>
</tr>
<tr>
<td>Charter / policy</td>
<td>Purpose</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Continuous Disclosure Policy</td>
<td>The purpose of the Continuous Disclosure Policy is to:</td>
</tr>
<tr>
<td></td>
<td>(a) ensure that the Company, as a minimum, complies with its continuous disclosure obligations under the Corporations Act and the Listing Rules and, as much as possible, seeks to achieve best practice;</td>
</tr>
<tr>
<td></td>
<td>(b) provide Shareholders and the market with timely, direct and equal access to information issued by the Company; and</td>
</tr>
<tr>
<td></td>
<td>(c) promote investor confidence in the integrity of the Company and its securities</td>
</tr>
<tr>
<td>Securities Trading Policy</td>
<td>States the requirements for all Directors, senior executives, employees and consultants of the Company dealing in the Company's Shares.</td>
</tr>
<tr>
<td>Shareholder Communication Policy</td>
<td>States the processes through which the Company will endeavour to ensure timely and accurate information is provided to all Shareholders and the broader market.</td>
</tr>
<tr>
<td>Risk Management Policy</td>
<td>The purpose of the Risk Management Policy is to:</td>
</tr>
<tr>
<td></td>
<td>(a) provide a framework for identifying, assessing, monitoring and managing risk;</td>
</tr>
<tr>
<td></td>
<td>(b) communicate the roles and accountabilities of participants in the risk management system; and</td>
</tr>
<tr>
<td></td>
<td>(c) highlight the status of risks to which the Company is exposed, including any material changes to the Company's risk profile.</td>
</tr>
<tr>
<td>Diversity Policy</td>
<td>The Company has adopted a Diversity Policy to encourage the creation of a workplace where well qualified management are appointed and with a corporate culture of diversity in composition of executives, management and employees.</td>
</tr>
<tr>
<td>Audit Committee Charter</td>
<td>States the roles and responsibilities of the Audit Committee, which oversees the Company's internal and external audit functions. The primary objectives of the Audit Committee are to assist the directors of the Company to discharge their obligations with respect to:</td>
</tr>
<tr>
<td></td>
<td>(a) the integrity and quality of interim and annual financial reporting and disclosures;</td>
</tr>
<tr>
<td></td>
<td>(b) identification of key business, financial and regulatory risks;</td>
</tr>
<tr>
<td></td>
<td>(c) compliance with relevant laws, regulations, standards and codes;</td>
</tr>
<tr>
<td></td>
<td>(d) the adequacy of the internal control framework; and</td>
</tr>
<tr>
<td></td>
<td>(e) the integrity of internal and external audit.</td>
</tr>
</tbody>
</table>
### Charter / policy

<table>
<thead>
<tr>
<th>Charter / policy</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nomination Committee Charter</strong></td>
<td>Sets out the roles and responsibilities of the Nomination Committee, which is responsible for the selection of Directors. The Nomination Committee is a sub-committee of the Board and makes recommendations to the Board in relation to matters of Director selection, nomination and appointment.</td>
</tr>
<tr>
<td><strong>Remuneration Committee Charter</strong></td>
<td>Sets out the roles and responsibilities of the Remuneration Committee, which oversees the remuneration policies and practices of the Company, including those of the Chief Executive Officer and executive management, to ensure that they are fair and meet market conditions. The Remuneration Committee is a sub-committee of the Board and makes recommendations to the Board in relation to matters of remuneration.</td>
</tr>
</tbody>
</table>

### 6.4 Corporate governance compliance with ASX recommendations

The Company sets out below its “if not, why not” report in relation to those matters of corporate governance where the Company’s practice departs from the Recommendations to the extent that they are currently applicable to the Company.

<table>
<thead>
<tr>
<th>ASX Principle and Recommendation</th>
<th>Compliance (Yes/No)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principle 1: Lay solid foundations for management and oversight</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Recommendation 1.1</strong></td>
<td>Yes</td>
<td>The Company has adopted a Board Charter which discloses the roles and responsibilities of the Board and senior management.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Under the Board Charter, the Board is responsible for charting the direction, strategies and financial objectives for the Company, monitoring the implementation of those policies, strategies and financial objectives, and monitoring compliance with regulatory requirements and ethical standards.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The Board Charter is available on the Company’s website.</td>
</tr>
<tr>
<td><strong>Recommendation 1.2</strong></td>
<td>Yes</td>
<td>The Company conducts specific checks of candidates prior to their appointment or nomination for election by shareholders.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The Company will include in its notices of meeting a brief biography of each Director who stands for election or re-election. The biography sets out the relevant qualifications and professional experience of the nominated Director for consideration by shareholders. This information is also included on the Company’s website.</td>
</tr>
<tr>
<td>ASX Principle and Recommendation</td>
<td>Compliance (Yes/No)</td>
<td>Explanation</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>---------------------</td>
<td>-------------</td>
</tr>
<tr>
<td><strong>Recommendation 1.3</strong></td>
<td>Yes</td>
<td>The Company engages or employs its Directors and other senior executives under written agreements setting out key terms and otherwise governing their engagement or employment by the Company. The Chief Executive Officer is employed pursuant to a written employment agreement with the Company and each non-executive Director is engaged under a letter of appointment.</td>
</tr>
<tr>
<td><strong>Recommendation 1.4</strong></td>
<td>Yes</td>
<td>The Company Secretary reports directly, and is accountable, to the Board through the Chairman in relation to all governance matters. The Company Secretary advises and supports the Board members on general governance matters, implements adopted governance procedures, and coordinates circulation of meeting agendas and papers.</td>
</tr>
<tr>
<td><strong>Recommendation 1.5</strong></td>
<td>Yes</td>
<td>The Company has adopted a Diversity Policy. The Diversity Policy sets out the beliefs, goals and strategies of the Company with respect to diversity within the Company. The Company sets measurable objectives for achieving diversity and discloses its progress towards achieving them. The Diversity Policy is available on the Company’s website.</td>
</tr>
<tr>
<td>ASX Principle and Recommendation</td>
<td>Compliance (Yes/No)</td>
<td>Explanation</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>---------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Recommendation 1.6</td>
<td>No</td>
<td>The Company does not currently have in place a formal process for evaluation of the Board, its committees and individual Directors. However, the Company has established a Nomination and Remuneration Committee whose role includes reviewing and making recommendations to the Board in relation to the development and implementation of a process for evaluating the performance of the Board, its committees and directors. In addition, performance evaluation is a discretionary matter for consideration by the entire Board and in the normal course of events the Board will review performance of senior management, Directors and the Board as a whole.</td>
</tr>
<tr>
<td>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recommendation 1.7</td>
<td>Yes</td>
<td>The Company does not have in place a formal process for evaluation of its key executives. However, the performance of key executives is measured annually and assessed against performance criteria set by the Board. Further, the Company’s Nomination Committee Charter provides that the committee shall report annually to the Board on its roles and responsibilities, including the development and implementation of a process for evaluating the performance of the Board, its committees and directors. The Company will disclose if a performance evaluation has been conducted.</td>
</tr>
<tr>
<td>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASX Principle and Recommendation</td>
<td>Compliance (Yes/No)</td>
<td>Explanation</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>---------------------</td>
<td>-------------</td>
</tr>
<tr>
<td><strong>Principal 2: Structure the Board to add value</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Recommendation 2.1</strong></td>
<td>No</td>
<td>The Company has a Nomination and Remuneration Committee. The role of the committee includes reviewing and making recommendations to the Board in relation to board succession planning generally, the process for recruiting new directors and the appointment and re-election of directors. Candidacy for the Board is based on merit against objective criteria with a view to maintaining an appropriate balance of skills and experience. As a matter of practice, candidates for the office of Director are individually assessed by the Chairman and the Chief Executive Officer before appointment or nomination to ensure that they possess the relevant skills, experience, personal attributes and capability to devote the necessary time and commitment to the role. The Nomination and Remuneration Committee currently comprises the Chairman of the Board, Mr Peter O’Connor and non-executive Director, Mr Peter Griffiths. The Nomination Committee Charter is available on the Company’s website.</td>
</tr>
<tr>
<td>The board of a listed entity should:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) have a nomination committee which:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) has at least three members, a majority of whom are independent directors; and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) is chaired by an independent director,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and disclose:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) the charter of the committee;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) the members of the committee; and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Recommendation 2.2</strong></td>
<td>No</td>
<td>The Company does not currently have a skills or diversity matrix in relation to the Board members. The Board considers that such a matrix is not necessary given the current size and scope of the Company’s operations. The Board may adopt such a matrix at a later time as the Company’s operations grow and evolve.</td>
</tr>
<tr>
<td>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Recommendation 2.3

A listed entity should disclose:

(a) the names of the directors considered by the board to be independent directors;

(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and

(c) the length of service of each director.

<table>
<thead>
<tr>
<th>Compliance</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Disclosure of the names of Directors considered by the Board to be independent will be provided in the annual report. The current independent Director is Peter O’Connor. Details of the Director’s interests, positions, associations and relationships are provided in this Prospectus. The length of service of each Director will be provided in the annual report.</td>
</tr>
</tbody>
</table>

## Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

<table>
<thead>
<tr>
<th>Compliance</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>The Board is not comprised of a majority of independent directors. Currently, there is only one Director who satisfies the criteria for independence for the purposes of ASX Recommendation 2.4, being Peter O’Connor.</td>
</tr>
</tbody>
</table>

## Recommendation 2.5

The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

<table>
<thead>
<tr>
<th>Compliance</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>The Chairman of the Board (Peter O’Connor) is an independent Director.</td>
</tr>
</tbody>
</table>

## Recommendation 2.6

A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

<table>
<thead>
<tr>
<th>Compliance</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>The Company does not currently have a formal induction program for new Directors nor does it have a formal professional development program for existing Directors. The Board does not consider that a formal induction program is necessary given the current size and scope of the Company’s operations. All Directors are generally experienced in company operations, albeit in different aspects (e.g. operations, finance, corporate governance etc.), and have listed company experience. Some of the current Directors are also directors of other listed companies. The Board seeks to ensure that all of its members understand the Company’s operations. Directors also attend, on behalf of the Company and otherwise, technical and commercial seminars and industry conferences which enable them to maintain their understanding of industry matters and technical advances.</td>
</tr>
<tr>
<td>ASX Principle and Recommendation</td>
<td>Compliance (Yes/No)</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Principal 3: Act ethically and responsibly</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Recommendation 3.1**
A listed entity should:
(a) have a code of conduct for its directors, senior executives and employees; and
(b) disclose that code or a summary of it.

| Principal 4: Safeguard integrity in corporate reporting | No | The Company has an audit committee comprised of three non-executive, non-independent directors, being Mr Peter Griffiths, Mr Simon Trevisan and Ms Cheryl Tan. The Company's Audit Committee Charter sets out the purpose and functions of the audit committee. The qualifications, experience and attendance record of audit committee members are disclosed in each year's annual report. The Audit Committee Charter is available on the Company's website. |

**Recommendation 4.1**
The board of a listed entity should:
(a) have an audit committee which:
   (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
   (2) is chaired by an independent director, who is not the chair of the board, and disclose:
   (3) the charter of the committee;
   (4) the relevant qualifications and experience of the members of the committee; and
   (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.
<table>
<thead>
<tr>
<th>ASX Principle and Recommendation</th>
<th>Compliance (Yes/No)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation 4.2</strong></td>
<td>Yes</td>
<td>As a matter of practice, the Company obtains declarations from its Chief Executive Officer and Company Secretary before its financial statements are approved substantially in the form referred to in Recommendation 4.2.</td>
</tr>
<tr>
<td><strong>Recommendation 4.3</strong></td>
<td>Yes</td>
<td>It is the Company’s practice to request its external auditor to attend each annual general meeting of the Company and be available to answer questions from shareholders in relation to the conduct of the audit and the preparation and content of the auditor’s report.</td>
</tr>
<tr>
<td><strong>Principal 5: Make timely and balanced disclosure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Recommendation 5.1</strong></td>
<td>Yes</td>
<td>The Company has adopted a Continuous Disclosure Policy. The Company is a “disclosing entity” pursuant to section 111AR of the Corporations Act and, as such, is required to comply with the continuous disclosure requirements of Chapter 3 of the Listing Rules and section 674 of the Corporations Act. The Company is committed to observing its disclosure obligations under the Corporations Act and its obligations under the Listing Rules. All announcements provided to ASX are posted on the Company’s website. The Continuous Disclosure Policy is available on the Company’s website.</td>
</tr>
<tr>
<td><strong>Principal 6: Respect the rights of security holders</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Recommendation 6.1</strong></td>
<td>Yes</td>
<td>Information about the Company, including its corporate governance and copies of its various corporate governance policies and charters, is available on the Company’s website.</td>
</tr>
<tr>
<td>ASX Principle and Recommendation</td>
<td>Compliance (Yes/No)</td>
<td>Explanation</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>---------------------</td>
<td>-------------</td>
</tr>
</tbody>
</table>
| **Recommendation 6.2**           | Yes                 | The Company has adopted a Shareholder Communications Policy, the purpose of which is to facilitate the effective exercise of shareholders’ rights by communicating effectively with shareholders, giving shareholders ready access to balanced and understandable information about the Company and its corporate strategies and making it easy for shareholders to participate in general meetings of the Company.

The Company communicates with shareholders:

(a) through releases to the market via the ASX;

(b) through the Company’s website;

(c) through information provided directly to shareholders; and

(d) at general meetings of the Company.

The Shareholder Communications Policy is available on the Company’s website. |
| **Recommendation 6.3**           | Yes                 | The Company supports shareholder participation in general meetings and seeks to provide appropriate mechanisms for such participation, including by ensuring that meetings are held at convenient times and places to encourage shareholder participation.

In preparing for general meetings of the Company, the Company will draft the notice of meeting and related explanatory information so that they provide all of the information that is relevant to shareholders in making decisions on matters to be voted on by them at the meeting. This information will be presented clearly and concisely so that it is easy to understand and not ambiguous.

The Company will use general meetings as a tool to effectively communicate with shareholders and allow shareholders a reasonable opportunity to ask questions of the Board of Directors and to otherwise participate in the meeting.

Mechanisms for encouraging and facilitating shareholder participation will be reviewed regularly to encourage the highest level of shareholder participation. |
**Recommendation 6.4**

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

**Compliance (Yes/No)** Yes

**Explanation**

The Company considers that communicating with shareholders by electronic means is an efficient way to distribute information in a timely and convenient manner.

The Company provides new shareholders with the option to receive communications from the Company electronically and the Company encourages them to do so. Existing shareholders are also encouraged to request communications electronically.

All shareholders that have opted to receive communications electronically are provided with notifications by the Company when an announcement or other communication (including an annual reports and notice of meeting) is uploaded to the ASX announcements platform.

---

**Principal 7: Recognise and manage risk**

**Recommendation 7.1**

The board of a listed entity should:

(a) have a committee or committees to oversee risk each of which:

1. has at least three members, a majority of whom are independent directors; and
2. is chaired by an independent director,

and disclose

3. the charter of the committee;
4. the members of the committee; and
5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity’s risk management framework.

**Compliance (Yes/No)** No

**Explanation**

The Company has established a separate Risk Committee.

The Risk Committee comprises Mag. Wolfgang Storf (Chief Executive Officer), Dr Adrian Attard Trevisan (Founder and Chief Scientific Officer), Mr Peter Griffiths (Non-Executive Director) and Mr Peter O’Connor (Chairman). One of Mr Griffiths or Mr O’Connor is to be present at each Risk Committee meeting.

Mr Peter O’Connor is the only member of the Committee that is considered to be an independent director for the purposes of ASX Recommendation 2.3.
<table>
<thead>
<tr>
<th>ASX Principle and Recommendation</th>
<th>Compliance (Yes/No)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation 7.2</strong>&lt;br&gt;The board or a committee of the board should:&lt;br&gt;(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and&lt;br&gt;(b) disclose, in relation to each reporting period, whether such a review has taken place.</td>
<td>Yes</td>
<td>The Board has responsibility for the monitoring of risk management and will review the Company’s risk management framework on an annual basis to ensure the Company’s risk management framework continues to be effective. Disclosure of the outcome of the annual risk management review will be included in the annual report.</td>
</tr>
<tr>
<td><strong>Recommendation 7.3</strong>&lt;br&gt;A listed entity should disclose:&lt;br&gt;(a) if it has an internal audit function, how the function is structured and what role it performs; or&lt;br&gt;(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</td>
<td>Yes</td>
<td>The Company has established an audit committee as a sub-committee of the Board. The audit committee is charged with evaluating and considering improvements to the Company’s risk management and internal control processes on an ongoing basis. The Company’s Audit Committee Charter will be published on the Company’s website.</td>
</tr>
<tr>
<td><strong>Recommendation 7.4</strong>&lt;br&gt;A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</td>
<td>Yes</td>
<td>The Company’s primary activity is the research, design, marketing and sale of wearable technology devices. These activities do not expose the Company to any particular economic, environmental or social sustainability risks not faced by all other participants in an open economy.</td>
</tr>
</tbody>
</table>
### Principal 8: Remunerate fairly and responsibly

<table>
<thead>
<tr>
<th>ASX Principle and Recommendation</th>
<th>Compliance (Yes/No)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation 8.1</strong>&lt;br&gt;The board of a listed entity should:&lt;br&gt;(a) have a remuneration committee which:&lt;br&gt;  (1) has at least three members, a majority of whom are independent directors; and&lt;br&gt;  (2) is chaired by an independent director,&lt;br&gt; and disclose:&lt;br&gt;  (3) the charter of the committee;&lt;br&gt;  (4) the members of the committee; and&lt;br&gt;  (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or&lt;br&gt; (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</td>
<td>No</td>
<td>The Company has established a separate remuneration committee, comprised of the Chairman of the Board, Mr Peter O’Connor, and non-executive Director, Mr Peter Griffiths. Mr Peter O’Connor is an independent Director.&lt;br&gt;The role of the remuneration committee includes reviewing and making recommendations to the Board in relation to the Company’s remuneration framework for Directors and senior executives.&lt;br&gt;The Remuneration Committee Charter is available on the Company’s website.</td>
</tr>
<tr>
<td><strong>Recommendation 8.2</strong>&lt;br&gt;A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</td>
<td>Yes</td>
<td>The Company’s policies and practices regarding the remuneration of Executive and Non-Executive Directors and other senior executives is set out in the Remuneration Report contained in the Company’s Annual Report for each financial year.</td>
</tr>
</tbody>
</table>
### Recommendation 8.3

A listed entity which has an equity-based remuneration scheme should:

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary of it.

