Neuren (NEU) – ASX Announcement **28 February 2025**

2024 results: A$166 million comprehensive income for shareholders

Highlights:

- **Total comprehensive income for shareholders A$166 million, comprising A$142 million profit after tax and A$24 million foreign currency translation gain**
- **A$222 million cash and short-term investments at 31 December 2024, A$359 million pro-forma cash adjusted to include receipt in Q1 2025 of PRV sale proceeds, sales milestone and Q4 2024 royalty and payment in Q1 2025 of Q4 2024 tax**
- **A$56 million US royalty income from DAYBUE™ (trofinetide) in 2024 up 110% from A$27 million in 2023, with guidance for growth to between A$62 million and A$67 million in 2025**
- **A$445 million cumulative income from DAYBUE over 2023 and 2024**
- **DAYBUE approved in Canada, first sales expected in Q3 2025**
- **Trofinetide Marketing Authorisation Application for Europe filed, potential for approval in Q1 2026, Acadia planning managed access programs from Q2 2025**
- **Acadia commencing small clinical study by Q3 2025 to support marketing application for Japan**
- **NNZ-2591 potential to address core symptoms of diverse neurodevelopmental disorders, independent of the underlying genetics, supported by positive Phase 2 trial results across Phelan-McDermid, Pitt Hopkins and Angelman syndromes, with other indications under evaluation**
- **Fast Track designation granted by FDA for NNZ-2591 in Pitt Hopkins syndrome and Rare Pediatric Disease designation granted by FDA for all three syndromes**
- **Type C Meeting with US Food and Drug Administration scheduled for early April 2025 to discuss primary efficacy endpoints for Phase 3 trial in Phelan-McDermid syndrome, with alignment reached on all other key aspects of the program at End of Phase 2 Meeting**
- **Preparations continuing for planned commencement of Phase 3 trial in mid-year 2025**

Investor Webinar | Friday, 28 Feb 2025 at 12.30 PM AEDT
You are invited to register using this link:
https://us06web.zoom.us/webinar/register/WN_R__Xh9A3SaCXTqBuqUVyyw
Participants may submit questions at registration or during the session

Melbourne, Australia: Neuren Pharmaceuticals (ASX: NEU) today announced financial results for 2024, generating record total comprehensive income for shareholders of A$166 million.

Neuren CEO Jon Pilcher commented "This is another exceptional financial result, with A$142 million profit after tax plus an additional A$24 million of foreign currency gains. Neuren's revenue from the successful development and commercialisation of DAYBUE™ has so far reached A$445 million across 2023 and 2024, with commercial expansion outside the US still to come. The financial foundation this gives Neuren to target repeating the success on a larger scale with NNZ-2591 across multiple indications should not be underestimated."

Financial commentary

In accordance with applicable Accounting Standards, effective 1 January 2024 the Company changed its functional currency from Australian dollar to US dollars, however the Group retained Australian dollars as its reporting currency. In a year in which the A$/US$ exchange rate fell from 0.68 at 31 December 2023 to 0.62 at 31 December 2024, the change in functional currency significantly impacted the Financial Statements compared with 2023. Profit before tax for 2024 includes a net foreign currency loss of A$7.2 million, mainly due to the translation of cash and short-term investments held in Australian dollars to the US dollars functional currency. However, the translation from the US dollars functional currency to the Australian dollars presentation currency resulted in a foreign currency gain of A$24.2 million, which is included in total comprehensive income and increased shareholders' equity via the currency translation reserve. The gain included in comprehensive income is mainly due to the translation to Australian dollars of the cash and short-term investments held in US dollars. The following table shows the impact of foreign currency translation items in each year:

