

MARCH 2023 QUARTERLY ACTIVITY REPORT

HIGHLIGHTS

- **International experts engaged and well advanced in work to underpin the submission of an HREC application for a Phase I study for EmtinB™ in late Q2/early Q3 CY 2023, including data supporting the safety, purity and efficacy of NSB's lead drug compound EmtinB™**
- **EmtinB™ demonstrates a positive treatment effect in Multiple Sclerosis animal study**
- **Australian Government R&D Tax Incentive Refund of ~\$3.77m received during quarter**
- **Cash balance of A\$5.4m as at 31 March 2023**

NeuroScientific Biopharmaceuticals Ltd (ASX: **NSB**) ("**NeuroScientific**" or "**the company**") today submitted its Appendix 4C and quarterly activity report for the period ended 31 March 2023.

QUARTERLY ACTIVITY REPORT

Animal Study Demonstrates Positive Treatment Effect for Multiple Sclerosis

The study was conducted in the myelin oligodendrocyte glycoprotein-induced experimental autoimmune encephalomyelitis (MOG-EAE) mouse model, the gold-standard animal model for replicating the inflammatory mechanisms of human MS.

Mice treated with EmtinB™ displayed a likely neuroprotective effect through the delay in the initial progression of EAE Clinical Scores. Mice treated at all dose levels displayed an initial delay in the progression of worsening EAE Clinical Scores.

Mice treated with 10mg/kg EmtinB™ daily had a day-on-day statistically significant difference noted in EAE Clinical Scores from Day 10 through Day 21 (final day) of dosing when compared to the negative control, indicative of a significant treatment effect at this dose level.

EmtinB™ administered at 10mg/kg and 20mg/kg resulted in a statistically significant positive effect in the maintenance of body weight. Body weight change is a key feature of this animal model, with a decline in body weight typical with decline in clinical symptoms of the mice.

NeuroScientific believe that this study further supports EmtinB™ acting as a neuroprotective agent and treatment for neurodegenerative disease, in particular Multiple Sclerosis.

R&D Tax Incentive Rebate

During February, NeuroScientific received AUD\$3,774,137 from the Australian Federal Government in the form of a R&D Tax Incentive Rebate with respect to the Company's R&D activities and spending during financial year 2021/22.

EmtinB™ Phase I Clinical Trial HREC Submission

Work is ongoing on multiple fronts including across manufacturing, formulation, toxicity, and efficacy to support a Human Research Ethics Committee (HREC) submission for a Phase I study for EmtinB™ late in the 2nd quarter or early in the 3rd quarter of 2023.

As previously advised, this includes the engagement of leading experts in the fields of regulatory compliance, toxicology and manufacturing/formulation to ensure a submission package that is of the highest standard.

Quarterly Cash Flow Summary

NeuroScientific's cash position was \$5.4 million as at 31 March 2023. The Company has maintained a strong cash position during the initial execution of its R&D program and corporate expenses continue to be carefully managed.

Net operating cash inflows for the quarter were \$2.07m, in light of the receipt of the FY22 R&D Tax Incentive Refund of \$3.77m. Operating activity cash outflows excluding the Tax Incentive totalled \$1.73m. Research and development activities payments totalled \$1.09m for the quarter.

Staff costs for the quarter were \$199k. Administration and corporate costs were \$445k. During the quarter, the company spent \$15k in advertising and marketing costs.

Payments to related parties during the March 2023 quarter totalled \$117k and relate to Director fees, salaries and superannuation (\$72k) and Administration and Management fees (\$45k).

The level of net cash burn for the June 2023 quarter is expected to be at similar levels as for the March 2023 quarter, as the company continues to preserve cash in the coming months as the work towards a new EmtinB™ Phase I clinical trial submission continues.

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

-ENDS-

For more information please contact:

Paul Rennie
Interim CEO & Non-Executive Chairman
NeuroScientific Biopharmaceuticals Ltd
ir@neuroscientific.com
+ 61 8 6382 1805

Lucas Robinson
Investor Relations
Corporate Storytime
lucas@corporatestorytime.com
+ 61 408 228 889

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

13 102 832 995

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(1,085)	(5,151)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(15)	(54)
(d) leased assets	-	-
(e) staff costs	(199)	(650)
(f) administration and corporate costs	(445)	(995)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	75
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	3,795	4,953
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	2,068	(1,822)
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 (9 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	(0)	(0)

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	(0)	(0)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,326	7,216
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,068	(1,822)
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 (9 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	5,394	5,394

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	1,127	47
5.2	Call deposits	4,267	3,279
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)	5,394	3,326

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	(117)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<p><i>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.</i></p> <p>Item 6.1 above includes Director salaries, fees & superannuation (\$72k) and management & administration fees (\$45k)</p>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	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) (* excluding R&D tax Incentive Refund)	(1,727)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,394
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	5,394
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.1
	<i>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.</i>	
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	
	<i>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.</i>	

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: 28 April 2023

Authorised by: The Board of Directors