

**Neuren Pharmaceuticals Limited**  
**Appendix 4E**  
**Preliminary final report**

**1. Company details**

Name of entity:	Neuren Pharmaceuticals Limited
ARBN:	111 496 130
Reporting period:	For the year ended 31 December 2025
Previous period:	For the year ended 31 December 2024

**2. Results for announcement to the market**

	<b>2025</b>	<b>2024</b>	<b>Change</b>	<b>Change</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Revenues from ordinary activities	84,836	227,846	(143,010)	(63%)
Profit from ordinary activities after tax attributable to the owners of Neuren Pharmaceuticals Limited	30,436	142,043	(111,607)	(79%)
Profit for the year attributable to the owners of Neuren Pharmaceuticals Limited	30,436	142,043	(111,607)	(79%)
			<b>2025</b>	<b>2024</b>
			<b>Cents</b>	<b>Cents</b>
Basic earnings per share			23.73	111.17
Diluted earnings per share			23.27	108.61

*Comments*

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Royalty income	64,634	56,223
Finance income	12,159	11,014
	<b>76,793</b>	<b>67,237</b>
One-time revenue from first sales milestone	-	80,502
One-time revenue from sale of Priority Review Voucher	-	76,518
	-	<b>157,020</b>
Foreign currency gains	8,028	3,587
Other income	15	2
<b>Total Revenue from ordinary activities</b>	<b>84,836</b>	<b>227,846</b>

As shown in the table above, in 2025 royalty revenue of A\$64.6 million was earned under the license agreement with Acadia, up 15% from A\$56.2 million in 2024. Interest income was A\$12.2 million (2024: A\$11.0 million). In 2024 revenue from Acadia also included one-time sales milestone revenue of A\$80.5 million, as DAYBUE net sales for the year in North America exceeded US\$250 million, and one-time revenue from Neuren's share of Priority Review Voucher sale proceeds of A\$76.5 million. Other income in 2025 includes a foreign currency gain of A\$8.0 million mainly due to the translation of cash and short-term investments held in Australian dollars to the US dollars functional currency (2024: A\$7.2 million loss). In 2024, there was a A\$3.6 million gain on the fair value of outstanding forward contracts to sell Australian dollars and buy US dollars.

Research and development costs increased by A\$3.4 million to A\$36.4 million for the year ended 31 December 2025, with higher expenditure due to the start-up of the Phase 3 trial of NNZ-2591 in Phelan-McDermid syndrome.

Corporate and administrative costs of A\$6.2 million for the year ended 31 December 2025 increased by A\$1.5 million from the prior period, mainly due to increased share-based payments expense relating to new share options issued during 2025. A loss of A\$3.3 million on the fair value of outstanding forward contracts to sell Australian dollars and buy US dollars was recognised at 31 December 2025 (2024: A\$3.6 million gain). Income tax expense for 2025 was A\$8.5 million (2024: A\$40.9 million).

Net profit after income tax for the year ended 31 December 2025 was A\$30.4 million (2024: A\$142.0 million).

### 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>258.90</u>	<u>273.52</u>

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### 4. Control gained over entities

Not applicable.

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### 5. Loss of control over entities

Not applicable.

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### 6. Dividends and other shareholder distributions

#### *Current period*

There were no dividends paid, recommended or declared during the current financial period.

During the year ended 31 December 2025, Neuren completed on-market buy-backs totalling \$39.6 million. Neuren purchased 3,273,098 ordinary shares on issue at the average price of \$12.09. The share buy-back program concluded on 16 June 2025.

#### *Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

During the year ended 31 December 2024, Neuren completed on-market buy-backs totalling \$10.4 million commencing on 2 December 2024. Neuren purchased 803,052 ordinary shares on issue at the average price of \$12.98.

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### 7. Dividend reinvestment plans

Not applicable.

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### 8. Details of associates and joint venture entities

Not applicable.

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### 9. Accounting standards

The Financial Statements have been prepared in accordance with and comply with generally accepted accounting practice in New Zealand (GAAP), New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) which comply with International Financial Reporting Standards, the requirements of the Financial Markets Conduct Act 2013, and other applicable Financial Reporting Standards as appropriate for profit-oriented entities that fall into Tier 1 as determined by the New Zealand Accounting Standards Board.

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## **10. Commentary on the results**

### **Trofinetide**

In April 2023, Neuren's exclusive worldwide licensee for trofinetide, Acadia Pharmaceuticals (NASDAQ: ACAD), launched DAYBUE® (trofinetide) in the United States as the first approved treatment for Rett syndrome.

DAYBUE net sales for the year ended 31 December 2025 were US\$391 million, delivering royalties of A\$64.6 million to Neuren. The number of unique patients receiving a DAYBUE shipment continued to grow in 2025, exceeding 1,000 for the first time. The persistency rate after 12 months of treatment has increased to approximately 55%. There is substantial potential for further growth in the US with two-thirds of the 6,000 diagnosed Rett patients yet to try DAYBUE. During the year, Acadia completed an expansion of its DAYBUE field force in the US by ~30% to accelerate future growth in the community outside the Rett syndrome centres of excellence. In Q4 2025 76% of new prescriptions originated from the community setting.

In December 2025, Acadia received US Food and Drug Administration (FDA) approval of DAYBUE STIX (trofinetide) for oral solution, a dye- and preservative-free powder formulation of trofinetide for the treatment of Rett syndrome in adult and pediatric patients two years of age and older. The new powder formulation offers children and adults living with Rett syndrome new flexibility and choice regarding the dose volume and taste of their DAYBUE treatment. Acadia expects DAYBUE STIX to be available on a limited basis starting in the first quarter of 2026 and more broadly early in the second quarter of 2026. The current oral solution formulation will remain available. The powder formulation could potentially facilitate treatment of a significant number of additional patients from families who have declined to try or discontinued the liquid formulation.