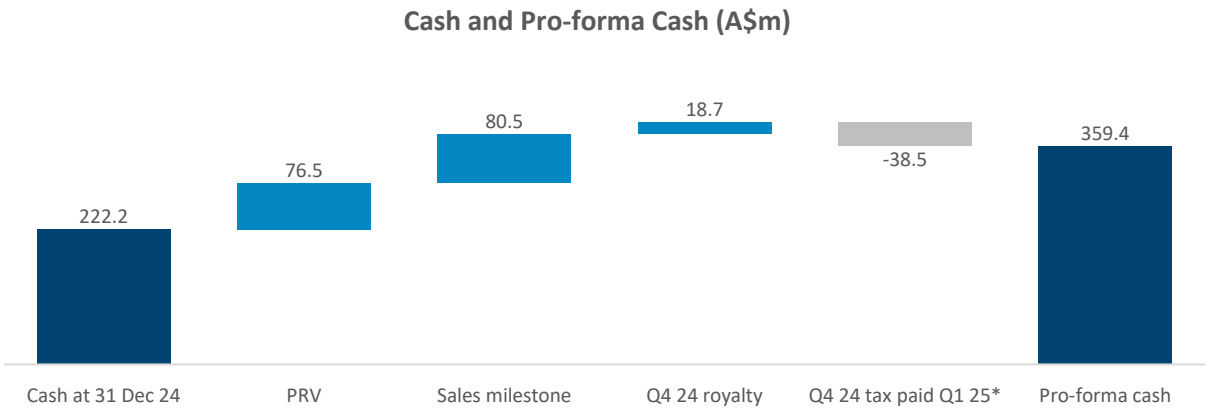
	2024 A$m	**2023 A$m**
Profit after tax adjusted to exclude FX translation impacts	**145.6**	**156.9**
Gain/(loss) on revaluation of A$/US$ forward contracts	3.6	(2.2)
Gain on translation to A$ functional currency	n/a	2.4
Loss on translation to US$ functional currency	(7.2)	n/a
Reported Profit after Tax	**142.0**	**157.1**
Gain on translation from US$ functional currency to A$ presentation currency	24.2	n/a
Reported Total Comprehensive Income	**166.2**	**157.1**
A$/US$ exchange rate at 31 December	0.62	0.68

Total income of A$227.8 million in 2024 includes A$213.2 earned under the worldwide licence agreement with Acadia Pharmaceuticals and interest income of A$11.0 million (2023: A$5.7 million). The income from Acadia, which is summarized in the table below, comprised quarterly royalty income of A$56.2 million (2023: A$26.8 million), milestone income of A$80.5 million (2023: A$59.4 million) and A$76.5 million as Neuren's one third share of the net proceeds of the Rare Disease Priority Review Voucher (PRV) sold by Acadia. The milestone income for 2024 was earned on achievement of the first in a series of four thresholds of total annual net sales of DAYBUE, due to net sales for the year exceeding US$250 million, whilst the milestone income for 2023 was for the first commercial sale of DAYBUE in North America. Income for 2023 also included an upfront payment of A$145.7 million under the expanded global licence agreement with Acadia.

	2024 A$m	**2023 A$m**
Royalties	56.2	26.8
Sales milestone income	80.5	-
First commercial sale milestone income	-	59.4
Up-front payment for ex-North America	-	145.7
One third share of sale of Rare Pediatric Disease Priority Review Voucher	76.5	-
Total income from DAYBUE™ (trofinetide)	**213.2**	**231.9**

Research and development costs increased by A$6.2 million to A$33.0 million, due to higher expenditure relating to the NNZ-2591 Phase 2 clinical trials and the foundational work to prepare for Phase 3 development of NNZ-2591 across multiple indications. Corporate and administrative costs decreased by A$1.2 million to A$4.7 million, mainly due to bonuses paid in 2023 following the marketing authorisation of DAYBUE by the US Food and Drug Administration (FDA). Income tax expense for 2024 was A$40.9 million (2023: A$48.1 million), reduced by the recognition of previously unrecognised New Zealand tax losses.

Total cash and short-term investments at 31 December 2024 were A$222.2 million. As shown in the chart below, adjustments to include the receipt in Q1 2025 of the PRV sale proceeds, sales milestone payment and Q4 2024 royalty (all of which are included in 2024 income) and the payment in Q1 2025 of Q4 2024 tax, results in pro-forma cash and short-term investments of A$359.4 million.



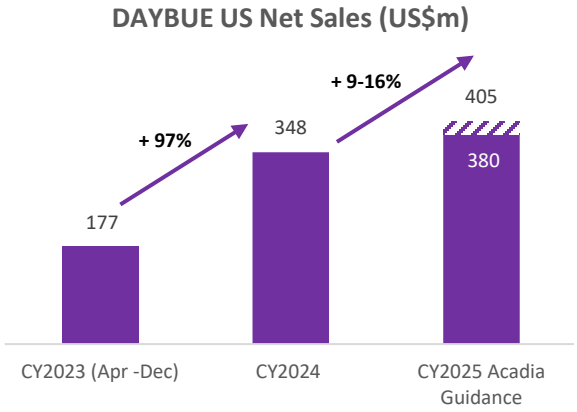
* Includes US withholding tax on Q4 24 royalty and sales milestone payment.

