

## 1. Company details

Name of entity:	NeuroScientific Biopharmaceuticals Limited
ABN:	13 102 832 995
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

## 2. Results for announcement to the market

			\$
Income from ordinary activities	down	52.76% to	2,390,765
Profit from ordinary activities after tax attributable to the owners of NeuroScientific Biopharmaceuticals Limited	up	130.34% to	324,210
Profit for the year attributable to the owners of NeuroScientific Biopharmaceuticals Limited	up	130.34% to	324,210

### Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend for the year ended 30 June 2023	Nil	Nil
Final dividend for the year ended 30 June 2024	Nil	Nil

## 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary share	<u>3.52</u>	<u>3.50</u>

## 4. Audit qualification or review

The financial statements have been audited and an unqualified opinion has been issued.

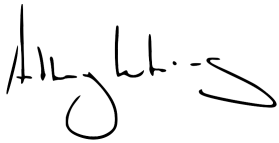


## 5. Attachments

The Annual Report of NeuroScientific Biopharmaceuticals Limited for the year ended 30 June 2024 is attached.

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## 6. Signed



Signed \_\_\_\_\_

Dr Tony Keating  
Executive Director  
29 August 2024



# **ANNUAL REPORT**

**For Year ended  
30 June 2024**



**NeuroScientific**  
BIOPHARMACEUTICALS

# CORPORATE DIRECTORY

## DIRECTORS

Mr Christopher Ntoumenopoulos (Non-Executive Chairman)  
Dr Tony Keating (Executive Director)  
Mr Clarke Barlow (Non-Executive Director)  
Dr Anton Uvarov (Non-Executive Director)

## COMPANY SECRETARY

Mr Chris Achurch

## AUDITOR

Nexia Perth Audit Services Pty Ltd  
Level 3  
88 William Street  
Perth WA 6000

## SOLICITORS

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

## BANKERS

Westpac Banking Corporation  
Level 4  
Brookfield Place, Tower 2  
123 St George's Terrace  
Perth WA 6000

## REGISTERED OFFICE

Suite 5, 85 Forrest Street  
Cottesloe WA 6011  
Telephone: 08 6382 1805

## SHARE REGISTRY

Automic Registry Services  
Level 5, 191 St Georges Terrace  
Perth WA 6000  
Telephone: 1300 288 664

## STOCK EXCHANGE LISTING

The Company's shares are listed and quoted on the  
Australian Securities Exchange Limited ("ASX")  
ASX code: NSB

## WEBSITE ADDRESS:

[www.neuroscientific.com](http://www.neuroscientific.com)

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## DIRECTORS' REPORT

The Directors present their report, together with the financial statements of NeuroScientific Biopharmaceuticals Limited (referred to hereafter as 'NeuroScientific' or 'NSB' or the 'Company') for the year ended 30 June 2024.

### Directors

The following persons were Directors of NeuroScientific Biopharmaceuticals Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Christopher Ntoumenopoulos, Non-Executive Chair (appointed Director 17 November 2023, Chair 5 December 2023)

Tony Keating, Executive Director (appointed Non-Executive Director 5 December 2023, Executive Director 1 April 2024)

Clarke Barlow, Non-Executive Director (appointed 17 November 2023)

Anton Uvarov, Non-Executive Director

Paul Rennie, Interim CEO & Non-Executive Chair (resigned 5 December 2023)

Stephen Quantrill, Non-Executive Director (resigned 5 December 2023)

Linda Friedland, Non-Executive Director (appointed 18 October 2023, resigned 17 November 2023)

### Principal activities

During the financial year ended 30 June 2024, the Company was engaged in the development of therapeutic treatments for neurodegenerative diseases through preclinical and clinical studies of patented technologies.

### Dividends

There were no dividends declared or paid during the financial year ended 30 June 2024 (2023: Nil).

### Operations Review

The Company made a profit of \$324,210 for the financial year ended 30 June 2024 (2023: \$1,068,606 loss). Given NeuroScientific is a clinical development company that is pre revenue, it is likely that net losses after tax can be expected in future years as the clinical development of EmtinB™ continues.

Total income of \$2,390,765 (2023: \$5,060,488) is lower than the prior financial year by \$2,669,723. This is mainly due to lower R&D tax incentive related to R&D expenditure, associated with the research program for EmtinB™ inclusion in the R&D tax incentive scheme in Australia.

### R&D Program Review

During the financial year ended 30 June 2024 it was determined that the development of EmtinB™ should focus on the ophthalmology program, where EmtinB™ is administered locally, via intravitreal injection.





## **DIRECTORS' REPORT (continued)**

### **FDA Pre-IND Meeting for Advanced Glaucoma Treatment**

In April 2024, NeuroScientific submitted a Pre-Investigational New Drug Application ('pre-IND') meeting request to the US FDA to discuss the proposed drug development program for EmtinB as a treatment for advanced glaucoma in adults. On the 11<sup>th</sup> of June, the Company received detailed feedback and guidance from the FDA following this meeting.

The successful Pre-IND meeting was a significant milestone, providing regulatory clarity for the proposed Phase 1 clinical trial. The FDA offered valuable feedback on the planned IND-enabling studies, including assessments of toxicology, pharmacokinetics and formulation optimisation for intravitreal administration. NeuroScientific will leverage this valuable feedback to determine the optimal path forward in the development of EmtinB.

### **Board and Management Changes**

During the financial year ended 30 June 2024, NSB appointed Steven Carter as Chief Executive Officer (CEO) which allowed Paul Rennie to step down from his interim role of CEO but remain as Non-Executive Chair of the board in August 2023. In October 2023, Dr Linda Friedland was appointed to the board as an independent Non-executive Director. In November 2023, Chris Ntoumenopoulos and Clarke Barlow joined the board of directors as non-executive directors and Dr Linda Friedland resigned from the board. On 30 November 2023, Steven Carter resigned as CEO with the resignation effective 31 December 2023 and on 1 December 2023 Simon Scott resigned as Director of Clinical Development, with an effective date of 31 December 2023. On 5 December 2023 both Paul Rennie and Stephen Quantrill resigned as Non-executive Chair and Non-executive director respectively and Tony Keating was appointed as Non-executive director. On 1 April 2024, Tony Keating was appointed as Executive Director.

### **New Opportunities**

NeuroScientific continues to evaluate a range of promising new opportunities to expand and enhance its portfolio.

### **Financial Position**

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Company reported a net profit for the year of \$324,210 (2023: loss of \$1,068,606) and a cash inflow from operating activities of \$44,249 (2023: outflow of \$2,304,340). The Company had a net working capital surplus of \$4,958,425 (2023: \$4,412,489) which included cash and term deposit balances of \$4,954,142 at 30 June 2024 (June 2023: \$4,911,709). Due to the nature of the operations, being clinical development of EmtinB™, the profit mainly reflects R&D tax incentive offset by research and development costs.



## **DIRECTORS' REPORT (continued)**

Based on the Company's working capital surplus at 30 June 2024 and in particular its cash balance of \$4,954,142, the Directors are satisfied that the Company will have access to sufficient cash to fund its forecast expenditure for a period of at least twelve months from the date of signing this report. Accordingly, the Directors consider the going concern basis of preparation to be appropriate.

### **Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Company during the financial year.

### **Matters subsequent to the end of the financial year**

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

### **Environmental regulation**

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

### **Material business risks**

#### **Clinical development**

Clinical trials are inherently very risky and may prove unsuccessful or non-efficacious, impracticable or costly - which may impact profitability and commercial potential. Failure or negative or inconclusive results can occur at many stages in development and the results of earlier clinical trials are not necessarily predictive of future results. In addition, data obtained from trials is susceptible to varying interpretations, and regulators may not interpret the data as favourably as NeuroScientific, which may delay, limit or prevent regulatory approval.

#### **Research and development activities**

NeuroScientific's future success is dependent on the performance in clinical trials. NeuroScientific's lead drug compound, EmtinB™ is an experimental product in clinical development and product sales and revenues are likely to be years away, and there is no guarantee of success. It requires additional research and development, including ongoing clinical evaluation of safety and efficacy in clinical trials and regulatory approval prior to marketing authorisation. Drug development generally is often associated with a high failure rate and until NeuroScientific is able to provide further clinical evidence of the ability of NeuroScientific's product to improve outcomes in patients, the future success of the product in development remains speculative. Research and development risks include uncertainty regarding the outcome of results, difficulties or delays in development and generally the uncertainty that surrounds the scientific development of pharmaceutical products.





