

31 October 2018

The Company Announcements Office
ASX Limited

Neuren Pharmaceuticals (ASX: NEU) Appendix 4C – Quarterly Report

The attached Appendix 4C report for the quarter ended 30 September 2018 shows that Neuren had cash and cash equivalents of \$23.9 million at 30 September, compared with \$11.4 million at 30 June 2018. During the quarter, cash of \$13.5 million (US\$10 million) was received from ACADIA Pharmaceuticals under the Licence Agreement for trofinetide in North America that was executed in August. Under the agreement Neuren is eligible for further payments in the future as follows:

- Double-digit percentage royalties on all net sales of trofinetide in North America;
- Up to US\$105 million on achievement of development milestones for Rett syndrome and Fragile X syndrome in the United States;
- Up to US\$350 million on achievement of a series of thresholds of total annual net sales of trofinetide; and
- One third of the value of any Rare Pediatric Disease Priority Review Voucher if awarded by the FDA on approval of a New Drug Application for trofinetide (in 2017 vouchers were on-sold for prices between US\$110 million and US\$150 million).

Neuren retained all rights to trofinetide outside North America, with free access to the data generated in the US for product registration in other countries. Under the Agreement, Neuren granted ACADIA a right of first negotiation for other territories, which was recently exercised, with the exclusive negotiation period expiring on 31 January 2019.

A handwritten signature in black ink, appearing to read "Jon Pilcher".

Jon Pilcher
CFO & Company Secretary
Neuren Pharmaceuticals

+Rule 4.7B

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Neuren Pharmaceuticals Limited

ABN

72 111 496 130

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(1,732)	(4,660)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(648)	(1,342)
(f) administration and corporate costs	(171)	(575)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	26	72
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	631	631
1.8 Other (receipts from partnering income)	13,544	13,544
1.9 Net cash from / (used in) operating activities	11,650	7,670
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	5,306
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(16)
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 Settlements from Sharing Agreement	788	6,070
3.10 Net cash from / (used in) financing activities	788	11,360

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	11,406	4,706
4.2 Net cash from / (used in) operating activities (item 1.9 above)	11,650	7,670
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	788	11,360

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	6	114
4.6	Cash and cash equivalents at end of quarter	23,850	23,850

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,537	7,386
5.2	Call deposits	19,313	4,020
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)	23,850	11,406

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
405
-

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7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(1,681)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	(511)
9.6 Administration and corporate costs	(135)
9.7 Settlements from Sharing Agreement	387
9.9 Total estimated net cash outflow	(1,940)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration	N/A	N/A
10.3 Consideration for acquisition or disposal	N/A	N/A
10.4 Total net assets	N/A	N/A
10.5 Nature of business	N/A	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.



Sign here:

(Company secretary)

Date: 31 October 2018

Print name: Jon Pilcher

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.