



**NeuroScientific**  
BIOPHARMACEUTICALS

## ASX ANNOUNCEMENT

### **JUNE 2020 AMENDED QUARTERLY ACTIVITY REPORT**

- **Preliminary data from Multiple Sclerosis study released**
- **Additional ocular animal study set to start**
- **Preparation for clinical development program continues**
- **Ongoing business development activities, including webcast company presentations**
- **Strong cash position to initiate Phase I clinical study**

**Perth, Australia; 12 August 2020. NeuroScientific Biopharmaceuticals Ltd ASX: NSB ("NeuroScientific" or "the Company")** today submitted its **amended** Appendix 4C and quarterly activity report for the period ended 30 June 2020.

#### **Key study results and R&D update**

During the June quarter, NeuroScientific continued to further validate its lead drug candidate, EmtinB, as a potential novel treatment for Multiple sclerosis (MS), finalise preclinical ocular development plans, and advance the preclinical safety and toxicity program.

NeuroScientific reported positive preliminary results from a preclinical MS study, in which EmtinB treatment had a significant effect on the formation of myelin, the insulating and protective sheath that surrounds the axons of nerve cells. Myelin is essential for proper nerve function and the progressive breakdown of myelin is strongly associated with the onset of MS. EmtinB significantly increased myelin formation at concentrations 30µg/ml ( $p<0.05$ ), 60µg/ml ( $p<0.01$ ), 120µg/ml ( $p<0.001$ ), and 150µg/ml ( $p<0.0001$ ). Additionally, EmtinB increased myelin formation by >30% at 150µg/ml concentration and >25% at 120µg/ml in comparison to the leading marketed drug Copaxone®.

The Company also finalised the planning and arrangements to start an additional preclinical ocular animal study, involving the assessment of EmtinB in the protection of optic nerve fibres from damage induced by retinal artery occlusion (blockage of blood flow to the retina). This large animal study will be conducted by the same research team at the Lions Eye Institute who completed the successful glaucoma study.

The preclinical safety and toxicity program involving EmtinB is on track to conclude by the end of 2020. Recently generated additional pharmacokinetic data has provided critical information for dose selection of EmtinB heading into the pivotal toxicity studies.

Planning and preparation for Phase I clinical development has also been a focus of this quarter so as to make the transition from preclinical to clinical development as seamless as possible. The Company will provide further updates in due course.

During the quarter, Matt Liddelow, CEO and Managing Director participated in the Techknow Invest Webinar and Meet the CEO Small Cap Webcast presentation events. These online events provided an opportunity for NeuroScientific to update existing shareholders on recent progress and introduce the Company to a wider audience of potential new investors.

### Quarterly Cash Flow Summary

NeuroScientific's cash position was \$3.3 million as at 30 June 2020, leaving the company in a strong position to continue to deliver the planned clinical development program. Corporate expenses are being carefully managed and the main cash outflows are directly related to R&D and manufacturing expenses.

The quarter saw an overall net decrease in cash of \$590,000. Research and development activities payments of \$413,000 for the quarter included laboratory expenses of \$6,700, ophthalmology study costs of \$211,000, manufacturing costs of \$111,000 and safety and toxicology study costs of \$92,000. Staff costs for the quarter were \$145,000. Administration and corporate costs were \$67,000, and the Company received \$41,000 in Government grants related to the Australian Federal Government cash flow boost program. During the quarter, the company spent \$4,000 in advertising and marketing costs. Payments to related parties during the June quarter totalled \$59,000 and relate to Director (\$30,000) and Management (\$29,000) fees.

The level of net cash burn for the September quarter is expected to be similar to the June quarter.

### Use of Funds

NeuroScientific was admitted to the official list of the ASX on 25 July 2018 following completion of an IPO raising \$6.0 million. The June 2020 quarter is included in a period covered by a Use of Funds statement in the IPO Prospectus lodged with ASX under Listing Rule 1.1 condition 3.

A comparison of the Company's actual expenditure since admission to 30 June 2020 against estimated expenditure in the Use of Funds statements is set out below in accordance with ASX Listing Rule 5.3.4. The table also shows the Company's expenditure for the June 2020 quarter, as required by ASX Listing Rule 5.3.1:

IPO Use of Funds	Budgeted (\$)	Actual (\$)	
		Q4 FY20	Total
<i>Research and Development</i>			
EMtinB: Preclinical safety & toxicology studies	\$ 1,600,000	\$ 53,000	\$ 897,000
EmtinB: Manufacturing & quality control	\$ 400,000	\$ 111,000	\$ 363,000
EmtinB: indication expansion studies (optic nerve)	\$ 300,000	\$ 211,000	\$ 787,000
EMtinB: Clinical studies	\$ 2,200,000	\$ -	\$ -
Other EmtinB peptides: preclinical validation	\$ 350,000	\$ -	\$ -
15mS.A: sequence optimisation	\$ 100,000	\$ -	\$ -
Working capital	\$ 789,600	\$ 215,000	\$ 797,000
Expenses of the offer	\$ 560,400	\$ -	\$ 351,000
<b>Total Funds Allocated</b>	<b>\$ 6,300,000</b>	<b>\$ 590,000</b>	<b>\$ 3,195,000</b>

### Outlook for 2021 Financial Year

With the evolving global pandemic resulting from COVID-19 causing indiscriminate economic disruption, NeuroScientific's business operations have remained largely

unaffected. For the first half of this financial year, NeuroScientific's primary focus is on completion of its preclinical safety and toxicology program and preparation for its Phase I clinical program. The Company also looks forward to reporting on the additional preclinical ocular animal study later this year.

In-line with the Company's business strategy, NeuroScientific will also continue to investigate supporting R&D studies that enhance the scientific data set of EmtinB as a treatment for neurodegenerative conditions beyond that of its lead indications in Alzheimer's disease and glaucoma.

### **About Neuroscientific Biopharmaceuticals Limited**

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

**END**

***Announcement authorised by the Board of Directors of NeuroScientific Biopharmaceuticals***

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## Appendix 4C

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

**Name of entity**

NeuroScientific Biopharmaceuticals Limited

**ABN**

13 102 832 995

**Quarter ended ("current quarter")**

30 June 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(413)	(1,382)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(4)	(36)
(d) leased assets	-	-
(e) staff costs	(145)	(522)
(f) administration and corporate costs	(67)	(408)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	33
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	41	41
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(587)</b>	<b>(2,274)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(2)	(2)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2)</b>	<b>(2)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	954
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>954</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,877	4,610
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(587)	(2,274)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	954
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,287</b>	<b>3,287</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	467	2,030
5.2	Call deposits	2,820	1,847
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,287</b>	<b>3,877</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

(59)

0

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

Item 6.1 above includes Director and Management fees

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

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	-	-

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

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

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(587)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	3,287
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	3,287
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	6

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

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

Answer:

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

Answer:

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

Answer:

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2020

Authorised by: Abby Macnish Niven (Company Secretary)  
(by the Board of Directors)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.