

# Neurotech

2 March 2021

## Neurotech Secures \$3.56m in Funding

### Highlights

- **The Merchant Opportunities Fund (MOF) to underwrite Listed Options exercise shortfall to \$1.57 million**
- **Neurotech has successfully completed an oversubscribed private Placement of \$2.0 million (before costs)**
- **Neurotech will use funds to execute its existing business plan including the continued development and marketing of its Mente device along with research into the use of cannabinoids to treat neurological disorders including autism and ADHD**
- **Neurotech will initiate its phase I/II clinical program through Monash Children's Hospital by end of Q1 CY2021**

**Neurotech International Limited (ASX: NTI)** ("Neurotech" or "the Company") is pleased to announce it has reached an agreement with the Merchant Opportunities Fund to underwrite the shortfall from the exercise of 26,122,966 listed Options which are due to expire on 31 March 2021. Neurotech will receive \$1.56 million from exercise of the Options at \$0.06 (6 cents).

The Company has also received binding commitments for a placement to raise \$2.0 million (before costs) via the issue of 36,363,637 fully paid ordinary shares at \$0.055 (5.5 cents) per share to sophisticated and professional investors.

The placement shares are to be issued under the Company's remaining placement capacity pursuant to ASX Listing Rule 7.1. Neurotech will lodge a prospectus for the issue of the placement shares.

Merchant Group Pty Ltd is Lead Manager to the placement.

The funds raised by the option exercise and placement will allow the Company flexibility to increase patient numbers in its upcoming Phase I/II human clinical trial which will focus on paediatric patients who suffer from autism and related disorders. Funds will also be used in the marketing of the Mente device, add to working capital and pay costs of the offer.

Neurotech has successfully completed a series of in vitro studies using cannabinoid strains developed by cannabis grower Dolce Cann, which demonstrated newly discovered rarer cannabinoids CBDP and CBDB, have powerful, unique properties for the treatment of neurological disorders that extend beyond CBD alone.

Neurotech is on-track to initiate its Phase I/II clinical program through Monash Children's Hospital toward the end of this current quarter.

In addition to the potential of the medicinal cannabis strains alone, the additional clinical data from the trial program will give Neurotech the opportunity to complement Mente with an associated therapy and enhance its commercial attractiveness.

Placement shares are expected to settle on or about Thursday 11 March 2021, with Placement shares to be allotted on Monday, 15 March 2021.

The Options expire on Wednesday, 31 March 2021 with settlement of the Shortfall Shares pursuant to Options expired without exercise expected on Wednesday, 14 April 2021 and allotment on Friday, 16 April 2021.

As part fee for the underwriting, the Company will issue to the Merchant Opportunities Fund), subject to shareholder approval, 10,000,000 (10 million) Options at a nominal value of \$0.00001 each. The Options will have an exercise price of \$0.06 (6 cents) and will expire on 31 December 2021.

As part fee for the placement, the Company will also issue to Merchant (and or their nominees), subject to shareholder approval, 10,000,000 (10 million) Lead Manager and Corporate Advisory Options at a nominal value of \$0.00001 each. The Options will have an exercise price of \$0.09 (9 cents) and will expire two years from the date of issue.

Neurotech Chairman, Brian Leedman commented, "NTI is very pleased to secure the backing of the Merchant Opportunities Fund; the MOFhas consistently outperformed the ASX Small Ordinaries Index over a 5-year period. The Merchant Opportunities Fund has been a long-term investor and supporter of the bio-technology sector".

## **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 conducting clinical studies to assess the neuro-protective, anti-inflammatory and neuro-modulatory activities of our proprietary NTI/Dolce cannabis strains. Neurotech is also commercialising Mente, the world's first home therapy that is clinically proven to increase engagement and improve relaxation in autistic children with elevated Delta band brain activity. For more information about Neurotech and Mente Autism please visit:

<http://www.neurotechinternational.com>

<http://www.mentetech.com>

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### **Neurotech International Ltd**

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## Annexure A - Termination events

The Underwriter may, until the Allotment Date, terminate this agreement by notice to the Issuer without cost or liability to the Underwriter if the Underwriter becomes aware of the happening of any of the following events:

- (a) **(Indices fall)** the S&P ASX 200 Index is at any time after the date of this agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of this agreement and remains there for 3 consecutive trading days;
- (b) **(suspension of banking services)** a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or securities settlement or clearance services in any of those countries;
- (c) **(market conditions)** any material adverse change or disruption to the existing financial markets, political or economic conditions of any of Australia, New Zealand, United Kingdom, Canada and United States of America, or to the international financial markets, or any change in national or international political, financial or economic conditions, the effect of which, in any such case, is to make it, in the reasonable opinion of the Underwriter, impracticable to market the Shortfall Shares or to enforce contracts to issue and allot the Shortfall Shares;
- (d) **(change of law)** there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or any new regulation is made under any law, or a Government Agency adopts a policy, or there is any official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a Governmental Agency that a law or regulation will or may be introduced or policy adopted (as the case may be) which does or is likely to prohibit or regulate the Business Activity of the Issuer or the Issuer, the Issue, capital issues generally in Australia, or stock markets generally in Australia;
- (e) **(regulatory requirements)** the Issuer or an entity in the Issuer contravenes its constitution, the Corporations Act or any other applicable law or regulation, or the Listing Rules or the Market Rules, and the contravention, if remediable, is not promptly and completely remedied to the reasonable satisfaction of the Underwriter;
- (f) **(ASIC actions)** any of the following actions is taken:
  - 1. **(investigation)** an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Issue or ASIC commences or directs any investigation or hearing under Part 3 Division 1 of the ASIC Act in relation to the Issue; or
  - 2. **(examination)** ASIC commences an examination of any person or requires any person to produce documents in connection with the Issue under sections 19 or 30, 31, 32A or 33 of the ASIC Act;
- (g) **(offence by director)** a director of the Issuer is charged with an indictable offence;
- (h) **(disqualification of director)** a director of the Issuer is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F or 206G of the Corporations Act;
- (i) **(breach of this agreement)** the Issuer fails to perform or observe any of its material obligations under this agreement and that failure is not remedied to the satisfaction of the Underwriter;