<table>
<thead>
<tr>
<th>ASX Principle and Recommendation</th>
<th>Compliance (Yes/No)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation 8.3</strong></td>
<td>Yes</td>
<td>The Company’s Securities Trading Policy sets out the circumstances in which the Company’s directors, executives, employees, contractors, consultants and advisors (Designated Persons) are prohibited from dealing in the Company’s securities. The policy provides that where a Designated Person is entitled to equity-based remuneration arrangements, that Designated Person must not at any time enter into a transaction (e.g. writing a call option) that operates or is intended to operate to limit the economic risk of holdings of unvested Company securities or vested Company Securities which are subject to a holding lock. The Directors note that there is no market for exchange-traded options in respect of the Company’s securities and, for all practical purposes, there is no capacity for scheme participants to directly limit the economic risk associated with their holdings of Company securities pursuant to the Company’s equity-based remuneration scheme. The Securities Trading Policy is available on the Company’s website.</td>
</tr>
</tbody>
</table>

The Securities Trading Policy is available on the Company’s website.
7. Risk Factors
7 Risk Factors

7.1 Introduction

Investors wishing to subscribe for Securities should read this Prospectus in its entirety in order to make an informed assessment of the effect of the issue of Securities on the Company and the rights attaching to Securities offered by this Prospectus.

Investors should carefully consider whether Securities in the Company are an appropriate investment for them and should appreciate that share prices can fall as well as rise.

Securities offered by this Prospectus should be viewed as speculative and whilst the Directors commend the Offers, investors should be aware of, and take into account, the risk factors involved.

This Section is not intended to be an exhaustive list of the considerations to be taken into account by investors in deciding whether to subscribe for Securities, nor all of the risk factors to which the Company is exposed. Some of these risks can be mitigated by the use of safeguards and appropriate systems and actions, but many are outside the control of the Company and cannot be mitigated.

There are risks associated with investing in any form of business and with investing in the share market generally. All investors should consult their professional advisers if they are in any doubt as to any aspect of this Prospectus, the Offers or any matter relating to an investment in the Company.

7.2 Company specific risks

The following risks have been identified as being key risks specific to an investment in the Company. These risks have the potential to have a significant adverse impact on the Company and may affect the Company’s financial position, prospects and price of its listed securities.

(a) Competition and new technologies

The industry in which the Company is involved is subject to increasing domestic and international competition which is fast-paced and fast-changing. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of the Company’s business. For instance, new technologies could overtake the advancements made by the Company’s products. In that case, the Company’s revenues and profitability could be adversely affected.

(b) Key distributor risk

As described in Section 3.6, the Company’s most material distribution agreement is the Italian Distribution Agreement, which contains minimum purchase quantities over specified timeframes. If the Italian distributor became insolvent, fails to meet its obligations under the agreement or the contract is terminated for any other reason, this would have a negative impact on the Company’s cash flows and profitability, particularly in the short to medium term when this contract is expected to be the Company’s main source of potential income as the Company seeks to develop other revenue streams in alternative markets.

In addition, a key pillar of the Company’s current sales strategy and business model involves the use of distributor agreements, and the sales of Mente Autism for areas covered by the agreements hinge on the distributors’ ability to, and success in, selling Mente Autism. There is a risk that the distributors’ local engagement and progress is poor, which would negatively affect sales and market penetration in those areas.
(c) Commercialisation risk

Neurofeedback is viewed as a relatively new treatment method for management of autism and other neurological disorders, and the scale of its use and potential as a medical therapy may not be fully understood by the Company's target markets, which will negatively impact on adoption and take-up rates.

There is a risk that these conditions persist, and that marketing, education and public awareness campaigns are not effective, despite the considerable investment that is currently envisaged by the Company. There is also a risk that the cost and time required in penetrating these new markets are greater than as estimated. These conditions will contribute to the risk that the Company is unable to successfully attract sufficient customers, to commercialise and sell a sufficient volume of products over an expected timeframe, in order to be profitable to fund future operations.

(d) No profit to date and limited operating history

Neurotech has incurred losses since its inception and has changed the scale of its business operations. It is therefore not possible to evaluate its prospects based on past performance. Since the Company intends to invest in the commercial development of Mente, the Directors anticipate making further losses in the foreseeable future.

While the Directors have confidence in the future revenue-earning potential of the Company, there can be no certainty that the Company will achieve or sustain profitability or achieve or sustain positive cash flow from its operating activities.

(e) Manufacturing and product quality risk

Neurotech's Mente product has not yet been produced on a large scale. If Neurotech or its suppliers are unable to manufacture products in sufficient quantities or at an appropriate cost level, it may not be able to meet demand for its products which may adversely impact its clinical study patient enrolment timeline and/or its sales revenue objectives.

Neurotech's products must also meet the regulatory requirements which are subject to continual review, including inspections by regulatory authorities. Failure by the Neurotech or its suppliers to continuously comply with applicable regulatory requirements or failure to take satisfactory corrective action in response to adverse inspection, could result in enforcement actions, including a public warning letter, a shutdown of, or restrictions on, its manufacturing operations, delays in approving or clearing products, refusal to permit the import or export of its products or other enforcement action.

(f) Infringement of third-party intellectual property

Whilst Neurotech has secured four granted patents (the granted Maltese Patents) in Malta, these have not been the subject of prior art searching or substantive examination proceedings to assess novelty or inventive step by the Maltese Patent Office, as this is not a pre-grant requirement to obtain patent protection in Malta.

While Neurotech does not believe that it is currently using any third party patent or other intellectual property rights and does not believe that its activities infringe any third party patent or other intellectual property rights, there is a risk that:

1) granted patents have been secured or are being pursued in Malta and/or elsewhere which could restrict Neurotech's activities in those jurisdictions;

2) information made public before the priority date of the Maltese Patents could affect the validity of those patents if they were subject to scrutiny having regard to novelty and/or inventive step.
To date, to our knowledge, no third party has enforced against Neurotech, sought to enforce against Neurotech, or otherwise drawn Neurotech’s attention to any patent or other intellectual property right (registered or otherwise). However, if a third-party were to accuse Neurotech of infringing any patent or other intellectual property right (registered or otherwise), or if a third-party were to commence litigation against Neurotech for patent infringement and/or infringement of any other intellectual property right held by that party, Neurotech may incur significant costs in defending such action(s), whether or not it ultimately prevails. Costs that Neurotech incurs in defending third party infringement actions would also include diversion of management’s and technical personnel’s time.

In addition, third parties making claims against Neurotech may be able to obtain injunctive or other equitable relief that could prevent Neurotech from further developing discoveries or commercialising its products. In the event of a successful claim of infringement being found against Neurotech, it may be liable for damages or an account of profits. Furthermore, Neurotech may be required to obtain one or more licenses from the prevailing third party. If Neurotech is unable to obtain these licenses at a reasonable cost, or at all, it could encounter delays in product introductions and loss of substantial resources while it attempts to develop alternative products. Defence of any lawsuit or failure to obtain any such licenses could prevent Neurotech from commercialising available products and could cause it to incur substantial cost.

(g)   Intellectual property protection

As more than 12 months has lapsed since the granted Maltese Patents were originally filed (the timeframe within which additional jurisdictional protection can be sought), Neurotech is now unable to validly seek, or to validly continue to seek, patent protection in any foreign jurisdiction (including Malta) in relation to the technology described in these patents. As such, Neurotech would be unable to prevent other parties from adopting the technology described in the granted Maltese Patents outside of Malta by corresponding patents in other jurisdictions.

To the extent third parties might seek to secure protection for technology the same or similar to that described in the granted Maltese Patents, publication of the granted Maltese Patents will, in effect, serve as prior art information for any registered intellectual property rights sought after the relevant publication date, thereby potentially increasing the burden on third parties in pursuing such protection. However, the same would also be true for efforts by Neurotech to secure registered intellectual property rights directed to inventions/innovations it develops over the technology the subject of the granted Maltese Patents.

While the commercial success of any of Neurotech’s future products may rely upon the ability to pursue and maintain patent protection for developments on its existing technology, there is no guarantee that any such applications will lead to valid granted patents. Instead, a substantial majority of Neurotech’s current intellectual property and trade secrets lie in its software, algorithms and database of neurological information which evolve on a continual basis and are protected through various security measures rather than through a suite of patents, and Neurotech may continue to adopt this approach into the future.

Notwithstanding the above, in general the defence and prosecution of intellectual property rights are costly and time consuming and their outcome is uncertain.

(h)   US Clinical Trial risk

A core workstream for Neurotech is to progress its fully independent US Clinical Trial, which is currently underway. Whilst Mente 2.0 is currently listed with the FDA as a Neurological Biofeedback Medical Device, a successful clinical trial will be necessary to assist Neurotech with applying for FDA registration for Mente Autism, and enable Neurotech to make additional claims in the United States as to the efficacy of Mente Autism in relation to the treatment and management of autism.

Such trials can be expensive, time consuming and may be delayed or may fail. The success of the US Clinical Trial, and indeed, any clinical trial, can be impacted by a number of factors, including slower than expected recruitment or failure to recruit a sufficient number of patients,
failure to meet trial end-points, lack of product effectiveness during the trial, safety issues and modifications to trial protocols or changes to regulatory requirements for this. The US Clinical Trial may also be delayed, suspended or terminated due to decisions by the institutional review board responsible for oversight of the trial.

In addition, the success of previous user studies and pilot studies may not necessarily be predictive of the results obtained in the US Clinical Trial or any future clinical trial.

Importantly, Neurotech has already received the European CE Marking as a Class IIa medical device and FDA listing as a Neurological Biofeedback Medical Device for Mente 2. It is expecting to receive CE Marking for Mente Autism, which allows Mente Autism to be readily marketed in the Company’s first key geographical focus in Europe.

(i) Regulatory risk

Mente Autism is subject to various regulatory and registration requirements which will be required for clearance of the product. Regulatory approvals may be time consuming and their outcomes are uncertain. There is no guarantee that Neurotech will obtain all necessary regulatory approvals for Mente Autism in each jurisdiction that Neurotech seeks to operate in. There is also no guarantee Neurotech will obtain necessary approvals for future products in the markets that Neurotech plans to commercialise.

Importantly, Neurotech has already received the European CE Marking as a Class IIa medical device and FDA listing as a Neurological Biofeedback Medical Device for Mente 2. It is also expecting to receive CE Marking for Mente Autism. Subject to favourable outcomes from the US Clinical Trial and final confirmation, the Company expects to follow a 510(k) regulatory process for FDA registration of the Mente Autism device. This will require a pre-market submission to be made to the FDA to legally market the device as being effective for the treatment and management of autism. The submission must demonstrate that the device to be marketed is at least as safe and effective (that is, substantially equivalent), to a device that has already been legally marketed without Premarket Approval. There is some uncertainty regarding regulatory submissions and updates that, although unlikely, may delay the Company’s approvals.

In addition, there is a risk that regulatory requirements for medical device approvals may change in the future, which may make it more difficult for approvals to be secured for Mente Autism and future products in the relevant jurisdictions.

(j) Maintenance of database

Neurotech maintains a confidential database of users and electronic neurological information, including EEG profiles, which it considers to be a key asset. Interactions and results of users’ sessions are recorded on the database, and such information is available to certain divisions of Neurotech, as well as clinicians. Any disruption to the database would have a detrimental impact on the way Neurotech conducts its day-to-day business and have potential implications in relation to breaches of privacy for private user data held in its database.

(k) Hacker attacks

Neurotech primarily relies upon the availability of its website and software platform to provide services to users and attract new users. Hackers could render the website or software unavailable through a disrupted denial of service or other disruptive attacks. Neurotech’s mitigation strategies to potential hacker attacks include:

- Hosting its website and database using the cloud computing and web hosting services provided by BMIT Ltd (Malta), which features multiple independent data centres utilising state of the art built-in firewalls, automatic back-up and disaster recovery features, automatic security updates and SSL and HTTPS security protocols;
- Regular internal training, education and continuous monitoring to maintain best practice procedures in data security and hacker attack protection;
• Software used to detect, redirect and block attacks from servers; and
• Disaster recovery plans and escalation procedures.

Although Neurotech has strategies and technology in place to minimise such attacks, these strategies may not be successful. Continuous advancements in hacker technology and methods do require the Company to continuously test, update and audit the deployed hacker prevention strategies. Unavailability of the website and database could lead to a loss of revenues for the Company. Further, it could hinder the Company’s abilities to retain existing customers or attract new customers, which would have a material adverse impact on the Company’s growth.

(l) Supplier risk

Neurotech’s contracts with key suppliers are generally standard in nature, in the form of purchase order arrangements that are common to medical device firms in the early stages of commercialisation. As Neurotech moves further into its commercialisation phase, it will increasingly rely on its key suppliers for the Mente products components. A disruption at one of its key suppliers could cause a substantial delay in availability of the Company’s products, leading to a potential loss of sales. Specifically, if Mente were no longer available from Neurotech’s current supplier, the Company would need to find an alternate supplier. Development of key manufacturing processes along with process validation testing, device verification testing, and regulatory approvals required for a manufacturing change could take a significant time to complete.

(m) Liability claims

Neurotech may be exposed to liability claims if its products or services are provided in fault and/or cause significant harm to its customers. As a result, the Company may have to expend significant financial and managerial resources to defend against such claims. If a successful claim is made against the Company, it may be fined or sanctioned and its reputation and brand may be negatively impacted, which could materially and adversely affect its reputation, business prospects, financial condition and results of operation.

(n) Customer services risk

Customers may need to engage with Neurotech’s customer service personnel in certain circumstances, including on queries in relation to Neurotech’s services or if there is a dispute between a customer and Neurotech. Neurotech needs to recruit and retain staff with interpersonal skills sufficient to respond appropriately to customer service requests. Poor customer experience may result in the loss of customers. If Neurotech loses key customers service personnel, or fails to provide adequate training and resources for such personnel, this could lead to adverse publicity, litigation, regulatory enquiries and/or a decrease in customers, all of which may negatively impact on the Company’s earnings.

(o) Special reputational risks

Neurotech operates in a fast-changing environment, and negative publicity can spread quickly, whether true or false. Negative comments by disgruntled customers about Neurotech (or its products) may have a disproportionate effect of Neurotech’s reputation and its ability to earn revenues and profits. Additionally, complaints by such customers can lead to additional regulatory scrutiny and a consequential increase in compliance burden in responding to regulatory inquiries. This could negatively impact on the Company’s profitability.

(p) Reliance on key personnel

Neurotech’s success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including sub-contractors. The Company has a small management team and the loss of the services of such personnel could have an adverse effect on the Company at this stage of its development.
Limited sales, marketing and distribution resources

Neurotech currently has limited marketing resources and will need to commit significant resources to developing sales, distribution and marketing capabilities. The majority of sales undertaken to date have been done via third party distributors and it is likely most new markets which Neurotech enters into will also entail the use of a distributor. Neurotech will need to ensure compliance with all legal and regulatory requirements for sales, marketing and distribution in each relevant market. There is a risk that the Company will be unable to develop sufficient sales, marketing and distribution capacity to effectively commercialise its products.

Trademark risk

Neurotech plans to market its initial product under the trademarked name of Mente Autism, which it will seek. While Neurotech currently holds registrations for trademarks for the Mente logo in Europe, which is the first region of focus that the Company is targeting, the risk of trademark infringement may force Neurotech to change its main product name. At present however, Neurotech believes that the Mente brand has limited commercial value, and does not anticipate a name change, if required, as being detrimental to the continued success of Neurotech.

Future capital requirements

Neurotech’s ongoing activities are likely to require substantial further financing in the future for its business activities, in addition to amounts raised pursuant to the Share Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offer Price or may involve restrictive covenants which limit Neurotech’s operations and business strategy.

Although the Directors believe that additional capital can be obtained, there can be no assurance that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and which may result in a material adverse effect on the Company’s activities and its ability to continue as a going concern.

Liquidity and volatility

On listing on the ASX, the Company will be a small company in terms of its market capitalisation. Investment in its Securities will be regarded as speculative and the Company will have a narrow shareholder base. As a consequence of such, there is a risk, particularly in times of share market turbulence or negative investor sentiment, that there will not be a highly liquid market for the Company’s Shares or that the price of the Company’s Shares may decrease considerably. There may be relatively few buyers or sellers of securities on ASX at any given time and the market price may be highly volatile. This may result in Shareholders wishing to sell their Shares in the Company in circumstances where they may receive considerably less than the price paid under the Share Offer (where applicable).

Foreign exchange risk

If Neurotech has costs and expenses in other jurisdictions, such as the United States of America or Europe, then they will likely be denominated in foreign currency. Accordingly, the depreciation and/or the appreciation of the relevant foreign currency relative to the Australian currency would result in a translation loss on consolidation which is taken directly to shareholder equity. Movements of the foreign currency relative to the Australian currency may result in lower than anticipated revenues, profit and earnings. Neurotech could be affected on an ongoing basis by foreign exchange risks between the Australian dollar and the relevant foreign currency, and will have to monitor this risk on an ongoing basis.
(v) No independent valuation

No independent valuation has been carried out on Neurotech or its products. Valuations of medical device products before commercial use are imprecise. The Directors do not believe that an independent valuation would be meaningful given the likely qualifications and limitations of such valuations and the difficulties in determining the likely commercial success of Neurotech and its products.

