

27 July 2017

The Company Announcements Office
ASX Limited

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

The attached Appendix 4C report for the quarter ended 30 June 2017 shows that Neuren had cash and cash equivalents of \$1.3 million at 30 June, compared with \$1.6 million at 31 March 2017. During the quarter Neuren received \$1.0 million from the R&D Tax Incentive program and made payments of \$1.3 million, compared with the future estimate of \$1.6 million that was included in the previous Appendix 4C report.

The attached report shows estimated net cash inflow of \$1.5 million for the next quarter to 30 September 2017, comprising receipts of \$3.4 million related to Neuren's recent share placement, offset by payments of \$1.9 million.

On 29 June 2017, Neuren announced a placement of new ordinary shares raising \$11.5 million, including \$10 million from Lanstead Capital, with supporting investments from Rettsyndrome.org and Neuren directors and management.

As anticipated in the announcement, following execution of the placement in July, Neuren has received \$3 million, comprising \$1.5 million from Lanstead and \$1.5 million from Rettsyndrome.org and Neuren's directors and management, with the remaining \$8.5 million invested in a Sharing Agreement with Lanstead, which enables Neuren to secure much of the potential upside from anticipated near term news flow. The Sharing Agreement provides that Neuren's economic interest will be determined and payable in 18 monthly settlements, commencing in September 2017. Each settlement will be determined by comparing the volume weighted average price at which Neuren's shares are traded in the 20 days preceding each settlement with a benchmark price of 8.86 cents per share.

As recently announced, in October 2017 Neuren will discuss the remaining development plan for trofinetide in Rett syndrome at an End-of-Phase 2 Type B meeting with the US Food and Drug Administration.

Yours sincerely



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 2017

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	(553)	(3,528)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(393)	(806)
(f) administration and corporate costs	(158)	(239)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	24
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	981	981
1.8 Other (receipts from grants)	-	-
1.9 Net cash from / (used in) operating activities	(115)	(3,568)

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 (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	-	-

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	(150)	(150)
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	(150)	(150)

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	1,621	5,051
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(115)	(3,568)
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)	(150)	(150)

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	(83)	(60)
4.6	Cash and cash equivalents at end of quarter	1,273	1,273

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	703	900
5.2	Call deposits	570	722
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)	1,273	1,622

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	145
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	

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	

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	(1,352)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	(359)
9.6 Administration and corporate costs	(185)
9.7 Other (Cash inflow from July 2017 share placement)	3,355
9.8 Total estimated net cash inflows	1,458

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:

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(Company secretary)

Date:27 July 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.