In January 2025, Acadia submitted a Marketing Authorisation 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. In February 2026, following completion of an oral explanation, Acadia was informed by the Committee for Medicinal Products for Human Use (CHMP) of the EMA of a negative trend vote on the MAA. Subject to the outcome of the formal CHMP vote in late February, Acadia intends to request a re-examination of the opinion by the CHMP upon its formal adoption. Pursuant to EU legislation, an applicant has the right to request a re-examination of a CHMP opinion within 15 calendar days of receipt of the opinion, followed by submission of the grounds for the request for re-examination within 60 calendar days of receipt of the opinion. The CHMP has up to 60 days after receipt of these grounds to re-examine its opinion, with new rapporteurs appointed for the re-examination. During the year Acadia continued to build its European commercialisation team. If granted marketing authorisation, trofinetide would be the first and only approved therapy for Rett syndrome in the European Union.

Acadia announced the approval of DAYBUE oral solution by the Ministry of Health in Israel in January 2026. In Japan, trofinetide received Orphan Drug Designation and Acadia commenced the planned Phase 3 clinical trial in Japan in Q3 2025. Named patient supply programs are active across multiple regions including Europe, the Middle East and Latin America.

Acadia has provided guidance for full-year net sales in 2026 of US\$460-490 million. The guidance comprises sales only from the US and international named patient programs, with no inclusion of EU commercial sales from any potential EU marketing authorization. Assuming this guidance is met and an exchange rate of 0.70 to 0.72, Neuren anticipates earning full-year 2026 royalties of A\$70-77 million.

### **NNZ-2591**

Neuren is developing a second drug NNZ-2591 for multiple serious neurodevelopmental disorders with different genetic origins that have no or limited approved treatment options. Recognising the urgent unmet need, 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.

In 2024, Neuren achieved positive top-line results from the Phase 2 clinical trials of NNZ-2591 in children with Phelan-McDermid syndrome (PMS), Pitt Hopkins syndrome (PTHS) and Angelman syndrome (AS).

#### **PMS**

In April 2025, Neuren announced that the primary endpoints for a single Phase 3 pivotal clinical trial of NNZ-2591 in PMS had been agreed with the FDA. Alignment with FDA was previously reached on the other key features of the Phase 3 program at an End of Phase 2 Meeting. In the second half of 2025, Neuren initiated the first two sites in the United States for the Koala Phase 3 trial and the first participant commenced dosing in February 2026. Koala is a Phase 3, randomized, double-blind, placebo-controlled clinical trial evaluating the safety and efficacy of NNZ-2591 in approximately 160 children aged 3 to 12 years with PMS. A screening period of up to 4 weeks is followed by treatment with NNZ-2591 or placebo for 13 weeks. All participants may be eligible to continue treatment with NNZ-2591 for 12 months in an open-label extension trial.

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The Koala trial co-primary endpoints will be the change from baseline in the Receptive Communication sub-domain of the Vineland Adaptive Behavior Scales, Third Edition (VABS-3 Receptive-Raw Score) and the overall score in the Phelan-McDermid Syndrome Assessment of Change (PMSA-C, previously referred to as CGI-I in Neuren's Phase 2 trial). Both measures were robustly positive with clinically meaningful improvement in Neuren's Phase 2 open-label clinical trial. 16 out of 18 children showed improvement measured by the VABS-3 Receptive-Raw Score, with mean improvement of 7.5 from a mean baseline of 29.0 (Wilcoxon signed rank test  $p=0.0001$ ) and 16 out of 18 children showed improvement from baseline measured by the PMSA-C with a mean score of 2.4 (Wilcoxon signed rank test  $p<0.0001$ ). The endpoints pair the caregiver's assessment of change in one important symptom area with the clinician's assessment of change across multiple aspects of PMS. Communication is one of the most impactful health concerns in PMS reported by caregivers. Receptive communication, as measured by VABS-3 Receptive-Raw Score, is the ability to receive and understand non-verbal and verbal interactions which is a foundational skill for the development of learning, social interaction, and speech.

In October 2025, Neuren was granted Fast Track designation by the FDA for the PMS program. Neuren's financial strength means that no additional funding is required to execute the program.

**PTHS**

During 2025, Neuren was granted Fast Track designation by the FDA for the PTHS program and a new patent covering NNZ-2591 to treat PTHS was also granted by the US Patent and Trademark Office.

In early 2026, Neuren received feedback from the FDA regarding its clinical development plans for PTHS, which indicated that in a controlled trial to demonstrate efficacy of NNZ-2591, a PTHS-specific clinical global impression (CGI) scale may be used as a co-primary endpoint if it is accompanied by an observer-reported functional outcome measure. This is similar to the approach that was agreed and is being implemented in Neuren's ongoing Phase 3 trial in Phelan McDermid syndrome (PMS). Neuren is currently assessing alternative trial designs and endpoint analysis methodologies to accommodate that PTHS is significantly more rare and generally more profoundly disabling than PMS. A further interaction with the FDA will likely be required to finalise this assessment.

During 2025 Neuren also added two new indications, hypoxic-ischemic encephalopathy (HIE) and *SYNGAP1*-related disorder (SRD) into its neurodevelopmental disorders pipeline for NNZ-2591.

**HIE**

HIE is a devastating type of brain injury caused when a baby's brain does not receive enough oxygen or blood flow before or shortly after birth. Many thousands of babies and children experience HIE every year. It is one of the leading causes of neonatal death and neurodevelopmental disability worldwide.

HIE can lead to a range of symptoms in surviving children, including developmental delays, cognitive impairment, cerebral palsy, and seizures. Some children develop serious long-term complications that can affect them well into adulthood. Currently, the only approved treatment for HIE is temporary hypothermia (cooling the head or whole body to lower the baby's metabolic rate and give the brain some time to recover from the hypoxic event). Hypothermia provides a modest decrease in mortality and severe neurodevelopmental disability, however even with hypothermia, 40-45% of children who survive HIE have significant neurodevelopmental impairment at 2 years of age. Based on its therapeutic properties and data from a range of preclinical models, Neuren believes that NNZ-2591 can potentially provide a highly differentiated form of treatment continuing beyond acute treatment in the neonatal intensive care unit to target both the acute effects and chronic impairments resulting from HIE. In September 2025 Neuren commenced a formal partnership with Hope for HIE supporting development of NNZ-2591 to treat HIE. Hope for HIE is the global organization connecting families, researchers, clinicians, biotech and more to improve the quality of life for children and families impacted by HIE.

