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 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

				$000
Revenues from ordinary activities	down	50%	to	2
Loss from ordinary activities after tax attributable to the owners of Neurotech International Limited	down	79%	to	(729)
Loss for the period attributable to the owners of Neurotech International Limited	down	79%	to	(729)

Comments
The loss for the Group after providing for income tax amounted to $728,872 (31 December 2022: $3,538,435)
The increase in revenues is due the receipt of R&D Grant Income from 2023 of $3,175,370.
The loss from ordinary activities includes $2,237,138 in Research and Development expenditure.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security (cents)	0.5	1.04

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 2023 is attached.

Signed

Winton Willesee
Director
26 February 2024

NEUROTECH INTERNATIONAL LIMITED

ACN 610 205 402

CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2023

CONTENTS

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
AUDITORS	BDO Audit (WA) Pty Ltd Level 9, Mia Yellagonga Tower 2 5 Spring Street PERTH WA 6000
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

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 2023 and the Auditor's Report thereon.

BOARD OF DIRECTORS

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

- Mark Davies — Non-Executive Chairman
- Thomas Duthy — Executive Director
- Winton Willesee — Non-Executive Director
- Gerald Quigley — Non-Executive Director

PRINCIPAL ACTIVITIES

Neurotech International Limited (ASX:NTI) is a clinical-stage biopharmaceutical development company focused predominately on paediatric neurological disorders. The lead product is NTI164, a broad-spectrum cannabinoid drug therapy which is delivered orally as an oil formulation.

The Group's mission is to focus on the development and commercialisation of innovative neurological therapies that improve quality of life. The Group is dedicated to advancing research, developing innovative treatments, and providing compassionate care to improve the lives of children affected by neurological disorders. With a steadfast commitment to understanding the unique needs of each child, we strive to empower families, inspire breakthroughs in paediatric neurology, and create a future where every child can thrive and reach their full potential, irrespective of neurological obstacles.

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 52 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. This trial completed recruitment in Q4 CY2023.

The Group also initiated and completed (with results) an 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 during CY2023. The Group also commenced a Phase I/II Rett Syndrome clinical trial which completed recruitment in late Q3 CY2023. The Group is awaiting results for both ASD Phase II/III and Rett Syndrome.

OPERATING RESULTS

The consolidated Group's net loss after providing for income tax for the half-year ended 31 December 2023 amounted to $728,771 (31 December 2022: $3,538,435). At 31 December 2023, the Group has $4,479,427 Cash and Cash Equivalents (30 June 2023: $5,025,795). Refer Note 1(d) on the preparation of the financial statements on a going concern basis.

REVIEW OF OPERATIONS

Autism Spectrum Disorder (ASD)

During the quarter ended on 31 December 2023, the Company appointed a leading Health Economic consultancy to identify and quantify the value proposition in Australia for patients with Autism Spectrum Disorder (ASD). Previous analysis has shown that within the Australian context, early intervention in autism has a material cost saving to the National Disability Insurance Scheme (NDIS). To date, such interventions relate largely to occupational therapies, as effective drug therapies for autism are lacking. The analysis currently being undertaken by the Group is expected to greatly assist in future discussions with government and private payers

relating to the appropriate pricing and reimbursement for the Group's proprietary broad spectrum cannabinoid therapy NTI164.

In the year ending 30 June 2023, the NDIS spent $6.73 billion in paid supports to people with autism, a significant 28% increase from the preceding year's total of $5.27 billion. This allocation encompasses payments directed to both individuals with autism and service providers. During the 2023 financial year, the average support payment made to a participant with autism amounted to $33,800, reflecting a 7% increase from the previous year. The primary focus of payments of that financial year was centred on core support for daily activities, totalling just under $2.7 billion according to NDIS data.

The Group continued to collect additional safety information with its Phase I/II clinical trial extension program, with all children on the initial trial in CY2022 continuing treatment through CY2023.

