Neurotech International Limited
Appendix 4D
Half Year Report

1.Company details

Name of entity:	Neurotech International Limited
ACN:	610 205 402
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

				$000
Revenues from ordinary activities	down	93.7%	to	3
Loss from ordinary activities after tax attributable to the owners of Neurotech International Limited	up	95.2%	to	(3,538)
Loss for the period attributable to the owners of Neurotech International Limited	up	95.2%	to	(3,538)

Comments
The loss for the Group after providing for income tax amounted to $3,538,435 (31 December 2021: $1,812,665)
The increase in revenues is due the receipt of R&D Grant Income from 2022 of $1,188,529.
The loss from ordinary activities includes $2,207,399 in Research and Development expenditure.

3. Net tangible assets

	Reporting period Cents	**Previous period Cents**
Net tangible assets per ordinary security (cents)	1.04	0.41

4. Dividends

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

5. Audit review

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

6. Attachments

The interim financial report for the period ended 31 December 2022 is attached.

Signed

Winton Willesee
Director
28 February 2023

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NEUROTECH INTERNATIONAL LIMITED

ACN 610 205 402

CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2022

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CORPORATE DIRECTORY

DIRECTORS	Mark Davies (Non-Executive Chairman) Thomas Duthy (Executive Director) Winton Willesee (Non-Executive Director) Gerald Quigley (Non-Executive Director)
COMPANY SECRETARY	Erlyn Dawson
REGISTERED AND PRINCIPAL OFFICE	Suite 5 CPC, 145 Stirling Highway NEDLANDS WA 6009 Telephone: (08) 9389 3130 Website: www.neurotechinternational.com Email: info@neurotechinternational.com
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SHARE REGISTRY	Automic Registry Services Level 5, 191 St Georges Terrace PERTH WA 6000 Telephone: (08) 9324 2099
HOME EXCHANGE	Australian Securities Exchange Ltd Exchange Plaza 2 The Esplanade PERTH WA 6000 ASX Code: NTI

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DIRECTORS' REPORT

The Directors present their report together with the financial report of Neurotech International Limited and its controlled entities (**Group**) for the half-year ended 31 December 2022 and the Auditor's Report thereon.

BOARD OF DIRECTORS

The names and details of the Directors in office during the financial period and until the date of this report are set out below.

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

PRINCIPAL ACTIVITIES

Neurotech International Limited (ASX:NTI) is a clinical-stage biopharmaceutical development company focused predominately on paediatric neurological disorders. Neurotech has completed a Phase I/II clinical trial in Autism Spectrum Disorder (ASD), which demonstrated safety and efficacy results at 28 days, 20 weeks and 32 weeks of daily treatment with NTI164. The Group commenced a Phase II/III randomised, double-blind, placebo-controlled clinical trial in ASD in Q4 CY2022. The Group will also be conducting additional Phase I/II trial in Paediatric Autoimmune Neuropsychiatric Disorders Associated with Streptococcal Infections (PANDAS) and Paediatric Acute-Onset Neuropsychiatric Syndrome (PANS), collectively PANDAS/PANS, along with a Phase I/II trial in Cerebral Palsy during CY2023. Additionally, Neurotech is commercialising Mente, the world's first home therapy that is clinically proven to increase engagement and improve relaxation in autistic children with elevated Delta band brain activity.

OPERATING RESULTS

The consolidated Group's net loss after providing for income tax for the half-year ended 31 December 2022 amounted to $3,538,435 (31 December 2021: $1,812,665). At 31 December 2022, the Group has $8,100,456 Cash and Cash Equivalents (30 June 2022: $1,895,431). Refer Note 1(d) on the preparation of the financial statements on a going concern basis.

REVIEW OF OPERATIONS

Phase I/II and Phase II/III Trials in Autism Spectrum Disorder

In July 2022, the Group announced breakthrough results from its landmark Phase I/II open label clinical study evaluating the safety and efficacy of the Companies' lead drug candidate, NTI164 in children with ASD. The study demonstrated successful outcomes relating to the safety, tolerability, and efficacy of NTI164 on key behavioural parameters that impact patients with ASD. Specifically, efficacy data demonstrated statistical significance at 28 days of treatment, whereby 93% (13 out of 14 active patients) showed symptom improvement relating to severity of illness (CGI-S) after 28 days of daily treatment with NTI164. Due to the positive therapeutic effect combined with parent and clinician feedback, the study was subsequently granted Human Research Ethics Committee (HREC) approval to extend the trial for a further 52 weeks.