7.3 General investment risks

The business activities of Neurotech are subject to various general economic and investment risks that may impact on the future performance of Neurotech. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of Neurotech and cannot be mitigated. There are a number of general economic and investment risk factors that apply to companies generally and may include economic, financial, market or regulatory conditions. These risk factors include, but are not limited to, the following:

(a) General economic conditions

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

(b) Equity market conditions

Shares listed on the securities market, and in particular securities of small companies at any early stage of commercial development, can experience extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. These market conditions may affect the value of the Company's quoted Shares regardless of the Company's operating performance.

General factors that may affect the market price of securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(c) Changes in government policy & legislation

Any material adverse changes in relevant government policies or legislation of Australia or internationally may affect the viability and profitability of the Company, and consequent returns to investors.

(d) Investment risk

The Securities offered pursuant to this Prospectus should be considered speculative due to the nature of the Company's business. There is no guarantee as to payment of dividends, return of capital or the market value of Securities. In particular, the prices at which an investor may be able to trade Shares may be above or below the price paid for those Shares.

Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.
(e) Insurance

Neurotech intends to adequately insure its operations in accordance with industry practice. However, in certain circumstances, the Company’s insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or only partially covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(f) Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Securities under this Prospectus.

Changes in tax legislation and regulation or their interpretation may adversely affect the value of an investment in the Company and may affect Shareholders differently.

(g) Accounting Standards

Changes in accounting standards or the interpretation of those accounting standards that occur after the date of this Prospectus may adversely impact the Company’s reported financial statements.

(h) Other

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.
8. Intellectual Property Report
Dear Sirs

Intellectual Property Report Neurotech International Ltd

Our ref: 264586:CGJ:wm

This Report has been prepared for inclusion in a Prospectus to be issued on behalf of Neurotech International Limited (hereinafter referred to as “Neurotech”) in relation to the listing of Neurotech on the Australian Securities Exchange.

This Report has been prepared solely in respect of patent rights of an intellectual property portfolio the owners of which, we have been informed, are 100% owned subsidiaries of Neurotech. This Report does not consider other intellectual property rights that may be part of the intellectual property portfolio, or other intellectual property rights that Neurotech, or subsidiaries thereof, may own or be acquiring.

1.0 Contents

Section 2.0 sets out a brief overview of the intellectual property portfolio and the basis of the summary of the patents and patent application given in this Report.

Section 3.0 provides general comments on patent protection, patent procedures, and requirements for patentability.

Section 4.0 provides general comments regarding potential limitations of patent protection.

Section 5.0 describes the patents and patent application of the intellectual property portfolio.

Section 6.0 provides a disclaimer and describes limitations of this Report.

Section 7.0 provides a statement of independence regarding preparation of this Report.
2.0 Executive Summary

This Report has been prepared solely in respect of patent rights of the intellectual property portfolio, the owners of which are one or both of AAT Research Ltd and AAT Intellectual Property Ltd.

This Report does not consider other intellectual property rights that may be part of the intellectual property portfolio or other intellectual property rights that Neurotech, or subsidiaries thereof, may own or be acquiring.

This Report has been prepared by Wrays Patent and Trade Mark Attorneys. The status summary of the patents and patent application provided in this Report is correct to the best of our knowledge and subject to the limitations described in this Report at the date of this Report.

Patents and Patent Applications

Neurotech provided us with a document identifying the patent rights of the intellectual property portfolio.

We have instructed a patent attorney firm in Malta (hereinafter referred to as “our Maltese associate”) to conduct searches for patents/applications recorded on the Maltese Patent Register to confirm the identified patent rights of the intellectual property portfolio.

Searching conducted by our Maltese associate confirmed that patent rights of the intellectual property portfolio consists of four patents granted in Malta and one patent application pending in Malta, as set out in this Report and summarised below.

<table>
<thead>
<tr>
<th>Official Number</th>
<th>Applicant</th>
<th>Broad Subject Matter</th>
<th>Inventors</th>
<th>Application Date</th>
<th>Grant Date</th>
<th>Current Status</th>
<th>Jurisdiction(s) Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAT/4339</td>
<td>AAT Research Ltd</td>
<td>Technology for epileptic seizure prediction</td>
<td>Mr Adrian Attard Trevisan</td>
<td>30 September 2013</td>
<td>20 April 2015</td>
<td>Active</td>
<td>Malta</td>
</tr>
<tr>
<td>PAT/4340</td>
<td>AAT Research Ltd</td>
<td>Technology for using sound in aid of people diagnosed with Autistic Spectral Disorder (ASD)</td>
<td>Mr Adrian Attard Trevisan</td>
<td>30 September 2013</td>
<td>20 April 2015</td>
<td>Active</td>
<td>Malta</td>
</tr>
</tbody>
</table>
### Technology for providing a cloud based system enabling interaction between a clinician and a patient for home-based therapies

**Date:** 8 August 2014  
**Status:** Active  
**Country:** Malta

### Technology for a portable electroencephalogram (EEG) system

**Date:** 8 August 2014  
**Status:** Active  
**Country:** Malta

### Technology for providing treatment using Cranial Electrotherapy Stimulation (CES)

**Date:** 23 April 2015  
**Status:** Pending  
**Country:** N/A

Further searching that we have conducted has not revealed any corresponding or related patents/applications in any other jurisdiction, including Australia. Neurotech has also advised that registered patent protection has not been sought for any of its technology in any jurisdictions other than Malta.

As the Convention period for claiming priority from the Maltese patents and patent application has passed it is no longer possible to file valid patent applications seeking protection for the subject matter of the Maltese patents and patent application in other jurisdictions to gain protection for the subject matter outside Malta. We have been informed that Neurotech has sought advice relating to the filing of patents outside of Malta for subject matter not covered by the Maltese patents and patent application, however no formal steps have been made to commence this process as at the date of this Report.
We note that the inventor recorded for both patents ‘355 and ‘356 is a legal entity and not an individual. This is unusual in our experience as it is normally the case that corporate entities cannot be recorded as inventors. Our brief inquiries suggest that this result may be particular to Maltese patent law.

As noted in Section 5.3, Malta follows a patent formalities examination registration system. Accordingly, inventions the subject of the granted patents and patent application have not been the subject of prior art searching or substantive examination as to novelty or inventive step by a Patent Office at this stage.

A granted patent provides no guarantee of validity. Furthermore, the validity of a patent may be challenged at any time after grant, by way of revocation proceedings filed in a Court of competent jurisdiction. A Maltese patent can be revoked on the basis of a successful claim by any third party that inter alia, the subject matter of the patent is not patentable.

There is a risk that granted patents have been secured or are being pursued by third parties in Malta and/or elsewhere which could restrict Neurotech’s activities in those jurisdictions. Information made public before the priority date of the Maltese patents and patent application could affect the validity of those patents if they were subject to scrutiny having regard to novelty and/or inventive step.

To the extent third parties might seek to secure protection for technology the same or similar to that described in the Maltese patents or patent application, publication of the Maltese patents and patent application will, in effect, serve as prior art information for any registered intellectual property rights sought after the relevant publication date, thereby potentially increasing the burden on third parties in securing such protection.

Notwithstanding this, it should be noted that as at the date of this Report no material has been officially raised by a Patent Office as being relevant to the patentability of the inventions the subject of the Maltese patents or patent application.

**3.0 Patent Protection, Patent Procedures and Requirements for Patentability**

Patent rights constitute an important component of intellectual property, and provide a statutory monopoly for new (novel), non-obvious (inventive) and useful inventions for a limited period. Patents may be granted in respect of new or improved products, compositions and processes in almost all areas of current scientific, commercial, and industrial activities.
Patent rights are essentially national rather than trans-national and a patent must be obtained in each country where protection of an invention is required. A fundamental requirement of the patent system is that the invention be ‘new’ at the time of lodging a patent application. Newness in this sense is judged in relation to what was publicly known or used at the date of the application. Another requirement is for a distinct inventive advance over what was previously known. This means that valid patent protection cannot be obtained for trivial or obvious developments. A further requirement is that the invention must be suitable subject matter for a patent. For example, patent protection for computer implemented and so called “business method” inventions may be difficult to obtain.

Pursuant to the Paris Convention, the filing of an initial patent application in, for example, Australia establishes a priority date for the invention in Australia and all other countries that are a party to this Convention, including countries such as the United States, Canada, New Zealand, Europe, and Japan.

The below flow chart generally sets out the major steps involved in obtaining a patent in Australia and other countries in respect of an invention.
The usual steps towards obtaining a patent in Australia and other countries in respect of an invention begin by the filing of a priority patent application accompanied by a patent specification. The filing of a priority application establishes the priority date in respect of the invention disclosed in the accompanying specification.

Typically, for Australian inventions, the priority application is a provisional patent application accompanied by a provisional patent specification.

Within twelve months from the date of the filing of the provisional application, a complete application must be lodged otherwise the provisional application, which remains pending for only one year, lapses, along with the priority date set thereby. Thus, if no complete application is filed within one year of the provisional application, the priority date is no longer valid. The complete patent application is accompanied by a complete patent specification including a set of claims defining the invention and the scope of protection being sought.

Within the one year pendency of the provisional application, in order to obtain protection in other countries, the applicant may file separate national patent applications in each of the countries in which protection is required. Alternatively, the applicant may file a single International application under the provisions of the Patent Cooperation Treaty (generally referred to as a ‘PCT’ application or an ‘International’ application) in which it is possible to designate countries or regions in which protection is required. The International application itself does not mature into a worldwide patent, but at the end of the international phase, generally 30 or 31 months from the priority date, steps can be taken to file the application in any or all of the countries or regions designated in the original International application.

Regional patent applications, such as a European regional application, may also be filed. A European application may designate any or all countries that are a party to the European Patent Convention. A European patent application may also be extended to certain other jurisdictions including those that are not full signatories to the European Patent Convention. The European patent application is processed centrally and in a single language and, if ultimately successful, can mature into a granted European patent, which must then be validated in each country in which protection is sought, some of which require translation into that country’s native language. The term ‘European patent’ thus constitutes a bundle of national patent rights, each of which can be enforced separately through national Courts.
In most countries, a patent application is subjected to examination for novelty and obviousness, and other requirements, before a patent is granted. Typically, during the examination stage an Examiner will conduct a search for prior art documents relevant to the novelty and inventiveness of the invention the subject of the application and raise objections as deemed appropriate on the basis of the search results. An opportunity is provided to overcome any objections raised by the Examiner, typically by filing arguments and/or allowable amendments to the claims of the specification.

An examination stage also occurs as part of the international phase of a PCT application, resulting in opinion on whether the subject invention is patentable. Whilst the opinion is nonbinding, it is often used by the Patent Offices of most countries as a guide during subsequent examination of the national/regional phase patent applications.

In Australia and most other countries, patent rights may be kept in force for a period of up to 20 years from the date of filing of the complete application on which the patent is granted, upon payment of regular renewal fees, and while the patent is in force the owner has the exclusive right to exploit the invention.

3.1 Summary of the general steps involved in obtaining a granted patent in Malta

We have sought advice from our Maltese associate regarding the general steps involved in obtaining a granted patent in Malta.

Our Maltese associate has provided us with the following summary regarding those steps.

The Patent and Designs Act (Chapter 417 of the Laws of Malta) (hereinafter referred to as the “Act”) which entered into force on the 1st of June 2002 together with the subsidiary legislation enacted under this same Act, regulate patent and patent applications filed in Malta. The entry into force of the Act, has, to a large extent, repealed and substituted the provisions of the Industrial Property Protection Ordinance of 1899 (Ordinance XI of 1899) dealing with patents.

Any natural person or legal entity may file an application for the registration of a patent either alone or jointly with another. Generally, the right to a patent belongs to the inventor or their successor in title. If the invention was made in the execution of a commission or an employment contract, the right of the invention belongs, in the absence of contractual
dispositions to the contrary, to the person commissioning the work or to the employer. The employee has the right to an equitable remuneration from the invention created in the course of their employment. In the absence of an agreement, the parties can have recourse to the Maltese Civil Court, which is competent to fix the remuneration payable to the employee.

**Filing of an Application and the Documents Required for Registration of Patents.**

An application for a patent must be made in the prescribed form, drafted in one of the Maltese Patent Office’s official languages, that is, either Maltese or English, and accompanied by the filing fee, and be filed at the Office of the Comptroller of the Industrial Property (hereinafter referred to as the “**Office**”). The application must contain:

- A request for the grant of a patent;
- A description of the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art;
- one or more claims defining the matter for which patent protection is sought – the extent of protection conferred by the patent shall be determined by the claims, which are to be interpreted in the light of the description and drawings so as to combine fair protection for the proprietor of the patent with a reasonable degree of certainty for third parties;
- Any drawings referred to in the description or the claims;
- An abstract of the invention, serving the purpose of technical information;
- The title of the invention, which shall clearly and concisely state the technical designation of the invention.

The application must designate the inventor or inventors and if the applicant is not the inventor, they must indicate the legal basis for their application.

Subject to the receipt of all the necessary documents, the filing date of a duly filed application is the date of receiving of the application by the Office. Missing documentation entitles the Comptroller of the Industrial Property (hereinafter referred to as the “**Comptroller**”) to request the applicant to submit the necessary documents within sixty working days from the
date of the invitation, in which case the filing date would then be the date of filing of all the required documents. Failure to comply with the Comptroller's request entitles same to disregard the application in its entirety.

Until the grant is awarded, the applicant may divide the pending application into two or more applications. The ensuing divisional application is deemed to have been filed on the filing date of the earlier application and shall have the benefit of any right to priority attaching to the earlier application provided that the content does not go beyond the disclosure as filed in the earlier application.

It is pertinent to note that any change in the ownership of a patent application or a patent must be recorded in the patent register on the payment of the prescribed fee. The new proprietor of the application or patent is only entitled to institute any legal proceedings concerning the patent if he has been recorded in the patent register.

Where priority is claimed, the Office may require the applicant to provide a copy of the earlier application, certified as correct by the Office or any regional or international organization with which it was filed. A copy of the earlier application must be filed with the Office within sixteen months from the filing date of the earlier application.

**Examination and Grant or Refusal**

A filed application is subject to scrutiny by the Office which on its part, determines whether all the requirements laid down in the Act have been satisfied. If the application lacks some requirements, the applicant is given a period of grace within which to amend, supplement, or rectify the application. Failure to comply within the prescribed time results in a refusal of the application in its entirety.

Within eighteen months from the filing date or where priority is claimed, within eighteen months from the priority date unless the priority claim has in the meantime been withdrawn or rejected, the application must be published. The applicant may request the Comptroller to publish the application prior to the expiration of the said eighteen months. The Comptroller is obliged at law to comply, with the applicant's written request.

The Comptroller has been granted the power and discretion to request the applicant to submit a search report accompanied by a reasoned opinion. Said search report and opinion
must be issued by an international search authority recognized by the World Intellectual Property Organisation and all costs relating to the provision thereof are to be borne by the applicant.

When the applicant is notified that his application satisfies the requirements of the Act, the Comptroller shall on payment of a prescribed fee grant a patent on the application.

Maintenance

The term of the patent is twenty years from the filing date. Patent Renewals are subject to the payment of the officially prescribed annuity fees in respect of the beginning of the third year and each subsequent year thereafter calculated from the patent's filing date. The renewal (payment of the official annuity fee) has to be carried out until the last day of the month of the prescribed due date.

A late renewal (late payment of the official annuity fees) is possible within a grace period of 6 months from the end of the month in which the patent renewal falls due.

This notwithstanding, if the above mentioned time limits were not observed, the Comptroller shall upon the applicant's request, have the applicant's rights re-established if the nonobservance in question had the direct consequence of causing the refusal of the patent application, or the refusal of a request, or the lapse of the patent, or the loss of any other right or means of redress. The request is to be filed in writing within two months from the removal of the cause of non-compliance or within the year immediately following the expiry of the unobserved time limit.

Amendments to the patent

The proprietor of a patent has the right to request the Comptroller to make changes to the patent in order to limit the extent of the protection conferred by it, or to request correction of mistakes or clerical errors made in good faith. Such approved changes are recorded in the patent register.

Revocation of the patent

After the publication of the grant of the patent, any person can request the Comptroller or the Patents Tribunal to revoke the patent. The Patents Tribunal has been set up subsequent to
the most recent law reforms, which entered into force on the 14th of December, 2014. Previously, revocation of a patent fell under the remit of the First Hall, Civil Court whereas nowadays, a party having interest to oppose a patent application has the choice of requesting revocation by the Office or by the Patents Tribunal (herein after referred to as the “Tribunal”). The Tribunal has competence to hear and determine claims concerning claims for the revocation of a patent, civil claims for infringement, applications for declarations of non-infringement and precautionary actions. In addition, the Tribunal may uphold demands for the forfeiture in part or in whole and delivery of same to the proprietor of the machinery and other industrial means or contrivances used in contravention of the patent.

A notice for revocation of a patent file with the Comptroller.

A notice for revocation of a patent filed with the Comptroller may only be made:

• where the patent concerns an invention in respect of which, before the filing date or, where priority is claimed, before the priority date of the application of said patent, there already exists a published patent; or

• In respect of a patent where there is a priority claim, on the grounds that -

  (i) the application for a patent on the basis of which priority was claimed was originally filed at another Patent Office more than one year before the filing date of the application of the patent in respect of which a notice for revocation has been filed with the Comptroller; and

  (ii) the application on the basis of which priority was claimed or the resulting patent were published by the other Patent Office referred to in subparagraph (i) before the filing date of the application of the patent in respect of which a notice for revocation has been filed with the Comptroller:

It should be noted that a notice for revocation on the above grounds may not be filed with the Tribunal if it has already been filed before the Malta IPRD and vice-versa.

The Comptroller is obliged to inform the owner of the patent of the notice for revocation, who has ninety days from the date of service to file a reply.
Unless the owner informs the Comptroller in writing that he accepts the notice for revocation, in which case the Comptroller shall revoke the application for the patent, the Comptroller is obliged to initiate proceedings before an arbiter. The arbiter is to deliver their decision within six months from the date of initiation of the proceedings.