## **DIRECTORS' REPORT (continued)**

### **Regulatory approval**

NeuroScientific operates within a highly regulated industry, relating to the manufacture, distribution and supply of pharmaceutical products. There is no guarantee that NeuroScientific will obtain the required approvals, licenses and registrations from all relevant regulatory authorities in all jurisdictions in which it operates. The commencement of clinical trials may be delayed and NeuroScientific may incur further costs if the US Food and Drug Administration (FDA) and other Regulatory Agencies such as Australia's Therapeutic Goods Administration (TGA) observe deficiencies that require resolution or request additional studies be conducted in addition to those that are currently planned. A change in regulation may also adversely affect NeuroScientific's ability to commercialise and manufacture its treatments.

### **Intellectual property risks**

Securing rights in technology and patents is an integral part of securing potential product value in the outcomes of biotechnology research and development. NeuroScientific's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. Because the patent position of biotechnology companies can be highly uncertain and frequently involves complex legal and factual questions, neither the breadth of claims allowed in biotechnology patents, nor their enforceability can be predicted. There can be no assurance that any patents which NeuroScientific may own, access or control will afford NeuroScientific commercially significant protection of its technology or its products or have commercial application or that access to these patents will mean that NeuroScientific will be free to commercialise its drug candidates. The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop technology or products to avoid NeuroScientific's patented technology.

### **Competition**

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change, both in Australia and internationally, and there are no guarantees about NeuroScientific's ability to successfully compete. NeuroScientific's products may compete with existing alternative treatments that are already available to customers. In addition, a number of companies, both in Australia and internationally, are pursuing the development of competing products. Some of these companies may have, or may develop, technologies superior to NeuroScientific's own technology. Some competitors of NeuroScientific may have substantially greater financial, technical and human resources than NeuroScientific does, as well as broader product offerings and greater market and brand presence. NeuroScientific's services, expertise or products may be rendered obsolete or uneconomical or decrease in attractiveness or value by advances or entirely different approaches developed by either NeuroScientific or its competitors.



## **DIRECTORS' REPORT (continued)**

### **Commercial risk**

NeuroScientific may, from time to time, consider acquisition, licensing, partnership or other corporate opportunities for NeuroScientific's product development programs. There can be no assurance that any such acquisition, licensing, partnership or corporate opportunities can be concluded on terms that are, or are believed by NeuroScientific to be, commercially acceptable. In the case of licensing and partnership opportunities, even if such terms are agreed there is a risk that the performance of distributors and the delivery of contracted outcomes by collaborators will not occur due to a range of unforeseen factors relating to environment, technology and market conditions.

### **Reliance on key personnel**

NeuroScientific is reliant on key personnel employed or engaged by NeuroScientific. Loss of such personnel may have a material adverse impact on the performance of NeuroScientific. In addition, recruiting qualified personnel is critical to NeuroScientific's success. As NeuroScientific's business grows, it may require additional key financial, administrative, investor and public relations personnel as well as additional staff for operations. While NeuroScientific believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success. The loss of key personnel or the inability to attract suitably qualified additional personnel could have a material adverse effect on NeuroScientific's financial performance.

### **Insurance and uninsured risks**

Although NeuroScientific maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and NeuroScientific may decide not to insure against certain risks because of high premiums or other reasons.

### **Litigation**

In the ordinary course of conducting its business, NeuroScientific is exposed to potential litigation and other proceedings, including through claims of breach of agreements, intellectual property infringement or in relation to employees (through personal injuries, occupational health and safety or otherwise). If such proceedings were brought against NeuroScientific, it would incur considerable defence costs (even if successful), with the potential for damages and costs awards against NeuroScientific if it were unsuccessful, which could have a significant negative financial effect on NeuroScientific's business. Changes in laws can also heighten litigation risk (for example, antitrust and intellectual property). Circumstances may also arise in which NeuroScientific, having received legal advice, considers that it is reasonable or necessary to initiate litigation or other proceedings, including, for example, to protect its intellectual property rights. There has been substantial litigation and other proceedings in the pharmaceutical industry, including class actions from purchasers and end users of pharmaceutical products.



## **DIRECTORS' REPORT (continued)**

### **Economic risks**

NeuroScientific is exposed to economic factors in the ordinary course of business. A number of economic factors / conditions, both domestic and global, affect the performance of financial markets generally, which could affect the price at which NeuroScientific Shares trade on the ASX. Among other things, adverse changes in macroeconomic conditions, including movements on international and domestic stock markets, interest rates, exchange rates, cost and availability of credit, general consumption and consumer spending, input costs, employment rates and industrial disruptions, inflation and inflationary expectations and overall economic conditions, economic cycles, investor sentiment, political events and levels of economic growth, both domestically and internationally, as well as government taxation, fiscal, monetary, regulatory and other policy changes may affect the demand for, and price of, NeuroScientific Shares and adversely impact NeuroScientific's business, financial position and operating results. Trading prices can be volatile and volatility can be caused by general market risks such as those that have been mentioned. Shares in NeuroScientific may trade at or below the price at which they are currently trading on the ASX including as a result of any of the factors that have been mentioned, and factors such as those mentioned may also affect the income, expenses and liquidity of NeuroScientific. Additionally, the stock market can experience price and volume fluctuations that may be unrelated or disproportionate to the operating performance of NeuroScientific.

### **Forward-looking statements**

There can be no guarantee that the assumptions and contingencies on which any forward-looking statements, opinions and estimates contained in materials published by NeuroScientific are based will ultimately prove to be valid or accurate. The forward-looking statements, opinions and estimates depend on various factors, including known and unknown risks, many of which are outside the control of NeuroScientific. Actual performance of NeuroScientific may materially differ from forecast performance.



## DIRECTORS' REPORT (continued)

### Information on directors

Name:	<b>Mr Christopher Ntoumenopoulos</b>
Title:	Non-Executive Chairman (appointed Director 17 November 2023, Chair 5 December 2023)
Qualifications:	BCom
Experience and expertise:	Mr Ntoumenopoulos is the Managing Director at Twenty 1 Corporate, an Australian-based corporate advisory firm. Mr Ntoumenopoulos has extensive experience in financial markets, with over 20 years of raising capital and providing corporate advisory services. Additionally, he has served as a director of ASX listed companies for over 7 years. Mr Ntoumenopoulos was a foundational director of ResApp Health Ltd (ASX:RAP), later acquired by Pfizer, and Race Oncology (ASX:RAC).
Other current directorships:	Non-Executive Director of TrivarX Limited (ASX:TRI) and Tryptamine Therapeutics Limited (ASX:TYP)
Former directorships (last 3 Years):	None
Interests in shares:	Nil
Interests in options:	Nil
Contractual rights to shares:	Nil
Name:	<b>Dr Tony Keating</b>
Title:	Executive Director (appointed Non-Executive Director 5 December 2023, Executive Director 1 April 2024)
Qualifications:	Dr Keating holds a Bachelor of Engineering, Master of Engineering Science and a Doctor of Philosophy (Mechanical Engineering) from the University of Queensland. Dr Keating also has an Executive Certificate of Management and Leadership from the MIT Sloan School of Management.
Experience and expertise:	Dr Keating is an experienced entrepreneur and CEO, having co-founded and led ResApp Health Ltd from start-up to its ultimate acquisition by Pfizer for \$180 million. Following the sale of ResApp, Dr Keating took on the role of Vice President at Pfizer leading the integration of ResApp's business in Pfizer.
Other current directorships:	Part-time Executive Director of TrivarX Limited (ASX:TRI)
Former directorships (last 3 Years):	None
Interests in shares:	Nil
Interests in options:	Nil
Contractual rights to shares:	None



