



Disclosure under Listing Rule 4.3D

Neuren lodged its Preliminary Final Report (Appendix 4E) for 2017 on 28 February 2018, stating that the information was based on financial statements for the year ended 31 December 2017 which were in the process of being audited. The audit is now complete and the audited financial statements will be lodged with ASX today. The audited financial statements will contain certain amendments to the preliminary information presented in the Appendix 4E, including material amendments to the accounting for the financial asset associated with the monthly settlements under Neuren's Sharing Agreement with Lanstead Capital ("Lanstead"). These amendments have no impact on Neuren's future business or cash flows.

The following table summarises the impact of the amendments for 2017 between the preliminary information and the audited financial statements on revenue, profit/(loss) after tax, net profit/(loss), earnings per share and total equity:

	Per Appendix 4E	Per Financial Statements	Change
Operating revenue (\$'000)	3,926	9,482	5,556
Profit/(loss) after tax (\$'000)	(1,808)	3,288	5,096
Net profit/(loss) (\$'000)	(1,808)	3,288	5,096
Basic earnings/(loss) per share (\$)	(0.019)	0.036	0.055
Diluted earnings/(loss) per share (\$)	(0.019)	0.035	0.054
Total equity (\$'000)	14,917	16,364	1,447

Amendments to the accounting treatment for the Lanstead settlements

The impact of two amendments to the accounting for the Lanstead settlements is an increase in the gains on financial assets measured at fair value through profit or loss by \$5.6 million, i.e. from \$3.9 million recorded in the preliminary information to \$9.5 million in the audited financial statements.

Firstly, in the preliminary information, a financial asset of \$10.5 million was recorded at 31 December 2017, being the estimated fair value of the 14 remaining monthly settlements receivable from Lanstead at that date. In the audited financial statements, the fair value at 31 December 2017 is increased to \$12.5 million.

Secondly, in the preliminary information, the initial financial asset recorded on recognition of the original 18 monthly settlements from Lanstead was \$9 million, being \$8.5 million that was invested by Neuren into the Sharing Agreement plus the \$0.5 million fee that was paid to Lanstead in additional shares as consideration for entering the Sharing Agreement. In the audited financial statements, the



initial financial asset is decreased to \$5.4 million, which was the estimated fair value on 17 July 2017 of the 18 settlements, calculated using a share price on that day of 6.1 cents (\$1.22 when adjusted for the 1:20 share consolidation).

To date, the Lanstead arrangement has provided valuable additional funding to Neuren. From the up-front payment of \$1.5 million and the first 7 monthly settlements to 29 March 2018, Neuren has now received cash of \$6.5 million, with 11 monthly settlements still to be received. The average monthly settlement amount since 31 December 2017 has been \$0.9 million.

About Neuren

Neuren Pharmaceuticals Limited (Neuren) is a biopharmaceutical company developing new therapies for brain injury, neurodevelopmental and neurodegenerative disorders. Neuren presently has trofinetide in Phase 2 clinical trials as well as NNZ-2591 in pre-clinical development. Trofinetide is a synthetic analogue of a naturally occurring neurotrophic peptide derived from IGF-1, a growth factor produced by brain cells. In animal models, trofinetide exhibits a wide range of important effects including inhibiting neuroinflammation, normalizing the role of microglia, correcting deficits in synaptic function and regulating oxidative stress response. The most advanced trofinetide program is for Rett syndrome, supported by rettsyndrome.org. Both the Rett syndrome and Fragile X syndrome programs have been granted Fast Track designation by the US Food and Drug Administration and have Orphan Drug designation in both the United States and the European Union.

Forward-looking Statements

This ASX-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.

For more information, please contact:

Jon Pilcher, CFO & Company Secretary: jpilcher@neurenpharma.com; +61 438 422 271