An appeal, from a decision of the Comptroller or the arbiter, can be lodged in the Court of Appeal within thirty days of the date of service of the decision of the Comptroller.

**A notice for revocation of a patent file before the Tribunal.**

A notice for revocation, accompanied by the prescribed fee and by the requested documents and filed directly before the Tribunal may only be based on the following grounds:

- That the subject matter of the patent is not patentable;
- That the patent does not disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art;
- That the right to the patent does not belong to the person to whom the patent was granted;
- That the subject matter of the patent extends beyond the content of the application as filed or, if the patent was granted on a divisional application, beyond the content of the earlier application as filed;
- That the protection conferred by the patent has been extended by an amendment which should not have been allowed.

Therefore, substantive and technical aspects fall within the remit of the Tribunal and effectively, this means that the authority vested in the Office to revoke patents is very restricted in comparison to that granted to the Tribunal.

The Tribunal is similarly obliged to notify the owner, who has ninety days within which to file a reply. The Tribunal shall hear and determine the case for revocation as far as possible within nine months from the date of the institution of the case.
Any party that feels aggrieved by the decision of the Tribunal may appeal to the Court of Appeal on points of law only, by means of an application filed in the registry within 30 days from the date of the decision of the Tribunal.

**Action for damages**

It should be noted that a claim for damages arising from patent infringement will continue to be determined by the First Hall, Civil Court. Infringement proceedings may not be instituted after 5 years from the date when the injured party was cognizant of the infringement and was cognizant of the infringer.

**Criminal Actions**

Whoever is convicted of putting into the circulation or selling any article falsely representing that it is a patented article shall on conviction be liable to a fine as laid down in the Act. The Court of magistrates has power to order the forfeiture of the false goods and their destruction. The Court may direct that out of the net proceeds which may be realized by the disposal of such goods any person who was in good faith was injured by the forfeiture, be awarded compensation for any loss caused to them.

4.0 **Potential Limitations of Patent Protection**

There can be no assurance that any patent applications filed will result in the grant of a patent, or that the scope of protection provided by any granted patent will be identical to the scope of the application as originally filed. Furthermore, the scope of protection provided by a granted patent in one jurisdiction may differ from that provided by a granted patent in another jurisdiction, due to differences in legislation, examination and the scope of available protection.

Additionally, in many countries, an opportunity is provided for third parties to oppose the grant of a patent application either prior to it proceeding to grant or shortly thereafter.

It should be noted that the grant of a patent does not guarantee validity of that patent since it may be revoked on the grounds of invalidity at any time during its life. If none of the claims of a granted patent are valid then the patent is unenforceable. For example, relevant prior
disclosures may be discovered that were not raised during examination, which may limit the scope of patent protection sought, perhaps to a very narrow field.

Further, it should also be noted that the granting of a patent does not guarantee that the patentee has freedom to operate the invention claimed in the patent. It may be that working of a patented invention is prevented by the existence of another earlier patent.

5.0 The Patent Portfolio

5.1 Background

This Report summarises the status of the four granted Maltese patents and the patent application.

In compiling this Report, the filing particulars have been confirmed and the current status ascertained. The Maltese patents and patent application set out in this Section are currently in force/pending.

The owners of the four granted Maltese patents and patent application are one or both of AAT Research Ltd and AAT Intellectual Property Ltd.

We provide the details for the four granted Maltese patents and the patent application.

We note that each patent/application appears to have been drafted and prosecuted as a “self filed” patent/application by the inventor/owner(s).

For convenience, we also set out below aspects of the invention the subject of each patent/application corresponding to the ‘independent’ claims as are present at this time. An ‘independent’ claim is a claim that is not dependent upon another. Such claims are generally considered to be the broadest definition of any invention claimed in a patent/application.

5.2 Patent 1

Official Number: PAT/4339

Applicant: AAT Research Ltd., c/o MRA049B, Marsa Industrial Estate, Marsa MRS 3000, Malta.
Title: Non-invasive, low end, 40 minute pre-emptive system for epilepsy seizure prediction

Inventors: Mr Adrian Attard Trevisan

Application Date: 30 September 2013

Priority Date: N/A

Grant Date: 20 April 2015

Current Status: Active

Next Renewal Date: 30 September 2016

Please note that this patent was filed directly in Malta without claiming priority from any earlier application.

Outline of the Technology

One aspect of the invention is directed to a system for epileptic seizure prediction. Independent claim 1 corresponding to this aspect presently reads as follows:

A system for epileptic seizure prediction which is composed of a 4-channel EEG collection device (1) which could be incorporated in a baseball hat in order for the user to be more comfortable wearing. A smartphone application which contain all the software needed for communication with the said EEG device (1), EEG data processing (4,5), detection and prediction of seizures algorithms (6) and alarming mechanisms (7) using APIs to interface the app with the smartphone’s speaker and alarm system (8), outgoing SMS (9) and outgoing mobile telephone calls (10). In addition, this app could also be adapted to communicate with other wireless transmitting EEG devices and perform the same functions.

Claims 2 to 7 appear to be dependent claims, introducing additional features further defining the system of claim 1.
**Patent 2**

Official Number: PAT/4340

Applicant: AAT Research Ltd., c/o MRA049B, Marsa Industrial Estate, Marsa MRS 3000, Malta

Title: EEG derived structured sound textures in a closed loop for the relaxation, focusness and management of Autistic Spectral Disorder (ASD) patients.

Inventors: Mr Adrian Attard Trevisan

Application Date: 30th September 2013

Priority Date: N/A

Grant Date: 20th April 2015

Current Status: Active

Next Renewal Date: 30th September 2016

Please note that this patent was filed directly in Malta without claiming priority from any earlier application.

**Outline of the Technology**

One aspect of the invention is directed to a Brain Music System. Independent claim 1 corresponding to this aspect presently reads as follows:

*The Brain Music System used as a therapy in aid of people diagnosed with ASD. The Neurofeedback therapy whereas the real-time EEG (2) is converted in musical tones (13) and given as Neurofeedback (17) to the patient in attempt to levelling and attaining a pleasant brain frequency. The Brain Music System refers to all the presented system as described and shown in this document. Figure 1 explains the Brain Music System and explains how the mentioned Neurofeedback loop (17) works.*

Claims 2 to 5 appear to be dependent claims, introducing additional features further defining
the system of claim 1.

**Patent 3**

Official Number: PAT/4355

Applicant: AAT Intellectual Property Ltd., AAT Research Ltd., c/o MRA049B, Marsa Industrial Estate, Marsa MRS 3000, Malta

Title: A cloud based ecosystem targeting clinicians and patients for homebased therapies

Inventors¹: AAT Intellectual Property Ltd

Application Date: 8th August 2014

Priority Date: N/A

Grant Date: 4th March 2016

Current Status: Active

Next Renewal Date: 8th August 2017

Please note that this patent was filed directly in Malta without claiming priority from any earlier application.

We note that the inventor recorded for this patent is a legal entity and not an individual. This is unusual in our experience as it is normally the case that corporate entities cannot be recorded as inventors. Our brief inquiries suggest that this result may be particular to Maltese patent law.

**Outline of the Technology**

One aspect of the invention is directed to a closed loop system. Independent claim 1 corresponding to this aspect presently reads as follows:

---

¹ As recorded on the Maltese Patents Register.
Through a closed loop system, medical professionals (6) can directly influence and modulate homebased therapeutic sessions by remotely loading clinical data into the cloud (1).

Another aspect of the invention is directed to a system. Independent claim 2 corresponding to this aspect presently reads as follows:

*A system which can uniquely interpret clinical QEEG sessions (8) and bias/modulate (12) therapeutic binaural beat creation through a cloud system (1).*

A further aspect of the invention is directed to a system. Independent claim 3 corresponding to this aspect presently reads as follows:

*A system which creates a unique ecosystem in which medical professionals (6) can interact, affect, modulate (17) and monitor (9) therapeutic home-based sessions (2,3) remotely.*

One aspect of the invention is directed to a system for patients. Independent claim 4 corresponding to this aspect presently reads as follows:

*A system for patients (5) where they can interact remotely with their neurologist (6) and have feedback directly (9) on their daily sessions. The same therapeutic sessions can be affected from the clinicians input (17).*

**Patent 4**

Official Number: PAT/4356

Applicant: AAT Intellectual Property Ltd., AAT Research Ltd., c/o MRA049B, Marsa Industrial Estate, Marsa MRS 3000, Malta

Title: A clinically comparable EEG system by creating virtual channels on the scalp derived from a portable 4-channel EEG system

Inventors\(^2\): AAT Intellectual Property Ltd

\(^2\) As recorded on the Maltese Patents Register.
Application Date: 8th August 2014

Priority Date: N/A

Grant Date: 4th March 2016

Current Status: Active

Next Renewal Date: 8th August 2017

Please note that this patent was filed directly in Malta without claiming priority from any earlier application.

We note that the inventor recorded for this patent is a legal entity and not an individual. This is unusual in our experience as it is normally the case that corporate entities cannot be recorded as inventors. Our brief inquiries suggest that this result may be particular to Maltese patent law.

Outline of the Technology

One aspect of the invention is directed to a system. Independent claim 1 corresponding to this aspect presently reads as follows:

   A system to process (7) 4 channel EEG data (5) and create 12 accurate virtual channels (2,3) which would add up to a 16 channel representation.

Another aspect of the invention is directed to a 4 channel EEG headset. Independent claim 2 corresponding to this aspect presently reads as follows:

   A 4 channel EEG headset (6) together with its respective circuitry (10) which is flexible in terms of where to place the 4 sensors which will create the 4 real EEG channels.

A further aspect of the invention is directed to a system. Independent claim 3 corresponding to this aspect presently reads as follows:

   A system which can be used in various applications to gather accurate neurological data to be used as an input to other systems.
One aspect of the invention is directed to a system. Independent claim 4 corresponding to this aspect presently reads as follows:

A system which can be adapted to fit any number, x of EEG channel data and use the collected data into creating \((x^2 - x)\) virtual channel EEG data and hence a total of \(x^2\) EEG channel representation. For example if we take a 6 channel EEG system, we can create 36 additional virtual channels and a total of 42 EEG channel representation.

**Patent 5**

Official Number: PAT/4364

To date, this patent has not been granted and published and only the following information is publicly available so far.

Applicant: AAT Intellectual Property Ltd., AAT Research Ltd., c/o MRA049B, Marsa Industrial Estate, Marsa MRS 3000, Malta

Title: ‘Sereno’ – A home-management CES treatment using a cloud-based clinician and patient ecosystem, for depressive, anxiety and sleep disorders.

Inventors: Mr Adrian Attard Trevisan

Application date: 23rd April 2015.

Please note that this patent was filed directly in Malta without claiming priority from any earlier application.

Although, as mentioned above, the specification for this application is not presently publicly available, we have been provided with a copy of the specification believed to have been filed for the application, and provide the following outline based thereon.

**Outline of the Technology**

One aspect of the invention is directed to subscription-based effective CES treatment.

Independent claim 1 corresponding to this aspect presently reads as follows:
Subscription-based effective CES treatment targeting depressive, anxiety and sleep disorders in the comfort of the home.

Another aspect of the invention is directed to a system. Independent claim 2 corresponding to this aspect presently reads as follows:

A system which allows the output and storage of user data. This data permits user progress to be tracked, highlights treatment effectiveness and indicates whether device parameter changes are needed for more optimum treatment.

A further aspect of the invention is directed to a closed loop system. Independent claim 3 corresponding to this aspect presently reads as follows:

A closed loop system whereby medical professionals can have access to patient data, provide interpretation, and directly influence and modulate therapeutic sessions.

One aspect of the invention is directed to ‘Fit-to-measure’ parameter setting. Independent claim 4 corresponding to this aspect presently reads as follows:

“Fit-to-measure” parameter settings depending on the user’s needs which can be modified at regular time intervals.

Another aspect of the invention is directed to a system. Independent claim 5 corresponding to this aspect presently reads as follows:

A system which allows the professional to monitor patient device use and therapy adherence.

A further aspect of the invention is directed at an ecosystem. Independent claim 6 corresponding to this aspect presently reads as follows:

A unique ecosystem where patients can interact remotely with the clinician, getting direct feedback and modulation without the need to visit a medical clinic.

5.3 Maltese Patent Registration System

It should be noted that Malta follows a patent formalities examination registration system. We have been advised by our Maltese associate that this is because the Industrial Property...
Registrations Directorate of Malta lacks the necessary human resources to carry out novelty and inventive step checks. A Maltese patent application is therefore never refused on the basis of lack of novelty or lack of an inventive step.

Accordingly, inventions the subject of the granted patents and patent application have not been the subject of prior art searching or substantive examination as to novelty or inventive step by a Patent Office at this stage.

A granted patent provides no guarantee of validity. Furthermore, the validity of a patent may be challenged at any time after grant, by way of revocation proceedings filed in a Court of competent jurisdiction.

A Maltese patent can be revoked on the basis of a successful claim by any third party that inter alia, the subject matter of the patent is not patentable.

Please refer to our comments in Section 3.1 of this Report for a complete list of the grounds upon which a notice of revocation can be filed either before the Patents Tribunal or with the Comptroller in respect of a Maltese patent, and also in Section 6 of this Report.

6 Disclaimer and Limitations

The Report is not to be construed as a legal opinion as to the validity of patents or the registrability of the patent application. It should also be appreciated that the Report is not a validity opinion. No conclusions regarding validity based on the Report should be made. Moreover, the Report does not provide any guarantee that the subject inventions may be commercially exploited without risk of infringement of earlier rights. The Report also does not provide any guarantee that the respective owner(s) of the patents and patent application have entitlement to the subject inventions to the inventor.

6.1 Patent Disclaimer

Examination Reports in One Country Not Binding In Other Countries

In most countries, patent applications undergo an independent search and examination by the local Patent Office, the results of which are not binding in other jurisdictions. Similarly, international PCT search and examination reports are not binding on national patent applications during subsequent examination in the national phase. Such reports should
therefore be regarded as indicative only and not determinative of patentability. It should also be appreciated that the grant of a patent in one country provides no guarantee that patents will be granted in other jurisdictions.

**Scope of Claims May Vary during Examination**

It is often necessary during the examination of a patent application to define the invention more specifically by amendment of the claims, so as to distinguish relevant prior art. As a result of this process, there may be variations in the claims between countries, reflecting in part the different examination procedures and threshold requirements for patentability, according to national laws. Whilst this is a relatively standard procedure, in certain circumstances, such amendments may affect the scope and hence the commercial significance of the resultant patent protection.

**Grant of Patent Provide No Guarantee of Validity**

A granted patent provides no guarantee of validity. In most jurisdictions, a patent application undergoes a substantive examination process before proceeding to grant which confers an initial presumption of validity. However, the validity of a patent may be challenged at any time after grant, by way of revocation proceedings filed in a Court of competent jurisdiction.

**Grant of Patent Provides No Guarantee of Non-Infringement**

The grant of a patent provides no guarantee that the patentee is entitled to commercially exploit the patented invention, since the working of an invention, even if validly patented, may infringe an earlier patent or other intellectual property rights.

**7 Statement of Independence**

Wrays, established in 1920, is a national patent and trade mark attorney practice, proudly representing a significant number of Australia’s largest businesses, in addition to numerous international and multinational clients. Neither Wrays nor any of its partners has any entitlement to any securities in Neurotech International Ltd or has any other interest in the promotion of that entity. Furthermore, the payment of fees to Wrays for the preparation of this Report is not contingent upon the outcome of the Prospectus.
We have given our consent to the issue of the Prospectus with this Report appearing therein.

Yours sincerely
WRAYS

Chris Juhasz
Principal
9. Investigating Accountant's Report
11 September 2016

The Directors
Neurotech International Limited
Level 14, 191 St Georges Terrace
PERTH WA 6000

Dear Directors

INVESTIGATING ACCOUNTANT’S REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd (‘BDO’) has been engaged by Neurotech International Limited (‘Neurotech’ or ‘the Company’) to prepare this Investigating Accountant’s Report (‘Report’) in relation to the historical financial information and pro forma historical financial information of Neurotech for inclusion in a prospectus (‘Prospectus’) to be issued by the Company in respect of the proposed Initial Public Offering (‘IPO’) and listing on the Australian Securities Exchange (‘ASX’).

Broadly, the Prospectus will offer 35 million shares at an issue price of $0.20 each to raise $7 million before costs (‘the Offer’). This is the minimum subscription under the Offer.

The Company was incorporated in preparation for listing AAT Research Limited (‘AAT’) on the ASX. As such, the historical financial information of Neurotech will be presented as a continuation of the pre-existing accounting values of AAT. We note that the acquisition of AAT by the Company was completed on 9 May 2016.

Expressions defined in the Prospectus have the same meaning in this Report. BDO holds an Australian Financial Services Licence (AFS Licence Number 316158).

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.
2. **Scope**

The Company has requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

The Company was incorporated on 15 January 2016 and has limited financial history. As such, the historical financial information of Neurotech will be presented as a continuation of the pre-existing accounting values of AAT. The Company has requested BDO to review the following historical financial information included as appendices to our Report:

- the audited historical Statements of Financial Performance and Cash Flows of AAT for the years ended 31 December 2013, 31 December 2014 and 31 December 2015;
- the audited consolidated historical Statements of Performance and Cash Flows of Neurotech for the six months ended 30 June 2016 comprising AAT for the six months ended 30 June 2016 and Neurotech for the period from 15 January 2016 (date of incorporation) to 30 June 2016; and
- the audited consolidated historical Statement of Financial Position of Neurotech as at 30 June 2016.