On 26 October 2022, the Group announced that the 12 ASD patients participating in the Phase I/II extension study showed significant improvements across all gold-standard ASD measures after 20 weeks of daily treatment with NTI164. The study found significant improvements in various measures of ASD, including severity of illness, anxiety, social responsiveness, and adaptive behaviour.

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

On 30 November 2022, it was announced that the 12 ASD patients participating in the extension study had shown continued improvements in terms of their CGI-S at 32 weeks. Specifically, the mean CGI-S of the children continued to shift in a positive direction from moderate at baseline towards the intersection between borderline/mild. NTI164 continued to be safe and well tolerated at the maximum tolerated dose for each patient over the 32 week period, with no serious adverse events recorded. In line with the study protocol and HREC approval, all 12 patients will be followed-up for additional safety and efficacy analysis up-to 54 weeks, with further results to be reported in due course.

On 17 November 2022, the Group received Human Research Ethics Committee (HREC) HREC approval and Clinical Trial Notification (CTN) scheme clearance by the Therapeutic Goods Administration (TGA) to commence the Phase II/III Clinical Trial in Children with ASD. Subsequently, on the 19 December 2022, the Group announced that the first patient had been randomised and treated as part of this larger, randomised, double-blind, placebo-controlled clinical trial, titled 'NTIASD2'. The Phase II/III trial aims to evaluate the effectiveness and safety of lead drug candidate, NTI164 compared to placebo in paediatric patients with ASD. Up to 54 patients will be enrolled in the trial through the Paediatric Neurology Unit at Monash Medical Centre in Melbourne, Victoria. Completion of recruitment is expected to occur in 2H CY2023.

PANDAS/PANS

On 17 October 2022, the Group announced the initiation of a new clinical trial designated 'NTIPAN1', which will investigate the safety and efficacy of NTI164 in treating patients with PANDAS/PANS. PANDAS/PANS is a clinical diagnosis given to children who have a dramatic (typically within one day) onset of neuropsychiatric symptoms including intense anxiety, Obsessive-Compulsive Disorder (OCD) and/or severely restrictive eating. The Phase I/II trial is single-arm, open-label, and will enrol up to fifteen 15 paediatric patients with moderate to severe PANDAS/PANS. The trial will be conducted at two centres in Australia, the Children's Hospital at Westmead and the Paediatric Neurology Unit at Monash Medical Centre.

During the half-year, the Group filed additional provisional patent applications around this novel application of NTI164 in PANDAS/PANS and prepared applications for HREC approval and Clinical Trial Notification (CTN) scheme clearance by the Therapeutic Goods Administration (TGA).

Cerebral Palsy

The Group continues to refine a study protocol for cerebral palsy examining the efficacy and safety of daily oral treatment with NTI164. The Group expects to obtain necessary HREC clearance during 1H CY2023.

Completion of $9 million Capital Raising

On 28 October 2022, the Group announced that it had received binding commitments for an equity placement with institutional and sophisticated investors totalling $9,000,000 at an issue price of $0.10 per share. PAC Partners and Peloton Capital acted as Joint Lead Managers for the Placement. As part of the Placement, each Placement participant was entitled to subscribe for 1 free attaching option for every 2 New Shares subscribed for under the Placement.

Funds raised under the placement will be applied to the Group's paediatric clinical trials program, including Phase I/II trials in PANDAS/PANS and Cerebral Palsy, the Phase II/III clinical trial in ASD, drug product manufacturing scale-up and lead-in pre-clinical work associated with the Group's submissions to the US FDA to undertake future US trials for NTI164 and general working capital.

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SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than detailed in the Review of Operations, there were no significant changes in the state of affairs of the Group during the half-year.

MATTERS SUBSEQUENT TO THE END OF THE HALF YEAR

Operational

On 19 January 2023, the Company announced that the US Food and Drug Administration (FDA) had approved its request for a pre-Investigational New Drug Application (Pre-IND) Type B Meeting for its NTI164 strain in ASD to be held on 15 March 2023 (US time). The purpose of the meeting is to seek FDA feedback in relation to the Company's chemistry/manufacture/control (CMC) package.