## DIRECTORS' REPORT (continued)

Name:	<b>Mr Clarke Barlow</b>
Title:	Non-Executive Director (appointed 5 December 2023)
Qualifications:	BCom, MAICD
Experience and expertise:	Mr Barlow is a Financial Adviser and Capital Markets Specialist with over 20 years' experience in the Financial Services Industry in Australia and the United Kingdom. Mr Barlow has extensive experience providing corporate advisory services for companies listed on the ASX across a variety of industries, with a particular focus on growth opportunities in the biotechnology, technology, industrial and resources industries.
Other current directorships:	Non-Executive Director of Tryptamine Therapeutics Limited (ASX:TYP)
Former directorships (last 3 Years):	None
Interests in shares:	Nil
Interests in options:	Nil
Contractual rights to shares:	None

Name:	<b>Dr Anton Uvarov</b>
Title:	Non-Executive Director
Qualifications:	PhD, MBA
Experience and expertise:	Dr Uvarov has significant experience as an equity analyst in the healthcare industry with a focus on the biotechnology sector, both domestically and internationally. Prior to moving to Australia, Anton was with Citigroup Global Markets where he spent two years as a member of a New York based biotechnology team that was consistently ranked top 4 for biotechnology in the All-America Institutional Investor survey. Dr Uvarov's scientific expertise and company knowledge spreads across a variety of therapeutic areas and spectrum of market capitalizations with his particular interest in early stage biotechnology companies.
Other current directorships:	Executive Director of Blinklab Limited (ASX:BB1)
Former directorships (last 3 Years):	Non-executive Director of Nutritional Growth Solutions Ltd (ASX: NGS), resigned 31 August 2022.
Interests in shares:	2,350,000 ordinary shares
Interests in options:	900,000 options
Contractual rights to shares:	Nil



## DIRECTORS' REPORT (continued)

Name: **Mr Paul Rennie**  
Title: Non-Executive Chairman and Interim Chief Executive (Resigned 5 December 2023)  
Interests in shares: 1,090,753 ordinary shares as at 5 December 2023  
Interests in options: 5,600,000 options as at 5 December 2023  
Contractual rights to shares: As part of his appointment Mr Rennie was granted 5 million options exercisable at \$0.40 and expiring five years from grant.

Name: **Mr Stephen Quantrill**  
Title: Non-Executive Director (Resigned 5 December 2023)  
Interests in shares: 360,000 ordinary shares as at 5 December 2023  
Interests in options: 1,100,000 options as at 5 December 2023  
Contractual rights to shares: Nil

Name: **Dr Linda Friedland**  
Title: Non-Executive Director (Appointed 18 October 2023, resigned 17 November 2023)  
Interests in shares: Nil  
Interests in options: Nil  
Contractual rights to shares: Nil

'Other current directorships' quoted above are current directorships for ASX listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.





## DIRECTORS' REPORT (continued)

### Company Secretary

Mr Chris Achurch provides company secretarial, corporate advisory and general consulting services to a number of ASX-listed clients and is currently the Company Secretary of Auris Minerals Limited (ASX:AUR), Reach Resources Limited (ASX:RR1), Suvo Strategic Minerals Limited (ASX:SUV), Star Minerals Limited (ASX: SMS), Great Dirt Resources Limited (ASX:GR8) and Blinklab Limited (ASX:BB1). Previously, he was the Company Secretary of Critical Resources Limited (ASX:CRR).

### Directors' Meetings

The following table sets out the number of meetings of the Company's Directors held while each Director was in office and the number of meetings attended by each Director:

Director	Number of meetings available to attend	Number of meetings attended
Mr Christopher Ntoumenopoulos	6	6
Dr Tony Keating	4	4
Mr Clarke Barlow	6	6
Dr Antony Uvarov	10	10
Mr Paul Rennie	6	5
Mr Stephen Quantrill	6	5
Dr Linda Friedland	1	1

Due to the size and scale of the Company, the duties that would ordinarily be assigned to the Remuneration, Nomination, Audit and Risk Committees is carried out by the entire Board of Directors. Details of these duties are detailed within the Company's Corporate Governance Plan. The Company has elected to disclose its Corporate Governance Plan and compliance with the plan on its website [www.neuroscientific.com](http://www.neuroscientific.com).



## DIRECTORS' REPORT (continued)

### Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel.

### ***Principles used to determine the nature and amount of remuneration***

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency.

The performance of the Company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives.



## **DIRECTORS' REPORT (continued)**

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

### ***Non-executive directors' remuneration***

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually. The Company may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market.

### ***Executive remuneration***

The Company aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually based on individual and Company performance, the overall performance of the Company and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the Company and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on key performance indicators ('KPI's') being achieved. KPI's are based on financial and nonfinancial measures, including budget management, R&D program planning and development, business development, and leadership contribution.



## **DIRECTORS' REPORT (continued)**

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives with vesting periods based on long-term incentive measures. These include increase in shareholder's value relative to the entire market and KPI's aligned to the research and development program.

### ***Details of remuneration***

#### ***Amounts of remuneration***

Details of the remuneration of key management personnel of the Company are set out in the tables below.

The key management personnel of the Company consisted of the following Directors of NeuroScientific Biopharmaceuticals Limited:

- Christopher Ntoumenopoulos – Non-Executive Chair (appointed Director 17 November 2023, Chair 5 December 2023)
- Tony Keating – Executive Director (appointed Non-Executive Director 5 December 2023, Executive Director 1 April 2024)
- Clarke Barlow – Non-Executive Director (appointed 17 November 2023)
- Anton Uvarov – Non-Executive Director (transitioned from Executive Director to Non-Executive Director on 15 November 2022)
- Paul Rennie – Non-Executive Chairman and Interim Chief Executive Officer (resigned 5 December 2023)
- Stephen Quantrill – Non-Executive Director (resigned 5 December 2023)
- Matthew Liddelow – Managing Director and Chief Executive Officer (resigned on 9 September 2022)
- Linda Friedland – Non-Executive Director (appointed 18 October 2023, resigned 17 November 2023)

And the following persons:

- Abby Macnish Niven – Company Secretary and CFO (resigned 6 February 2024)
- Stephen Carter – Chief Executive Officer (appointed 11 September 2023, resigned 31 December 2023)



## DIRECTORS' REPORT (continued)

2024	Short-term benefits	Post-employment benefits	Share-based payments	Total
	Salary and fees \$	Superannuation \$	Equity-settled options \$	
<i>Non-Executive Directors:</i>				
Christopher Ntoumenopoulos (Chairman) (Appointed Director 17 Nov 2023, Chair 5 Dec 2023)	48,132	5,294	-	53,426
Clarke Barlow (Appointed 17 Nov 2023)	31,048	2,750	-	33,798
Anton Uvarov	51,774	-	-	51,774
Paul Rennie (Resigned 5 Dec 2023)	66,667	7,333	93,293	167,293
Stephen Quantrill* (Resigned 5 Dec 2023)	23,550	-	-	23,550
Linda Friedland (Appointed 18 Oct 2023, resigned 17 Nov 2023)	5,000	-	-	5,000
<i>Executive Directors:</i>				
Tony Keating (Appointed Non-Executive 5 Dec 2023, Executive Director 1 Apr 2024)	38,644	4,251	-	42,895
<i>Other Key Management Personnel:</i>				
Abby Macnish Niven** (Resigned 6 Feb 2024)	91,539	-	-	91,539
Stephen Carter (Appointed 11 Sep 2023, resigned 31 Dec 2023)	97,460	8,938	-	106,398
	<u>453,814</u>	<u>28,566</u>	<u>93,293</u>	<u>575,673</u>

\* Salary for Stephen Quantrill is paid in consulting fees to McRae Investments Pty Ltd.

\*\* Salary for Abby Macnish Niven is paid in consulting fees to CAMS Advisory Pty Ltd.



## DIRECTORS' REPORT (continued)

2023	Short-term benefits	Post-employment benefits	Share-based payments	Total
	Salary and fees \$	Superannuation \$	Equity-settled options \$	
<i>Non-Executive Directors:</i>				
Paul Rennie (Chairman)	160,000	16,800	440,706	617,506
Stephen Quantrill*	55,000	-	-	55,000
Anton Uvarov	79,625	3,944	-	83,569
<i>Executive Directors:</i>				
Matthew Liddelow (Resigned 9 Sep 2022)	86,541	6,542	-	93,083
<i>Other Key Management Personnel:</i>				
Abby Macnish Niven** (Resigned 6 Feb 2024)	119,164	-	-	119,164
	<u>500,330</u>	<u>27,286</u>	<u>440,706</u>	<u>968,322</u>

\* Salary for Stephen Quantrill is paid in consulting fees to McRae Investments Pty Ltd.