(together the ‘Historical Financial Information’)

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company’s adopted accounting policies. The Historical Financial Information for the six-month period ended 30 June 2016 has been extracted from the financial report of Neurotech for the period ended on that date, which was audited by BDO Audit (WA) Pty Ltd in accordance with the Australian Auditing Standards. BDO Audit (WA) Pty Ltd issued an unqualified audit opinion on this financial report however, did include an emphasis of matter relating to the ability of Neurotech continuing as a going concern as the Company incurred a loss of $2,181,346 from 15 January 2016 (date of incorporation) to 30 June 2016 and had cash outflows from operating activities of $785,786. The ability of the Company to continue as a going concern is therefore dependent on the additional funding to be received through the issue of equity under the Offer.

The Historical Financial Information of AAT for the year ended 31 December 2015 has been extracted from the financial report which was audited by Chris Baldacchino, in accordance with the International Financial Reporting Standards (‘IFRS’). Chris Baldacchino issued an unmodified audit opinion on the financial report for the year ended 31 December 2015.

The audited consolidated financial information for Neurotech for the period ended 30 June 2016 incorporates the financial information for AAT for the six months ended 30 June 2016 which was audited by Chris Baldacchino.

The Historical Financial Information of AAT for the years ended 31 December 2013, and 31 December 2014 has been extracted from the financial reports which were audited by Roberto J. Mifsud, in accordance with IFRS. Roberto J. Mifsud issued an unqualified audit opinion on these financial reports however, did include an emphasis of matter in both the 31 December 2014 and
31 December 2013 reports. These emphases of matter relate to AAT continuing as a going concern on the basis that AAT’s total liabilities exceeded its total assets by EUR €106,103 at 31 December 2014 and EUR €45,739 at 31 December 2013. We note however, that Roberto J. Mifsud explained that the major shareholder of AAT had provided a commitment in writing to finance AAT in both reporting periods above to enable the Company to settle its debts as and when they fall due.

The Historical Financial Information is presented in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

**Pro Forma Historical Financial Information**

Neurotech has requested BDO to review the following pro forma historical financial information (the ‘**Pro Forma Historical Financial Information**’) of the Company included in this Report:

- the pro forma historical Statement of Financial Position as at 30 June 2016 which includes:
  - the subsequent events outlines in section 6 of our Report; and
  - the pro forma adjustments for the events outlines in section 7 of our Report.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 6 and Section 7 of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by the Company to illustrate the impact of the events or transactions described in Section 6 and Section 7 of this Report on the Company’s financial position as at 30 June 2016. As part of this process, information about the Company’s financial position has been extracted by the Company from its audited financial statements for the period from 15 January 2016 (date of incorporation) to 30 June 2016.

### 3. Directors’ responsibility

The directors of the Company are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

### 4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 **Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information**.

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

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. **Conclusion**

*Historical Financial Information*

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the audited historical Statements of Financial Performance and Cash Flows of AAT for the years ended 31 December 2013, 31 December 2014 and 31 December 2015;
- the consolidated audited historical Statements of Performance and Cash Flows of Neurotech for the six months ended 30 June 2016; and
- the audited historical Statement of Financial Position of Neurotech as at 30 June 2016,

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

*Pro Forma Historical Financial information*

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the reviewed pro forma Consolidated Statement of Financial Position of the Company as at 30 June 2016 which includes:
  - the subsequent events outlined in section 6 of our Report; and
  - the pro forma adjustments for the events outlined in section 7 of our Report,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. **Subsequent Events**

The pro-forma statement of financial position reflects the following events that have occurred subsequent since 30 June 2016:

- Neurotech has entered into an agreement to issue 699,000 shares at an issue price of $0.16 per share to consultants Chasm Hop/Bonavita/Vella to cancel a reseller agreement with these parties. These shares are to be issued post 30 June 2016.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of Neurotech not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.
7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 1. This has been prepared based on the audited financial statements as at 30 June 2016, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 35 million shares at an offer price of $0.20 each to raise $7 million before costs pursuant to the Prospectus;
- Costs of the Offer are estimated to be $761,350. These costs are to be offset against the contributed equity;
- The issue of 466,000 shares to be issued before the admission of the Company to the official list of the ASX (‘Admission Date’), 466,000 shares to be issued on 1 October 2017 and 466,000 options to Mag Wolfgang Storf who is the Chief Executive Officer of the Company. The 466,000 shares which are to be issued before the Admission Date have been valued at $0.20 each. We have not accounted for the other 466,000 shares to be issued on 1 October 2017 in the pro-forma statement of financial position as these are subject to vesting terms associated with employment conditions and as at this of this Report those vesting conditions have not been met. The 466,000 options will vest in three equal tranches with the first third of these options vesting on the first anniversary of the Admission Date providing that the employee agreement is not terminated. The following two tranches will vest on the second and third anniversaries of the Admission Date. As such, we have not accounted for the issue of these options in the pro-forma statement of financial position as these are subject to vesting terms associated with employment conditions and as at this of this Report those vesting conditions have not been met;
- The issue of 1 million shares to be issued subject to conditional listing approval from the ASX to Dr Adrian Attard Trevisan who is the Founder and Chief Scientific Officer of the Company. These shares have been valued at $0.20 each. Neurotech will also grant Dr Adrian Attard Trevisan 3 million share rights (‘Share Rights’) to be issued in three tranches of 1 million Share Rights each that will vest on the first, second and third anniversaries of the Admission Date. We have not accounted for the issue of the 3 million Share Rights in the pro-forma statement of financial position as these are subject to vesting terms associated with employment conditions and as at this of this Report those vesting conditions have not been met;
- The issue of 937,500 shares to Azure Capital Limited (‘Azure’) (‘Lead Manager Shares’). The Lead Manager Shares have been issued to Azure in consideration for corporate advisory and lead manager services provided to the Company in relation to listing on the ASX. These shares have been valued at $0.20 each;
- The issue of 2,529,076 Options to Azure (‘Lead Manager Options’). These Lead Manager Options will be exercisable at $0.20 and will expire 30 November 2020. These Lead Manager Options have been valued using the Black Scholes option methodology;
- Neurotech will also repay $560,000 of bank debt using the proceeds of the funds raised under the Offer; and
- At 30 June 2016, AAT had entered into agreements to pay cash settlements to the parties below which are contingent on the successful completion of the IPO of the Company. The
amounts are as follows and have been captured under general working capital, corporate and administration costs in the use of funds section of the Prospectus:

- Alex Grech - EUR 100,595 (A$150,278);
- Claude Calleja - EUR 16,372.50 (A$24,459).

- In addition to the issue of shares and options above, Neurotech proposes to introduce an employee incentive share option plan whereby the Company will issue options to key employees that will vest on varying performance and employment conditions. The potential issue of any options under this plan has not been reflected in the pro-forma statement of financial position as any such options are yet to be issued.

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the Offer other than in connection with the preparation of this Report, for which professional fees will be received. BDO is the auditor of Neurotech and from time to time provides Neurotech with certain other professional services for which normal professional fees are received.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd

Sherif Andrawes
Director
APPENDIX 1
NEUROTECH INTERNATIONAL LIMITED
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th>Notes</th>
<th>Audited as at 30-Jun-16</th>
<th>Subsequent events adjustments</th>
<th>Pro forma after offer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A$</td>
<td>A$</td>
<td>A$</td>
</tr>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>2</td>
<td>1,007,536</td>
<td>-</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td></td>
<td>247,271</td>
<td>-</td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
<td>186,537</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL CURRENT ASSETS</td>
<td></td>
<td>1,441,344</td>
<td>-</td>
</tr>
<tr>
<td>NON CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property plant and equipment</td>
<td></td>
<td>551,324</td>
<td>-</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>3</td>
<td>931,834</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL NON CURRENT ASSETS</td>
<td></td>
<td>1,483,158</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td></td>
<td>2,924,502</td>
<td>-</td>
</tr>
<tr>
<td>CURRENT LIABILITIES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td></td>
<td>507,513</td>
<td>-</td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>4</td>
<td>621,709</td>
<td>(560,000)</td>
</tr>
<tr>
<td>TOTAL CURRENT LIABILITIES</td>
<td></td>
<td>1,129,222</td>
<td>(560,000)</td>
</tr>
<tr>
<td>NON CURRENT LIABILITIES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td></td>
<td>323,900</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL NON CURRENT LIABILITIES</td>
<td></td>
<td>323,900</td>
<td>(560,000)</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td></td>
<td>1,453,122</td>
<td>(560,000)</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td></td>
<td>1,471,380</td>
<td>-</td>
</tr>
<tr>
<td>EQUITY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary share capital</td>
<td>5</td>
<td>3,977,804</td>
<td>111,840</td>
</tr>
<tr>
<td>Reserves</td>
<td>6</td>
<td>850,304</td>
<td>(111,840)</td>
</tr>
<tr>
<td>Accumulated losses</td>
<td>7</td>
<td>(3,356,728)</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL EQUITY</td>
<td></td>
<td>1,471,380</td>
<td>-</td>
</tr>
</tbody>
</table>

The Pro-forma Consolidated Statement of Financial Position after the Offer is as per the Consolidated Statement of Financial Position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The Consolidated Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 4 and the prior year’s financial information set out in Appendix 5.
APPENDIX 2

NEUROTECH INTERNATIONAL LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

This consolidated statement of profit or loss and other comprehensive income shows the historical financial performance of AAT as the accounting parent incorporating the financial performance of Neurotech from the date of its incorporation being 15 January 2016. It is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4 and the prior year financial information set out in Appendix 5. Past performance is not a guide to future performance.

### Consolidated statement of comprehensive income

<table>
<thead>
<tr>
<th>Description</th>
<th>A$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from continued operations</td>
<td>126,667</td>
</tr>
<tr>
<td>Other income</td>
<td>41,158</td>
</tr>
<tr>
<td>Interest income</td>
<td>150</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(43,304)</td>
</tr>
<tr>
<td>Professional Consultant and Advisory</td>
<td>(98,719)</td>
</tr>
<tr>
<td>Professional Legal Fees</td>
<td>(42,888)</td>
</tr>
<tr>
<td>Corporate and Admin Expenses</td>
<td>(222,626)</td>
</tr>
<tr>
<td>Depreciation and amortisation expense</td>
<td>(120,525)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(54,453)</td>
</tr>
<tr>
<td>Settlement Expense</td>
<td>(113,913)</td>
</tr>
<tr>
<td>Advertising and marketing</td>
<td>(36,802)</td>
</tr>
<tr>
<td>Research cost</td>
<td>(202,340)</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>(469,461)</td>
</tr>
<tr>
<td>Share based payments expense</td>
<td>(875,095)</td>
</tr>
<tr>
<td>Equipment and materials direct cost</td>
<td>(4,040)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(65,155)</td>
</tr>
<tr>
<td><strong>LOSS BEFORE INCOME TAX</strong></td>
<td><strong>(2,181,346)</strong></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-</td>
</tr>
<tr>
<td><strong>LOSS AFTER INCOME TAX</strong></td>
<td><strong>(2,181,346)</strong></td>
</tr>
<tr>
<td>Other comprehensive income/(loss)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Items that may be reclassified subsequently to profit or loss:</strong></td>
<td></td>
</tr>
<tr>
<td>Exchange difference on translation of foreign operations</td>
<td>15,272</td>
</tr>
<tr>
<td><strong>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</strong></td>
<td><strong>(2,166,074)</strong></td>
</tr>
</tbody>
</table>
This consolidated statement of cash flows shows the movement of cash of AAT as the accounting parent incorporating the movement of cash of Neurotech from the date of its incorporation being 15 January 2016. It is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4 and the prior years’ financial information set out in Appendix 5.
APPENDIX 4
NEUROTECH INTERNATIONAL LIMITED
NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

   a) Basis of preparation of historical financial information
   The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards (‘AIFRS’), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

   b) Going Concern
   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.

   The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

   c) Reporting Basis and Conventions
   The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

   The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

   d) 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 Australia dollars, unless otherwise noted.

   e) 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.

In particular, 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. **Significant Accounting Judgments**

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

ii. **Significant Accounting Estimates and Assumptions**

**Critical Accounting Estimate**

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes assumptions concerning the future. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to Management. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgments, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and assets and liabilities within the next financial year are discussed below.

**Development costs**

Pursuant to AASB 138 Intangible Assets, the company has assessed the best estimate of the probability that the expected future benefits attributable to the Group’s project development costs will flow to the entity. As a result, development costs directly attributable to projects such as Mente have been recognised as an intangible asset. These costs are being amortised over a period of 5 years.

**Amortisation methods and useful life of intangible assets**

The group amortised intangible assets with a limited useful life using the straight-line method over the following periods:

- Capitalised development costs 3-5 years
- Patents and Trademarks licenses 5-15 years
- Development and software 3-5 years
- Customer contracts 3-5 years

**Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).
Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

*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.

**f) Summary of Significant Accounting Policies**

**i. 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 2016 and the results of all subsidiaries for the year ended 30 June 2016. All inter-company 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 Consolidated Entity. The group has been restructured as part of an IPO process with Neurotech International Limited being incorporated on 15 January 2016. During the period Neurotech International Limited acquired AAT Research Ltd and its subsidiaries AAT Medical Ltd, AAT Services Ltd and AAT Intellectual Property Ltd through a series of agreements. The transaction represents a common control transaction and has been accounted for as a continuation of AAT Research Ltd.

The group has changed its consolidated financial statements year end date from 31 December to 30 June. Accordingly, the forthcoming financial year end date of the Group will be 30 June 2016 and 30 June 2017.

**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 Consolidated Entity.

In the Consolidated Entity’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 Company, 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 and 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 Company less any impairment charges. The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting 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.

ii. Foreign Currency

Functional and presentation currency

Items included in the Financial Statements of each of the Company 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 particular foreign operation will be recognised in the Statement of Profit or Loss and Other Comprehensive Income.

iii. 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

iv. Trade and Other Receivables

Trade debtors are recognised at the amount receivable and are due for settlement within 30 days from the end of the month in which services were provided. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.
Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

v. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Sale of services

Revenue is recognised when the significant risks and rewards of the services provided have passed on to the buyer.

Interest

Revenue is recognised as interest accrues 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.

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.

vi. Fair value estimation for financial instruments

Fair values may be used for financial asset and liability measurement as well as for sundry disclosures. Fair values for financial instruments traded in active markets are based on quoted market prices at Statement of Financial Position date. The quoted market price for financial assets is the current bid price and the quoted market price for financial liabilities is the current ask price.

The fair values of financial instruments that are not traded in an active market are determined using valuation techniques. Assumptions used are based on observable market prices and rates at Statement of Financial Position date. The fair value of long-term debt instruments is determined using quoted market prices for similar instruments. Estimated discounted cash flows are used to determine fair value of the remaining financial instruments. The fair value of forward exchange contracts is determined using forward exchange market rates at the Statement of Financial Position date. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows.

The fair value of trade receivables and payables is their nominal value less estimated credit adjustments. A financial instrument is recognised if the Consolidated Entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Consolidated Entity’s contractual rights to the cash flows from the financial assets expire or if the Consolidated Entity transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, (i.e. the date that the Consolidated Entity commits itself to
purchase or sell the asset). Financial liabilities are derecognised if the Consolidated Entity’s obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits greater than 3 months are classified as held to maturity investments and valued at amortised costs.

vii. Investments and Other Financial Assets

Classification
The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

Loans and receivables
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. Loans and receivables are included in trade and other receivables and payable in the Statement of Financial Position.

viii. 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:

- Improvements to premises 10%
- 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 recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and the cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of 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.
ix. Intangible assets

Website Development Costs

The Company capitalised certain costs associated with website development. Capitalisation of website development costs begins at the start of the application development stage and ceases once testing is complete and the website is placed in operation.

Additional costs may also be capitalised subsequent to the date the website is placed in operation if the modifications result in additional functionality. Website development costs are amortised using the straight-line method over the period of five years.

Project Development Costs - Medical Equipment

Development costs that are directly attributable to the design and testing of identifiable and unique medical equipment products controlled by the company 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 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 five to fifteen 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.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

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.

x. 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 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.

xi. 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.

xii. Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised
for future operating losses. Where it is expected that some or all of a provision is to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

xiii. Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Consolidated Entity. Trade accounts payable are normally settled within 60 days. Amounts due to related parties are carried at cost.

xiv. Borrowings

Borrowings are recognised initially at the proceeds received, 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 Comprehensive Income over the period of the borrowings using the effective yield method.

xv. Employee Benefits

Short term Employee Benefit Obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick 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. The liability for accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term Employee Benefit Obligations

Liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to the expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

The obligations are presented as current liabilities in the Statement of Financial Position if the Entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Termination Benefits

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

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

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.

**Share-based Payments**

The fair value of options granted under Neurotech International Limited 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 Statement of Financial Position 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.

The market value of shares issued to employees for no cash consideration under the Employee Share Scheme is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

**Share-based Payment Transactions**

The grant date fair value of options granted to employees (including Key Management Personnel) is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options for which the related service and non-market vesting conditions are met.

Share-based payment arrangements in which the Consolidated Entity receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Consolidated Entity.

**xvi. 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.

**xvii. 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.

**xviii. Determination of Fair Values**

A number of the Consolidated Entity’s accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the Notes specific to that asset or liability.