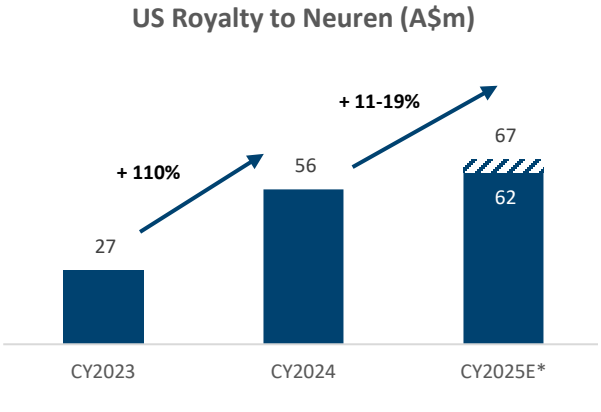
DAYBUE (trofinetide)

In April 2023, Acadia launched DAYBUE™ (trofinetide) in the United States as the first approved treatment for Rett syndrome.

Acadia's net sales of DAYBUE for the year ended 31 December 2024 were US$348.4 million, up 97% from US$177.2 million in 2023, delivering royalties of A$56.2 million to Neuren, up 110% from A$26.8 million in 2023. Neuren also earned A$80.5 million in 2024 from the first sales milestone, due for the first calendar year in which net sales exceed US$250 million, as well as A$76.5 million from Neuren's one third of the net proceeds received by Acadia from the sale of the PRV in December 2024.

Acadia has provided guidance for DAYBUE full-year US net sales in 2025 of US$380-405 million. This excludes any sales outside the US. Assuming this guidance is met and an exchange rate of 0.65, Neuren anticipates earning US royalties of A$62-67 million.





* Based on CY25 Acadia DAYBUE US Net Sales Guidance of US$380-405m, 10% of DAYBUE net sales up to US$250m and 12% of DAYBUE net sales between US$250m and US$500m, and AUDUSD of 0.65

With 70% of the 5,500 to 5,800 diagnosed Rett patients yet to try DAYBUE, there is substantial potential for growth in the US. As announced in January 2025, Acadia is implementing initiatives to accelerate adoption, in particular among patients treated outside the Rett syndrome Centers of Excellence. Acadia is expanding its field force by ~30%, optimizing patient support, launching branded Direct-to-Consumer campaigns to showcase DAYBUE benefits and utilizing a range of communication channels to bring DAYBUE clinical data to life.

In October 2024, Health Canada approved Acadia's New Drug Submission for DAYBUE and Acadia anticipates first sales in Q3 2025. Canada net sales will be added to US net sales to give total net sales for calculation of Neuren's North America royalties and sales milestone payments. In Canada, the prevalence of Rett Syndrome is estimated to be 600 to 900 patients.

In January 2025, Acadia submitted a Marketing Authorization Application (MAA) to the European Medicines Agency (EMA) for trofinetide for the treatment of Rett syndrome in adults and pediatric patients two years of age and older. Acadia anticipates potential approval in Q1 2026. If granted marketing authorization, trofinetide will be the first and only approved therapy for Rett syndrome in the European Union. In the meantime, Acadia anticipates initiating Managed Access Programs in Europe in Q2 2025.

For Japan, Acadia has had productive discussions with the regulatory agency (PMDA) and plans to initiate a small clinical study by Q3 2025 to support a marketing application.

Neuren's entitlement to royalties and milestone payments from development and commercialization of trofinetide in North America and outside North America are summarized in the following tables.

North America

✓	**US$10m**	**upfront in 2018**
✓	**US$10m**	**in 2022 following acceptance of NDA for review**
✓	**US$40m**	**in 2023 following 1st commercial sale in the US**
✓	**US$50m**	**In 2024 one third share of Priority Review Voucher awarded to Acadia (sold for US$150m)**
	US$55m	Milestone payments related to Fragile X

Tiered Royalty Rates (% of net sales)[1]

Annual Net Sales	Rates
≤US$250m	**10%**
>US$250m, ≤US$500m	**12%**
>US$500m, ≤US$750m	**14%**
>US$750m	**15%**

Sales Milestones[1]

Net Sales in one calendar year		US$m
≥US$250m	✓	**50**
≥US$500m		**50**
≥US$750m		**100**
≥US$1bn		**150**

[1] Royalty rates payable on the portion of annual net sales that fall within the applicable range. Each sales milestone payment is payable once only.