Much of the Group's focus during the half year has been the Phase II/III NTIASD2 clinical trial, which is a randomised, double-blind, placebo-controlled, clinical trial that has recruited patients with ASD to determine the efficacy and safety of NTI164 versus placebo. The study comprises an 8-week treatment period followed by an 8-week open-label maintenance period followed by a 2-week wash-out period. Participants who choose to continue receiving NTI164 beyond the duration of the study may do so for an additional 38 weeks. They will undergo the 2-week down-titration phase at the end of their extension phase.

In December 2023, the Group announced Human Research Ethics Committee (HREC) approval to extend the current Phase II/III clinical trial in ASD patients to allow for patients who turn 18 years of age to remain on treatment with NTI164 during the extension phase of the trial for up to 54 weeks of total treatment. The previous HREC approval covered treatment with NTI164 in a paediatric population of ASD, reflecting the inclusion criteria for the current Phase II/III clinical trial.

In late December 2023, the Group announced the completion of patient recruitment of the NTIASD2 clinical trial. The trial has recruited a total of 56 patients with Level 2 (requiring substantial support) and Level 3 (requiring very substantial support) autism. All patients were enrolled at the Paediatric Neurology Unit at Monash Medical Centre, through the trial's Principal Investigator Professor Michael Fahey, Head of the Paediatric Neurology Unit and Director of Neurogenetics.

PANDAS/PANS

On 31 August 2023, the Group announced the Last patient last visit (LPLV) was successfully completed with NTI164 treatment under the auspices of Professor Russell Dale, Co-Principal Investigator for the NTI164 clinical trial in PANDAS/PANS and Professor of Paediatric Neurology, University of Sydney and Children's Hospital at Westmead. Professor Dale is an internationally recognised clinician and researcher in PANDAS/PANS research.

All 15 patients completed 12 weeks of treatment under the trial protocol and elected to continue to receive daily oral treatment with NTI164. Three patients turned 18 years of age while continuing on treatment, which was approved under a revised HREC approval granted 30 May 2023.

On 15 September 2023, the Company hosted an investor webinar with Professor Russell Dale. Professor Dale introduced this challenging neurological disorder to investors, explained how PANDAS/PANS is diagnosed along with treatment options and discussed the Phase I/II NTIPANS1 clinical trial sponsored by the Group.

On 6 October 2023, the Group was pleased to report a world first successful clinical trial of NTI164 in PANDAS/PANS patients. PANDAS/PANS is a rare (orphan) disorder with substantial heterogeneity across geography and time. The Company reported statistically significant and clinically meaningful results with the primary endpoints of anxiety/depression and severity of illness met across the 15 patients in the trial.

The key outcomes included:

- Statistically significant and clinically meaningful improvements shown across a range of gold standard, clinically validated assessments over 12 weeks of NTI164 treatment
- Primary endpoint of anxiety and depression (RCADS-P) met (p=0.016) with a 30% improvement in overall symptoms from high severity at baseline to low severity from week 4 onwards
- Primary endpoint of severity of illness: Children re-classified from markedly ill at baseline (CGI-S: 5.0) to moderately ill at 12 weeks (CGI-S: 4.1), an 18% improvement (p=0.0005)

There are no regulatory approved treatments for PANDAS/PANS and NTI164 is the first ever broad spectrum cannabinoid drug therapy to show a significant benefit in these moderate to severely ill children.

Rett Syndrome

On 10 July 2023, the Group announced 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 investigating the use of NTI164 in female Rett Syndrome patients. Rett Syndrome is a rare genetic neurological and developmental disorder and is almost exclusively the result of a mutation(s) in the methyl CpG binding protein 2 (MECP2) gene located on the X chromosome, which is required for normal brain development and function. Rett Syndrome occurs almost exclusively in girls, with incidence of one in 10,000 female live births. The prevalence is approximately 15,000 girls and women in the US and 350,000 globally.

Rett Syndrome is the second leading cause of intellectual disability in girls, with an urgent medical need to develop safe and effective therapies to treat this progressive neurological disease.

