

31 January 2017

The Company Announcements Office  
ASX Limited

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

The attached Appendix 4C report for the quarter ended 31 December 2016 shows that Neuren had cash and cash equivalents of \$5.1 million at 31 December, compared with \$6.7 million at 30 September. As previously reported, cash inflows for the quarter included proceeds of \$0.9 million from the exercise of share options.

As reported yesterday, Neuren expects to receive top-line results from its Phase 2 trial in pediatric Rett syndrome in the second half of March 2017. Neuren has sufficient cash reserves to fund the business through those top-line results. In addition, as previously reported, shareholders have approved the potential issue of up to 100 million additional shares to interests of Mr Lang Walker during the period to 30 June 2017, should the Neuren board consider it to be necessary and in the best interests of all shareholders.

The cash outflow on research and development for the quarter ended 31 December was \$2.2 million, compared with a future estimate of \$3.8 million that was included in the previous Appendix 4C report. This reduction was due mainly to supplier payments occurring in January that had been estimated to occur in December. This timing difference does not impact the overall cash outflow on research and development, which is expected to reduce significantly in the quarter ended 30 June 2017, as payments for the Rett syndrome clinical trial conclude.

Yours sincerely

A handwritten signature in black ink, appearing to read "Jon Pilcher", enclosed in a thin black rectangular border.

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")**

31 December 2016

<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	(2,221)	(12,043)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(413)	(1,938)
(f) administration and corporate costs	(226)	(772)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	12	206
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	863
1.8 Other (receipts from grants)	-	1,306
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,848)</b>	<b>(12,378)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(10)
(b) businesses (see item 10)	-	-
(c) investments	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (provide details if material)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	-	<b>(10)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	929	929
3.4 Transaction costs related to issues of shares, convertible notes or options	(12)	(12)
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 Net cash from / (used in) financing activities</b>	<b>917</b>	<b>917</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	6,706	16,642
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,848)	(12,378)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(10)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	917	917

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	276	(120)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>5,051</b>	<b>5,051</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,779	4,334
5.2	Call deposits	2,272	2,372
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>5,051</b>	<b>6,706</b>

**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

<b>Current quarter \$A'000</b>
160
-

**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

<b>Current quarter \$A'000</b>
-
-

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

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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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	(3,187)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	(409)
9.6 Administration and corporate costs	(178)
9.7 Other (Cash inflow from government grants and tax incentives)	948
<b>9.8 Total estimated cash outflows</b>	<b>(2,826)</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
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 January 2017.....

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.