Outside North America

✓	**US$100m**	**upfront in 2023**
	US$35m	following 1st commercial sale in Europe
	US$15m	following 1st commercial sale in Japan
	US$10m	following 1st commercial sale of a 2nd indication Europe
	US$4m	following 1st commercial sale of a 2nd indication Japan
	Sales milestones[1]	On achievement of escalating annual net sales thresholds: Europe: up to **US$170m** Japan: up to **US$110m** RoW: up to **US$83m**
	Tiered royalties[1]	**Mid-teens to low-20s %** of net sales

[1] Royalty rates payable on the portion of annual net sales that fall within the applicable range. Each sales milestone payment is payable once only.

NNZ-2591

Neuren is developing a second drug NNZ-2591 for multiple serious neurodevelopmental disorders with different genetic origins that emerge in early childhood and have no or limited approved treatment options. Recognising the urgent unmet need, all programs have been granted "orphan drug" designation in the United States. Orphan drug designation provides incentives to encourage the development of therapies for rare and serious diseases.

In May 2024, Neuren announced positive top-line results from the Phase 2 clinical trial of NNZ-2591 in children with Pitt Hopkins syndrome (PTHS). After treatment for 13 weeks, 9 out of 11 children showed improvement assessed by clinicians and significant improvement was observed by both clinicians and caregivers in clinically important aspects of PTHS, including communication, social interaction, cognition and motor abilities. NNZ-2591 was well tolerated and demonstrated a good safety profile. Neuren recently announced that the US Food and Drug Administration (FDA) has granted Fast Track designation for NNZ-2591 for the treatment of PTHS. Fast Track is designed to facilitate the development and expedite the review of drugs to treat serious conditions.

In August 2024, Neuren announced positive top-line results from the Phase 2 clinical trial of NNZ-2591 in children with Angelman syndrome (AS). After treatment for 13 weeks, 11 out of 13 children showed improvement assessed by clinicians, with improvements seen in clinically important aspects of AS. In the 3-12 years age group all 8 children showed improvement.

The positive results of NNZ-2591 in PTHS and AS followed the announcement of positive top-line results from the Phase 2 clinical trial of NNZ-2591 in children with Phelan McDermid syndrome (PMS). A Type C Meeting with the FDA is scheduled in early April 2025, to discuss the primary efficacy endpoints in Neuren's planned pivotal Phase 3 clinical trial program for PMS. Neuren previously announced the positive outcomes from a Type B End of Phase 2 Meeting, at which alignment with FDA was reached on the other key features of the Phase 3 clinical trial program. A Type C Meeting was considered by FDA as the best forum for completion of the remaining efficacy endpoints discussion. In parallel, Neuren is continuing preparations for the first ever Phase 3 trial in PMS, planning for mid-2025 commencement.

Other potential indications for NNZ-2591 are currently under evaluation and Neuren has an open IND with the FDA for NNZ-2591 in Prader-Willi syndrome.

Since July 2024, the FDA has granted Rare Pediatric disease Designation for NNZ-2591 in each of PMS, PTHS and AS. With this designation in place, Neuren may be awarded a PRV if the Rare Pediatric Disease PRV program is reauthorized by the US Congress and NNZ-2591 receives marketing authorisation for any of these indications. The Rare Pediatric Disease PRV program is designed to incentivize drug development for serious rare pediatric diseases. If awarded, a PRV can be redeemed to receive priority review for a different product or sold to another sponsor. As previously reported, Neuren's partner Acadia received a PRV on marketing authorization of DAYBUE in Rett syndrome and recently sold the PRV for US$150 million.

About Neuren

Neuren is developing new drug therapies to treat multiple serious neurological disorders that emerge in early childhood and have no or limited approved treatment options. Recognising the urgent unmet need, all programs have been granted "orphan drug" designation in the United States. Orphan drug designation provides incentives to encourage development of therapies for rare and serious diseases.

DAYBUE™ (trofinetide) is approved by the US Food and Drug Administration (FDA) and Health Canada for the treatment of Rett syndrome. Neuren has granted an exclusive worldwide licence to Acadia Pharmaceuticals Inc. for the development and commercialisation of trofinetide.

Neuren's second drug candidate, NNZ-2591, is in development for multiple neurodevelopmental disorders, with positive results achieved in Phase 2 clinical trials in Phelan-McDermid syndrome, Pitt Hopkins syndrome and Angelman syndrome.

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ASX Listing Rules information

This announcement was authorized to be given to the ASX by the board of directors of Neuren Pharmaceuticals Limited, Suite 201, 697 Burke Road, Camberwell, VIC 3124

Forward-looking Statements

This announcement contains forward-looking statements that are subject to risks and uncertainties. Such statements involve known and unknown risks and important factors that may cause the actual results, performance or achievements of Neuren to be materially different from the statements in this announcement.