NeuroScientific
BIOPHARMACEUTICALS
ASX:NSB

ASX ANNOUNCEMENT
29 OCTOBER 2021

SEPTEMBER 2021 QUARTERLY ACTIVITY REPORT

HIGHLIGHTS

- **Reporting of significant EmtinB™ outcomes in pulmonary fibrosis studies and Multiple sclerosis biomarker studies**
- **Progress of preclinical safety studies of EmtinB™ with completion of Safety Pharmacology studies and initiation of 13-week ocular toxicity study**
- **Two key drug development experts appointed to NeuroScientific's scientific advisory team**
- **Advance and Overseas Finding for the Company's ophthalmology R&D program**
- **Strong cash position with A$12.90M held as at 30 September 2021**

NeuroScientific Biopharmaceuticals Ltd (ASX: **NSB**) (**"NeuroScientific"** or **"the company"**) today submitted its Appendix 4C and quarterly activity report for the period ended 30 September 2021.

Quarterly Activity Report
During the September quarter, NeuroScientific continued to progress its preclinical R&D programs involving EmtinB™, including the reporting of positive outcomes in pulmonary fibrosis studies, the reporting of significant biomarker data in Multiple sclerosis studies, and the initiation of a 13-week ocular toxicity study in non-human primates (NHPs). The Company also expanded its scientific advisory team to include key international experts and received an Advance and Overseas Finding for its ocular R&D program to receive R&D rebates on up to $25 million of R&D expenditure.

The Company reported outcomes from its preclinical pulmonary fibrosis studies, with significant reductions of >50% in inflammatory markers associated with COVID-19 infections. Significant reductions were demonstrated in inflammatory markers Serum Amyloid A (SAA), Interferon-gamma-inducible protein-10 (CXCL10/IP-10), and Eotaxin 3 (Eot3). Safety studies undertaken by the Institute for Respiratory Health also confirmed that EmtinB™ was safe and well tolerated in lung tissue.

Also during the September quarter, NeuroScientific reported biomarker data that indicated significant reductions in the dysfunctional immune responses associated with Multiple sclerosis (MS). In preclinical assays of T Cell inflammation, EmtinB™ reduced important MS-related biomarkers CXCL10/IP-10, Matrix Metalloproteinase-9 (MMP-9), Immunoglobulin G (IgG), and decreased Th1-mediated cell proliferation.

NeuroScientific continued to progress the preclinical safety studies for both neurology and ophthalmology R&D programs involving EmtinB™, with the completion of GLP

Safety Pharmacology studies and the initiation of a GLP 13-week Ocular Toxicity study in NHPs.

In the lead up to initiating its first clinical study in the near future, NeuroScientific announced the addition of two key drug development experts to its scientific advisory team with the appointments of highly experienced clinical ophthalmologist Dr Peter Hnik MD MHSc and internationally recognised toxicologist Dr Frank Bonner PhD FBTS.

NeuroScientific also received approval for an Advance and Overseas Finding under the R&D Tax Incentive program for the development of EmtinB™ as a novel therapeutic treatment for ocular conditions. NeuroScientific will be able to receive R&D Tax Incentive rebates on up to $25 million of R&D expenditure incurred from its ophthalmology R&D program over the next 3-years.

Neuroscientific also participated in a number of promotional events during the September quarter, with company presentations as part of the ShareCafe Small Cap Webinar series and Broker Briefing Investor Webinar series.

Quarterly Cash Flow Summary

NeuroScientific's cash position was $12.90 million as at 30 September 2021. The Company maintains a strong cash position to deliver the planned clinical development program and corporate expenses continue to be carefully managed.

Net operating cash outflows for the quarter was $1,264,000. Research and development activities payments totalled $257,000 for the quarter. Staff costs for the quarter were $225,000. Administration and corporate costs were $774,000. Of this amount, $206,000 related to the prepayment of insurance premiums for the 2022 financial year, $315,000 related to prepayments for manufacturing services and $43,000 related to prepayments for ongoing Research and Development studies. During the quarter, the company spent $26,000 in advertising and marketing costs.

Payments to related parties during the June quarter totalled $186,000 and relate to Director fees and salaries ($157,000) and Administration and Management fees ($29,000).

The level of net cash burn for the December 2021 quarter is expected to be higher than the September 2021 quarter as the Company transitions to clinical development in 2022. Manufacturing costs will also be higher as the Company scales up production of EmtinB™ to support the initiation of Phase I clinical studies.

This announcement is authorised by the Board of NeuroScientific Biopharmaceuticals Ltd.

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About NeuroScientific Biopharmaceuticals Ltd
NeuroScientific Biopharmaceuticals Limited (ASX: NSB) is a company developing peptide-based pharmaceutical drugs that target a number of neurodegenerative conditions with high unmet medical demand. The company's product portfolio includes EmtinB™, a therapeutic peptide initially targeting Alzheimer's disease and glaucoma, as well as other Emtin peptides (EmtinAc, EmtinAn, and EmtinBn) which have demonstrated similar therapeutic potential as EmtinB™. For more information, please visit www.neuroscientific.com

About EmtinB™
EmtinB™ is a peptide-based compound that binds to surface-based cell receptors from the LDLR family, activating intracellular signalling pathways that stimulate neuroprotection, neuroregeneration and modulate neuroinflammation. EmtinB™ is modelled on a specific active domain of the complex human protein called Metallothionein-IIA, which is produced as part of the human body's innate immune response to cell injury.

Our preclinical research has established that EmtinB™ is highly specific and selective for its target receptor, safe and well tolerated at high concentrations, and is able to penetrate the blood brain barrier. A series of Phase I clinical studies will be conducted to establish the safety profile of EmtinB™ in humans.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
NeuroScientific Biopharmaceuticals Limited	
ABN	**Quarter ended ("current quarter")**
13 102 832 995	30 September 2021

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(257)	(257)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(26)	(26)
	(d) leased assets	-	-
	(e) staff costs	(225)	(225)
	(f) administration and corporate costs	(774)	(774)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	18	18
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,264)**	**(1,264)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
		-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	14,162	14,162
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,264)	(1,264)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**12,898**	**12,898**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	4,533	5,815
5.2	Call deposits	8,366	8,347
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**12,898**	**14,162**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(186)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Item 6.1 above includes Director salaries & fees ($157k) and management & administration fees ($29k)

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,264)
8.2	Cash and cash equivalents at quarter end (item 4.6)	12,898
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	12,898
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	10.2

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2021

Authorised by: The Board of Directors