

FORM 51-102F3
Material Change Report

Item 1. Name and Address of Company

Neural Therapeutics Inc. (the "**Company**" or "**Neural**")
130 Adelaide Street West, Suite 3002
Toronto, Ontario, M5H 3P5

Item 2. Date of Material Change

August 13, 2025.

Item 3. News Release

A news release disclosing the information contained in this material change report was issued by the Company on August 13, 2025 via Newsfile and subsequently filed on SEDAR+ by Neural.

Item 4. Summary of Material Change

Neural Announces Completion of the Acquisition of a 30.75% Interest in Hanf.com, a Profitable German CBD Retail Store Chain Hanf.com.

Item 5. Full Description of Material Change

See attached press release.

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable

Item 7. Omitted Information

Not applicable

Item 8. Executive Officer

Ian Campbell, Chief Executive Officer
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Item 9. Date of Report

August 13, 2025



Neural Announces Completion of the Acquisition of a 30.75% Interest in Hanf.com, a Profitable German CBD Retail Store Chain

Transaction transforms Neural into company with solid financial fundamentals with significant short, mid and long-term growth prospects

[Hanf.com](https://hanf.com) achieved sales of €4.9 Million (~CA\$7.5M) and a 13% operating profit in 2024¹.

Toronto, Ontario – August 13, 2025 – Neural Therapeutics Inc. (CSE: NURL) (FSE: HANF) (“**Neural**” or the “**Company**”), an ethnobotanical drug discovery company focused on developing therapeutic drugs for mental illnesses related to substance use disorders, and CWE European Holdings Inc. (“**CWE**”), the owner and operator of a business known as [Hanf.com](https://hanf.com) (“**Hanf.com**”), one of Germany’s leading CBD retailers, are pleased to announce, further to the Company’s July 22, 2025 and May 28, 2025 press releases, that Neural and CWE have completed the first of two transactions whereby the Company is acquiring all the issued and outstanding shares of CWE (the “**Strategic Investment Transaction**”). Following the closing of this transaction as the first stage of the Strategic Investment Transaction, Neural now holds approximately 30.75% equity interest in CWE.

With the partial acquisition of CWE and Hanf.com, Neural is acquiring Germany’s market leading retail chain for CBD and related products. With 15 stores (11 directly owned, 4 franchises) and a successful eCommerce platform, [Hanf.com](https://hanf.com) has grown rapidly into an business with robust fundamentals, as reflected by its approximately **\$7.5 million (€ 4.9 million) in revenues and a 13% operating profit margin for the year ended December 31, 2024¹**. For the fiscal year 2025, based on its operating performance to date, CWE’s management expects to achieve 40% revenue growth and potentially further operating margin expansion through anticipated greater economies of scale.

As part of its growth strategy, [Hanf.com](https://hanf.com) is focusing on growing its footprint through its low-risk, capital lite franchising model, while executing opportunistically on opportunities to open new fully owned stores in its home market of Bavaria. Furthermore, [Hanf.com](https://hanf.com) continues to expand its product portfolio, both through in-house development and strategic partnerships, such as the exclusive agreement to distribute [Ritual Herbs](https://ritualherbs.com), a premium line of German-crafted, herbal smoking blends developed by TFD GmbH.

“This transaction gives Neural exposure to a revenue-generating business with growth potential in the short, mid, and long term,” said Ian Campbell, Neural CEO. “With growing revenues, an expanding footprint, a capital-lite expansion model, and strategic partnerships providing exclusive access to new products, we believe Hanf.com is well-positioned to build on its current momentum.”

¹ Financial information for CWE/Hanf.com are based on unaudited data. CWE is currently in the process of completing its financial audit for the year ended December 31, 2024.

Ronnie Jaegermann, CEO of CWE, added, “We are very pleased with the swift completion of this first stage of the Strategic Investment Transaction and look forward to working with Ian and the Neural team to create value for shareholders. At this stage, Neural’s Strategic Investment Transaction provides CWE with a strategic partner whose focus on innovation and product development, particularly in the nutraceutical space, complements our retail footprint and wellness expertise. We believe this relationship has the potential to generate mutual benefits as the partnership progresses.”