\*\* Salary for Abby Macnish Niven is paid in consulting fees to CAMS Advisory Pty Ltd.





## DIRECTORS' REPORT (continued)

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk – STI		At risk – LTI	
	2024	2023	2024	2023	2024	2023
<i>Non-Executive Directors:</i>						
Christopher Ntoumenopoulos	100%	-	-	-	-	-
Clarke Barlow	100%	-	-	-	-	-
Anton Uvarov	100%	100%	-	-	-	-
Paul Rennie (Chairman)	100%	100%	-	-	-	-
Stephen Quantrill	100%	100%	-	-	-	-
Linda Friedland	100%	-	-	-	-	-
<i>Executive Directors:</i>						
Tony Keating	100%	-	-	-	-	-
Matthew Liddelow	-	100%	-	-	-	-
<i>Other Key Management Personnel:</i>						
Abby Macnish Niven	100%	100%	-	-	-	-
Stephen Carter	100%	-	-	-	-	-



## DIRECTORS' REPORT (continued)

### **Service agreements**

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

#### **Dr Tony Keating – Executive Director**

The Company has entered into an executive services agreement with Dr Tony Keating and pursuant to which Dr Tony Keating is appointed as the Executive Director of the Company on the following terms:

- (a) (Fees): Director fees of \$50,000 per annum plus superannuation are payable by the Company to Dr Keating from his appointment of Non-Executive Director on 5 December 2023. In addition to this, Dr Keating was appointed Executive Director on 1 April 2024 and is also paid an additional \$40,000 per annum plus superannuation based on an initially agreed 20% FTE basis (ASX Announcement dated 5 December 2023); and
- (b) (Term): there is no fixed term, and a 2-month notice period.

As part of Dr Keating's appointment, Dr Keating will be provided with short-term and long-term incentives but are yet to be determined and will require shareholder approval.

Dr Keating's executive services agreement contains otherwise standard terms and conditions for an agreement of this nature, including confidentiality, retention, intellectual property and leave.

### **Non-Executive Agreements**

The Company has entered into non-executive director appointment letters with Messrs Christopher Ntoumenopoulos, Clarke Barlow and Dr Anton Uvarov and pursuant to which Messrs Ntoumenopoulos and Barlow and Dr Anton Uvarov are appointed as Non-Executive Directors of the Company on the following terms:

- (c) (Fees): Director fees are payable by the Company to each of Mr Ntoumenopoulos (\$80,000 per annum plus superannuation), Mr Barlow (\$50,000 per annum plus superannuation) and Dr Anton Uvarov (\$50,000 per annum); and
- (d) (Term): the term of Dr Anton Uvarov, Messrs Ntoumenopoulos and Barlow's appointments are subject to provisions of the Constitution and the ASX Listing Rules relating to retirement by rotation and re-election of directors and will automatically cease at the end of any meeting at which Messrs Ntoumenopoulos or Barlow or Dr Uvarov are not re-elected as Directors by Shareholders.

The appointment letters otherwise contain terms and conditions that are considered standard for agreements of this nature.



## DIRECTORS' REPORT (continued)

### Share-based compensation

#### Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2024.

#### Additional information

The earnings of the Company for the five years to 30 June 2024 are summarised below:

	2024	2023	2022	2021	2020
	\$	\$	\$	\$	\$
Total Income	2,390,765	5,060,488	68,450	1,045,874	76,273
EBITDA	415,547	(1,010,752)	(10,370,434)	(3,116,361)	(2,808,450)
EBIT	324,210	(1,068,606)	(10,435,349)	(3,177,768)	(2,865,111)
Loss after income tax	324,210	(1,068,606)	(10,435,349)	(3,177,831)	(2,868,528)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2024	2023	2022	2021	2020
Share price at financial year end (\$)	0.04	0.08	0.18	0.335	0.19
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings / (loss) per share (cents per share)	0.22	(0.74)	(7.27)	(2.21)	(3.67)
Diluted earnings / (loss) per share	0.22	(0.74)	(7.27)	(2.21)	(3.67)



## DIRECTORS' REPORT (continued)

### Additional disclosures relating to key management personnel

#### Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at 1 July 2023	Additions	Disposals/ Other	Balance on Resignation / Appointment	Balance at 30 June 2024
<b>Ordinary shares</b>					
Christopher Ntoumenopoulos	-	-	-	-	-
Tony Keating	-	-	-	-	-
Clarke Barlow	-	-	-	-	-
Anton Uvarov	2,350,000	-	-	-	2,350,000
Paul Rennie	1,090,753	-	-	1,090,753	-
Stephen Quantrill	180,000	180,000	-	360,000	-
Linda Friedland	-	-	-	-	-
Abby Macnish Niven	100,000	-	-	100,000	-
Stephen Carter	-	-	-	-	-
	<u>3,720,753</u>	<u>180,000</u>	<u>-</u>	<u>1,550,753</u>	<u>2,350,000</u>

#### Options

The number of options in the Company held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at 1 July 2023	Additions	Lapsed/ Other	Balance on Resignation * / Appointment	Balance at 30 June 2024
<b>Options</b>					
Christopher Ntoumenopoulos	-	-	-	-	-
Tony Keating	-	-	-	-	-
Clarke Barlow	-	-	-	-	-
Anton Uvarov	1,700,000	-	(800,000)	-	900,000
Paul Rennie	5,600,000	-	-	5,600,000	-
Stephen Quantrill	1,100,000	-	(500,000)	600,000	-
Matthew Liddelow	900,000	-	-	900,000	-
Linda Friedland	-	-	-	-	-
Abby Macnish Niven	300,000	-	-	300,000	-
Stephen Carter	-	-	-	-	-
	<u>9,600,000</u>	<u>-</u>	<u>(1,300,000)</u>	<u>7,400,000</u>	<u>900,000</u>

\* Options not cancelled on resignation of key management personnel during the year.



## DIRECTORS' REPORT (continued)

### Performance shares

The number of performance shares in the Company held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	No. of Rights exercised	Expired/ forfeited/ other	Balance at the end of the year
<b>Class C shares</b>					
Christopher Ntoumenopoulos	-	-	-	-	-
Tony Keating	-	-	-	-	-
Clarke Barlow	-	-	-	-	-
Anton Uvarov	150,000	-	-	(150,000)	-
Paul Rennie	-	-	-	-	-
Stephen Quantrill	-	-	-	-	-
Linda Friedland	-	-	-	-	-
Abby Macnish Niven	-	-	-	-	-
Stephen Carter	-	-	-	-	-
	150,000	-	-	(150,000)	-
<b>Class D shares</b>					
Christopher Ntoumenopoulos	-	-	-	-	-
Tony Keating	-	-	-	-	-
Clarke Barlow	-	-	-	-	-
Anton Uvarov	150,000	-	-	(150,000)	-
Paul Rennie	-	-	-	-	-
Stephen Quantrill	-	-	-	-	-
Linda Friedland	-	-	-	-	-
Abby Macnish Niven	-	-	-	-	-
Stephen Carter	-	-	-	-	-
	150,000	-	-	(150,000)	-



## DIRECTORS' REPORT (continued)

	Balance at the start of the year	Granted	No. of Rights exercised	Expired/ forfeited/ other	Balance at the end of the year
<b><i>Class E shares</i></b>					
Christopher Ntoumenopoulos	-	-	-	-	-
Tony Keating	-	-	-	-	-
Clarke Barlow	-	-	-	-	-
Anton Uvarov	150,000	-	-	(150,000)	-
Paul Rennie	-	-	-	-	-
Stephen Quantrill	-	-	-	-	-
Linda Friedland	-	-	-	-	-
Abby Macnish Niven	-	-	-	-	-
Stephen Carter	-	-	-	-	-
	150,000	-	-	(150,000)	-

### ***Other transactions with key management personnel and their related parties***

During the financial year, payments for rental of office space and administration services of \$29,622 were made to McRae Investments Pty Ltd (director-related entity of Stephen Quantrill). The Company paid \$854 to CAMS Advisory (related entity of Abby Macnish Niven) in relation to travel expenses incurred on the Company's behalf. All transactions were made on normal commercial terms and conditions and at market rates.

