

Neurotech Announces Strategic Partnership with Fenix Innovation Group

Neurotech International Limited (ASX: NTI) ("Neurotech" or "the Company"), a clinical-stage biopharmaceutical development company focused predominately on paediatric neurological disorders, today announced the signing of a binding term sheet with Fenix Innovation Group ("Fenix"), a leading contract research organisation ("CRO") based in Melbourne, Australia. Fenix will work exclusively with Neurotech in the medicinal cannabis field with the development of the Company's broad spectrum cannabinoid drug therapy NTI164 for neurological disorders. Both parties will work collaboratively to conclude the final definitive contract over the coming weeks ahead.

Dr Thomas Duthy, Executive Director of Neurotech said "Fenix has been integral in the development of NTI164 since 2019, efficiently overseeing the manufacturing and preparation of drug product, regulatory submissions, clinical trial protocol development, management of clinical trials and key opinion leader development. The alignment of Neurotech's development objectives with Fenix is expected to result in the execution of our overall clinical and commercial development pathways in a much more time and cost effective than would otherwise be the case, given the alignment of equity-based incentives for Fenix to deliver meaningful outcomes for Neurotech."

Ms Sharon Smithwick, Chief Financial Officer and Director of Fenix Innovation Group commented "We are pleased to finalise the key terms of our strategic partnership with Neurotech. Fenix has dedicated substantial resources into the various NTI164 programs for Neurotech, such is our belief in the potential of this therapy to significantly improve children's clinical symptoms without any safety compromise across a range of neurological disorders involving persistent or progressive neuroinflammation. We look forward to a long term mutually rewarding relationship with Neurotech."

Under the terms of the partnership and subject to shareholder approval, the Company has agreed to issue 10 million ordinary shares to Fenix (or its nominees) upon signing of a definitive agreement. Fenix has agreed to voluntarily escrow the upfront issue of shares for a period of 12 months from the date of issue of the shares. In addition, the Company has agreed to issue Fenix (or its nominees) 50 million performance rights, with vesting conditions based upon the achievement of certain regulatory and commercialisation milestones expected to result in significant value accretion for Neurotech, if successful. This includes orphan drug designations, partnering transactions, and Therapeutic Goods Administration ("TGA") approval of NTI164 in Australia over the next three years. The issue of Neurotech shares and the associated performance rights will be subject to shareholder approval. The key terms of the binding term sheet between Fenix and Neurotech are set out in Appendix 1.

Authority

This announcement has been authorised for release by the Board of Neurotech International Limited.

Further Information

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About Neurotech

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 excellent safety and efficacy results at 28 days, 20 weeks and 52 weeks of treatment with NTI164. The Company has commenced a Phase II/III randomised, double-blind, placebo-controlled clinical trial in ASD, a Phase I/II trial in Rett Syndrome and completed a Phase I/II trial in Paediatric Autoimmune Neuropsychiatric Disorders Associated with Streptococcal Infections (PANDAS) and Paediatric Acute-Onset Neuropsychiatric Syndrome (PANS), collectively PANDAS/PANS. In addition, Neurotech has received human ethics committee clearance for a Phase I/II clinical trial in spastic cerebral palsy.

For more information about Neurotech please visit <http://www.neurotechinternational.com>.

About Fenix Innovation Group

Fenix Innovation Group is an Australian-based innovation-development company with a global reach – commercialising first-in-class biotechnology and pharmaceutical products.

Appendix 1 – Key Terms of Binding Term Sheet with Fenix Innovation Group

<p>Purpose</p>	<p>Neurotech and Fenix entered into the binding term sheet to set out the terms of the strategic collaboration between Neurotech and Fenix relating to the exclusive development and commercialisation within the medicinal cannabis field of Neurotech's broad spectrum cannabinoid therapy NTI164 for neurological disorders.</p>
<p>Definitive Agreement</p>	<p>The parties intend to negotiate and execute a definitive agreement based on the material terms of the Binding Term Sheet.</p>
<p>Upfront Consideration</p>	<p>Subject to approval from Neurotech shareholders to be sought at its 2024 Annual General Meeting (or an earlier General Meeting), the following securities are proposed to be issued to Fenix or its nominees upon signing of a definitive agreement.</p> <ul style="list-style-type: none"> • 10 million Neurotech ordinary shares upon signing of the Agreement. These shares are to be subject to voluntary escrow restrictions for 12 months from their date of issue.
<p>Material Terms of Performance Rights</p>	<p>Subject to approval from Neurotech shareholders to be sought at its 2024 Annual General Meeting (or an earlier General Meeting), the following securities are proposed to be issued to Fenix or its nominees in consideration for its entry into this Binding Term Sheet and to incentivise Fenix over the course of the strategic collaboration between Fenix and NTI:</p> <ul style="list-style-type: none"> • 7.5 million Neurotech performance rights to vest into shares upon Neurotech receiving an Orphan Drug Designation in the USA for any paediatric neurological indication • 7.5 million Neurotech performance rights to vest into shares upon Neurotech receiving an Orphan Drug Designation in Europe for any paediatric neurological indication • 5 million Neurotech performance rights to vest into shares upon Neurotech receiving either a US FDA IND or an EU Competent Authority clearance for a human clinical trial in any paediatric neurological indication. • 10 million Neurotech performance rights to vest into shares upon: <ul style="list-style-type: none"> a) Neurotech signing a licence deal with a 3rd party for any of the US, European, Japanese, Canadian or Australian markets with a view to gaining registration and subsequent sales of an Neurotech therapeutic product, and b) the shares of Neurotech to have a trading VWAP of a minimum of 25 cents over 5 consecutive days in which trades in the shares occurred on ASX. • 20 million Neurotech performance rights to vest into shares upon: <ul style="list-style-type: none"> a) any Neurotech therapeutic product receiving a TGA approval (provisional or otherwise) allowing it to market and sell any product in Australia for the treatment of any paediatric neurological disorder, and

	<p>b) the shares of Neurotech to have a trading VWAP of a minimum of 30 cents over 5 consecutive days in which trades in the shares occurred on ASX.</p> <p>The Performance Rights will expire three years from the date of their issue and will otherwise be issued on terms and conditions compliant with the ASX Listing Rules and ASX Guidance Note 19.</p> <p>The Performance Rights will immediately lapse upon termination of this Binding Term Sheet or termination of the Agreement.</p>
Termination	90 days' notice by either party, or immediately for cause.
General	The other terms of the Binding Term Sheet are standard for an agreement of this nature.

VWAP – volume weighted average price
 FDA – Food and Drug Administration
 IND – investigational new drug
 TGA- Therapeutic Goods Administration