**Trade and Other Receivables**

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

<table>
<thead>
<tr>
<th>NOTE 2. CASH AND CASH EQUIVALENTS</th>
<th>Audited 30-Jun-16</th>
<th>Pro forma after offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>1,007,536</td>
<td>6,511,449</td>
</tr>
</tbody>
</table>

Audited balance of Neurotech at 30 June 2016 1,007,536

**Pro-forma adjustments:**

| Proceeds from shares issued pursuant to the Offer | 7,000,000 |
| Costs of the Offer                               | (761,350) |
| Repayment of bank debt                           | (560,000) |
| Cash payment to Alex Grech and Claude Calleja    | (174,737) |
| Pro-forma Balance                                | 5,503,913 |

| Pro-forma Balance | 6,511,449 |

<table>
<thead>
<tr>
<th>NOTE 3. INTANGIBLE ASSETS</th>
<th>Audited 30-Jun-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project development costs</td>
<td>835,221</td>
</tr>
<tr>
<td>Website</td>
<td>51,109</td>
</tr>
<tr>
<td>Patents</td>
<td>43,627</td>
</tr>
<tr>
<td>Trademarks</td>
<td>1,877</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>931,834</strong></td>
</tr>
</tbody>
</table>
### NOTE 4. SHORT-TERM BORROWINGS

<table>
<thead>
<tr>
<th></th>
<th>Audited 30-Jun-16</th>
<th>Pro forma after offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term borrowings</td>
<td>621,709</td>
<td>61,709</td>
</tr>
</tbody>
</table>

Audited balance of Neurotech at 30 June 2016: 621,709

**Pro-forma adjustments:**

- Repayment of bank debt: (560,000)

Pro-forma Balance: 61,709

### NOTE 5. ORDINARY SHARE CAPITAL

<table>
<thead>
<tr>
<th></th>
<th>Audited 30-Jun-16</th>
<th>Pro forma after offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary share capital</td>
<td>3,977,804</td>
<td>10,808,994</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of shares</th>
<th>A$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audited balance of Neurotech at 30 June 2016</td>
<td>49,932,612 3,977,804</td>
</tr>
</tbody>
</table>

**Subsequent events:**

- Issue of shares to Chasm Hop/Bonavita/Vella: 699,000 111,840

**Pro-forma adjustments:**

- Proceeds from shares issued pursuant to the Offer: 35,000,000 7,000,000
- Cost of the Offer: - (761,350)
- Issue of Wolfgang Storf shares on completion of Offer: 466,000 93,200
- Issue of Adrian Trevisan shares on completion of Offer: 1,000,000 200,000
- Issue of Lead Manager Shares on completion of Offer: 937,500 187,500

Pro-forma Balance: 88,035,112 10,808,994
The fair value of the Lead Manager Options to be issued has been calculated using the Black-Scholes option valuation methodology. The following inputs were used:

<table>
<thead>
<tr>
<th>Options to be issued</th>
<th>Broker Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of options</td>
<td>2,529,076</td>
</tr>
<tr>
<td>Underlying share price (A$)</td>
<td>$0.20</td>
</tr>
<tr>
<td>Exercise price (A$)</td>
<td>$0.20</td>
</tr>
<tr>
<td>Expected volatility</td>
<td>100%</td>
</tr>
<tr>
<td>Expiry date (years)</td>
<td>4.23</td>
</tr>
<tr>
<td>Expected dividends</td>
<td>Nil</td>
</tr>
<tr>
<td>Risk free rate</td>
<td>1.40%</td>
</tr>
</tbody>
</table>

The audited balance of Neurotech at 30 June 2016 was $850,304. Subsequent events include:

**Subsequent events:**
- Issue of shares to Chasm Hop/Bonavita/Vella (111,840)

**Pro-forma adjustments:**
- Issue of Lead Manager Options on completion of Offer (356,676)

The pro-forma balance is $1,095,140.

**NOTE 6. RESERVES**

<table>
<thead>
<tr>
<th>Audited 30-Jun-16</th>
<th>Pro forma after offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserves</td>
<td>850,304</td>
</tr>
</tbody>
</table>

The audited balance of Neurotech at 30 June 2016 was $850,304. Subsequent events include:

**Subsequent events:**
- Issue of shares to Chasm Hop/Bonavita/Vella (111,840)

**Pro-forma adjustments:**
- Issue of Lead Manager Options on completion of Offer (356,676)

The pro-forma balance is $1,095,140.

**NOTE 7. ACCUMULATED LOSSES**

<table>
<thead>
<tr>
<th>Audited 30-Jun-16</th>
<th>Pro forma after offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated losses</td>
<td>(3,356,728)</td>
</tr>
</tbody>
</table>

The audited balance of Neurotech at 30 June 2016 was (3,356,728). Subsequent events include:

**Pro-forma adjustments:**
- Issue of Wolfgang Storf shares on completion of Offer (93,200)
- Issue of Adrian Trevisan shares on completion of Offer (200,000)
- Issue of Lead Manager Shares on completion of Offer (187,500)
- Issue of Lead Manager Options on completion of Offer (356,676)
- Cash payment to Alex Grech and Claude Calleja (174,737)

The pro-forma balance is (4,368,840).
NOTE 8: RELATED PARTY DISCLOSURES
Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 9: COMMITMENTS AND CONTINGENCIES
At the date of the report no other material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.
The above consolidated statements of profit or loss and other comprehensive income illustrates the historical financial performance of AAT Research Limited. Past performance is not a guide to future performance.

### Consolidated statement of comprehensive income

<table>
<thead>
<tr>
<th></th>
<th>Audited for the year ended 31-Dec-15 EUR€</th>
<th>Audited for the year ended 31-Dec-14 EUR€</th>
<th>Audited for the year ended 31-Dec-13 EUR€</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>115,104</td>
<td>160,114</td>
<td>104,637</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>(72,602)</td>
<td>(96,372)</td>
<td>(11,848)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>42,502</td>
<td>63,742</td>
<td>92,789</td>
</tr>
<tr>
<td><strong>Operating loss for the year</strong></td>
<td>(602,146)</td>
<td>(179,608)</td>
<td>(36,724)</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td>(22,583)</td>
<td>(10,734)</td>
<td>(3,218)</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td>66,351</td>
<td>14,337</td>
<td>11,689</td>
</tr>
<tr>
<td><strong>Loss for the year before taxation</strong></td>
<td>(558,378)</td>
<td>(176,005)</td>
<td>(28,253)</td>
</tr>
<tr>
<td><strong>Current taxation</strong></td>
<td>(9,822)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Consolidated statement of cash flows

<table>
<thead>
<tr>
<th></th>
<th>Audited for the year ended 31-Dec-15 EUR€</th>
<th>Audited for the year ended 31-Dec-14 EUR€</th>
<th>Audited for the year ended 31-Dec-13 EUR€</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Loss for the year before income taxation)</td>
<td>(558,378)</td>
<td>(176,005)</td>
<td>(28,253)</td>
</tr>
<tr>
<td><strong>Adjustments for:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation of tangible fixed assets</td>
<td>18,674</td>
<td>13,024</td>
<td>8,503</td>
</tr>
<tr>
<td>Amortisation of intangible fixed assets</td>
<td>55,796</td>
<td>18,974</td>
<td>2,533</td>
</tr>
<tr>
<td>(Loss for the year before working capital changes)</td>
<td>(483,908)</td>
<td>(144,007)</td>
<td>(17,217)</td>
</tr>
<tr>
<td>Movement in inventories</td>
<td>(7,575)</td>
<td>(6,314)</td>
<td>(1,708)</td>
</tr>
<tr>
<td>Movement in receivables</td>
<td>(48,354)</td>
<td>3,855</td>
<td>(79,127)</td>
</tr>
<tr>
<td>Movement in shareholder's current account</td>
<td>(3,080)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Movement in payables</td>
<td>(33,086)</td>
<td>127,667</td>
<td>32,721</td>
</tr>
<tr>
<td><strong>Net cash flows from operating activities</strong></td>
<td>(576,003)</td>
<td>(18,799)</td>
<td>(65,331)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of tangible fixed assets</td>
<td>(228,453)</td>
<td>(27,066)</td>
<td>(31,146)</td>
</tr>
<tr>
<td>Acquisition of intangible fixed assets</td>
<td>(422,396)</td>
<td>(138,583)</td>
<td>(2,306)</td>
</tr>
<tr>
<td><strong>Net cash flows from investing activities</strong></td>
<td>(650,849)</td>
<td>(165,649)</td>
<td>(33,452)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issuance of Ordinary Share Capital</td>
<td>2,791</td>
<td>1,165</td>
<td>-</td>
</tr>
<tr>
<td>Movement in Share Premium Reserve</td>
<td>1,535,247</td>
<td>114,476</td>
<td>-</td>
</tr>
<tr>
<td>Movement in shareholder's loan account</td>
<td>241,585</td>
<td>(60,285)</td>
<td>62,354</td>
</tr>
<tr>
<td>Movement in directors' current account</td>
<td>(6,087)</td>
<td>(5,984)</td>
<td>-</td>
</tr>
<tr>
<td>Movement in borrowings</td>
<td>206,719</td>
<td>55,178</td>
<td>35,339</td>
</tr>
<tr>
<td><strong>Net cash flows from financing activities</strong></td>
<td>1,980,255</td>
<td>104,550</td>
<td>97,693</td>
</tr>
<tr>
<td><strong>Net movement in cash and cash equivalents</strong></td>
<td>753,403</td>
<td>(79,898)</td>
<td>(1,090)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>(90,641)</td>
<td>(10,743)</td>
<td>(9,653)</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>662,762</td>
<td>(90,641)</td>
<td>(10,743)</td>
</tr>
</tbody>
</table>
10. Material Contracts
10 Material Contracts

10.1 Introduction

Set out below are summaries of various contracts entered into by the Company which are or may be material to the Offers or the operation of the business of the Company or otherwise are or may be relevant to a potential investor in the Company.

10.2 Lead Manager and corporate adviser mandate

The Company has entered into a mandate with Azure dated 1 June 2016, pursuant to which Azure has agreed to act as lead manager and corporate advisor to the Company in relation to the proposed listing of the Company on ASX, and the Offers (Azure Mandate). The Share Offer is not underwritten.

In consideration for acting as lead manager and corporate advisor, the Company has agreed to pay Azure the following amounts:

(a) a fee in the amount of $150,000, payable in Shares issued at an issue price of $0.16 each; and

(b) upon the successful completion of the listing of the Company on ASX, and Offers:

i. a completion fee in the amount of 6% of the total amount raised under the Share Offer, comprising a 4% placement fee, and a 2% management fee;

ii. a completion fee in the amount of $150,000 payable in cash; and

iii. the number of Options exercisable at $0.20 each on or before 30 November 2020 that is equivalent to 2.5% of the fully diluted capital of the Company on completion of the Share Offer.

In addition, the Company has agreed to reimburse Azure, upon request, for all out-of-pocket expenses incurred by Azure in connection with their services provided in respect of the proposed listing of the Company on ASX and the Offers.

Either party may terminate the Azure Mandate by giving the other party no less than 30 days written notice, or if either party fails to remedy a material breach of the Azure Mandate within 14 days of being required to do so.

10.3 Distributor agreements

Through its wholly owned subsidiary, AAT Medical Ltd (AAT Medical), the Company has entered into distributor agreements (Distributor Agreements) with various entities (Distributors) in respect of various territories as set out in the table below. The Distributor Agreements with respect to each territory are in substantially similar terms.

<table>
<thead>
<tr>
<th>Territory(ies)</th>
<th>Distributor</th>
<th>Term</th>
<th>Additional term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>Pureline Medical Co, being a company registered in Qatar</td>
<td>From 20 November 2014 to 20 November 2015</td>
<td>The parties have agreed to an extension of the term, and formal documentation is being finalised.</td>
</tr>
<tr>
<td>Bahrain, Oman, Qatar, Kuwait, Jordan, and United Arab Emirates</td>
<td>Pureline Medical Co, being a company registered in Qatar</td>
<td>From 31 October 2013 to 31 October 2016</td>
<td>The parties may agree to an extension of the term.</td>
</tr>
<tr>
<td>Territory(ies)</td>
<td>Distributor</td>
<td>Term</td>
<td>Additional term</td>
</tr>
<tr>
<td>---------------</td>
<td>-------------</td>
<td>------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Singapore</td>
<td>Neuroscience Solutions Pte Ltd, being a company registered in Singapore</td>
<td>From 18 August 2014 to 18 August 2017</td>
<td>The parties may agree to an extension of the term.</td>
</tr>
<tr>
<td>Chile</td>
<td>Hospital &amp; Medical Solutions S.A, being a company registered in Chile</td>
<td>From 1 June 2015 to 1 June 2018</td>
<td>The parties may agree to an extension of the term.</td>
</tr>
<tr>
<td>China (including Hong Kong)</td>
<td>Anseos GMBH, being a company registered in Germany</td>
<td>From 21 August 2014 to 21 August 2017</td>
<td>The parties may agree to an extension of the term.</td>
</tr>
<tr>
<td>Malta</td>
<td>A.T.G. Co. Ltd, being a company registered in Malta</td>
<td>From 10 March 2016 to 10 March 2017</td>
<td>The parties may agree to an extension of the term.</td>
</tr>
<tr>
<td>Taiwan</td>
<td>Holy Stone Healthcare Co., Ltd., being a company registered in Taiwan</td>
<td>From 30 June 2015 to the date that is 3 years from the date on which the Mente product receives medical device approval in Taiwan</td>
<td>The parties may agree to an extension of the term.</td>
</tr>
<tr>
<td>Italy</td>
<td>Service and Technology S.A.T Ltd, being a company registered in Malta</td>
<td>From 22 December 2014 to 31 July 2019</td>
<td>The parties may agree to an extension of the term. Subject to the satisfaction of certain performance hurdles, the Distributor may extend term for further 2 year period.</td>
</tr>
<tr>
<td>Turkey</td>
<td>MBM tibbi Malzemeler Tic. A.S, being a company registered in Turkey</td>
<td>From 20 January 2016 to 20 January 2017</td>
<td>The parties may agree to an extension of the term.</td>
</tr>
<tr>
<td>Iraq</td>
<td>A company bearing registration number S-9605, being a company registered in Iraq</td>
<td>From 27 February 2015 to 27 February 2016</td>
<td>Parties are currently negotiating an extension of the term.</td>
</tr>
<tr>
<td>India and Sri Lanka</td>
<td>Neuroscience Solutions Pte Ltd, being a company registered in Singapore</td>
<td>2 April 2015 to 2 April 2018</td>
<td>The parties may agree to an extension of the term.</td>
</tr>
<tr>
<td>Lebanon</td>
<td>MHT-Group SARL, being a company registered in Lebanon</td>
<td>8 December 2015 to 8 December 2016</td>
<td>The parties may agree to an extension of the term.</td>
</tr>
<tr>
<td>Germany</td>
<td>A company registered or to be registered under the laws of Berlin by Juergan Jaschke</td>
<td>25 November 2014 to 25 November 2017</td>
<td>Subject to the satisfaction of certain performance hurdles, the term may be extended for a further 3 years.</td>
</tr>
</tbody>
</table>

**Materiality**

The Company considers the Distributor Agreement with respect to Italy to be of material value. The Distributor Agreements in respect of each other jurisdictions have the potential to be of material value, although this is not considered likely, particularly with respect to the Distributor Agreements for Iraq, Germany, Lebanon and Malta.
Products subject to Distributor Agreements

The Distributor Agreements are with respect to the Mente units themselves, and any Mente updates, renewals and new applications. New products, including spare parts and accessories may be made subject to a Distributor Agreement at prices and on terms to be agreed between the parties.

Pricing and sales

Mente units are sold by AAT Medical to each Distributor at a price set out in each Distributor Agreement. All Distributor Agreements relating to a material number of Mente units include obligations on the part of the Distributor to purchase a minimum number of Mente units each year.

AAT Medical provides each Distributor a recommended retail price for the Mente units.

Where a Distributor provides a lead outside their territory, and that lead is a new client and a sale results, AAT Medical will pay the Distributor a commission on the sale, in an amount agreed between the parties on a case by case basis.

Distributors must not sell any units outside the territory to which their Distributor Agreement relates, without the express written permission of AAT Medical.

Advertising and marketing

The Distributor Agreements do not prohibit AAT Medical from advertising, marketing, selling or promoting the Mente product within the aforementioned territories.

Each Distributor has undertaken to advertise and promote Mente vigorously and effectively throughout its territory, at its own cost.

Warranties and indemnities

AAT Medical provides a limited warranty with respect to the material and workmanship of the hardware, and the performance of the software of all Mente units for two years from their date of delivery to a Distributor. This warranty extends to the customers of each Distributor.

The Distributors each indemnify AAT Medical from all losses and claims and damages arising out of the negligence of the relevant Distributor and its agents, employees, personnel and representatives (Distributor Representatives) in respect of the installation, marketing, use, sale or servicing of the products provided by AAT Medical pursuant to the relevant Distributor Agreement, or arising out of any representation or warranty made by a Distributor Representative with respect to AAT Medical’s products that exceed the limited warranty given by AAT Medical.

In all Distributor Agreements except that with respect to Bahrain, Oman, Qatar, Kuwait, Jordan, and United Arab Emirates, AAT Medical indemnifies the Distributors in respect of certain losses and claims arising out of the negligence of AAT Medical, its agents, employees, personnel and representatives in the installation, use, sale or servicing of AAT Medical’s products, and other than with respect to the Distributor Agreement for China, certain infringement of patent claims.

Termination

Each Distributor Agreement may be terminated by AAT Medical on one week’s notice (other than the agreement with respect to Bahrain, Oman, Qatar, Kuwait, Jordan, and United Arab Emirates which may only be terminated by AAT Medical on three months’ notice), or by the relevant Distributor without notice, in the event that either party submits any fraudulent or misleading information, report or statement, if either party is in default with respect to certain material terms of the relevant Distributor Agreement, or if the Distributor suffers an insolvency
event, fails to meet a sales quota for any one year, or is convicted of a criminal offence (or a principal, shareholder, director, representative or partner of the Distributor is convicted of a criminal offence).

The Distributor Agreements with respect to Turkey, Malta and Lebanon may be terminated for convenience by either party on 120 days’ prior written notice.

**10.4 Non-executive director engagement agreements**

Neurotech has entered into a Non-Executive Director engagement agreement with each of Mr Peter O’Connor, Mr Peter Griffiths, Ms Cheryl Tan and Mr Simon Trevisan in relation to their engagement as Non-Executive Directors.

The material terms of these agreements are as follows:

(a) Each Directors’ appointment as a Non-Executive Director is subject to successful re-election by Shareholders in accordance with the Constitution and the Listing Rules.

(b) Mr O’Connor is entitled to be paid an annual director’s fee of $50,000 plus superannuation.