***This concludes the remuneration report, which has been audited.***





## DIRECTORS' REPORT (continued)

### Shares under option

Unissued ordinary shares of NeuroScientific Biopharmaceuticals Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
11 November 2021	7 December 2024	\$0.50	3,000,000
11 November 2021	21 June 2026	\$0.40	5,000,000
20 June 2022	17 June 2025	\$0.40	500,000
			8,500,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

### Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

### Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.



## DIRECTORS' REPORT (continued)

### Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 16 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 16 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

### Officers of the company who are former partners of Nexia Perth Audit Services Pty Ltd

There are no officers of the Company who are former partners of Nexia Perth Audit Services Pty Ltd.

### Auditor's independence declaration

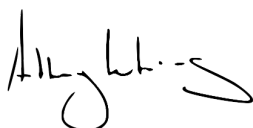
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

### Auditor

Nexia Perth Audit Services Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



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Dr Tony Keating  
Executive Director  
29 August 2024  
Perth



To the Board of Directors of NeuroScientific Biopharmaceuticals Limited

**Auditor's Independence Declaration under section 307C of the *Corporations Act 2001***

As lead auditor for the audit of the financial statements of NeuroScientific Biopharmaceuticals Limited for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

Yours sincerely



**Nexia Perth Audit Services Pty Ltd**



**Justin Mulhair**

**Director**

Perth, Western Australia

29 August 2024

**Advisory. Tax. Audit.**

ACN 145 447 105

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see [www.nexia.com.au/legal](http://www.nexia.com.au/legal). Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

## GENERAL INFORMATION

The financial statements cover NeuroScientific Biopharmaceuticals Limited as a company. The financial statements are presented in Australian dollars, which is NeuroScientific Biopharmaceuticals Limited's functional and presentation currency.

NeuroScientific Biopharmaceuticals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

### Registered office

Suite 5  
85 Forrest Street  
Cottesloe WA 6011

### Principal place of business

Suite 5  
85 Forrest Street  
Cottesloe WA 6011

A description of the nature of the Company's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 August 2024. The Directors have the power to amend and reissue the financial statements.



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 \$	2023 \$
<b>Total Income</b>			
Interest	4	178,936	107,529
Other income	4	2,211,829	4,952,959
<b>Expenses</b>			
Administration expenses		(568,518)	(799,101)
Business development expenses		(75,878)	(90,736)
Research and development expenses		(492,459)	(4,026,118)
Patent related costs		(24,288)	(46,064)
Employee expenses		(627,396)	(723,672)
Management fees		(86,372)	(138,068)
Share based payment expense	5	(90,310)	(242,747)
Depreciation expenses		(4,147)	(7,928)
Amortisation expenses		(87,190)	(49,926)
Finance Cost		(9,997)	(4,734)
<b>Profit / (Loss) before income tax expense</b>		<b>324,210</b>	<b>(1,068,606)</b>
Income tax expense	6	-	-
<b>Profit / (Loss) after income tax expense for the year</b>		<b>324,210</b>	<b>(1,068,606)</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive profit / (loss) for the year</b>		<b>324,210</b>	<b>(1,068,606)</b>
Basic earnings / (loss) per share (cents per share)		0.22	(0.74)
Diluted earnings / (losses) per share (cents per share)	22	0.22	(0.74)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	4,954,142	4,911,709
Trade and other receivables	8	54,482	43,467
Prepayments		35,484	54,675
Total current assets		<u>5,044,108</u>	<u>5,009,851</u>
<b>Non-current assets</b>			
Plant and equipment		6,459	8,791
Intangible assets	9	385,306	272,496
Total non-current assets		<u>391,765</u>	<u>281,287</u>
<b>Total assets</b>		<u><b>5,435,873</b></u>	<u><b>5,291,138</b></u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		84,929	585,504
Employee benefits		754	11,858
Total current liabilities		<u>85,683</u>	<u>597,362</u>
<b>Total liabilities</b>		<u><b>85,683</b></u>	<u><b>597,362</b></u>
<b>Net assets</b>		<u><b>5,350,190</b></u>	<u><b>4,693,776</b></u>
<b>Equity</b>			
Issued capital	10	25,516,557	25,274,663
Reserves	12	1,871,964	2,407,511
Accumulated losses	13	<u>(22,038,331)</u>	<u>(22,988,398)</u>
<b>Total equity</b>		<u><b>5,350,190</b></u>	<u><b>4,693,776</b></u>

The above statement of financial position should be read in conjunction with the accompanying notes.



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Issued capital	Reserves	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 2022	25,274,663	2,842,947	(22,597,975)	5,519,635
Options issued during the year - related party options	-	440,705	-	440,705
Options issued during the year - ESS plan options	-	41,932	-	41,932
ESS plan options expired during year	-	(678,183)	678,183	-
Revaluation of performance shares during year	-	(239,890)	-	(239,890)
Total comprehensive (loss) for the year after tax	-	-	(1,068,606)	(1,068,606)
Balance at 30 June 2023	<u>25,274,663</u>	<u>2,407,511</u>	<u>(22,988,398)</u>	<u>4,693,776</u>
	Issued capital	Reserves	Accumulated losses	Total equity
Balance at 1 July 2023	25,274,663	2,407,511	(22,988,398)	4,693,776
Shares issued during the year	241,894	-	-	241,894
Options vested during the year - related party options	-	93,293	-	93,293
Options vested during the year - ESS plan options	-	28,551	-	28,551
ESS plan options expired during year	-	(625,857)	625,857	-
ESS plan options forfeited during year	-	(31,534)	-	(31,534)
Total comprehensive profit for the year after tax	-	-	324,210	324,210
Balance at 30 June 2024	<u>25,516,557</u>	<u>1,871,964</u>	<u>(22,038,331)</u>	<u>5,350,190</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(2,302,087)	(7,364,671)
R&D tax incentives		2,211,829	4,952,959
Interest paid		157	(157)
Interest received		134,350	107,529
		<u>134,350</u>	<u>107,529</u>
<b>Net cash provided by / (used in) operating activities</b>	21	<b>44,249</b>	<b>(2,304,340)</b>
<b>Cash flows from investing activities</b>			
Purchase of property plant and equipment		(1,815)	-
		<u>(1,815)</u>	<u>-</u>
<b>Net cash used in investing activities</b>		<b>(1,815)</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		42,434	(2,304,340)
Cash and cash equivalents at the beginning of the financial year		4,911,708	7,216,048
		<u>4,911,708</u>	<u>7,216,048</u>
<b>Cash and cash equivalents at the end of the financial year</b>		<b>4,954,142</b>	<b>4,911,708</b>
		<u><u>4,954,142</u></u>	<u><u>4,911,708</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes.





## NOTES TO THE FINANCIAL STATEMENTS

### Note 1. Material accounting policy information

The accounting policies that are material in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### Financial Position

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Company reported a net profit for the year of \$324,210 (2023: loss of \$1,068,606) and a cash inflow from operating activities of \$44,249 (2023: outflow of \$2,304,340 outflow). The Company had a net working capital surplus of \$4,958,425 (2023: \$4,412,489) which included cash and term deposit balances of \$4,954,142 at 30 June 2024 (June 2023: \$4,911,709). Due to the nature of the operations, being clinical development of EmtinB™, the profit mainly reflects R&D tax incentive offset by research and development costs.

Based on the Company's working capital surplus at 30 June 2024 and in particular its cash balance of \$4,954,142, the Directors are satisfied that the Company will have access to sufficient cash to fund its forecast expenditure for a period of at least twelve months from the date of signing this report. Accordingly, the Directors consider the going concern basis of preparation to be appropriate.

#### Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

#### New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.



## NOTES TO THE FINANCIAL STATEMENTS

### **New Accounting Standards and Interpretations not yet mandatory or early adopted**

The Company has reviewed the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2024. As a result of this review the Company has determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company; therefore, no change is necessary to the Company accounting policies.

### **Critical accounting estimates**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### **Foreign currency**

The financial statements are presented in Australian dollars, which is NeuroScientific Biopharmaceuticals Limited's functional and presentation currency.