The NTIRTT1 Phase I/II clinical trial will examine the effects of daily oral treatment of NTI164 in 14 Rett Syndrome patients. The trial will be an open-label, exploratory study over 16 weeks of treatment with NTI164 at the maximum tolerated dose or 20mg/kg/day. The Company believes the neuroprotection shown by NTI164, with improvements in neuronal function and strong anti-inflammatory effects in brain-derived neuronal and microglial cells could translate to improved clinical outcomes in Rett Syndrome patients.

On 1 August 2023, the Group announced the first patient enrolled and treated in the Company's Phase I/II clinical trial. This followed a presentation at the 2023 International Rett Syndrome Foundation (IRSF) Rett Syndrome Scientific Meeting in Nashville, Tennessee on 5-7 June by Associate Professor Carolyn Ellaway, the Principal Investigator of Neurotech's clinical trial in Rett Syndrome.

On 26 September 2023, the Group announced the completion of patient recruitment in the Company's Phase I/II clinical trial investigating the use of NTI164 in female Rett Syndrome patients.

Cerebral Palsy

During the period, the group continued to work with leading clinicians in the design of a Phase I/II spastic cerebral palsy clinical trial examining the efficacy and safety of daily oral treatment with NTI164. The Group made a HREC submission for this trial in the December 2023 quarter.

The Phase I/II trial is proposed to be a single-arm, open-label clinical trial that will recruit up to 14 paediatric patients with a clinical diagnosis of Gross Motor Function Classification System (GMFCS) severity of 2-3, non-ambulant Spastic CP patients to determine the efficacy and safety of NTI164 in these patients from baseline to twelve (12) weeks of treatment with NTI164. The trial intends to enrol patients at Monash Medical Centre. The primary endpoint of the trial is the Caregiver Priorities and Child Health Index of Life with Disabilities (CPCHILD©) Questionnaire, which evaluates caregivers' perceptions of health-related quality of life (HRQOL) and caregiver impact in children with CP. Secondary endpoints include safety and the effect of NTI164 on pain, sleep, seizure frequency, dystonia (involuntary muscle contraction) and spasticity.

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 29 January 2024, the Group announced HREC approval and Clinical Trial Notification (CTN) scheme clearance by the Therapeutic Goods Administration (TGA) to commence a Phase I/II clinical trial investigating the use of NTI164 in paediatric patients with Spastic Diplegia Cerebral Palsy (Spastic CP) the most common form of CP, representing up to 80% of cases.

The Lead Investigator of the trial is Professor Michael Fahey, Head of the Paediatric Neurology Unit and Director of Neurogenetics at Monash Medical Centre, Victoria, Australia. Professor Fahey has significant experience with NTI164 having led both Neurotech's Phase I/II and Phase II/III clinical trials in autism.

Capital Management

On 22 January 2024, the Company issued 649,351 shares to Spark Plus Pte Ltd, which are subject to voluntary escrow restrictions for six months from the date of their issue. These shares were issued as consideration for investor relations services totaling $50,000, as outlined in the Company's client contract with Spark Plus Pte Ltd entered into in January 2024 (Services Agreement). Spark Plus has committed to providing roadshow services, collecting feedback from investors, and covering social media for the Company over the six-month period from the date of the Services Agreement.

Other than detailed above no other matters or circumstances have arisen since 31 December 2023 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.

OUTLOOK

The Group's primary mission is to improve the lives of people with neurological conditions. The Group is dedicated to advancing research, developing innovative treatments, and providing compassionate care to improve the lives of children affected by neurological disorders. With a steadfast commitment to understanding the unique needs of each child, the Group strives to empower families, inspire breakthroughs in paediatric neurology, and create a future where every child can thrive and reach their full potential, irrespective of neurological obstacles.

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

In the half year to 31 December 2023, the Group has made substantial progress towards its operational objectives of the rapid clinical development of NTI164 in the treatment of predominately paediatric neurological disorders, several of which are classified as rare or orphan diseases, thereby attracting additional regulatory support and incentives. Highlights included commencing a Phase I/II Clinical Trial in Rett Syndrome, results of the PANDAS/PANS Phase I/II Clinical Trial, completion of patient recruitment of the Rett Syndrome Phase I/II Clinical Trial and completion of patient recruitment in the ASD Phase II/III Clinical Trial.