(c) Mr Griffiths is entitled to be paid an annual director’s fee of $40,000 plus superannuation.

(d) Ms Tan is entitled to be paid an annual director’s fee of $40,000 plus superannuation.

(e) Mr Trevisan will not be paid an annual director’s fee whilst the administration services agreement between the Company and Transcontinental Investments Pty Ltd remains in force (refer Section 10.10 for further information about this agreement).

(f) Each Director is expected to discharge their duties in accordance with the Constitution, any applicable corporate governance policies of Neurotech, the Corporations Act and the Listing Rules.

(g) Each Director must at all times act diligently, in good faith, in the best interests of Neurotech and in a manner that is consistent with that of a non-executive director of a company listed on ASX.

(h) Each Director must make all necessary disclosures to Neurotech in relation to all interests and matters which may impact their independence and any matters which may give rise to a conflict of interest.

The agreements otherwise contain terms and conditions considered standard for deeds of this nature.

**10.5 Executive service agreements**

*Mag. Wolfgang Storf*

Neurotech and AAT Research have each entered into a consultancy services agreement with Mag. Wolfgang Storf and WST Business Development Advisor Ltd (an entity associated with Mag. Storf) *(Contractor)* in respect of the provision by Mag. Storf of his services as Chief Executive Officer of Neurotech and consultant to AAT Research.
The material terms of these agreements are as follows:

(a) Mag. Storf provides the services of Chief Executive Officer.

(b) The Contractor will be entitled to a fee of €89,471 for services provided prior to 1 October 2016 and €15,667 per month thereafter, payable by AAT Research and a fee of €1,000 per month payable by the Neurotech.

(c) In addition to the monthly fees, the Contractor may be entitled to a performance bonus of up to 60% of the total fees payable per financial year, subject to the satisfaction of performance targets. The precise amount of the bonus and the performance targets are determined by satisfaction of performance targets. For the period 1 July 2016 to 30 June 2017, the Contractor may be entitled to a performance bonus of up to €120,000.

(d) Subject to the Company receiving conditional approval for admission to the official list of ASX, the Contractor or Mag. Storf will be entitled to be issued:
   
   i. 466,000 Shares, to be issued before the Admission Date;
   
   ii. 466,000 Shares, to be issued on 1 October 2017, subject to the agreement not being terminated before this date and subject to any approvals required for the purposes of the Listing Rules and the Corporations Act; and
   
   iii. 466,000 Options, with one third of the Options vesting on each of the first, second and third anniversaries of the Admission Date, provided that the relevant agreement has not been terminated before the vesting date.

(e) The Options will only vest if, at the relevant vesting date, the relevant agreement remains in force and neither party has given valid notice to terminate the agreement, and may only be exercised after vesting.

(f) In the event of a change of control of Neurotech (determined by a person becoming entitled to replace all or a majority of the Board) whilst the agreement remains in force, all the Options will vest and be exercisable for a period of two months from the date of the change of control, after which they will expire.

(g) The Contractor is entitled to be reimbursed all reasonable out-of-pocket expenses incurred in the provision of services to Neurotech.

(h) Mag. Storf is expected to discharge his duties in accordance with any applicable corporate governance policies of Neurotech, the Corporations Act and the Listing Rules.

(i) Mag. Storf must at all times act diligently, in good faith, in the best interests of Neurotech and in a manner that is consistent with that of an executive director of a company listed on ASX.

(j) The agreements may be terminated without cause by either party giving 6 months’ notice. Neurotech may otherwise terminate the agreements immediately for cause (e.g. serious misconduct).

(k) Mag. Storf is subject to a post-termination restraint on being engaged by or having any interest in, directly or indirectly, any customer of Neurotech and any business that is in direct competition with Neurotech, and from soliciting Neurotech’s employees, suppliers or clients for a period of 12 months.

(l) The agreements otherwise contain terms and conditions considered standard for agreements of this nature.
Dr Adrian Attard Trevisan

AAT Research and Neurotech have entered into an executive employment contract with Dr Adrian Attard Trevisan, the material terms of which are as follows:

(a) Dr Attard Trevisan is employed as Chief Scientific Officer.

(b) Dr Attard Trevisan is entitled to an annual salary of €100,000 per annum which upon Neurotech being admitted to the official list of ASX, will be increased to €200,000 per annum (inclusive of any superannuation).

(c) Subject to the Company receiving conditional approval for admission to the official list of ASX, the Company will grant and issue to Dr Attard Trevisan or his nominee as incentives:

i. 1,864,000 Options (proposed to be issued before the Admission Date);

ii. 1,000,000 Shares (proposed to be issued before the Admission Date); and

iii. rights to acquire up to 3,000,000 Shares (Share Rights), to be issued in 3 tranches of 1,000,000 Share Rights each, and vesting on the first, second and third anniversaries of the Admission Date. The vesting of 500,000 of each tranche of Share Rights will be subject to the satisfaction of performance criteria to be determined by the Board.

Should Dr Attard Trevisan’s employment be terminated before a tranche of Share Rights vest, those Share Rights will lapse and he will not be entitled to receive Shares in respect of those Share Rights.

(d) Dr Attard Trevisan is to participate in any incentive plan established by Neurotech.

(e) Dr Attard Trevisan is entitled to a motor vehicle, mobile telephone and laptop computer, and to be reimbursed all reasonable out-of-pocket expenses he necessarily incurs in the provision of services as Chief Scientific Officer.

(f) Dr Attard Trevisan is expected to discharge his duties in accordance with any applicable corporate governance policies of AAT Research and Neurotech.

(g) Dr Attard Trevisan must at all times act diligently, in good faith, in the best interests of Neurotech and AAT Research and in a manner that is consistent with that of an executive director of a company listed on ASX.

(h) The employment of Dr Attard Trevisan may be terminated without cause by any party giving 6 months’ notice. Neurotech may otherwise terminate Dr Attard Trevisan’s employment immediately for cause (e.g. serious misconduct).

(i) Dr Attard Trevisan is subject to a post-termination restraint on being engaged by or having any interest in, directly or indirectly, any customer of Neurotech or AAT Research, and any business that is in direct competition with Neurotech or AAT Research, and from soliciting Neurotech or AAT Research’s employees, suppliers or clients for a period of 36 months.

The contract otherwise contains terms and conditions considered standard for agreements of this nature.
10.6 Directors’ deeds of access, indemnity and insurance

The Company has entered into deeds of access, indemnity and insurance with each Director.

Under these deeds, the Company has undertaken, subject to the restrictions in the Corporations Act, to:

(a) indemnify each Director from certain liabilities incurred from acting in that position under specified circumstances;

(b) maintain directors’ and officers’ insurance cover (if available) in favour of each Director whilst that person maintains such office and for 7 years after the Director has ceased to be a Director;

(c) cease to maintain directors’ and officers’ insurance cover in favour of each Director if the Company reasonably determines that the type of coverage is no longer available; if the Company ceases to maintain directors’ and officers’ insurance cover in favour of a Director, then the Company must notify that Director of that event;

(d) provide access to any Company records which are relevant to the Director’s holding of office with the Company, for a period of 7 years after the Director has ceased to be a Director.

10.7 Manufacturing agreement

On 30 January 2016, through its wholly owned subsidiary, AAT Medical, the Company entered into a heads of agreement (Manufacturing Agreement) with MCL Components Ltd (MCL), being a company incorporated in Malta, pursuant to which MCL has undertaken to manufacture, assemble, test and package the Mente product, and to conduct the related sourcing, supplier selection and documentation.

The amount payable by AAT Medical to MCL under the Manufacturing Agreement is calculated on a per-unit basis pursuant to a set price in the Manufacturing Agreement, subject to a minimum contracted quantity being purchased.

MCL undertakes to implement and maintain ISO 13485, which is an international standard that represents the requirements for a comprehensive quality management system for the design and manufacture of medical devices.

The Manufacturing Agreement commences on 30 January 2016 and is for an initial period of three years, after which it automatically renews for subsequent periods of 12 months, unless terminated by the parties.

From 1 January 2017, either party may terminate the Manufacturing Agreement by giving 6 months’ notice to the other party. In the event of termination, AAT Medical must purchase any remaining stock of components held by MCL.

10.8 Office lease

On 29 July 2015, through AAT Research, the Company entered into a lease with Malta Digital Hub Limited, being a company incorporated in Malta, in respect of Block LS3, Malta Life Sciences Park San Gwann Industrial Estate, San Gwann, Malta (Office Lease).

The Office Lease is for an initial term of over 5 years commencing on 30 July 2015 and expiring on 31 October 2020. AAT Medical has an option to extend the term for a further 5 years.

AAT Medical must pay rent in the amount of €4,035.42 per month and has made standard undertakings normally included in a commercial lease, including to keep the premises in good condition and repair and take out and maintain insurances.
The Office Lease may be terminated by AAT Medical on 6 months’ notice, and may be terminated by Malta Digital Hub Limited on the occurrence of a major breach of the Office Lease, or if AAT Medical suffers an insolvency event (provided that the required notice period as provided for in a judicial letter is given, during which AAT Medical may remedy the relevant breach).

10.9 Agreements for cancellation of AAT Research Options

The Company has entered into agreements with holders of options granted by AAT Research for the cancellation of all AAT Research Options in consideration for the grant of a total of 7,899,314 Options to those holders. The AAT Research Options were granted prior to AAT Research being acquired by the Company.

The Options to be granted to the holders of AAT Research Options will be granted before the Admission Date and will be exercisable at $0.20 on or before 30 November 2020. The terms of the Options are stated in Section 11.2.

The number of Options to be granted to Directors (or entities in which a Director has a relevant interest) in their capacity as holders of AAT Research Options, and the number of AAT Research Options held by those Directors (or entities in which they have a relevant interest) that are to be cancelled, is set out in the table below.

<table>
<thead>
<tr>
<th>Holder of AAT Research Options</th>
<th>Number of AAT Research Options to be cancelled</th>
<th>Number of Options to be issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Adrian Attard Trevisan</td>
<td>8,0001</td>
<td>1,864,000</td>
</tr>
<tr>
<td>Transcontinental Investments Pty Ltd</td>
<td>8,0002</td>
<td>1,864,000</td>
</tr>
<tr>
<td>Shimano Ventures Ltd</td>
<td>8,8433</td>
<td>2,060,334</td>
</tr>
<tr>
<td>Peter O’Connor</td>
<td>7,000</td>
<td>1,631,000</td>
</tr>
</tbody>
</table>

Notes:
1. These AAT Research Options are currently registered in the name of Mario Attard Trevisan as the former trustee of the Paloma Trust. Krystle Attard Trevisan has a legal right to become registered holder of these AAT Research Options as the current trustee of the Paloma Trust. Adrian Attard Trevisan has a relevant interest in these AAT Research Options as a beneficiary of the Paloma Trust.
2. Simon Trevisan has a relevant interest in these AAT Research Options as a director, joint controller and substantial shareholder of Transcontinental Investments Pty Ltd.
3. Held by Shimano Ventures Ltd. Peter Griffiths has a relevant interest in these AAT Research Options as a partner of Shimano Ventures Ltd.

10.10 Administration services agreement with Transcontinental

By agreement between Transcontinental Investments Pty Ltd (Transcontinental) and Neurotech dated 12 September 2016, Neurotech agreed to retain Transcontinental to provide to Neurotech, on the terms and conditions set out in the agreement, comprehensive administration services including:

(a) administrative, management, corporate, advisory and other similar services;

(b) management of third party professional and expert services including legal and audit and investment banking, independent technical expert and other services;

(c) head office support services including provision of office space for Neurotech’s Chief Executive Officer and one other Company appointee, shared access to
Transcontinental’s office IT and telecommunications equipment and access to third party-provided communications systems and support;

(d) company secretarial, administrative support, accounting, payroll business analysis and recruitment and employee administration services; and

(e) other administration services as may be requested from time to time by the Board and as agreed by Transcontinental.

Neurotech must pay a monthly fee of $7,500 to Transcontinental plus reimbursement each month for certain costs, expenses and liabilities incurred and/or paid by Transcontinental on behalf of Neurotech during the month.

Transcontinental is a related party of the Company as Simon Trevisan is both an executive director of the Company and a director and controlling shareholder of Transcontinental.

10.11 Banking facilities

Through its subsidiary, AAT Research, the Company has five finance facilities in place with the Bank of Valletta (Bank), for the aggregate amount of €359,783, and through its subsidiary, AAT Medical Limited, the Company has two finance facilities in place with the Bank, for the aggregate amount of €426,600.

The funds made available by these facilities have been largely drawn down and have been applied to fit out the Company’s premises in Malta, purchase new office equipment, and set up a manufacturing process, including the acquisition of new machinery.

Interest is payable on the funds payable to the Bank under the facilities at a rate of 3.5% per annum over the Bank’s Business Lending Base Rate, which is currently fixed at 2.15%.

Various securities have been provided in support of the facilities held by AAT Research and AAT Medical, including various pledges and guarantees from third parties. In support of the facilities provided to AAT Medical Limited, AAT Research has provided a guarantee in the amount of €88,500, and in support of the facilities provided to AAT Research, AAT Research has provided a pledge over its current account in the amount of €200,000.

As at 30 August 2016, the aggregate amount of €512,431 remained outstanding with respect to all facilities.

Of total amount outstanding, €60,000 is with respect to an overdraft facility, and €92,996 is with respect to an associated temporary excess facility which is valid until 3 November 2016. In accordance with the Bank’s normal banking practice applicable to overdraft facilities, the total amount of €152,996 is repayable on demand.

Of the remainder that is outstanding, €29,003 is repayable on or before 30 November 2017, and the rest is repayable by various dates between 31 August 2018 and 31 December 2022. All facilities are intended to remain in place after the admission of the Company to the Official List of the ASX.
11. Additional Information
11 Additional Information

11.1 Rights and liabilities attaching to Shares

The Shares issued under this Prospectus will be fully paid ordinary shares in the capital of the Company and will rank equally with the Existing Shares.

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to the Shares. Full details of the rights and liabilities attaching to the Shares are contained in the Constitution of the Company and, in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Rules and the common law. The Constitution is available for inspection free of charge at the Company's registered office.

(a) **Share capital**: All issued ordinary fully paid Shares rank equally in all respects.

(b) **Voting rights**: At a general meeting of the Company, every holder of Shares present in person, by an attorney, representative or proxy has one vote on a show of hands and on a poll, one vote for each Share held, and for every contributing share held, a fraction of a vote equal to the proportion which the amount paid up bears to the total issue price of the contributing share. Where there is an equality of votes, the chairperson has a casting vote.

(c) **Dividend rights**: Subject to the Corporations Act and any rights of persons entitled to shares with special rights to dividends (at present there are none), all dividends as declared by the Directors shall be payable on all shares in proportion to the amount of capital paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividends are paid, unless the share is issued on terms providing to the contrary.

Dividends are payable out of the assets of the Company in accordance with section 254T of the Corporations Act and as determined by the Directors, which shall be conclusive. The Directors may direct that payment of the dividend be made wholly or in part by the distribution of specific assets or other securities of the Company.

(d) **Rights on winding-up**: Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of Shares, the liquidator may on winding-up of the Company, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(e) **Transfer of Shares**: Subject to the Constitution, Shares in the Company may be transferred by:

i. a proper ASX Settlement transfer or any other method of transferring or dealing in Shares introduced by the ASX or operated in accordance with the ASX Settlement Rules or the ASX Listing Rules as recognised under the Corporations Act; or

ii. an instrument in writing in any usual or common form or in any other form that the Directors, in their absolute discretion, approve from time to time.

The Directors may refuse to register a transfer of Shares (other than a proper ASX Settlement transfer) only where:

i. the law permits it;
ii. the law requires it; or

iii. the transfer is a transfer of restricted securities (as defined in ASX Listing Rule 19.12) which is, or might be, in breach of the ASX Listing Rules or any escrow agreement entered into by the Company in respect of those restricted securities.

(f) **Further increases in capital:** Subject to the Constitution, the Corporations Act and the ASX Listing Rules, Shares in the Company are under the control of the Directors, who may allot or dispose of all or any of the Shares to such persons, and on such terms, as the Directors determine.

Subject to the ASX Listing Rules, the Directors have the right to issue options over Shares, to any person, for any consideration.

(g) **Variation of rights attaching to Shares:** The rights attaching to the Shares of a class (unless otherwise provided by their terms of issue) may only be varied by a special resolution passed at a separate general meeting of the holders of those Shares of that class, or in certain circumstances, with the written consent of the holders of at least seventy-five percent (75%) of the issued Shares of that class.

(h) **General meeting:** Each holder of Shares will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

11.2 **Terms of Options**

The Options to be issued to the Lead Manager or its nominees pursuant to this Prospectus, to holders of AAT Research Options and to executives and employees (or their associated entities), will be issued on the terms and conditions set out below:

(a) Each Option entitles the holder (**Option Holder**) to subscribe for one fully paid ordinary share in the Company (**Share**).

(b) No amount is payable on grant of the Options.

(c) The exercise price of the Options is $0.20 each, and will be payable in full on exercise.

(d) Each Option may be exercised at any time before 5.00pm Perth, Western Australia local time on 30 November 2020. Any Option not exercised by the Expiry Date will automatically expire.

(e) No certificate will be issued for the Options.

(f) An Option Holder may not, except with the approval of the Board (in its sole and absolute discretion), sell, transfer, assign, give or otherwise dispose of, in equity or in law, the benefit of the Options. The approval of the Board may be given subject to satisfaction of certain conditions in which event such approval will be deemed not to occur until any such conditions have been satisfied, including without limitation a covenant with the Company pursuant to which the proposed new holder acknowledges and agrees to be bound by these terms of Options.

(g) An instrument of transfer of an Option must be:

i. in writing;

ii. in any usual form or in any other form approved by the Directors that is otherwise permitted by law;
iii. subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and

iv. delivered to the Company, at the place where the Company’s register of Option Holders is kept, together with the certificate (if any) of the Options to be transferred and any other evidence as the Directors require to prove the title of the transferor to those Options, the right of the transferor to transfer those Options and the proper execution of the instrument of transfer.