Growth catalysts

The first stage transaction towards the Strategic Investment Transaction brings immediate value to Neural through [Hanf.com](https://hanf.com)’s strong fundamentals. Furthermore, the combination creates a company with significant mid- and long-term growth opportunities, as well as potential long-term blue-sky upside:

Short-term

- Creates a public company with strong fundamentals through approximately CA\$7.5 million (€4.9 Million) in revenues and a 13% operating profit margin².
- Near term new franchises and potentially new owned stores.
- Expansion of product offering that have the ability to drive new traffic (customers) to the Company’s brick and mortar and eCommerce sites.
- Launch of the Company’s new B2B eCommerce portal as Hanf.com is becoming an important supply partner to other operators in the German retail market.

Mid-term

- Further store openings (both retail and, where financially accretive, owned stores).
- New strategic product and other partnerships.
- Working together with newly formed German cannabis clubs to enhance their product portfolio.

Long-term

- Regulatory change in Germany: while not certain, management anticipates that Germany’s cannabis regulations at some point will allow for dispensary type retail sales as are known in the US and Canadian cannabis markets. This could transform the cannabis landscape in Germany, positioning [Hanf.com](https://hanf.com) to benefit from any such developments and enhancing its attractiveness as a potential acquisition target.
- Development of new nutraceuticals based on the non-psychoactive compounds found in the San Pedro cactus.
- Neural’s progress towards the development of FDA-approved, mescaline-based psychedelic treatments for major mental health disorders, such as addiction, anxiety and depression.

² Financial information for CWE/Hanf.com are based on unaudited data. CWE is currently in the process of completing its financial audit for the year ended December 31, 2024

In management's view, the Strategic Investment Transaction provides a foundation for growth supported by measurable business metrics and market opportunities.

Transaction details

Pursuant to the Strategic Investment and Option Agreement dated May 28, 2025 (the "**SIO Agreement**"), CWE's shareholders formed a special purpose numbered corporation under the laws of Ontario ("**CWE Newco A**"), and transferred a part of their common shares of CWE (the "**CWE Shares**") to CWE Newco A by way of a share exchange and reorganization. In exchange for the acquisition of all of the common shares of CWE NewCo A, Neural issued its common shares (the "**Neural Shares**") to CWE Newco A's shareholders. Neural's wholly owned subsidiary formed pursuant to the laws of Ontario ("**Neural Subco A**"), was then amalgamated with CWE Newco A, resulting in a three-cornered amalgamation under the *Business Corporations Act* (Ontario), with the resulting entity ("**Amalco A**") becoming a wholly owned subsidiary of Neural (the "**Amalgamation**").

In consideration for the acquisition of CWE Newco A, Neural issued an aggregate of 79,999,960 Neural Shares to former CWE shareholders (being all of the shareholders of CWE Newco A), based on an agreed exchange ratio of 4 Neural Shares for each CWE Share previously held by such CWE shareholders and a deemed price of \$0.05 per Neural Share. These Neural Shares represent approximately 47.4% of the Company's issued and outstanding common shares on a post-transaction basis. Through Amalco A, Neural now indirectly owns 19,999,990 CWE Shares, representing 30.75% of the outstanding CWE Shares on a non-diluted basis and approximately 20.47% on a fully diluted basis.

The Amalgamation was made effective as of August 13, 2025. Former CWE shareholders will receive Direct Registration System (DRS) statements from Odyssey Trust Company, the transfer agent of the Company, in due course.

Neural and CWE continue to consider and plan the potential exercise of the Series B Option to advance the Strategic Investment Transaction, the terms of which are outlined in the Company's press release dated May 28, 2025 and the SIO Agreement, which is available under Neural's profile on www.sedarplus.ca. Neural's primary business objectives, as disclosed in its CSE Form 2A Listing Statement dated March 7, 2025 (filed March 12, 2025) remain unchanged. Other than the transaction costs, Neural does not expect that any of its available funds will be used towards advancing Hanf.com's business, as CWE expects to have sufficient financial resources to continue its growth organically. Further details regarding the Series B Option will be announced by Neural through a press release when applicable. There is no assurance that the Series B Option will be exercised, or whether any further transactions between Neural and CWE will occur. The exercise of the Series B Option remains subject to satisfaction of conditions precedent set out in SIO Agreement.

Related Party Disclosure and MI 61-101 Exemptions

A portion of the 79,999,960 Neural Shares issued under the transaction, being 313,929 Neural Shares, representing approximately 0.192 % of the transaction total, were issued to Eran Ovadya, a director of the Company and therefore a related party to the Company under

Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Neural shares issued to Mr. Ovadya are in consideration of his ownership in CWE.

