

Neurotech

2 November 2020

Interim Results and Capital Raising

Neurotech International Limited (ASX: NTI) ("Neurotech" or "the Company") is pleased to announce the preliminary results of in vitro human neuronal cell studies to assess the neuro-protective, anti-inflammatory and neuro-modulatory activities of our proprietary DOLCE/NTI cannabis strains which include, CBDA, CBDP and CBDB conducted at three leading independent laboratories – Monash University, University of Wollongong and RMIT University. The trials are part of Neurotech's research into the potential of cannabinoids for medicinal use in treating neurological disorders including autism, epilepsy and ADHD.

The study was designed to assess the efficacy as neuro-active and protective agents of four DOLCE/NTI strains compared to standard CBD extract to assess the:

- Reduction in brain cell inflammation.
- Brain cell health and viability.
- Brain cell mitochondria viability.
- Increase in mitochondrial cells number and output without any toxic "insult".

Inflammation, cell health and mitochondrial viability are very important in understanding maintaining brain function and health. These processes also directly relate to neurological disease onset and progression.

Preliminary results demonstrate that the DOLCE/NTI full spectrum strains provide a potent "neuroprotective" effect with all these tests and they are also more potent when compared to CBD alone. DOLCE/NTI full spectrum strains:

- Reduced inflammation within the brain cells.
- Were able to improve mitochondrial viability in the presence of an external toxic insult (glutamate).
- Increased cell health and viability in the presence of an external insult.
- Were more potent than CBD isolate alone in all tests – between 30% and 80% more potent.
- Increased the number of mitochondrial cells without any toxic insult.
- Do not have any negative effects on cell health and maintain cell viability.
- Demonstrate neuroprotective activity in the presence of insult.

The conclusions of the study are summarised as follows:

- DOLCE/NTI strains have potent neuroprotective properties demonstrating greater than 80% cell survival.
- DOLCE/NTI strains improved overall mitochondrial cell numbers and viability in the absence of any external toxic insult - these findings demonstrate that the strains can potentially improve or enhance cognition, alertness and regulate over brain health. Mitochondrial cell increase is key to healthy aging and cognition.
- These studies have been completed using well-established and recognised cell lines and methods.
- These initial experiments have paved the way forward for the next round of in vitro studies which will further assess the mechanism of action of the DOLCE/NTI strains in relation to brain health and function.
- These further in vitro tests will allow Neurotech to identify the most appropriate clinical indications and create the most appropriate trial design.
- These studies are currently underway in collaboration with Monash University and RMIT University.
- Final results are expected to be released by the end of November.

“The preliminary trial results are very encouraging, in particular the increased potency of our strains as compared to CBD alone that bodes well for the planned commencement of human clinical trials in early 2021,” said Brian Leedman, Chairman of Neurotech. “I note that the leading drug for the treatment of neurological conditions, Aricept (Donepezil) when used in the same in vitro studies that we have completed demonstrated that in the presence of an external insult (glutamate) increased neuronal cell survival by up to *50% in comparison to greater than 80% cell survival using our strains of cannabinoids.”

**Published paper 2010: "Neuroprotection by donepezil against glutamate excitotoxicity involves stimulation of $\alpha 7$ nicotinic receptors and internalization of NMDA receptors".*

\$2.5m Share Placement

The Company will undertake a placement of 113,636,364 new ordinary fully paid shares at an issue price of \$0.022 per share to raise a gross amount of \$2,500,000 (“Placement”).

The funds will be applied to the Company’s Mente project, the further development of its proprietary cannabis strains through initial clinical trials, the costs of the Placement and working capital purposes.

The Placement will be undertaken in two tranches. The first tranche of 97,000,000 shares (\$2.13m) will be issued under the Company’s Listing Rule 7.1 and 7.1A capacity and the second tranche of 16,636,364 shares (\$0.37m) will be issued subject to shareholder approval. The Company’s newly appointed Chairman, Mr Brian Leedman, has committed to subscribing for \$50,000 worth of shares in the Placement, subject to shareholder approval. A Prospectus for the Placement will be issued shortly.

The Company has also agreed, subject to shareholder approval, to issue 10 million options (3c, 2 years from issue) to Max Capital Pty Ltd or its nominees for its role in acting as Lead Manager to the Placement.

The Company has agreed, subject to shareholder approval, to issue 6 million Lead Manager and Broker Options (3c, 2 years from issue) to Max Capital Pty Ltd or its nominees for its role in acting as Lead Manager to the Placement. The Company is advised that a portion of the Lead Manager and Broker Options will be distributed to brokers who assisted in the raising of the Placement funds. The Company has also agreed, subject to shareholder approval, to issue 4 million Corporate Advisory Options (3c, 2 years from issue) to Max Capital Pty Ltd or its nominee in recognition of past corporate advisory services provided to NTI.

Authority

This announcement has been authorised for release by the Board of the Company.

Further Information

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About Neurotech

Neurotech International Limited is a medical device and solutions company incorporated in Australia and operating through its wholly-owned, Malta-based subsidiary AAT Research Limited. Neurotech’s primary mission is to improve the lives of people with neurological conditions, with in home-use and clinical neurotechnology solutions

that are both accessible and affordable. Through flagship device Mente and its associated platform, Neurotech is focused on facilitating the development and commercialisation of technological solutions for the screening and treatment of symptoms associated with conditions such as autism. Mente is 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. For more information about Neurotech and Mente Autism please visit:

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

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