(h) The Options will not be listed for quotation on any stock exchange including the ASX.

(i) If the Company is admitted to the Official List of the ASX, the Company will apply for Official Quotation of all Shares allotted pursuant to an exercise of the Options in accordance with the Listing Rules.

(j) The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.

(k) There will be no participating entitlements inherent in the Options to participate in new issues of capital that may be offered to Shareholders during the currency of the Option. If the Company is admitted to the ASX, Option Holders will be notified by the Company prior to any new pro-rata issue of securities to Shareholders in accordance with the Listing Rules.

(l) In the event of a bonus issue of securities, the number of Shares over which the Options are exercisable may be increased by the number of Shares that the Option holders would have received if the Options had been exercised before the record date for the bonus issue.

(m) If the Company is admitted to the ASX, in the event of a reconstruction, including the consolidation, subdivision, reduction or return of issue capital of the Company prior to the Expiry Date, all rights of an Option Holder are to be changed in a manner consistent with the Listing Rules.

(n) There is no right to a change in the exercise price of the Options or to the number of Shares over which the Options are exercisable in the event of a new issue of capital (other than a bonus issue or a pro rata issue) during the currency of the Options.

(o) The Company will notify each Option Holder and if required by the Listing Rules, ASX, within one month after the record date for a bonus issue or a pro rata issue of the adjustment to the number of Shares over which an Option exists.

(p) Options are exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option Holder to exercise all or a specified number of the Options held by the Option Holder accompanied by an Option certificate and a cheque made payable to the Company for the subscription price for the exercise of the specified Options. An exercise of only some of the Options will not affect the rights of the Option Holder to the balance of the Options held by him.

(q) Options will be deemed to have been exercised on the date the exercise notice is received by the Company.

(r) The Company will allot the resultant Shares and deliver the holding statement within five business days after the exercise of the Option.

(s) Shares allotted pursuant to an exercise of Options will rank, from the date of allotment, in all respects equally with existing fully paid ordinary Shares of the Company. For the avoidance of doubt, subject to the application of the Listing Rules, all Shares allotted pursuant to an exercise of Options will be transferrable.
These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the jurisdiction of the courts of Western Australia.

The Options proposed to be granted to WST Business Development Advisor Ltd (an entity associated with Mag. Storf, a Director) will be granted on the terms and conditions as stated above and on the additional terms as set out in Section 10.5.

11.3 Remuneration of Directors

The Constitution of the Company provides that the Directors may be paid for their services as Directors.

The Constitution provides that non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum set by Shareholders in general meeting. The aggregate maximum is presently set at $300,000.

Details of the remuneration payable to Mag. Wolfgang Storf (or his associated entity) and Dr Adrian Attard Trevisan are set out in Section 10.5.

A Director may be paid fees or other amounts as the Directors determine, where a Director performs duties or provides services outside the scope of their normal duties. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

11.4 Security holding interests of Directors

At the Prospectus Date, the relevant interests of each of the Directors in the Shares and Options of the Company are as follows:

<table>
<thead>
<tr>
<th>Director</th>
<th>Shares (direct interest)</th>
<th>Shares (indirect interest)</th>
<th>Options (to be issued)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peter O’Connor</td>
<td>Nil</td>
<td>503,100(^2)</td>
<td>1,631,000(^2)</td>
</tr>
<tr>
<td>Adrian Attard Trevisan</td>
<td>Nil</td>
<td>18,740,889(^3,4)</td>
<td>1,864,000</td>
</tr>
<tr>
<td>Peter Griffiths</td>
<td>Nil</td>
<td>4,657,588(^5)</td>
<td>2,060,334(^5)</td>
</tr>
<tr>
<td>Simon Trevisan</td>
<td>Nil</td>
<td>5,405,100(^6)</td>
<td>1,864,000(^6)</td>
</tr>
<tr>
<td>Cheryl Tan</td>
<td>31,304</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Mag. Wolfgang Storf</td>
<td>Nil</td>
<td>466,000(^7)</td>
<td>466,000(^7)</td>
</tr>
</tbody>
</table>

Notes:

1. Options to be granted before the Admission Date, exercisable at $0.20 each on or before 30 November 2020 (not quoted on ASX). Refer to Section 11.2 for the terms of Options.
2. Held by Avonmore Holdings Group Ltd. Peter O’Connor has a relevant interest in these Shares as a beneficiary of this family trust.
3. These Shares are currently registered in the name of Mario Attard Trevisan as the former trustee of the Paloma Trust. However, Krystle Attard Trevisan has a legal right to become registered holder of these Shares, and will become the registered holder of these Shares as the current trustee of the Paloma Trust. Adrian Attard Trevisan has a relevant interest in these Shares as a beneficiary of the Paloma Trust.
4. Dr Attard Trevisan is entitled to be issued a further 1,000,000 Shares. Refer to Section 10.5 for further information about the Securities that may be issued to Dr Attard Trevisan.
5. Held or to be held by Shimano Ventures Ltd. Peter Griffiths has or will have a relevant interest in these Securities as a partner of Shimano Ventures Ltd.
6. Held by Transcontinental Investments Pty Ltd. Simon Trevisan has a relevant interest in these Securities as a director, joint controller and substantial shareholder of Transcontinental Investments Pty Ltd.

7. Proposed to be issued before the Admission Date to WST Business Development Advisor Ltd or Wolfgang Storf, Mag. Storf will have a relevant interest in Securities issued to WST Business Development Advisor Ltd as a director and controlling shareholder of this company. Refer to Section 10.5 for further information about the Securities that may be issued to Mag. Storf.

Directors may acquire Shares offered pursuant to this Prospectus.

11.5 Expenses of the Offer

The expenses of the Offers are expected to comprise the following estimated costs and are exclusive of any GST payable by the Company.

<table>
<thead>
<tr>
<th>Expense</th>
<th>Minimum Subscription</th>
<th>Percentage of Funds Raised (rounded)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASIC fees</td>
<td>$2,350</td>
<td>0.03%</td>
</tr>
<tr>
<td>ASX fees</td>
<td>$40,000</td>
<td>0.57%</td>
</tr>
<tr>
<td>Lead Manager’s fees</td>
<td>$570,000</td>
<td>8.14%</td>
</tr>
<tr>
<td>Adviser fees</td>
<td>$119,000</td>
<td>1.70%</td>
</tr>
<tr>
<td>Promotion, printing, distribution and Share Registry expenses</td>
<td>$30,000</td>
<td>0.43%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$761,350</strong></td>
<td><strong>10.87%</strong></td>
</tr>
</tbody>
</table>

11.6 Taxation implications

The taxation obligations and the effects of participating in an Offer can vary depending on the circumstances of each individual investor. Investors who are in doubt as to their taxation position should seek professional advice. It is sole responsibility of potential Applicants to inform themselves of their taxation position resulting from participation in an Offer.

The Directors do not consider that it is appropriate to give potential applicants advice regarding the taxation consequences of applying for Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of potential applicants.

The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to investors.

11.7 Legal proceedings

As at the Prospectus Date, the Company Group is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company or its subsidiaries.
11.8 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, all other persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus do not have, and have not had in the two years before the Prospectus Date, any interest in:

(a) the formation or promotion of the Company;

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or

(c) the Offers,

and no amounts have been paid or agreed to be paid (whether in cash, Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the Offers.

<table>
<thead>
<tr>
<th>Person</th>
<th>Service or function</th>
<th>Amount paid or to be paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Azure Capital Ltd</td>
<td>Lead Manager to the Share Offer</td>
<td>Maximum of $570,000 (plus GST).</td>
</tr>
<tr>
<td>BDO Audit (WA) Pty Ltd</td>
<td>Acting as auditor to the Company and for the provision of auditing services for the audit of the financial statements of the Company, to provide an opinion of the Neurotech consolidated group for the 6 months ended 30 June 2016.</td>
<td>Approximately $20,000 (plus GST). BDO Audit (WA) Pty Ltd has not been paid and is not entitled to be paid by the Company, any amount in respect of the period two (2) years prior to the Prospectus Date.</td>
</tr>
<tr>
<td>BDO Corporate Finance (WA) Pty Ltd</td>
<td>Investigating Accountant’s Report</td>
<td>Approximately $12,000 (plus GST) for the provision of professional services in relation to the preparation of the Investigating Accountant’s Report for inclusion in this Prospectus</td>
</tr>
<tr>
<td>Jackson McDonald</td>
<td>Advising the Company as solicitors to the Offers and conducting legal due diligence enquiries in respect of the Company and the Offers.</td>
<td>Approximately $80,000 (plus GST) Jackson McDonald has been paid or is entitled to be paid approximately $50,000 in respect of other legal services provided to the Company prior to the Prospectus Date.</td>
</tr>
<tr>
<td>Security Transfer Australia Pty Ltd</td>
<td>Company share registry</td>
<td>Approximately $4,100 (plus GST) for the provision of share registry services to the Company, including in respect of services to be provided for receiving and managing subscriptions under the Offer.</td>
</tr>
</tbody>
</table>
11.9 Consent statements

The following persons have given their consent to be named in this Prospectus in the form and context in which they are named and to the inclusion of a statement or report in this Prospectus in the form and context in which it is included:

<table>
<thead>
<tr>
<th>Person</th>
<th>Capacity in which named</th>
<th>Statement or report in this Prospectus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Azure Capital Ltd</td>
<td>Lead Manager</td>
<td>N/A</td>
</tr>
<tr>
<td>BDO Audit (WA) Pty Ltd</td>
<td>Auditor</td>
<td>N/A</td>
</tr>
<tr>
<td>BDO Corporate Finance (WA) Pty Ltd</td>
<td>Investigating Accountant</td>
<td>Investigating Accountant's Report</td>
</tr>
<tr>
<td>Jackson McDonald</td>
<td>Solicitors to the Offers</td>
<td>N/A</td>
</tr>
<tr>
<td>Security Transfer Australia Pty Ltd</td>
<td>Share registry</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Each of the parties named as providing the consents above:

(a) did not authorise or cause the issue of this Prospectus;

(b) does not make, or purport to make, any statement in this Prospectus nor is any statement in this Prospectus based on any statement by any of those parties other than as specified in this Section 11.9; and

(c) to the maximum extent permitted by law, expressly disclaims any responsibility or liability for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with consent of that party as specified in this Section 11.9.
12. Authorisation
12 Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company pursuant to a resolution of the Board by:

Simon Trevisan
Director

12 September 2016
13. Glossary
13 Glossary

In this Prospectus the following terms have the following meanings:

**AAT Research**
AAT Research Limited (Company Registration Number: C 57103), a subsidiary of Neurotech.

**AAT Research Options**
Options granted by AAT Research to subscribe for shares in AAT Research.

**Admission Date**
The date the Company is admitted to the official list of ASX.

**Applicant**
A person who applies for Securities in accordance with this Prospectus.

**Application**
A valid application for Securities offered under this Prospectus.

**Application Form**
An application form attached to or accompanying this Prospectus.

**Application Money**
Money received from an Applicant in respect of an Application.

**ASIC**
Australian Securities and Investments Commission.

**ASX**
ASX Limited (ACN 008 624 691), or the stock market operated by ASX Limited known as the Australian Securities Exchange, as the context requires.

**ASX Settlement**
ASX Settlement Pty Ltd (ACN 008 504 532).

**ASX Settlement Rules**
The official ASX Settlement Operating Rules.

**ASX Listing Rules**
The listing rules of ASX.

**AAT Research Option**
An option to acquire a share in AAT Research.

**Auditor**
BDO Audit (WA) Pty Ltd (ACN 112 284 787).

**Board**
The board of Directors of the Company.

**CE Marking**
Approval to sell medical devices in the European Union which complies with the requirements of the applicable European directives.

**CHESS**
Clearing House Electronic Sub-register System.

**Chief Executive Officer**
The chief executive officer of the Company from time to time.

**Closing Date**
The date on which an Offer closes.

**Company**
Neurotech International Limited (ACN 610 205 402) and its controlled entities.

**Company Group**
The Company and its Subsidiaries.

**Company Secretary**
The company secretary of the Company from time to time, being Fleur Hudson at the Prospectus Date.
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constitution</td>
<td>The constitution of the Company.</td>
</tr>
<tr>
<td>Corporations Act</td>
<td><em>Corporations Act 2001</em> (Cth).</td>
</tr>
<tr>
<td>Director</td>
<td>A director of the Company from time to time.</td>
</tr>
<tr>
<td>EEG</td>
<td>Electroencephalogram, a test that detects electrical activity in the brain using electrodes attached or in proximity of the scalp.</td>
</tr>
<tr>
<td>Executive Directors</td>
<td>The executive directors of the Company from time to time.</td>
</tr>
<tr>
<td>Existing Shareholder</td>
<td>Those persons or entities that are Shareholders of the Company as at the Prospectus Date and hold Existing Shares.</td>
</tr>
<tr>
<td>Existing Share</td>
<td>Shares issued by the Company prior to the Opening Date.</td>
</tr>
<tr>
<td>FDA</td>
<td>US Food and Drug Administration, the branch of the US federal government which approves new drugs for sale</td>
</tr>
<tr>
<td>Financial Year</td>
<td>The financial year commencing on 1 July and ending on the next 30 June.</td>
</tr>
<tr>
<td>Glossary of Terms</td>
<td>This glossary of terms.</td>
</tr>
<tr>
<td>Holding Statement</td>
<td>A holding statement for Shares under CHESS.</td>
</tr>
<tr>
<td>Investigating Accountant</td>
<td>BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045).</td>
</tr>
<tr>
<td>ISO</td>
<td>International Organization of Standardization, an independent, non-governmental international organization with a membership of 163 national standard bodies</td>
</tr>
<tr>
<td>Issue</td>
<td>The issue of Securities pursuant to this Prospectus.</td>
</tr>
<tr>
<td>Lead Manager</td>
<td>Azure Capital Limited (ACN 107 416 106).</td>
</tr>
<tr>
<td>Material Contracts</td>
<td>Contracts entered into by Neurotech referred to in Section 10.</td>
</tr>
<tr>
<td>Mente</td>
<td>Neurotech’s initial medical device that assists with the management of autism spectrum disorder in children.</td>
</tr>
<tr>
<td>Mente Autism</td>
<td>Neurotech’s third and latest iteration of Mente.</td>
</tr>
<tr>
<td>Neurotech</td>
<td>Neurotech International Limited (ACN 610 205 402) or one of its subsidiaries, as the context requires.</td>
</tr>
<tr>
<td>Neurotech Group</td>
<td>Neurotech International Limited (ACN 610 205 402) and its Subsidiaries.</td>
</tr>
<tr>
<td>Non-Executive Directors</td>
<td>The non-executive Directors of the Company from time to time, being Peter O’Connor, Peter Griffiths, Simon Trevisan and Cheryl Tan as at the Prospectus Date.</td>
</tr>
<tr>
<td>Offer</td>
<td>An offer of Securities under this Prospectus, being the Share Offer and the Options Offer.</td>
</tr>
<tr>
<td><strong>Offer Period</strong></td>
<td>The period between the Opening Date and the Closing Date of the Offer.</td>
</tr>
<tr>
<td>------------------</td>
<td>-------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Offer Price</strong></td>
<td>$0.20 for the Shares offered under the Share Offer.</td>
</tr>
<tr>
<td><strong>Offered Securities</strong></td>
<td>Securities offered under this Prospectus.</td>
</tr>
<tr>
<td><strong>Official Quotation</strong></td>
<td>Quotation of Shares on the official list of ASX.</td>
</tr>
<tr>
<td><strong>Opening Date</strong></td>
<td>The date on which an Offer opens.</td>
</tr>
<tr>
<td><strong>Option</strong></td>
<td>An option to subscribe for a Share.</td>
</tr>
<tr>
<td><strong>Option Holder</strong></td>
<td>A holder of an Option.</td>
</tr>
<tr>
<td><strong>Options Offer</strong></td>
<td>The offer in this prospectus of up to 2,529,076 Options to the Lead Manager.</td>
</tr>
<tr>
<td><strong>Premarket Approval</strong></td>
<td>The FDA process of scientific and regulatory review to evaluate the safety and effectiveness of Class III medical devices, being devices that support or sustain human life, are of substantial importance in preventing impairment of human health, or which present a potential, unreasonable risk of illness or injury.</td>
</tr>
<tr>
<td><strong>Prospectus</strong></td>
<td>This prospectus and any supplementary or replacement prospectus.</td>
</tr>
<tr>
<td><strong>Prospectus Date</strong></td>
<td>The date this Prospectus was lodged with ASIC.</td>
</tr>
<tr>
<td><strong>Securities</strong></td>
<td>Shares and Options.</td>
</tr>
<tr>
<td><strong>Share Offer</strong></td>
<td>The offer of 35,000,000 Shares at $0.20 per Share to raise $7,000,000 pursuant to this Prospectus.</td>
</tr>
<tr>
<td><strong>Share</strong></td>
<td>A fully paid ordinary shares in the capital of the Company.</td>
</tr>
<tr>
<td><strong>Share Registry</strong></td>
<td>Security Transfer Australia Pty Ltd (ACN 008 894 488), trading as Security Transfer Registrars.</td>
</tr>
<tr>
<td><strong>Shareholder</strong></td>
<td>A holder of a Share.</td>
</tr>
<tr>
<td><strong>Subsidiaries</strong></td>
<td>The Company's subsidiary entities.</td>
</tr>
<tr>
<td><strong>US</strong></td>
<td>United States of America.</td>
</tr>
<tr>
<td><strong>US Clinical Trial</strong></td>
<td>The clinical trial referred to in Section 3.8 currently being conducted in the US.</td>
</tr>
<tr>
<td><strong>WST</strong></td>
<td>Australian Western Standard Time.</td>
</tr>
</tbody>
</table>