In February 2026, Neuren received feedback on its plan to submit an IND application for the treatment of HIE and the proposed initial clinical study of the pharmacokinetics, tolerability and safety of NNZ-2591 for one month in neonates and infants with HIE to open the IND. FDA generally accepted this IND-opening clinical study and the doses of NNZ-2591 to be evaluated, providing some guidance on the inclusion/exclusion criteria and safety monitoring. FDA requested that Neuren provides additional juvenile animal study data to support NNZ-2591 dosing in neonatal participants prior to initiating the clinical study. Neuren plans to generate this data before submitting the IND application and commencing the clinical study. In parallel, Neuren is continuing to advance the logistical requirements for study execution. FDA also encouraged Neuren to submit a future meeting request to discuss appropriate endpoints, study population, and safety monitoring for a subsequent study, which Neuren intends will support registration.

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**SRD**

SRD is caused by a variant on the *SYNGAP1* gene located on Chromosome 6, which is responsible for producing the SYNGAP1 protein. The protein acts as a regulator in the synapses and insufficient production leads to impaired communication between neurons. This results in the many neurological issues seen in *SYNGAP1* patients, including intellectual disability, low muscle tone, global development delay, epilepsy, sensory processing disorder, gross and fine motor skill delays, coordination disorder, speech delay, sleep and behavior disorder and autism spectrum disorder.

In an in-vitro model of SRD in human iPSC-derived neurons, treatment with NNZ-2591 reversed the neuronal dysfunction caused by *SYNGAP1* haploinsufficiency.

**Financial commentary**

The consolidated financial statements for the year are presented on pages 3 to 28. All amounts in the Financial Statements are shown in Australian dollars unless otherwise stated.

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Royalty income	64,634	56,223
Finance income	12,159	11,014
	<b>76,793</b>	<b>67,237</b>
One-time revenue from first sales milestone	-	80,502
One-time revenue from sale of Priority Review Voucher	-	76,518
	-	<b>157,020</b>
Foreign currency gains	8,028	3,587
Other income	15	2
<b>Total Revenue from ordinary activities</b>	<b>84,836</b>	<b>227,846</b>
Research and development costs	(36,392)	(32,970)
Corporate and administrative costs	(6,218)	(4,701)
Foreign currency losses	(3,297)	(7,235)
<b>Profit before income tax expense</b>	<b>38,929</b>	<b>182,940</b>
Income tax expense	(8,493)	(40,897)
<b>Profit after income tax expense</b>	<b>30,436</b>	<b>142,043</b>

As shown in the table above, in 2025 royalty revenue of A\$64.6 million was earned under the license agreement with Acadia, up 15% from A\$56.2 million in 2024. Interest income was A\$12.2 million (2024: A\$11.0 million). In 2024 revenue from Acadia also included one-time sales milestone revenue of A\$80.5 million, as DAYBUE net sales for the year in North America exceeded US\$250 million, and one-time revenue from Neuren's share of Priority Review Voucher sale proceeds of A\$76.5 million. Other income includes a foreign currency gain of A\$8.0 million mainly due to the translation of cash and short-term investments held in Australian dollars to the US dollars functional currency (2024: A\$7.2 million loss). In 2024, there was a A\$3.6 million gain on the fair value of outstanding forward contracts to sell Australian dollars and buy US dollars.

Research and development costs increased by A\$3.4 million to A\$36.4 million for 2025, with higher expenditure due to the start-up of the Phase 3 trial of NNZ-2591 in PMS.

Corporate and administrative costs of A\$6.2 million in 2025 increased by A\$1.5 million from the prior period, mainly due to increased share-based payments expense relating to new share options issued during 2025. A loss of A\$3.3 million on the fair value of outstanding forward contracts to sell Australian dollars and buy US dollars was recognised in 2025 (2024: A\$3.6 million gain). Income tax expense for 2025 was A\$8.5 million (2024: A\$40.9 million).

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The Group's net profit after income tax for the year ended 31 December 2025 was A\$30.4 million (2024: A\$142.0 million).

The basic earnings per share for the year ended 31 December 2025 was A\$0.2373 (31 December 2024: earnings per share A\$1.111) based on a weighted average number of shares outstanding of approximately 128.2 million (2024: 127.8 million).

Total cash and short-term investments at 31 December 2025 were A\$296.1 million (31 December 2024: A\$222.2 million). Net cash generated from operating activities was A\$125.4 million, compared with net cash used of A\$11.3 million for year ended 31 December 2024. This is mainly due to receipts from license agreements, with receipt of the first sales milestone and share of priority review voucher sale proceeds, both of which were earned in Q4 2024 and received in Q1 2025. The receipts from license agreements for the year ended 31 December 2024 included only the receipt of quarterly royalties. Neuren made tax payments of A\$54.2 million in the year ended 31 December 2025, which included A\$43.1 million for 2024 tax, and A\$11.1 million of tax instalments for 2025, compared with A\$37.2 million of tax payments made in 2024.

Net cash used in financing activities was A\$33.2 million, comprising A\$39.6 million of payments for the share buy-back, offset by A\$6.4 million of proceeds received on conversion of loan funded shares and exercise of share options.

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**11. Auditors review**

The financial statements have been audited and an unqualified opinion has been issued.

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**12. Attachments**

*Details of attachments (if any):*

The Financial Report of Neuren Pharmaceuticals Limited for the year ended 31 December 2025 is attached.

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**13. Signed**

Signed \_\_\_\_\_



Date: 26 February 2026

Patrick Davies  
Non-Executive Chair  
Melbourne

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# **Neuren Pharmaceuticals Limited**

**ARBN 111 496 130**

**Consolidated Financial Report for the Year ended 31 December  
2025**

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**Neuren Pharmaceuticals Limited**  
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**31 December 2025**

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**Neuren Pharmaceuticals Limited  
Directors' Responsibilities Statement  
31 December 2025**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Neuren Pharmaceuticals Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2025.

