

31 July 2019

The Company Announcements Office
ASX Limited

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

The attached Appendix 4C for the quarter ended 30 June 2019 reports that Neuren held cash and cash equivalents of \$17.3 million at 30 June, compared with \$21.9 million at 31 March. Net cash outflow for the quarter was \$4.6 million, compared with the estimate of \$5.0 million that was included in the March quarterly report. In that estimate it was noted that R&D payments in the June quarter were expected to be unusually high and were not indicative of estimated R&D payments in subsequent quarters. This was due to amounts payable upon completion of certain manufacturing activities for the commencement of the Rett syndrome Phase 3 trial, for which Neuren was responsible under the Licence Agreement with ACADIA.

Key highlights from the June quarter report are as follows:

- R&D payments in the quarter to 30 June were \$5.2 million, reflecting the successful completion of the trofinetide manufacturing activities referred to above. ACADIA is due to commence the Rett syndrome Phase 3 trial in the fourth quarter of 2019.
- For the quarter to 30 September, R&D payments are estimated to reduce to \$2.9 million, which includes payments for the NNZ-2591 manufacturing and non-clinical studies that are ongoing in preparation for submitting an Investigational New Drug (IND) application to the US Food and Drug Administration.
- Estimated cash flows for the quarter to 30 September include the final amount of \$0.3 million received in July, which concluded the funding arrangement with Lanstead Capital.



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 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(5,193)	(7,001)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(359)	(763)
(f) administration and corporate costs	(106)	(369)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	114	235
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (receipts from grants)	-	-
1.9 Net cash from / (used in) operating activities	(5,544)	(7,898)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(12)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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	(2)	(12)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
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	-	-
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	857	1,566
3.10 Net cash from / (used in) financing activities	857	1,566

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	21,920	23,576
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(5,544)	(7,898)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(2)	(12)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	857	1,566

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	37	36
4.6	Cash and cash equivalents at end of quarter	17,268	17,268

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	975	3,442
5.2	Call deposits	16,293	18,478
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)	17,268	21,920

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	150
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	

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7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

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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.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(2,944)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	(575)
9.6 Administration and corporate costs	(189)
9.7 Settlements from Sharing Agreement	293
9.8 R&D Tax Incentive	450
9.9 Total estimated net cash outflow	(2,965)

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 July 2019

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.