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

### **Revenue recognition**

The Company recognises revenue as follows:

#### ***Interest***

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### ***Other income***

Other income is recognised when it is received or when the right to receive payment is established. R&D refunds are a tax offset under the R&D tax incentive recognised on receipt of funds from the Australian Taxation Office for research and development expenditure incurred in the previous financial year. They are presented in the statement of profit and loss and other comprehensive income as other income



## NOTES TO THE FINANCIAL STATEMENTS

### Income tax

The income tax expense or benefit for the year is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

### Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



## NOTES TO THE FINANCIAL STATEMENTS

### Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful life of the intangible asset recognised is assessed as finite.

Useful life (years) – 11.5 years

### Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

### Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.



## NOTES TO THE FINANCIAL STATEMENTS

### Employee benefits

#### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

### Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.



## NOTES TO THE FINANCIAL STATEMENTS

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

### **Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **Dividends**

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.



## NOTES TO THE FINANCIAL STATEMENTS

### Earnings per share

#### ***Basic earnings per share***

Basic earnings per share is calculated by dividing the profit attributable to the owners of NeuroScientific Biopharmaceuticals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### ***Diluted earnings per share***

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

#### **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.



## NOTES TO THE FINANCIAL STATEMENTS

### Note 2. Operating segments

The Company has considered the requirements of AASB 8 – Operating Segments and has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company operates as a single segment being research and development of pharmaceutical solutions for neurological disorders. There is no difference between the audited financial report and the internal reports generated for review. The Company is domiciled in Australia and is currently in the research and development phase and hence has not begun to generate revenue from operations. All the assets are located in Australia.

### Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### ***Share-based payment transactions***

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.





## NOTES TO THE FINANCIAL STATEMENTS

### Note 4. Other income

	2024 \$	2023 \$
<i>Other income</i>		
Interest	178,936	107,529
R&D incentive rebate	2,211,829	4,952,959
	<hr/>	<hr/>
Other income	<u>2,390,765</u>	<u>5,060,488</u>

### Note 5. Share based payment

For the year ended 30 June 2024:

Set out below is a summary of the movement of options granted to key management personnel of the Company:

Grant date	Expiry date	Exercise price	Balance at start of year	Balance on Resignation *	Balance at end of year
11/11/2021	15/01/2024	\$0.40	2,500,000	1,200,000	-
11/11/2021	05/04/2024	\$0.40	300,000	300,000	-
11/11/2021	07/12/2024	\$0.50	1,800,000	900,000	900,000
11/11/2021	21/06/2026	\$0.40	5,000,000	5,000,000	-
			<hr/>	<hr/>	<hr/>
			9,600,000	7,400,000	900,000

\* Options not cancelled on resignation of key management personnel during the year.

Weighted average exercise price	\$0.42	\$0.41	\$0.50
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Set out below is a summary of the movement of options granted to employees of the Company:

Grant date	Expiry date	Exercise price	Balance at start of year	Forfeited	Balance on Resignation *	Balance at end of year
20/06/2022	17/06/2025	\$0.40	500,000	-	500,000	500,000
20/06/2022	17/06/2025	\$0.40	250,000	(250,000)	-	-
20/06/2022	17/06/2027	\$0.40	250,000	(250,000)	-	-
			<hr/>	<hr/>	<hr/>	<hr/>
			1,000,000	(500,000)	500,000	500,000

\* Options not cancelled on resignation of employees during the year.

Weighted average exercise price	\$0.40	\$0.40	\$0.40	\$0.40
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## NOTES TO THE FINANCIAL STATEMENTS

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	<b>2024</b>	<b>2023</b>
	\$	\$
Options – share based payment expense to key management personnel	93,293	440,705
Options – share based payment expense to other employees	28,551	41,932
Options – forfeited upon employee resignation	(31,534)	-
Performance shares – re-assessment of vesting probability*	-	(239,890)
	<u>90,310</u>	<u>242,747</u>

\*On 30 June 2023, the Company re-assessed the vesting probability of the Class C, Class D and Class E performance rights to reflect the new estimated probability of 0% of the non-market performance criteria being met. Refer to note 11 for more information.



## NOTES TO THE FINANCIAL STATEMENTS

### Note 6. Income tax

*Income tax recognised in profit or loss*

	<b>2024</b>	<b>2023</b>
	\$	\$
Current tax expense		
The prima facie income tax expense / (benefit) on pre-tax accounting profit / (loss) from operations reconciles to the income tax expense as follows:		
Accounting profit / (loss) before income tax	324,219	(1,068,606)
Income tax at 25% (2023: 25%)	81,055	(267,151)
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Non-deductible expenses	28,827	64,932
Non-assessable income	(552,511)	(1,238,240)
Adjustments recognised in the current year in relation to the current tax of previous years	1,178,437	1,955,918
Effect of temporary differences that would be recognised directly in equity	-	-
Temporary differences not recognised	(735,808)	(515,459)
Income tax expense	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 25.0% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in this tax rate since the previous reporting period.

#### *Deferred Tax Balances*

At 30 June 2024, net deferred tax assets of \$2,384,016 (2023: \$3,119,823) have not been recognised in terms of AASB 112 Income Taxes. The Company does not currently have foreseeable future taxable profits against which the deductible temporary differences and unused tax losses comprising this net deferred tax amount may be utilised.

<b>Unrecognised deferred tax assets and liabilities as at 30 June 2024 comprise:</b>	<b>Deferred Tax Assets</b>	<b>Deferred Tax Liabilities</b>	<b>Net</b>
	\$	\$	\$
Cash & cash equivalents	-	(67)	(67)
Intangible assets	97,424	-	97,424
Trade & other payables	2,725	-	2,725
Employee benefits	189	-	189
Unused tax losses	2,256,731	-	2,256,731
Other future deductions	27,014	-	27,014
Unrecognised deferred tax assets / (liabilities) before set-off	2,384,083	(67)	2,384,016
Set off deferred tax liabilities	(67)	67	-
Net unrecognised deferred tax asset	2,384,016	-	2,384,016



## NOTES TO THE FINANCIAL STATEMENTS

### Note 7. Current assets - cash and cash equivalents

	2024	2023
	\$	\$
Cash at bank	704,142	612,118
Cash on deposit	4,250,000	4,299,591
	<u>4,954,142</u>	<u>4,911,709</u>

### Note 8. Current assets - trade and other receivables

	2024	2023
	\$	\$
Trade receivables	9,896	43,467
Accrued interest	44,586	-
	<u>54,482</u>	<u>43,467</u>

#### *Expected credit loss*

The Company has not recognised any loss in profit or loss in respect of the expected credit losses for the year ended 30 June 2024 (2023: nil).

### Note 9. Non-current assets – intangible assets

	2024	2023
	\$	\$
Exclusive license - at cost	775,000	575,000
Less: Accumulated amortisation	(389,694)	(302,504)
	<u>385,306</u>	<u>272,496</u>

#### *Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Exclusive license
Balance at 1 July 2022	322,422
Amortisation expense	(49,926)
Balance at 30 June 2023	<u>272,496</u>
Balance at 1 July 2023	272,496
Additions (refer note 18)	200,000
Amortisation expense	(87,190)
Balance at 30 June 2024	<u>385,306</u>



## NOTES TO THE FINANCIAL STATEMENTS

### Note 10. Equity - issued capital

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	144,604,870	143,471,643	25,516,557	25,274,663

#### *Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
<b>Balance</b>	<b>1 July 2022</b>	<b>143,471,643</b>		<b>25,274,663</b>
Issue of shares		-		-
<b>Balance</b>	<b>30 June 2023</b>	<b>143,471,643</b>		<b>25,274,663</b>
Issue of shares		1,133,227		241,894
<b>Balance</b>	<b>30 June 2024</b>	<b>144,604,870</b>		<b>25,516,557</b>

The Company issued 1,133,227 fully paid ordinary shares under 12-month voluntary escrow on 1 August 2023. The shares were issued in line with the Company Prospectus in relation to the Licence Agreement with the University of Tasmania for Consideration Milestone 2, upon completion of the additional animal efficacy study and also for payment of additional agreement costs incurred by the University of Tasmania on the Company's behalf.

#### *Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

#### *Share buy-back*

There is no current on-market share buy-back.

#### *Capital risk management*

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.