The directors are responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which give a true and fair view of the financial position of the company as at 31 December 2025 and its financial performance for the year ended on that date.

The directors consider that the financial statements of the company have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting standards have been followed.

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the company and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The directors have responsibility for the maintenance of a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting. The directors consider they have taken adequate steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the directors



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Patrick Davies  
Non-Executive Chair

26 February 2026  
Melbourne



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Joe Basile  
Non-Executive Director

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**Neuren Pharmaceuticals Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2025**

	Note	Year ended Dec 2025 \$'000	Year ended Dec 2024 \$'000
<i>Revenue from contracts with customers</i>			
Licenses of intellectual property - royalty income	6	64,634	56,223
Licenses of intellectual property - milestone payments	6	-	80,502
Licenses of intellectual property - Rare Disease priority review voucher	6	-	76,518
		<u>64,634</u>	<u>213,243</u>
Finance income		12,159	11,014
Gain on financial derivatives measured at fair value through profit and loss		-	3,587
Other income		15	2
Net foreign currency gains		8,028	-
Total income		<u>84,836</u>	<u>227,846</u>
<b>Expenses</b>			
Research and development costs		(36,392)	(32,970)
Corporate and administrative costs		(6,218)	(4,701)
Loss on financial derivatives measured at fair value through profit and loss		(3,297)	-
Net foreign currency loss		-	(7,235)
Total expenses		<u>(45,907)</u>	<u>(44,906)</u>
<b>Profit before income tax expense</b>		38,929	182,940
Income tax expense	8	<u>(8,493)</u>	<u>(40,897)</u>
<b>Profit after income tax expense for the year attributable to the owners of Neuren Pharmaceuticals Limited</b>		30,436	142,043
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(26,339)</u>	<u>24,198</u>
Other comprehensive income for the year, net of tax		<u>(26,339)</u>	<u>24,198</u>
<b>Total comprehensive income for the year attributable to the owners of Neuren Pharmaceuticals Limited</b>		<u>4,097</u>	<u>166,241</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	9	23.73	111.17
Diluted earnings per share	9	23.27	108.61

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Neuren Pharmaceuticals Limited**  
**Consolidated statement of financial position**  
**As at 31 December 2025**

	Note	As at 31 Dec 2025 \$'000	As at 31 Dec 2024 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	4,227	3,153
Short term investments	11	291,895	219,089
Trade and other receivables	12	1,812	157,570
Contract assets	13	18,924	17,756
Derivative financial instruments	16	-	1,362
Income tax refund due	8	5,807	-
Other current assets	14	9,568	397
<b>Total current assets</b>		<u>332,233</u>	<u>399,327</u>
<b>Non-current assets</b>			
Plant and equipment		45	31
Deferred tax asset	8	10,581	10,348
<b>Total non-current assets</b>		<u>10,626</u>	<u>10,379</u>
<b>Total assets</b>		<u>342,859</u>	<u>409,706</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	2,402	2,895
Derivative financial instruments	16	1,935	-
Income tax payable	8	-	42,866
<b>Total current liabilities</b>		<u>4,337</u>	<u>45,761</u>
<b>Non-current liabilities</b>			
Employee benefits	15	68	41
<b>Total non-current liabilities</b>		<u>68</u>	<u>41</u>
<b>Total liabilities</b>		<u>4,405</u>	<u>45,802</u>
<b>Net assets</b>		<u>338,454</u>	<u>363,904</u>
<b>Equity</b>			
Share capital	17	134,944	165,270
Share option reserve		5,474	4,695
Currency translation reserve		(12,831)	13,508
Retained earnings		210,867	180,431
<b>Total equity</b>		<u>338,454</u>	<u>363,904</u>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

**Neuren Pharmaceuticals Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 31 December 2025**

	Share capital \$'000	Share option reserve \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2024	173,127	4,382	(10,690)	38,388	205,207
Profit after income tax expense for the year	-	-	-	142,043	142,043
Other comprehensive income for the year, net of tax	-	-	24,198	-	24,198
Total comprehensive income for the year	-	-	24,198	142,043	166,241
<i>Transactions with owners in their capacity as owners:</i>					
Share issue costs	(9)	-	-	-	(9)
Loan funded shares converted	277	-	-	-	277
Transfer on conversion of loan funded shares	105	(105)	-	-	-
Share options exercised	1,383	-	-	-	1,383
Transfer on exercise of options	813	(813)	-	-	-
Share-based payments	-	1,231	-	-	1,231
On-market share buy-back	(10,426)	-	-	-	(10,426)
Balance at 31 December 2024	165,270	4,695	13,508	180,431	363,904
	Share capital \$'000	Share option reserve \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2025	165,270	4,695	13,508	180,431	363,904
Profit after income tax expense for the year	-	-	-	30,436	30,436
Other comprehensive income for the year, net of tax	-	-	(26,339)	-	(26,339)
Total comprehensive income for the year	-	-	(26,339)	30,436	4,097
<i>Transactions with owners in their capacity as owners:</i>					
Share issue costs	(37)	-	-	-	(37)
Loan funded shares converted	4,140	-	-	-	4,140
Transfer on conversion of loan funded shares	1,575	(1,575)	-	-	-
Share options exercised	2,249	-	-	-	2,249
Transfer on exercise of options	1,320	(1,320)	-	-	-
Share-based payments	-	3,674	-	-	3,674
On-market share buy-back	(39,573)	-	-	-	(39,573)
Balance at 31 December 2025	134,944	5,474	(12,831)	210,867	338,454