The Group has a number of important clinical and regulatory milestones planned for the first half 2024 calendar year, including:

- HREC/TGA Approval Cerebral Palsy Phase I/II clinical trial (achieved 29 January 2024)
- Journal publication(s) of ASD Phase I/II clinical trial data
- Results of the Rett Syndrome Phase I/II clinical trial
- Commencement of the Phase I/II clinical trial in cerebral palsy
- Results of the Phase II/III Clinical Trial in ASD

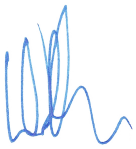
The Group aims to accelerate clinical development via rapid and cost-effective proof of concept Phase I/II clinical trials in Australia for paediatric neurological disorders and plans to access to numerous regulatory levers from the US Food and Drug Administration (FDA) and European Medicines Agency (EMA). In Addition, the Group has plans to meet with the TGA and FDA to refine regulatory process in 2024, with current funding sufficient to complete all current clinical trials.

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 2023 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, 26 February 2024

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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 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the 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

26 February 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023	Notes	CONSOLIDATED 31 December 2023 ($)	CONSOLIDATED 31 December 2022 ($)
CONTINUING OPERATIONS			
Revenue		1,507	2,988
R&D Grant income	2	3,175,370	1,188,529
Other income		33,701	8,866
Professional consultant and advisory expenses		(182,813)	(180,775)
Professional legal expenses		(30,140)	(58,068)
Corporate and administration expenses		(295,652)	(266,990)
Depreciation and amortisation expenses		(293)	(588)
Advertising and marketing expenses		(5,530)	(5,268)
Employee benefits expense		(252,837)	(428,686)
Bad debt provision		-	8,800
Research and development expense	2	(2,237,138)	(2,207,399)
Share based payments expense	3	(926,405)	(1,588,038)
Equipment and materials direct cost		(2,501)	(3,368)
Other expenses		(6,040)	(8,438)
LOSS BEFORE INCOME TAX		**(728,771)**	**(3,538,435)**
Income tax benefit		-	-
LOSS AFTER INCOME TAX		**(728,771)**	**(3,538,435)**
Other comprehensive income/(loss)		-	-
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		(101)	(9,797)
Total comprehensive loss for the period		**(728,872)**	**(3,548,232)**
Basic and diluted loss per share (cents per share)	4	**(0.08)**	**(0.48)**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023	Notes	CONSOLIDATED 31 December 2023 ($)	CONSOLIDATED 30 June 2023 ($)
CURRENT ASSETS			
Cash and cash equivalents	5	4,464,427	5,025,795
Term deposits	5	15,000	-
Trade and other receivables		187,883	257,562
Prepayments		394,841	16,820
Inventories		7,678	7,781
TOTAL CURRENT ASSETS		**5,069,829**	**5,307,958**
NON-CURRENT ASSETS			
Property, plant and equipment		579	872
TOTAL NON-CURRENT ASSETS		**579**	**872**
TOTAL ASSETS		**5,070,408**	**5,308,830**
CURRENT LIABILITIES			
Trade and other payables		275,860	1,346,867
TOTAL CURRENT LIABILITIES		**275,860**	**1,346,867**
TOTAL LIABILITIES		**275,860**	**1,346,867**
NET ASSETS		**4,794,548**	**3,961,963**
EQUITY			
Contributed Equity	6	35,799,896	35,164,844
Reserves	7	6,211,467	5,285,163
Accumulated Losses		(37,216,815)	(36,488,044)
TOTAL EQUITY		**4,794,548**	**3,961,963**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Contributed Equity ($)	Accumulated Losses ($)	Share-based Payment Reserve ($)	Foreign Currency Translation Reserve ($)	Total ($)
HALF-YEAR ENDED 31 DECEMBER 2023					
Balance at 1 July 2023	**35,164,844**	**(36,488,044)**	**5,219,652**	**65,511**	**3,961,963**
(Loss) for the period	-	(728,771)	-	-	(728,771)
Exchange difference	-	-	-	(101)	(101)
Total comprehensive (loss)	**-**	**(728,771)**	**-**	**(101)**	**(728,872)**
Exercise of options – Note 6	260,052	-	-	-	260,052
Placement Shares	-	-	-	-	-
Share based payments – Note 3	375,000	-	926,405	-	1,301,405
Options to be issued	-	-	-	-	-
Share issue costs	-	-	-	-	-
Balance at 31 December 2023	**35,799,896**	**(37,216,815)**	**6,146,057**	**65,410**	**4,794,548**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 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.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023	Notes	CONSOLIDATED 31 December 2023 ($)	CONSOLIDATED 31 December 2022 ($)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,507	2,988
Other receipts		3,175,370	1,188,529
Payments to suppliers and employees		(4,080,874)	(4,124,188)
Interest received		33,701	10,303
NET CASH USED IN OPERATING ACTIVITIES		**(870,296)**	**(2,922,368)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		260,052	9,072,649
Proceeds from borrowings		63,876	54,744
NET CASH PROVIDED BY FINANCING ACTIVITIES		**323,928**	**9,127,393**
Net increase/(decrease) in cash held		**(546,368)**	**6,205,025**
Cash and cash equivalents at beginning of financial period		5,025,795	1,895,431
Cash and cash equivalents at end of financial period		**4,479,427**	**8,100,456**