## NOTES TO THE FINANCIAL STATEMENTS

### Note 10. Equity - issued capital (continued)

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

### Note 11. Equity – performance rights

	2024	2023	2024	2023
	Shares	Shares	\$	\$
Class C shares	-	700,000	-	-
Class D shares	-	700,000	-	-
Class E shares	-	700,000	-	-

#### *Movements in performance rights*

Movements in each class of performance share during the current and previous financial year are set out below:

Class C	Date	Shares	Fair value	\$
Balance*	30 June 2023	700,000	\$0.1525	-
Balance	30 June 2024	-	-	-

\*At prior year end reporting date 30 June 2023, the Company used judgement in estimating the probability 0% of the non-market performance criteria being met. The performance rights expired on 27 July 2023.

Class D	Date	Shares	Fair value	\$
Balance*	30 June 2023	700,000	\$0.1525	-
Balance	30 June 2024	-	-	-

\*At prior year end reporting date 30 June 2023, the Company used judgement in estimating the probability 0% of the non-market performance criteria being met. The performance rights expired on 27 July 2023.

Class E	Date	Shares	Fair value	\$
Balance*	30 June 2023	700,000	\$0.1902	-
Balance	30 June 2024	-	-	-

\*At prior year end reporting date 30 June 2023, the Company used judgement in estimating the probability 0% of the non-market performance criteria being met. The performance rights expired on 27 July 2023.

#### *Performance rights*

Performance rights do not entitle the holder to vote on any resolutions proposed by the Company except as otherwise required by law. A performance right does not entitle the holder to any dividends nor return of capital, whether in a winding up, upon a reduction in capital or otherwise.



## NOTES TO THE FINANCIAL STATEMENTS

### Note 12. Equity - reserves

	Date	No of performance rights	No of options	Value \$
<b>Opening balance 1 July 2022</b>		2,100,000	17,775,000	2,842,947
Options expired during the year	31 December 2022	-	(4,600,000)	(678,183)
Options issued during the year as part of share-based payments	31 December 2022	-	-	482,637
Performance rights re-assessment of vesting probability	30 June 2023	-	-	(239,890)
<b>Closing balance 30 June 2023</b>		<b>2,100,000</b>	<b>13,175,000</b>	<b>2,407,511</b>
<b>Opening balance 1 July 2023</b>		2,100,000	13,175,000	2,407,511
Performance rights expired during the year*	27 July 2023	(2,100,000)	-	-
Options expired during the year**	15 January 2024	-	(3,000,000)	(412,106)
Options expired during the year***	6 April 2024	-	(1,175,000)	(213,751)
Options forfeited during the year upon employee resignation****	30 June 2024	-	(500,000)	(31,534)
Options vesting during the year		-	-	121,844
<b>Closing balance 30 June 2024</b>		<b>-</b>	<b>8,500,000</b>	<b>1,871,964</b>

\* On 27 July 2023, the Class C, Class D and Class E performance rights expired as the non-market performance criteria was not met. Refer to note 11 for more information.

\*\* On 15 January 2024, 3,000,000 options that were issued to directors on 15 January 2021, expired.

\*\*\* On 6 April 2024, 1,175,000 options that were issued to employees on 26 May 2021, expired.

\*\*\*\* On 31 December 2023, 250,000 options that were issued to employees on 20 June 2022, were forfeited. On 1 April 2024, 250,000 options that were issued to employees on 20 June 2022, were forfeited.



## NOTES TO THE FINANCIAL STATEMENTS

### Note 13. Equity – accumulated losses

	2024	2023
	\$	\$
Retained (losses) at the beginning of the financial year	(22,988,398)	(22,597,975)
Performance rights and options expired during the year	625,857	678,183
Profit / (Loss) after income tax expense for the year	<u>324,210</u>	<u>(1,068,606)</u>
Accumulated losses at the end of the financial year	<u>(22,038,331)</u>	<u>(22,988,398)</u>

### Note 14. Financial instruments

#### *Market risk*

The Company's activities expose it to a variety of financial risk.

#### *Foreign currency risk*

The Company is not currently exposed to any foreign exchange risk.

#### *Price risk*

The Company is not exposed to any significant price risk.

#### *Interest rate risk*

At reporting date, the entity had \$4,954,142 in cash and cash equivalents exposed to interest rate risk (2023: \$4,911,709).

The entity's exposure to market interest rates relates primarily to cash and short-term deposits.





## NOTES TO THE FINANCIAL STATEMENTS

At reporting date, if interest rates had moved, as illustrated in the table below, with all other variables held constant, net loss and equity would have been affected as follows:

	2024		2023	
	\$	%	\$	%
<i>Variable rate instruments</i>				
Cash and cash equivalents	4,954,142	4.16	4,911,709	3.72
<i>Sensitivity analysis:</i>				
Interest rate +1.00%	Profit	49,541	49,117	
Interest rate – 1.00%	Loss	(49,541)	(49,117)	

### **Liquidity risk**

Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable. The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

### **Remaining contractual maturities**

The following tables detail the Company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.



## NOTES TO THE FINANCIAL STATEMENTS

The following tables detail the Company's remaining contractual maturity for its financial instrument liabilities:

	Weighted average interest rate %	1 year or less \$	Between 1 and 2		Over 5 years \$	Remaining contractual maturities \$
			2 years \$	Between 2 and 5 years \$		
<b>2024</b>						
<i>Non-interest bearing</i>						
Trade payables	-	84,929	-	-	-	84,929
Other payables	-	754	-	-	-	754
Total		85,683	-	-	-	85,683

	Weighted average interest rate %	1 year or less \$	Between 1 and 2		Over 5 years \$	Remaining contractual maturities \$
			years \$	Between 2 and 5 years \$		
<b>2023</b>						
<i>Non-interest bearing</i>						
Trade payables	-	585,504	-	-	-	585,504
Other payables	-	11,858	-	-	-	11,858
Total		597,362	-	-	-	597,362



## NOTES TO THE FINANCIAL STATEMENTS

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

### *Fair value of financial instruments*

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

### **Note 15. Key management personnel disclosures**

#### *Compensation*

The aggregate compensation made to Directors and other members of key management personnel of the Company is set out below:

	<b>2024</b>	<b>2023</b>
	\$	\$
Short-term employee benefits	453,814	500,330
Post-employment benefits	28,566	27,286
Share-based payment	93,293	440,706
	<u>575,673</u>	<u>968,322</u>

### **Note 16. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by Nexia Perth Audit Services Pty Ltd, the auditor of the Company, its network firms and related firms:

	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Audit services – Nexia Perth Audit Services Pty Ltd</i>		
Audit or review of the financial statements	32,690	29,700
<i>Taxation services – Nexia Perth Pty Ltd</i>		
Taxation services related to R&D tax incentive	29,000	37,881
Taxation services related to ESS	1,500	-
Taxation services related to annual tax return and tax-effect accounting	7,500	6,500
	<u>70,690</u>	<u>74,081</u>



## NOTES TO THE FINANCIAL STATEMENTS

### Note 17. Contingent liabilities and commitments

On 18 May 2016, the Company signed an agreement with the University of Tasmania (UTAS) to acquire the license to hold the right to use intellectual property developed by the University. In accordance with the contract, amounts are payable to UTAS in equity, conditional upon the satisfaction of certain technical milestones. Upon the satisfaction of Milestone 1, \$150,000, Milestone 2, \$200,000, and Milestone 3, \$250,000 of equity securities are required to be issued in the Company.

On 18 January 2018, 746,269 ordinary shares were issued to UTAS Holdings Pty Ltd at an issue price of \$0.201 per share and a total transactional value of \$150,000. These shares were issued in accordance with the license agreement for acquisition of the intangible asset due to success of Milestone 1 related to the research and development program.

Milestone 2 was completed in July 2023, upon receipt of final reports for the good laboratory standard (GLP) studies of the preclinical safety and toxicology program for EmtinB. Upon completion, the Company issued shares in payment of the \$200,000 Milestone 2 payment in August 2023.

Milestone 3 means the Licensee's receipt of a regulatory notification from a recognised regulatory body (including either the FDA, TGA or EMA) of the Licensee having successfully completed the Investigational New Drug (IND) filing or equivalent. At the reporting date, Milestone 3 had not been satisfied.