On 27 January 2023, the Company announced the receipt of written Human Research Ethics Committee (HREC) approval and Clinical Trial Notification (CTN) scheme clearance by the Therapeutic Goods Administration (TGA) to commence the Phase I/II clinical trial of NTI164 in children diagnosed with PANDAS/PANS.

On 14 February 2023, the Company announced the HREC approval had been secured to extend the Phase I/II ASD clinical trial (NTIASD1) beyond the 54 weeks of daily oral treatment with NTI164 for an additional six months on a patient specific basis.

On 16 February 2023, the Company announced that the first patient had received treatment in the Phase I/II clinical trial of NTI164 in children diagnosed with PANDAS/PANS.

Capital Management

On 24 January 2023, the Company issued 11,590,356 shares upon exercise of 11,590,356 NTIOPT7 options ($0.005, 31 Jan 2023) for a consideration of $57,951.

On 31 January 2023, the Company issued:

- 38,000,000 shares upon exercise of 5,000,000 NTIOPT7 options ($0.005, 31 Jan 2023) and 33,000,000 NTIOPT8 options ($0.01, 31 Jan 2023) for a consideration of $355,000.
- 44,999,994 NTIOA Options ($0.135, 30 Jan 2025) as free attaching options to the placement participants under the placement announced by the Company on 28 October 2022 ("Placement").
- 10,000,000 NTIOA Options ($0.135, 30 Jan 2025) to PAC Partners and Peloton Capital for their services as joint lead managers under the Placement.

Other than detailed above no other matters or circumstances have arisen since 31 December 2022 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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OUTLOOK

Neurotech is now fully focussed on executional excellence as it relates to the revised company strategy, which focusses financial and operational resources to predominately paediatric neurological disorders. In the half year to 31 December 2022, the Group made substantial progress towards this goal, with new clinical trials announced in ASD and PANDAS/PANS and advanced planning in Cerebral Palsy. In addition, the Group expects to announce a new orphan paediatric clinical trial where NTI164 is anticipated to confer a clinical benefit in these hard-to-treat patients.

The Group has a number of important clinical and regulatory milestones planned for the first half 2023 calendar year, including:

- Commencement of Patient Recruitment for the PANDAS/PANS Phase I/II Clinical Trial
- HREC/TGA Approval Cerebral Palsy Phase I/II Clinical Trial
- Commencement of Patient Recruitment in the Cerebral Palsy Phase I/II Clinical Trial
- Completion of Patient Recruitment PANDAS/PANS Phase I/II Clinical Trial
- FDA Pre-IND Meeting and outcomes following the meeting on 15 March 2023
- Additional paediatric neurological disorder clinical trial announcement

In addition, the second half of calendar year 2023, Neurotech expects to report a strong pipeline of news relating to clinical trial results and additional regulatory submissions:

- Results of the PANDAS/PANS Phase I/II Clinical Trial
- Completion of Patient Recruitment Cerebral Palsy Phase I/II Clinical Trial
- Completion of Patient Recruitment ASD Phase II/III Clinical Trial
- US FDA IND submission
- Completion of recruitment of a new neurological disorder

The 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. The Board is reviewing the options for it to continue the development of Mente which includes accessing sufficient funding in a suitably attractive form to shareholders to fund the continued development.

The overarching consideration of the Board is to maximise the value of its assets for the benefit of its shareholders.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2022 has been received and can be found on page 9.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

Signed on behalf of the Board of Directors.