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

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 2023, together with any public announcements made during the half year ended 31 December 2023 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 26 February 2024.

(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 2023.

(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.

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 2023 ($)	31 December 2022 ($)
Research and development grant income	3,175,370	1,188,529
Research and development expenses		
Product development & formulation	92,271	114,302
Clinical programme	2,123,242	2,006,795
Regulatory programme	-	-
Patent and IP expenses	20,825	40,848
Other	800	45,454
Total research and development expense	**2,237,138**	**2,207,399**

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 2023 ($)	31 December 2022 ($)
Options issued to Management		
Expense recognised for the period related to previously issued options to Dr Alex Andrews (COO)	461	95,680
Options issued to Directors		
Expense recognised for the period related to previously issued options Dr Thomas Duthy	135,091	476,304
Expense recognised for the period related to previously issued options to Gerald Quigley	96,242	4,375
Options to be issued		
Options issue to Merchant Corporate	694,611	-
Winx options	-	1,011,679
Total share-based payments expense	**926,405**	**1,588,038**

Options to be issued to Merchant Corporation

In September 2023 the Company and Merchant Corporate Advisory Australia Pty Ltd (Merchant Corporate) entered into a corporate advisory mandate. In consideration for the corporate advisory services the Company agreed to issue Merchant Corporate 25,000,000 primary options exercisable at $0.06 each and expiring 15 September 2024. Each primary option also includes a 'piggy back' right whereby should the primary options be

exercised by 15 March 2024 one additional option would be issued to Merchant Corporate with the same exercise price and expiry date as the primary options. The options were issued on 15 January 2024 and valued using the Black-Scholes option valuation model with the following input:

Number of options in series:	50,000,000 (25 million primary options, and 25 million secondary options)
Grant date share price:	$0.055
Exercise price	$0.06
Expected volatility	75.71%
Option life	8 months
Expiry	15 September 2024
Interest rate	4.39%
Valuation	$694,611
Expensed in the period	$694,611

4. LOSS PER SHARE

The calculation of basic loss per share for the period ended 31 December 2023 was based on the loss attributable to ordinary shareholders of $728,771 (31 December 2022: $3,538,435) and a weighted average number of ordinary shares outstanding at the end of the period of 876,821,145 (31 December 2022: 736,565,333).