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

**Neuren Pharmaceuticals Limited**  
**Consolidated statement of cash flows**  
**For the year ended 31 December 2025**

	Note	Year ended Dec 2025 \$'000	Year ended Dec 2024 \$'000
<b>Cash flows from operating activities</b>			
Receipts from licence agreement - royalty income		63,403	51,421
Receipts from licence agreement - milestone and other payments		159,098	-
Income tax paid		(54,147)	(37,221)
Withholding tax paid		(7,195)	(2,517)
Interest received		12,060	11,297
GST refunded		261	353
Payments for employees and directors		(4,348)	(4,145)
Payments to other suppliers		(43,710)	(30,458)
Net cash from/(used in) operating activities	5	<u>125,422</u>	<u>(11,270)</u>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		(37)	(10)
Less cash transferred (to)/from short-term investments (i)		(87,970)	4,144
Net cash (used in)/from investing activities		<u>(88,007)</u>	<u>4,134</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	17	6,389	1,660
Payment of share issue expenses	17	(37)	(9)
Payments for share buy-back	17	(39,573)	(10,426)
Net cash used in financing activities		<u>(33,221)</u>	<u>(8,775)</u>
Net increase/(decrease) in cash and cash equivalents		4,194	(15,911)
Cash and cash equivalents at the beginning of the financial year		3,153	17,094
Effects of exchange rate changes on cash and cash equivalents		(3,120)	1,970
Cash and cash equivalents at the end of the financial year	10	<u><u>4,227</u></u>	<u><u>3,153</u></u>

(i) Following the receipt of the first commercial sale milestone payment from Acadia, the Company is holding more funds than are required to meet currently forecast short-term cash commitments. As a result, the Company has reclassified cash held in short-term deposits from Cash and Cash Equivalents to Short-term Investments.

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

**Neuren Pharmaceuticals Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 1. Nature of the business**

Neuren Pharmaceuticals Limited (“Neuren” or the “Company”), and its subsidiaries (collectively the “Group”) is a publicly listed biopharmaceutical company developing drugs for neurological disorders.

The Company is a limited liability company incorporated in New Zealand. The address of its registered office in New Zealand is at the offices of Lowndes Jordan, Level 15 HSBC Tower, 188 Quay Street, Auckland 1141. Neuren operates in Australia and its ordinary shares are listed on the Australian Securities Exchange (ASX code: NEU).

These consolidated financial statements were approved for issue by the Board of Directors on 26 February 2026.

**Note 2. Material accounting policy information**

These general-purpose consolidated financial statements of the Group are for the year ended 31 December 2025 and have been prepared in accordance with and comply with generally accepted accounting practice in New Zealand (GAAP), New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board which comply with International Financial Reporting Standards, the requirements of the Financial Markets Conduct Act 2013, and other applicable Financial Reporting Standards as appropriate for profit-oriented entities that fall into Tier 1 as determined by the New Zealand External Reporting Board.

**Basis of preparation**

*Entities Reporting*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 31 December 2025 and the results of all subsidiaries for the year then ended. Neuren Pharmaceuticals Limited and its subsidiaries, which are designated as profit-oriented entities for financial reporting purposes, together are referred to in these financial statements as the Group.

*Statutory Base*

Neuren is registered under the New Zealand Companies Act 1993. Neuren is also registered as a foreign company under the Australian Corporations Act 2001.

*Historical cost convention*

These consolidated financial statements have been prepared under the historical cost convention as modified by certain policies below. Amounts are expressed in Australian Dollars and are rounded to the nearest thousand, except for earnings per share.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

*Going concern basis*

The directors monitor the Group's cash position and initiatives to ensure that adequate funding continues to be available for the Group to meet its business objectives. The Group recorded a profit after tax of \$30.4 million for the year ending 31 December 2025 and had positive operating cash flows of \$125.4 million for the year ended 31 December 2025. The Group had cash of \$4.2 million and short-term investments (term deposits) of \$291.9 million, \$1.8 million of trade and other receivables and \$9.6m of prepayments at 31 December 2025.

It is the considered view of the Directors that the Group will have access to adequate resources to meet its ongoing obligations for at least a period of 12 months from the date of signing these financial statements. On this basis, the Directors have assessed it is appropriate to adopt the going concern basis in preparing its consolidated financial statements. The consolidated financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.

**Note 2. Material accounting policy information (continued)**

*Changes in accounting policies*

There are no material changes in accounting policies for the year ended 31 December 2025.

*Standards, interpretations and amendments to published standards that are not yet effective*

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2025. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

*IFRS 18 Presentation and Disclosure in Financial Statements*

This standard is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The standard replaces IAS 1 'Presentation of Financial Statements', and introduces new requirements for the presentation and disclosure of information in the financial statements.

The standard is not expected to have an impact on the recognition or measurement of assets, liabilities, income or expenses. However, it will result in changes to the presentation of the statement of profit or loss and other comprehensive income, including the introduction of defined categories for income and expenses (operating, investing, financing, income taxes and discontinued operations). The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'.

The standard also introduces new disclosure requirements for 'management-defined performance measures' and provides enhanced guidance on the aggregation and disaggregation of information in the financial statements.

The consolidated entity will adopt this standard from 1 January 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

*Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments*

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early adoption permitted.

The amendments to IFRS 9 clarify that a financial liability may be derecognised before the settlement date when it is settled using an electronic payment system, provided certain criteria are met. This exception does not apply to derecognition of financial assets settled via an electronic transfer, as it was clarified that financial assets are derecognised only when contractual rights to the cash flows from the financial assets expire, which is when cash is received.

The amendments also provide clarification on how contractual cash flows characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed for classification purposes. In addition, the amendments modify the disclosure requirements in IFRS 7 relating to investments in equity instruments designated at fair value through other comprehensive income and introduce new disclosure requirements for financial instruments with contractual terms that may change the timing or amount of contractual cash flows on contingent events.

The consolidated entity does not expect a material impact on the recognition or measurement of financial instruments, however, additional disclosures may be required upon adoption.

*Comparatives*

Where deemed necessary, the comparatives have been reclassified to achieve consistency with the current financial year. This includes prior year prepayments of \$0.4 million which have been reclassified as other current assets.

**Note 2. Material accounting policy information (continued)**

**Principles of consolidation**

*Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

**Foreign currency translation**

*Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). At 31 December 2025, the presentation currency of the Group is Australian dollars and the functional currency is US dollars.

*Foreign currency transactions*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at financial year-end exchange rates are recognised in profit or loss.