Winton Willesee
Non-Executive Director
Dated at Perth, Western Australia, 28 February 2023

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

As lead auditor for the review of Neurotech International Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Neurotech International Limited and the entities it controlled during the period.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth

28 February 2023

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	CONSOLIDATED 31 December 2022 ($)	CONSOLIDATED 31 December 2021 ($)
CONTINUING OPERATIONS			
Revenue		2,988	47,732
R&D Grant income	2	1,188,529	-
Other income		8,866	151,508
Cost of sales		-	(14,682)
Provision for obsolete stock written off		-	14,682
Professional consultant and advisory expenses		(180,775)	(182,103)
Professional legal expenses		(58,068)	(46,052)
Corporate and administration expenses		(266,990)	(202,645)
Depreciation and amortisation expenses		(588)	-
Finance expenses		-	(9,711)
Advertising and marketing expenses		(5,268)	(13,906)
Employee benefits expense		(428,686)	(340,055)
Bad debt provision		8,800	-
Research and development expense	2	(2,207,399)	(1,184,209)
Share based payments expense	3	(1,588,038)	(24,677)
Equipment and materials direct cost		(3,368)	(686)
Other expenses		(8,438)	(7,861)
LOSS BEFORE INCOME TAX		**(3,538,435)**	**(1,812,665)**
Income tax benefit		-	-
LOSS AFTER INCOME TAX		**(3,538,435)**	**(1,812,665)**
Other comprehensive income/(loss)		-	-
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		(9,797)	1,995
Total comprehensive loss for the period		**(3,548,232)**	**(1,810,670)**
Basic and diluted loss per share (cents per share)	4	**(0.48)**	**(0.26)**

The Consolidated Statement of Profit or Loss and Other Comprehensive Income are to be read in conjunction. with the accompanying notes.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	CONSOLIDATED 31 December 2022 ($)	CONSOLIDATED 30 June 2022 ($)
CURRENT ASSETS			
Cash and cash equivalents	5	8,100,456	1,895,431
Trade and other receivables		263,033	99,483
Prepayments		546,523	18,238
Inventories		7,463	7,202
TOTAL CURRENT ASSETS		**8,917,475**	**2,020,354**
NON-CURRENT ASSETS			
Property, plant and equipment		2,029	2,617
TOTAL NON-CURRENT ASSETS		**2,029**	**2,617**
TOTAL ASSETS		**8,919,504**	**2,022,971**
CURRENT LIABILITIES			
Trade and other payables		367,262	592,980
TOTAL CURRENT LIABILITIES		**367,262**	**592,980**
TOTAL LIABILITIES		**367,262**	**592,980**
NET ASSETS		**8,552,242**	**1,429,991**
EQUITY			
Contributed Equity	6	34,585,074	25,776,778
Reserves	7	6,201,708	4,349,318
Accumulated Losses		(32,234,540)	(28,696,105)
TOTAL EQUITY		**8,552,242**	**1,429,991**

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Contributed Equity ($)	Accumulated Losses ($)	Share-based Payment Reserve ($)	Foreign Currency Translation Reserve ($)	Total ($)
HALF-YEAR ENDED 31 DECEMBER 2022					
Balance at 1 July 2022	**25,776,778**	**(28,696,105)**	**4,273,060**	**76,258**	**1,429,991**
(Loss) for the period	-	(3,538,435)	-	-	(3,538,435)
Exchange difference	-	-	-	(9,797)	(9,797)
Total comprehensive (loss)	**-**	**(3,538,435)**	**-**	**(9,797)**	**(3,548,232)**
Exercise of options – Note 6	737,600	-	-	-	737,600
Placement Shares	9,000,000	-	-	-	9,000,000
Share based payments – Note 3	-	-	576,359	-	576,359
Options to be issued	-	-	1,285,828	-	1,285,828
Share issue costs	(929,304)	-	-	-	(929,304)
Balance at 31 December 2022	**34,585,074**	**(32,234,540)**	**6,135,247**	**66,461**	**8,552,242**

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Contributed Equity ($)	Accumulated Losses ($)	Share-based Payment Reserve ($)	Foreign Currency Translation Reserve ($)	Total ($)
HALF-YEAR ENDED 31 DECEMBER 2021					
Balance at 1 July 2021	**25,750,378**	**(25,333,864)**	**3,394,103**	**50,849**	**3,861,466**
(Loss) for the period	-	(1,812,665)	-	-	**(1,812,665)**
Exchange difference	-	-	-	(7,340)	**(7,340)**
Total comprehensive (loss)	**-**	**(1,812,665)**	**-**	**(7,340)**	**(1,820,005)**
Exercise of options	11,880	-	-	-	**11,880**
Reclassification of deferred consideration	-	-	795,000	-	**795,000**
Share based payments – Note 3	-	-	24,677	-	**24,677**
Balance at 31 December 2021	**25,762,258**	**(27,146,529)**	**4,213,780**	**43,509**	**2,873,018**

