



NeuroScientific
BIOPHARMACEUTICALS

ASX ANNOUNCEMENT

MARCH 2021 QUARTERLY ACTIVITY REPORT

- **Ocular PK study and 4-week ocular tolerance and safety study completed**
- **Scale-up of manufacturing process completed**
- **Key Executive appointments**
- **Strong investor support for exercise of listed options**

Perth, Australia; 30 April 2021. NeuroScientific Biopharmaceuticals Ltd ASX: NSB (“NeuroScientific” or “the Company”) today submitted its Appendix 4C and quarterly activity report for the period ended 31 March 2021.

During the March quarter, NeuroScientific significantly advanced its preclinical R&D programs involving EmtinB, with the completion of pivotal ocular studies, completion of a major manufacturing milestone and the expansion of its executive management team in readiness for starting clinical development in 2021. The Company also experienced strong support for the exercise of its NSBO listed options before their expiry in early March and is well-funded going forward with more than \$15 million cash on hand.

The Company completed a number of pivotal preclinical ocular studies during the quarter, including ocular pharmacokinetic (PK) and tissue distribution studies in rabbits and a 4-week ocular tolerance and safety study in non-human primates. Processing and analysis of samples is yet to be completed for these studies and NeuroScientific will provide further information in separate announcements upon receiving results which are expected within the coming weeks.

Additionally, a significant manufacturing milestone was achieved with the completion of process improvement and scale-up of the solid phase manufacturing process for EmtinB for clinical GMP grade batch production of the drug candidate.

In preparation for the Company’s transition from preclinical to clinical development in 2021, two key executive appointments were made during the quarter. Dougal Thring was appointed as Vice President of Clinical Development and Dr Alexandra Heaton as Director of Operations. Dougal is a highly experienced clinical trials professional and previously held the position of Head of Clinical Solutions at Linear Clinical Research Ltd. Dr Heaton holds a PhD in neuroscience and is experienced in managing clinical programs.

Also, during the March quarter investors exercised 54.5 million NSBO options, equating to more than 93% of NSBO listed options being exercised before the expiry date of 7 March 2021. As a result, the Company is well-funded going forward, with a current cash position of approximately \$15 million. The additional funds will allow the Company to comfortably complete a Phase I ocular clinical study in glaucoma patients and a Phase I first-in-human clinical study in healthy volunteers for neurology indications.

Quarterly Cash Flow Summary

NeuroScientific's cash position was \$15.1 million as at 31 March 2021, with the Company raising \$10.9 million during the quarter via the exercise of the Company's listed options. The Company maintains a strong cash position to deliver the planned clinical development program and corporate expenses continue to be carefully managed.

The quarter produced an overall net increase in cash of \$10.1 million. Research and development activities payments of \$413,000 for the quarter included safety and toxicology study costs of \$268,000, and manufacturing costs of \$115,000. Staff costs for the quarter were \$150,000. Administration and corporate costs were \$263,000. During the quarter, the company spent \$11,000 in advertising and marketing costs. Payments to related parties during the December quarter totalled \$53,000 and relate to Director fees (\$33,750) and Management fees (\$19,250).

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

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

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Announcement authorised by the Board of Directors

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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")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(413)	(867)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(11)	(38)
(d) leased assets	-	-
(e) staff costs	(150)	(445)
(f) administration and corporate costs	(263)	(718)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	20
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	375
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(826)	(1,673)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(8)	(32)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(8)	(32)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,400
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	10,934	11,303
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(196)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	10,934	13,507

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,988	3,287
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(826)	(1,673)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8)	(32)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	10,934	13,507
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	15,089	15,089

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	12,249	2,159
5.2	Call deposits	2,840	2,829
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	15,089	4,988

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

- | | | Current quarter
\$A'000 |
|-----|---|----------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | (53) |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | 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 fees (\$33.75k) and Management fees (\$19.25k)

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.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	-	-
7.2	-	-
7.3	-	-
7.4	-	-

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

-

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

8. Estimated cash available for future operating activities

\$A'000

8.1 Net cash from / (used in) operating activities (Item 1.9)

(826)

8.2 Cash and cash equivalents at quarter end (Item 4.6)

15,089

8.3 Unused finance facilities available at quarter end (Item 7.5)

-

8.4 Total available funding (Item 8.2 + Item 8.3)

15,089

8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

18.3

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: n/a

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

Answer: n/a

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

Answer: n/a

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: 30 April 2021

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.