*Foreign operations/translation to presentation currency*

The results and financial position of operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated using the closing rate at the reporting date
- revenues and expenses are translated using the average exchange rates, which approximate the rates at the dates of the transactions, for the period
- all resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

Exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to a separate component of equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

**Revenue**

NZ IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for licensing rights and intellectual property access to a customer. The five-step process is as follows:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

*Licence revenue*

Licence revenues in connection with licensing of the Group's intellectual property to customers are recognised as a right to use the entity's intellectual property as it exists at the point in time at which the licence is granted. This is because the contracts for the licence of intellectual property are distinct and do not require, nor does the customer reasonably expect, that the Group will undertake further activities that significantly affect the intellectual property to which the customer has rights.

**Note 2. Material accounting policy information (continued)**

Although the Group is entitled to sales-based royalties from sales of goods and services to third parties using the intellectual property transferred, these royalty arrangements do not of themselves indicate that the customer would reasonably expect the Group to undertake such activities, and no such activities are undertaken or contracted in practice. Accordingly, the promise to provide rights to the Group's intellectual property is accounted for as a performance obligation satisfied at a point in time.

The following consideration is received in exchange for licences of intellectual property:

(i) Up-front payments - These are fixed amounts and are recognised at the point in time when the Group transfers the intellectual property to the customer.

(ii) Milestone payments – This is variable consideration that is contingent on the customer reaching certain clinical, regulatory or commercial targets in relation to the intellectual property licenced. Variable consideration is estimated using the most likely amount method, variable consideration is constrained such that amounts are only recognised when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration (that is, the customer meeting the conditions) is subsequently resolved. Milestone payments that are not in control of the Group, such as regulatory approvals, are not considered highly probable of being achieved until those approvals are received.

(iii) Sales-based royalties – Licenses of intellectual property include royalties, which are variable consideration that are based on the sale of products that are produced using the intellectual property. The specific exception to the general requirements of estimating variable consideration for sales or usage-based royalties promised in a licence of intellectual property is applied. The exception requires such revenue to be recognised at the later of when (a) subsequent sales or usage occurs and (b) the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated is satisfied (or partially satisfied).

(iv) Rare Disease priority review voucher – This is variable consideration, that is contingent on the customer selling or using a Rare Disease priority review voucher from the Food and Drug Administration (FDA) on approval of a New Drug Application (NDA). Variable consideration is estimated using the most likely amount method, variable consideration is constrained such that amounts are only recognised when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration (that is, the customer meeting the conditions) is subsequently resolved. Sale or use of the Rare Disease priority review voucher is not in control of the Group, and is not considered highly probable of being achieved until it is sold or used.

*Interest income*

Interest income is recognised as it is earned using the effective interest method.

**Research and development**

Research costs include direct and directly attributable overhead expenses for drug discovery, research and pre-clinical and clinical trials. Research costs are expensed as incurred.

**Income tax**

The income tax expense or benefit for the period is the tax payable on the period's taxable income or loss using tax rates enacted or substantively enacted at the reporting date, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are realised or liabilities are settled, based on those tax rates which are enacted or substantively enacted at the reporting date. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that the temporary differences will reverse in the foreseeable future and future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

**Note 2. Material accounting policy information (continued)**

**Goods and services tax (GST)**

The financial statements have been prepared so that all components are presented exclusive of GST. All items in the statement of financial position are presented net of GST, with the exception of receivables and payables, which include GST invoiced.

**Cash and cash equivalents**

Cash and cash equivalents comprises cash and demand deposits held with established financial institutions and highly liquid investments, which have maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are held to meet currently forecast short-term cash commitments.

**Short-term investments**

Short-term investments comprise short-term deposits, which have maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. When the Group is holding more short-term deposits than are required to meet currently forecast short-term cash commitments, these are held as short-term investments.

**Trade and other receivables**

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group assesses trade receivables on an individual basis, and uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

**Contract assets**

Contract assets are recognised when the consolidated entity estimates the royalty income based on the quarterly sale of products that are produced using intellectual property, and the consolidated entity is yet to establish an unconditional right to consideration. Amounts are transferred to Trade Receivables when the final amount has been determined and invoiced to the customer. Contract assets are treated as financial assets for impairment purposes.

**Employee benefits**

*Wages and salaries, annual leave, long service leave and superannuation*

Liabilities for wages and salaries, bonuses, annual leave, long service leave and superannuation expected to be settled within 12 months of the reporting date are recognised in accrued liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating personal leave are recognised when the leave is taken and measured at the rates paid or payable.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when the obligation to pay them arises.

*Share-based payments*

Neuren operates a loan funded share plan and share option plan. Both plans are accounted for as share options and the loan is not recognised as an asset. The fair value of the services received in exchange for the grant of the options or shares is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options or shares at grant date. At each reporting date, except for options that are subject to a market condition for vesting, the Company revises its estimates of the number of options that are expected to vest. It recognises the impact of these revisions, if any, in the Statement of Profit or Loss and Other Comprehensive Income, and a corresponding adjustment to equity over the remaining vesting period.

When options are exercised, the proceeds received net of any directly attributable transaction costs are credited to share capital.

**Financial instruments**

*Recognition and derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire.

**Note 2. Material accounting policy information (continued)**

A financial liability is derecognised when it is extinguished, i.e. the obligation is discharged, cancelled or expired.

*Classification and initial measurement of financial assets*

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with NZ IFRS 15 'Revenue from contracts with customers', all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the company does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance cost or finance income, except for impairment of trade receivables which is presented within other expenses.

*Subsequent measurement of financial assets*

*Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, short-term investments and trade receivables fall into this category of financial instruments.

*Classification and measurement of financial liabilities*

The Group's financial liabilities include trade and other payables and derivative financial liabilities. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, trade and other payables are measured at amortised cost using the effective interest method.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Gains or losses on derivative financial instruments are recognised in profit or loss.

**Note 3. Critical accounting judgements, estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are as discussed below.