	CONSOLIDATED	
	31 December 2023 ($)	31 December 2022 ($)
Basic loss per share (cents per share)	(0.08)	(0.48)
a) Reconciliation of earnings to operating loss		
Loss attributable to ordinary shareholders after tax	(728,771)	(3,538,435)
Loss used in the calculation of EPS	**(728,771)**	**(3,538,435)**
b) Weighted average number of ordinary shares (WANOS) outstanding during the half year		
WANOS used in calculating basic loss per share	876,821,145	736,565,333

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 2023 ($)	30 June 2023 ($)
Cash at bank and on hand	4,464,427	5,025,795
Term Deposit[1]	15,000	-
Total cash and cash equivalents	**4,479,427**	**5,025,795**

[1]As at 31 December 2023, NTI holds $15,000 in an interest earning cash deposit account maturing on 2 August 2024.

6. CONTRIBUTED EQUITY

	CONSOLIDATED			
	31 December 2023 (Shares)	31 December 2022 (Shares)	31 December 2023 ($)	31 December 2022 ($)
Ordinary Shares	891,739,236	824,319,126	35,799,896	34,585,074
Total Share Capital	**891,739,236**	**824,319,126**	**35,799,896**	**34,585,074**

Movements of share capital during the period

Date	Details	No of shares	Issue price ($)	$
Opening Balance at 1 July 2023		**873,909,482**		**35,164,844**
6/9/2022	Issue of 8,400,000 Shares to Stocks Digital	8,400,000	0.04464	375,000
6/9/2022	Exercise of NTIOPT09	4,000,000	0.03800	152,000
6/10/2022	Exercise of NTIOPT11	5,429,754	0.01990	108,052
Closing Balance at 31 December 2023		**891,739,236**		**35,799,896**

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.

On 18 September 2023, the Company issued 8,400,000 Shares to S3 Consortium Pty Ltd trading as StocksDigital (StocksDigital) in consideration for investor relations services provided by StocksDigital (StocksDigital Shares) as outlined in a client contract dated September 4, 2023 (Services Agreement). StocksDigital has committed to providing investor relations services, content creation, and content distribution services to the Company for a duration of 30 months from the date of the Services Agreement.

7. OTHER RESERVES

	CONSOLIDATED		
	Share Based Payments Reserve ($)	Foreign Currency Translation Reserve ($)	Total Reserves ($)
Balance at 1 July 2023	5,219,652	65,511	**5,285,163**
Foreign exchange movement	-	(101)	(101)
Share based payments	926,405	-	926,405
Balance at 31 December 2023	**6,146,057**	**65,410**	**6,211,467**

(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 2023	30 June 2023	
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 2023.

10. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Operational

On 29 January 2024, the Group announced HREC approval and Clinical Trial Notification (CTN) scheme clearance by the Therapeutic Goods Administration (TGA) to commence a Phase I/II clinical trial investigating the use of NTI164 in paediatric patients with Spastic Diplegia Cerebral Palsy (Spastic CP) the most common form of CP, representing up to 80% of cases.

The Lead Investigator of the trial is Professor Michael Fahey, Head of the Paediatric Neurology Unit and Director of Neurogenetics at Monash Medical Centre, Victoria, Australia. Professor Fahey has significant experience with NTI164 having led both Neurotech's Phase I/II and Phase II/III clinical trials in autism.

Capital Management

On 22 January 2024, the Company issued 649,351 shares to Spark Plus Pte Ltd, which are subject to voluntary escrow restrictions for six months from the date of their issue. These shares were issued as consideration for investor relations services totaling $50,000, as outlined in the Company's client contract with Spark Plus Pte Ltd entered into in January 2024 (Services Agreement). Spark Plus has committed to providing roadshow services, collecting feedback from investors, and covering social media for the Company over the six-month period from the date of the Services Agreement.

Other than detailed above no other matters or circumstances have arisen since 31 December 2023 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.

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:

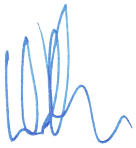
  (i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of their performance, for the financial period ended on that date; and

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

(b) 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 2023.

Signed in accordance with a resolution of the Directors.



Winton Willesee

Dated at Perth, Western Australia, 26 February 2024

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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 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the 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 2023 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.

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 2023 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, 26 February 2024