The Company did not have any commitments as at 30 June 2024 (2023: \$Nil).

### Note 18: Non-cash investing and financing activities

	2024	2023
	\$	\$
Shares issued upon completion of milestone 2 under the exclusive licence agreement with University of Tasmania (refer note 10)	200,000	-

### Note 19. Events after the reporting period

No other matters or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.



## NOTES TO THE FINANCIAL STATEMENTS

### Note 20. Related party transactions

#### *Transactions with related parties*

The following transactions occurred with related parties:

	2024	2023
	\$	\$
Rental of office space and administration support	29,622	51,092
Reimbursement of travel expenses to CAMS Advisory	854	2,495
	<u>30,476</u>	<u>53,587</u>

#### *Key management personnel*

Disclosures relating to key management personnel are set out in Note 15 and the remuneration report in the Directors' Report.

#### *Receivables from and payables to related parties*

There are no receivables or payables outstanding at the reporting date in relation to transactions with related parties.

#### *Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

### Note 21. Reconciliation of profit after income tax to net cash from operating activities

	2024	2023
	\$	\$
Profit / (loss) after income tax expense for the year	324,210	(1,068,606)
Adjustments for:		
Depreciation and amortisation	91,337	57,854
Share-based payments	90,310	242,747
Share-based payments – University of Tasmania	41,894	-
Change in operating assets and liabilities:		
Change in trade and other receivables	(11,015)	77,461
Change in prepayments	19,191	6,542
Change in trade and other payables	(500,574)	(1,580,500)
Change in employee benefits	(11,104)	(39,838)
Net cash from operating activities	<u>44,249</u>	<u>(2,304,340)</u>



## NOTES TO THE FINANCIAL STATEMENTS

### Note 22. Earnings per share

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Profit / (loss) after income tax	<u>324,210</u>	<u>(1,068,606)</u>
Profit / (loss) after income tax attributable to the owners of NeuroScientific Biopharmaceuticals Limited	<u>324,210</u>	<u>(1,068,606)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	144,508,886	143,471,643
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	<u>8,500,000</u>	<u>17,775,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>144,508,886</u>	<u>143,471,643</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings / (losses) per share	0.22	(0.74)
Diluted earnings / (losses) per share	0.22	(0.74)



## CONSOLIDATED ENTITY DISCLOSURE STATEMENT

NeuroScientific Biopharmaceuticals Limited has no controlled entities and, therefore, is not required by the Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.



## DIRECTORS' DECLARATION

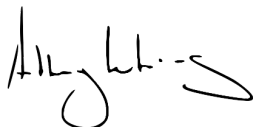
In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



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Dr Tony Keating  
Executive Director  
29 August 2024  
Perth





## Independent Auditor's Report to the Members of NeuroScientific Biopharmaceuticals Ltd

### Report on the audit of the Financial Report

#### Opinion

We have audited the financial report of NeuroScientific Biopharmaceuticals Ltd (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of NeuroScientific Biopharmaceuticals Ltd is in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Advisory. Tax. Audit.

Key audit matter	How our audit addressed the key audit matter
<p><b>Funding and Liquidity</b></p> <p><i>(Refer to 'Financial Position' section in note 1 of the Financial Report).</i></p> <p>The Company's primary activity is research and development, which is funded through equity raising as the Company does not yet have revenue generating activities.</p> <p>As disclosed in the financial report, the Company reported an operating profit after tax for the year ended 30 June 2024 of \$324,210 and incurred \$90,310 of share-based payment expenses. The Company reported net cash inflows from operating activities of \$44,249.</p> <p>The adequacy of funding and liquidity as well as the relevant impact on the going concern assessment is a key audit matter due to the inherent uncertainties associated with the future development of the Company's projects and the level of funding required to support that development.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• assessing the Company's working capital position as at 30 June 2024;</li> <li>• vouching the cash and cash equivalents as at 30 June 2024 to supporting documentation;</li> <li>• checking the mathematical accuracy of the cashflow forecast prepared by management;</li> <li>• evaluating the reliability and completeness of management's assumptions by comparing them to our understanding of the Company's future plans and operating conditions;</li> <li>• obtaining an understanding of management's cashflow forecast and evaluating the sensitivity of assumptions made by management;</li> <li>• considering events subsequent to year end to determine whether any additional facts or information have become available since the date on which management made its assessment; and</li> <li>• checking the appropriateness of basis of preparation and financial position disclosures in the Financial Report.</li> </ul>
<p><b>Share based payments</b></p> <p><i>(Refer to note 5 Share-based payments and note 12 Equity – Reserves in the Financial Report).</i></p> <p>NeuroScientific Biopharmaceuticals Limited is an early stage pharmaceutical research company. It pays its directors with long-term incentives.</p> <p>This is a key audit matter as the valuation of share-based payments is complex and subject to significant management estimates and judgement.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• verifying the key terms of equity settled share-based payments in respect of the award of options over common shares for rendering services and satisfaction of other vesting conditions by key management personnel and employees to the underlying shareholder approval and award documents;</li> <li>• testing the accuracy of the share-based payments amortisation over the vesting periods and recording of expense in the Statement of profit or loss and other comprehensive income and increase to the share-based payments reserve;</li> <li>• checking the completeness of share-based payments; and</li> <li>• checking the appropriateness of the disclosures of share-based payments arrangements in the financial report.</li> </ul>

**Other Information**

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2024 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard

**Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001; and

for such internal controls as the directors determine is necessary to enable the preparation of:

- i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Australian Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar2\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf)

## **Report on the Remuneration Report**

### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 14 to 24 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Neuroscientific Biopharmaceuticals Limited or the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

NPAS

**Nexia Perth Audit Services Pty Ltd**



**Justin Mulhair**  
**Director**

Perth, Western Australia  
29 August 2024

## ADDITIONAL SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 12 August 2024.

### Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	54
1,001 to 5,000	291
5,001 to 10,000	233
10,001 to 100,000	561
100,001 and over	181
	1,320

### Equity security holders

#### *Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
MCRAE TECHNOLOGY PTY LTD	19,122,262	13.22
BNP PARIBAS NOMS PTY LTD <DRP>	17,780,425	12.30
MCRAE INVESTMENTS PTY LTD	4,985,659	3.45
UTAS HOLDINGS PTY LTD	3,954,123	2.73
CITICORP NOMINEES PTY LIMITED	3,393,062	2.35
LEHAV PTY LTD <THE VHL FAMILY A/C>	2,872,644	1.99
ECU HOLDINGS PTY LTD	2,555,556	1.77
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,107,712	1.46
MR EDWARD JOSEPH & MRS MARGARET MARY GETTINGBY	2,090,000	1.45
MS YULIA UVAROVA	2,000,000	1.38
WHALE WATCH HOLDINGS LIMITED	1,927,341	1.33
MR MOHAMMED AKBAR ASEM	1,770,183	1.22
MR EDWARD JOSEPH & MRS MARGARET MARY GETTINGBY	1,703,333	1.18
SOLEQUEST PTY LTD	1,601,422	1.11
DOSSMAN PTY LTD	1,595,666	1.10
ICE LAKE INVESTMENTS PTY LTD	1,550,000	1.07
TREVOR BORROWS INVESTMENT PTY LTD	1,500,000	1.04
AUKERA CAPITAL PTY LTD <AUKERA DISCRETIONARY A/C>	1,200,000	0.83
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	1,153,551	0.80
MR PAUL JOHN RENNIE	1,090,753	0.75
	75,953,832	52.53



## ADDITIONAL SHAREHOLDER INFORMATION

### *Unquoted equity securities*

	<b>Number on issue</b>	<b>Number of holders</b>
Options over ordinary shares issued	9,000,000	9

### **Substantial holders**

Substantial holders in the Company are set out below:

	<b>Ordinary shares</b>	
	<b>Number held</b>	<b>% of total shares issued</b>
McRae Technology Pty Ltd	19,122,262	13.22
McRae Investments Pty Ltd	4,985,659	3.45

### **Voting rights**

The voting rights attached to ordinary shares are set out below:

### ***Ordinary shares***

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.







NeuroScientific  
BIOPHARMACEUTICALS

**NEUROSCIENTIFIC BIOPHARMACEUTICALS LTD**  
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