The Group has assessed that all research and development expenditure to date does not meet the requirements for capitalisation as an intangible asset because it is not yet probable that the expected future economic benefits that are attributable to the asset will flow. The Group's current assessment is that future expenditure will not meet that requirement prior to the approval of a New Drug Application by the US Food and Drug Administration.

**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

The Group is subject to income taxes in Australia because it is domiciled in that country. There are transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination may be uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

The Group measures the fair value of loan funded shares and options to acquire ordinary shares with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The estimated fair value of the shares is determined using the Black-Scholes valuation model, taking into account the terms and conditions upon which the instruments were granted. Some judgements are made on the inputs into the valuation model, including the expected life and volatility.

The Group accrues for royalty income with reference to the sales published by its partner, Acadia Pharmaceuticals, Inc.

**Note 4. Operating segments**

*Identification of reportable operating segments*

The segment reporting reflects the way information is reported internally to the chief operating decision maker. The Chief Executive Officer has been identified as the chief operating decision maker. The Board assesses the financial performance and position of the group and makes strategic decisions. The Group has two reportable operating segments, commercial products and research and development.

Reportable segment	Commercial products		Research & development		Corporate		Total	
	Dec-25 \$'000	Dec-24 \$'000	Dec-25 \$'000	Dec-24 \$'000	Dec-25 \$'000	Dec-24 \$'000	Dec-25 \$'000	Dec-24 \$'000
Commercial products	Milestone and royalty revenue from licence of intellectual property.							
Research & development	Development of pharmaceutical products for the treatment of neurodevelopmental disorders.							
<b>Revenue</b>	64,634	213,243	-	-	-	-	64,634	213,243
Research and development costs	-	-	(36,392)	(32,970)	-	-	(36,392)	(32,970)
Finance income	-	-	-	-	12,159	11,014	12,159	11,014
Other income	-	-	-	-	15	2	15	2
Other expenses	-	-	-	-	(6,218)	(4,701)	(6,218)	(4,701)
Net foreign currency gain/(loss)	-	-	-	-	8,028	(7,235)	8,028	(7,235)
(Loss)/gain on financial derivatives	-	-	-	-	(3,297)	3,587	(3,297)	3,587
<b>Profit before income tax</b>	<b>64,634</b>	<b>213,243</b>	<b>(36,392)</b>	<b>(32,970)</b>	<b>10,687</b>	<b>2,667</b>	<b>38,929</b>	<b>182,940</b>
Income tax expense	-	-	-	-	(8,493)	(40,897)	(8,493)	(40,897)
<b>Profit after income tax</b>	<b>64,634</b>	<b>213,243</b>	<b>(36,392)</b>	<b>(32,970)</b>	<b>2,194</b>	<b>(38,230)</b>	<b>30,436</b>	<b>142,043</b>
Other comprehensive income	-	-	-	-	(26,339)	24,198	(26,339)	24,198
<b>Total comprehensive income</b>	<b>64,634</b>	<b>213,243</b>	<b>(36,392)</b>	<b>(32,970)</b>	<b>(24,145)</b>	<b>(14,032)</b>	<b>4,097</b>	<b>166,241</b>

All revenue from licences of intellectual property is from Acadia Pharmaceuticals Inc. (Acadia) and is from the United States.

Assets and liabilities are not allocated to segments and are therefore not reported.

**Neuren Pharmaceuticals Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 5. Reconciliation of profit after income tax to net cash from/(used in) operating activities**

	Year ended Dec 2025 \$'000	Year ended Dec 2024 \$'000
Profit after income tax expense for the year	30,436	142,043
Adjustments for:		
Depreciation of plant and equipment	23	22
Share based payments expense	3,674	1,231
Foreign exchange (gain)/loss	(8,028)	7,235
Unrealised loss/(gain) on derivative financial instruments	3,297	(3,587)
Unrealised foreign exchange gain in other comprehensive income	-	3,201
Change in working capital:		
Decrease/(increase) in trade and other receivables	155,758	(152,150)
Increase in contract assets	(1,168)	(4,956)
Decrease in current and deferred taxes	(48,906)	(3,830)
Increase in prepayments	(9,171)	-
Decrease in trade and other payables	(493)	(479)
Net cash from/(used in) operating activities	<u>125,422</u>	<u>(11,270)</u>

**Note 6. Revenue from contracts with customers**

**Disaggregation of revenue from contracts with customers**

The Group derives revenue from license agreements with customers at a point in time under the following major business activities:

	Year ended Dec 2025 \$'000	Year ended Dec 2024 \$'000
<i>Revenue from contracts with customers</i>		
Licenses of intellectual property - royalty income	64,634	56,223
Licenses of intellectual property - milestone payments	-	80,502
Licenses of intellectual property - Rare Disease priority review voucher	-	76,518
Revenue from contracts with customers	<u>64,634</u>	<u>213,243</u>

All revenue from licences of intellectual property is from the United States.

Neuren is eligible to receive quarterly royalty income, calculated as a percentage of net sales of DAYBUE in North America and is recognised in the period the Acadia makes the sales of DAYBUE. The royalty rate for ≤US\$250 million of annual net sales is 10%. The royalty rate then increases to 12% for annual net sales greater than US\$250 million but less than or equal to US\$500 million, and to 14% for annual net sales greater than US\$500 million but less than US\$750 million. The royalty rates for sales of Trofinetide outside North America range from mid-teen to low twenties percent.

Neuren is also eligible to receive future milestone payments of up to US\$300 million on achievement of a series of three thresholds of total annual net sales. For the year ended 31 December 2024, Neuren earned the first sales milestone payment of US\$50 million, as net sales for the year exceeded US\$250 million.

Under the license agreement with Acadia, Neuren is eligible to receive variable consideration that is contingent on Acadia selling or using the Rare Disease priority review voucher. During the year ended 31 December 2024, Acadia sold the voucher for net proceeds of US\$146.5 million and therefore Neuren recognised the net variable consideration of US\$48.8 million (A\$76.5 million).