The issuance of Neural shares to Mr. Ovadya constitutes a “related party transaction” under MI 61-101. The Company is relying on exemptions from the valuation and minority shareholder approval requirements under sections 5.5(b) and 5.7(1)(a) of MI 61-101, as the Company is not listed on a specified market and the fair market value of the consideration to related parties does not exceed 25% of the Company’s market capitalization.

The Company did not file a material change report more than 21 days before closing because the Series A Option was exercised on August 13, 2025, the same day the press release announcing the transaction was issued.

Early Warning Disclosure

As further described in Neural’s press release dated November 25, 2024, and the Listing Statement available under Neural’s SEDAR+ profile, Northern Star Capital Inc. (“**NSCI**”), a company 100% owned by Alex Storcheus, a director of Neural, acquired an aggregate of 12,712,950 Neural Shares, representing approximately 14.33% of the Company’s issued and outstanding shares at that time.

As a result of the issuance of Neural Shares in connection with the closing of the first part of the CWE transaction, NSCI’s beneficial ownership and control has been diluted to below the 10% early warning reporting threshold under National Instrument 62-104 – *Take-Over Bids and Issuer Bids*. Accordingly, NSCI will be filing an early warning report in accordance with applicable securities laws.

Mr. Storcheus has a long-term view of his investment in the Company. His view of the Company and investment therein may change, depending on market and other conditions, or as future circumstances may dictate. Mr. Storcheus may increase or dispose of some or all of his ownership in the Company or may continue to hold his current position. The head office of NSCI is located at 3002–130 Adelaide Street West, Toronto, Ontario, M5H 3P5.

About Neural Therapeutics

Neural Therapeutics is a leader in ethnobotanical drug discovery, focused on the development of therapeutic drugs for mental illnesses related to substance use disorders, including alcohol and opioid dependence. The Company’s innovative approach to drug development involves the strategic use of sub-hallucinogenic doses of mescaline extract, enhancing safety and scalability while maintaining therapeutic efficacy.

On May 26, 2025, Neural entered into a Strategic Investment and Option Agreement with CWE European Holdings Inc., a leading CBD hemp retailer in Germany operating under the brand Hanf.com, to acquire up to 100% of CWE through a multi-stage transaction. On August 13, 2025, Neural completed the first stage of this transaction, acquiring a 30.75% equity interest in CWE. The investment provides Neural with exposure to [Hanf.com’s](https://hanf.com) established retail and eCommerce operations, which include 15 stores in Germany (11 directly owned

and 4 franchises) and a growing product portfolio. The transaction is expected to expand Neural's commercial footprint in Europe while maintaining its core commitment to drug discovery and mental health innovation.

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No securities regulatory authority has reviewed or accepted responsibility for the adequacy or accuracy of the contents of this news release. This news release contains forward-looking statements ("FLS") regarding execution and anticipated outcomes of the executed first transaction between Neural and CWE, as well as the intended follow up transaction, including, but not limited to Neural's expectation that it will not have to use any of its available funds towards advancing the Hanf.com business, there being no assurance that the Series B Option will be exercised, or whether any further transactions between Neural and CWE will occur, growth prospects and projections for the Hanf.com business, the opening of new stores and new franchises, the evolution of German cannabis regulations, and the execution of Neural's continuing mescaline research program;. FLS are often identified by terms such as "will", "may", "should", "anticipate", "expect", "plan" and similar expressions.

These statements are not statements of historical fact, but rather predictions about future events, which are inherently subject to risks and uncertainties. There can be no assurance that such statements will prove to be accurate. Actual results could differ materially from those projected in the FLS due to a variety of factors, including changes in consumer demand, regulatory developments, access to research materials, scientific outcomes, competitive pressures, and other risks detailed from time to time in the Company's public disclosure filings. Readers are cautioned not to place undue reliance on any forward-looking information. Although management considers such information to be reasonable at the time of preparation, may prove to be incorrect and actual outcomes may differ significantly. FLS contained in this news release are expressly qualified by this cautionary statement. The Company expressly disclaims any intention or obligation to update or revise such statements. A description of additional risk factors that may cause actual results to differ materially from FLS in Neural's disclosure documents posted on www.sedarplus.ca.

*The securities of Neural have not been registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or applicable state securities laws. The securities may not be offered or sold to, or for the account or benefit of, persons in the United States or “U.S. Persons” (as defined in Regulation S under the U.S. Securities Act), unless registered or exempt from registration under the U.S. Securities Act and applicable state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy Neural’s securities in the United States or any other jurisdiction where such an offer or sale would be unlawful.*

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