- (j) **(Issuer breach of warranty)** a representation or warranty made or given or deemed to have been made or given by the Issuer under this agreement proving to have been untrue or incorrect in any material respect and the matters rendering the representation or warranty untrue in such respect are not remedied to the satisfaction of the Underwriter;
- (k) **(undisclosed Security Interest over Issuer's assets)** the Issuer grants a Security Interest in, or agrees to grant a Security Interest in, the whole or a substantial part, of its business or property;
- (l) **(Issuer insolvency)** an Insolvency Event occurs with respect to the Issuer;
- (m) **(unauthorised alterations)** the Issuer issues shares or reduces, buys back, consolidates or otherwise alters its share capital or its Constitution in any respect without the prior written consent of the Underwriter;
- (n) **(Timetable not met)** any date in the Timetable is not met for more than five (5) Business Days otherwise than as the direct result of actions taken by the Underwriter (unless those actions were requested by the Issuer) or the actions of the Issuer (where those actions were taken with the prior consent of the Underwriter);
- (o) **(forward looking statements)** any statement made by the Issuer prior to the Allotment Date which relates to future matters is or becomes, in the reasonable opinion of the Underwriter, incapable of being met;
- (p) **(legal proceedings)** material legal proceedings are commenced by a person other than the Underwriter against an entity in the Issuer or any director of the Issuer in their capacity as a director of the Issuer;
- (q) **(judgment and execution)** a judgment for more than \$250,000.00 is obtained against the Issuer or an entity in the Issuer, or any process, such as distress, attachment or execution, for an amount over \$250,000.00 is issued against, levied or enforced upon any assets of the Issuer or an entity in the Issuer and is not paid, set aside or satisfied within ten (10) Business Days;
- (r) **(regulatory action)** any Governmental Agency commences any public action against the Issuer or any of its directors or announces that it intends to take any such action;
- (s) **(Shortfall Notice and Compliance Certificate)** the Shortfall Notice or Compliance Certificate is not furnished by the Issuer or a statement in the Shortfall Notice or Compliance Certificate is untrue or incorrect in a material respect;
- (t) **(misleading statements generally)** any information supplied by or on behalf of the Issuer to the Underwriter in relation to the Issuer or the Issue is materially misleading or deceptive or there is a material omission from it;
- (u) **(corrective action)** corrective action is in the reasonable opinion of the Underwriter required to be taken under the Corporations Act, and the Issuer fails to take that action to the reasonable satisfaction of the Underwriter;
- (v) **(unauthorised statement)** the Issuer issues a public statement concerning the Issue, which has not been approved by the Underwriter, such approval not to be unreasonably withheld, unless permitted by this agreement;
- (w) **(prescribed occurrence)** an event specified in subsection 652C(1) or subsection 652C(2) of the Corporations Act occurs, as if the references to "target" were references to the Issuer, other than as envisaged by this agreement;

- (x) **(finance default)** an event of default or a potential event of default occurs in any banking accommodation or financing facility of the Issuer;
- (y) **(material adverse change)** there is a material adverse change in assets, liabilities, financial position or performance, profits, losses or prospects of the Issuer, from those respectively disclosed to ASX, or a change in the nature of the business of the Issuer from that disclosed to ASX, including but not limited to:
  - 3. **(prospects)** any change in the earnings, future prospects or forecasts of the Issuer or an entity in the Issuer;
  - 4. **(nature of business)** any change in the nature of the business conducted by the Issuer or an entity in the Issuer;
  - 5. **(asset disposal)** any disposal by the Issuer or agreement by the Issuer to dispose of the whole, or a substantial part, of its business or property;
  - 6. **(insolvency)** the insolvency or voluntary winding up of the Issuer or an entity in the Issuer or the appointment of any receiver, receiver and manager, liquidator or other external administrator; and
  - 7. **(financial position)** any significant change in the assets, liabilities, financial position or performance, profits and losses of the Issuer from those respectively disclosed in the Issuer's most recently published financial or other information;
- (z) **(adverse publicity)** any adverse or negative publicity or findings of any kind against either the Issuer or any of its directors or officers; or
- (aa) **(hostilities)** the outbreak of hostilities not at present existing or a major escalation in existing hostilities (in any such case whether war has been declared or not) or the occurrence of political or civil unrest involving any of Australia, New Zealand, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of South Africa, Saudi Arabia, United Kingdom, Canada and United States of America or an act of terrorism is perpetrated on Australia, New Zealand, United Kingdom, Canada or the United States or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world.