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

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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	CONSOLIDATED 31 December 2022 ($)	CONSOLIDATED 31 December 2021 ($)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,988	47,732
Other receipts		1,188,529	151,555
Payments to suppliers and employees		(4,124,188)	(2,013,821)
Interest paid		-	(1,593)
Interest received		10,303	190
NET CASH USED IN OPERATING ACTIVITIES		**(2,922,368)**	**(1,815,937)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		9,072,649	11,880
Proceeds from borrowings		54,744	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		**9,127,393**	**11,880**
Net increase/(decrease) in cash held		**6,205,025**	**(1,804,057)**
Effect of foreign exchange on cash balances		-	1,995
Cash and cash equivalents at beginning of financial period		1,895,431	4,827,370
Cash and cash equivalents at end of financial period		**8,100,456**	**3,025,308**

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

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1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of half-year financial statements

The consolidated interim financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretation and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. It is recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2022, together with any public announcements made during the half year ended 31 December 2022 in accordance with the continuous disclosure requirements arising under Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period with the exception of the below accounting policies.

All amounts are presented in Australian dollars, unless otherwise noted.

These half-year financial statements were approved by the Board of Directors on 28 February 2023.

(b) New or amended Accounting Standards and interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

(c) Significant Accounting Judgments, Estimates and Assumptions

The preparation of the half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2022.

(d) Going Concern

The Directors are satisfied that the going concern assumption has been appropriately applied in preparing the financial statements and the historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

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2. RESEARCH EXPENSE

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

	CONSOLIDATED	
	31 December 2022 ($)	31 December 2021 ($)
Research and development grant income	1,188,529	-
Research and development expenses		
Product development & formulation	114,302	794,119
Clinical programme	2,006,795	185,000
Regulatory programme	-	44,450
Plant production & breeding program	-	64,400
Patent and IP expenses	40,848	96,240
Other	45,454	-
Total research and development expense	**2,207,399**	**1,184,209**

3. SHARE BASED PAYMENTS EXPENSE

The primary purpose of share-based payments is to remunerate Directors, other Key Management Personnel and Service providers for the services rendered to the Group.

	CONSOLIDATED	
	31 December 2022 ($)	31 December 2021 ($)
Options issued to Management		
Options – Dr Alex Andrews (COO)	95,680	-
Options issued to Directors		
Options – Dr Thomas Duthy	476,304	-
Options – Gerald Quigley	4,375	-
Options to be issued		
Winx options	1,011,679	-
Expense recognised for the period related to previously issued options to Krista Bates	-	13,935
Expense recognised for the period related to previously issued options to Allan Cripps	-	10,742
Total share-based payments expense	**1,588,038**	**24,677**

Options issued to Directors

At the 2022 Annual General Meeting held on 30 November 2022, shareholders approved the issue of options to

Dr Thomas Duthy and Gerald Quigley in their capacity as Directors. The options were issued on 23 December 2022 and valued using the Black-Scholes option valuation model with the following inputs:

	Duthy $0.10	Duthy $0.15	Quigley $0.10
Number of options in series	10,000,000	10,000,000	5,000,000
Grant date share price	$0.084	$0.084	$0.084
Exercise price	$0.10	$0.15	$0.10
Expected volatility	76.98%	76.98%	76.98%
Option life	5 years	5 years	3 years
Expiry	23/12/2027	23/12/2027	23/12/2025
Interest rate	3.28%	3.28%	3.17%
Valuation	$511,337	$443,015	$199,593
Expensed in the period	$255,201	$221,103	$4,375

Duthy

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

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

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

Quigley

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

Options to be issued

The Company and Winx Capital Pty Ltd (Winx) entered into a corporate advisory mandate for the six months ending 31 December 2022. In consideration for the corporate advisory services the Company has agree to issue Winx 35,000,000 options exercisable at $0.065 each and expiring 30 June 2023. The options were issued on 28 February 2023 and valued using the Black-Scholes option valuation model with the following inputs:

Number of options in series:	35,000,000
Grant date share price:	$0.084
Exercise price	$0.065
Expected volatility	76.98%
Option life	0.581 months
Expiry	30 June 2023
Interest rate	3.11%
Valuation	$1,011,679
Expensed in the period	$1,011,679

4. LOSS PER SHARE

The calculation of basic loss per share for the period ended 31 December 2022 was based on the loss attributable to ordinary shareholders of $3,538,435 (31 December 2021: $1,812,665) and a weighted average number of ordinary shares outstanding at the end of the period of 736,565,333 (31 December 2021: 686,819,126).

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	CONSOLIDATED	
	31 December 2022 ($)	31 December 2021 ($)
Basic loss per share (cents per share)	(0.48)	(0.26)
a) Reconciliation of earnings to operating loss		
Loss attributable to ordinary shareholders after tax	(3,538,435)	(1,812,665)
Loss used in the calculation of EPS	**(3,538,435)**	**(1,812,665)**
b) Weighted average number of ordinary shares (WANOS) outstanding during the half year		
WANOS used in calculating basic loss per share	736,565,333	686,819,126

Effect of dilutive securities: Share options are not considered dilutive as the conversion of options to ordinary shares will result in a decrease in the net loss per share.

5. CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	31 December 2022 ($)	30 June 2022 ($)
Cash at bank and on hand	8,085,456	1,880,431
Term Deposit	15,000	15,000
Total cash and cash equivalents	**8,100,456**	**1,895,431**

6. CONTRIBUTED EQUITY

	CONSOLIDATED			
	31 December 2022 (Shares)	31 December 2021 (Shares)	31 December 2022 ($)	31 December 2021 ($)
Ordinary Shares	824,319,126	697,215,126	34,585,074	25,762,258
Total Share Capital	**824,319,126**	**697,215,126**	**34,585,074**	**25,762,258**

Movements of share capital during the period

Date	Details	No of shares	Issue price ($)	$
Opening Balance at 1 July 2022		**697,699,126**		**25,776,778**
6/9/2022	Exercise of NTIOPT10	9,000,000	0.01500	135,000
6/9/2022	Exercise of NTIOPT11	9,000,000	0.02000	180,000
6/10/2022	Exercise of NTIOPT11	250,000	0.02000	5,000

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Date	Details	No of shares	Issue price ($)	$
12/10/2022	Exercise of NTIOPT11	750,000	0.02000	15,000
25/10/2022	Exercise of NTIOPT10	1,000,000	0.01500	15,000
7/11/2022	Placement to institutional investors -Tranche 1	75,000,000	0.10000	7,500,000
7/11/2022	Exercise of NTIOPT3	4,000,000	0.01890	75,600
7/11/2022	Exercise of NTIOPT12 (NTIAP)	3,630,000	0.03000	108,900
18/11/2022	Exercise of NTIOPT3	6,000,000	0.01890	113,400
18/11/2022	Exercise of NTIOPT12 (NTIAP)	528,000	0.03000	15,840
21/12/2022	Placement to institutional investors -Tranche 2	15,000,000	0.10000	1,500,000
22/12/2022	Exercise of NTIOPT12 (NTIAP)	2,462,000	0.03000	73,860
	Share issue costs			(929,304)
Closing Balance at 31 December 2022		**824,319,126**		**34,585,074**

The holder of Ordinary Shares is entitled to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary Shares have no par value and the Group does not have a limited amount of authorised capital.

The company entered into an agreement with Dolce Cann Global Pty Ltd, under which the Company has been granted an exclusive worldwide licence to utilise proprietary cannabis strains for medicinal use in treating neurological disorders. The Company agreed to provide consideration for the acquisition of the licence, including tranches awarded for completion of milestones. The tranche 3 milestone was met, however was completed after the cut-off date of 20 September 2021. At the AGM held on 30 November 2022, shareholders gave their approval to uphold the payment of 33,000,000 shares to Dolce Cann in relation to the tranche 3 milestone which was achieved outside of the allocated timeframe. As of 31 December 2022, the Board have not resolved to issue the shares.

7. OTHER RESERVES

	CONSOLIDATED		
	Share Based Payments Reserve ($)	Foreign Currency Translation Reserve ($)	Total Reserves ($)
Balance at 1 July 2022	**4,273,060**	**76,258**	**4,349,318**
Foreign exchange movement	-	(9,797)	(9,797)
Share based payments	1,862,187	-	1,862,187
Balance at 31 December 2022	**6,135,247**	**66,461**	**6,201,708**

(a) Share-based payments Reserve

The share-based payments reserve represents the value of options and share rights issued to key management personnel, vendors and for services in relation to capital raisings. The share-based payments reserve is used to record the value of the share-based payments provided to employees, consultants and for options issued pursuant to any acquisition or in exchange for services.

(b) Foreign Currency Reserve

The foreign currency reserve records foreign currency differences arising from the translation of financial information of the Group's Maltese subsidiaries which have a functional currency of the Euro.

8. INTERESTS IN OTHER ENTITIES

Name of Entity	Place of business/country of incorporation	Ownership Interest held by the Group		Principal Activities
		31 December 2022	30 June 2022	
AAT Research Ltd	Malta	100%	100%	Parent Group of AAT Medical Ltd
AAT Medical Ltd	Malta	100%	100%	Executing medical research projects and developing novel technological devices that are marketable

9. CONTINGENT LIABILITIES

The Board is not aware of any circumstances or information, which leads them to believe there are any material contingent liabilities outstanding as at 31 December 2022.

10. RELATED PARTIES

On the 23 December 2022 and following approval at the AGM, the Company granted 25,000,000 Options to Directors of the Company. Refer to Note 2 for further detail and valuation of options granted.

11. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Operational

On 19 January 2023, the Company announced that the US Food and Drug Administration (FDA) had approved its request for a pre-Investigational New Drug Application (Pre-IND) Type B Meeting for its NTI164 strain in ASD to be held on 15 March 2023 (US time). The purpose of the meeting is to seek FDA feedback in relation to the Company's chemistry/manufacture/control (CMC) package.

On 27 January 2023, the Company announced the receipt of written Human Research Ethics Committee (HREC) approval and Clinical Trial Notification (CTN) scheme clearance by the Therapeutic Goods Administration (TGA) to commence the Phase I/II clinical trial of NTI164 in children diagnosed with PANDAS/PANS.

On 14 February 2023, the Company announced the HREC approval had been secured to extend the Phase I/II ASD clinical trial (NTIASD1) beyond the 54 weeks of daily oral treatment with NTI164 for an additional six months on a patient specific basis.

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On 16 February 2023, the Company announced that the first patient had received treatment in the Phase I/II clinical trial of NTI164 in children diagnosed with PANDAS/PANS.

Capital Management

On 24 January 2023, the Company issued 11,590,356 shares upon exercise of 11,590,356 NTIOPT7 options ($0.005, 31 Jan 2023) for a consideration of $57,951.

On 31 January 2023, the Company issued:

- 38,000,000 shares upon exercise of 5,000,000 NTIOPT7 options ($0.005, 31 Jan 2023) and 33,000,000 NTIOPT8 options ($0.01, 31 Jan 2023) for a consideration of $355,000.
- 44,999,994 NTIOA Options ($0.135, 30 Jan 2025) as free attaching options to the placement participants under the placement announced by the Company on 28 October 2022 ("Placement").
- 10,000,000 NTIOA Options ($0.135, 30 Jan 2025) to PAC Partners and Peloton Capital for their services as joint lead managers under the Placement.

Other than detailed above no other matters or circumstances have arisen since 31 December 2022 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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DIRECTORS DECLARATION

In the opinion of the Directors of Neurotech International Limited (Group):

(a) the Financial Statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and Notes set out on pages 10 to 21, are in accordance with the *Corporations Act 2001*, including:

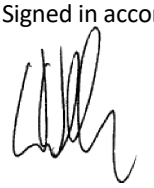
  (i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of their performance, for the financial period ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and other mandatory professional reporting requirements.

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* by the Financial Officer for the financial period ended 31 December 2022.

Signed in accordance with a resolution of the Directors.



Winton Willesee

Dated at Perth, Western Australia, 28 February 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Neurotech International Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Neurotech International Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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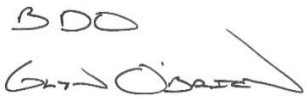
Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit (WA) Pty Ltd



Glyn O'Brien

Director

Perth

28 February 2023