**Neuren Pharmaceuticals Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 7. Expenses**

	Year ended Dec 2025 \$'000	Year ended Dec 2024 \$'000
Profit before income tax includes the following specific expenses:		
<b>Remuneration of auditors</b>		
Audit of the financial statements (Grant Thornton New Zealand Audit Limited)	101	77
Review of financial statements (Grant Thornton New Zealand Audit Limited)	39	38
	140	115
<b>Employee benefits expense</b>		
Short-term benefits	2,178	2,236
Post-employment benefits	356	222
Other employee benefits	-	5
Share based payments	1,781	892
	4,315	3,355
<b>Directors' compensation</b>		
Short-term benefits	1,255	1,066
Post-employment benefits	83	47
Share based payments	790	18
	2,128	1,131
<b>Other</b>		
Consultants - share based payments	1,104	321
	1,104	321

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**Neuren Pharmaceuticals Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 8. Income tax**

	Year ended Dec 2025 \$'000	Year ended Dec 2024 \$'000
<i>Income tax expense</i>		
Current tax	8,299	52,523
Deferred tax	(207)	(9,211)
Under/(over) provision in prior years	223	(3,413)
Adjustment <sup>1</sup>	178	998
	<u>8,493</u>	<u>40,897</u>
Aggregate income tax expense	<u>8,493</u>	<u>40,897</u>
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets	(207)	(9,211)
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	38,929	182,940
Tax at the statutory tax rate of 30%	11,679	54,882
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Research and development incentives	-	(289)
Non-deductible share option expenses	1,102	369
Other non-deductible expenses	100	40
Unrealised foreign exchange gains not assessable	(2,131)	-
Realised foreign exchange losses deductible	(2,328)	-
Unrealised foreign exchange losses not deductible	-	2,170
Adjustment <sup>1</sup>	178	998
	<u>8,600</u>	<u>58,170</u>
Under/(over) provision in prior years	223	(3,413)
Utilisation of previously unrecognised tax losses	-	(3,233)
Recognition of deferred tax asset for carried forward tax losses	-	(10,428)
Foreign exchange on New Zealand tax loss	(235)	-
Difference in overseas tax rates	(95)	(199)
	<u>(95)</u>	<u>(199)</u>
Income tax expense	<u>8,493</u>	<u>40,897</u>

<sup>1</sup>For the year ended 31 December 2025 and the year ended 31 December 2024, an adjustment to tax expense was made for foreign income tax offsets unable to be used.

	As at 31 Dec 2025 \$'000	As at 31 Dec 2024 \$'000
<i>Current tax assets/(liabilities)</i>		
Opening balance	(42,866)	(37,119)
Income tax	(8,299)	(52,523)
Withholding tax credits	3,057	6,468
(Over)/under provision in prior years	(232)	3,045
Tax paid during the year	54,147	37,221
Other	-	42
	<u>5,807</u>	<u>(42,866)</u>
Closing balance	<u>5,807</u>	<u>(42,866)</u>

**Neuren Pharmaceuticals Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 8. Income tax (continued)**

	<b>As at 31 Dec 2025 \$'000</b>	<b>As at 31 Dec 2024 \$'000</b>
<i>Amounts credited directly to equity</i>		
Deferred tax assets	(16)	-

	<b>As at 31 Dec 2025 \$'000</b>	<b>As at 31 Dec 2024 \$'000</b>
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*Deferred tax asset*

Deferred tax asset comprises temporary differences attributable to:

Amounts recognised in profit or loss:

Patents	44	66
Capital raising costs	17	73
Employee benefits	198	163
Unrealised foreign exchange	581	(408)
Tax losses	9,693	10,428
Other temporary differences	48	26
	<u>10,581</u>	<u>10,348</u>

Deferred tax asset

Movements:

Opening balance	10,348	771
Credited to profit or loss	207	9,211
Credited to equity	16	-
Over provision in prior years	10	366
	<u>10,581</u>	<u>10,348</u>

Closing balance

(a) At 31 December 2025, all of the available losses were utilised or recognised on the balance sheet, relating to the historical and future Trofinetide royalty and milestone payments.

\$2.6 million of New Zealand gross tax losses were utilised during the current financial year in relation to the 31 December 2025 tax year (2024: \$23.7 million).

\$34.6 million (2024: \$37.2 million) of New Zealand gross tax losses carried forward, for which a Deferred Tax Asset (DTA) of \$9.7 million (2024: \$10.4 million) is recognised on the balance sheet.

There are no New Zealand imputation credits available for use as at 31 December 2025 (2024: nil).

*Australian Franking credits*

	<b>As at 31 Dec 2025 \$'000</b>	<b>As at 31 Dec 2024 \$'000</b>
Franking credits available at the reporting date based on a tax rate of 30%	81,823	28,021
Franking credits that will arise from the (refund)/payment of the amount of the provision for income tax at the reporting date based on a tax rate of 30%	(5,778)	42,752
	<u>76,045</u>	<u>70,773</u>

Franking credits available for subsequent financial years based on a tax rate of 30%

**Neuren Pharmaceuticals Limited**  
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**Note 9. Earnings per share**

Basic earnings per share is calculated by dividing the profit for the period attributable to the equity holders of the company by the weighted average number of ordinary shares on issue during the period excluding shares held as treasury stock.

Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	<b>Year ended Dec 2025 \$'000</b>	<b>Year ended Dec 2024 \$'000</b>
Profit after income tax attributable to the owners of Neuren Pharmaceuticals Limited	<u>30,436</u>	<u>142,043</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	128,241,465	127,769,432
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	<u>2,528,668</u>	<u>3,010,190</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>130,770,133</u>	<u>130,779,622</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	23.73	111.17
Diluted earnings per share	23.27	108.61

**Note 10. Cash and cash equivalents**

	<b>As at 31 Dec 2025 \$'000</b>	<b>As at 31 Dec 2024 \$'000</b>
<i>Current assets</i>		
Cash at bank	<u>4,227</u>	<u>3,153</u>

**Note 11. Short term investments**

	<b>As at 31 Dec 2025 \$'000</b>	<b>As at 31 Dec 2024 \$'000</b>
<i>Current assets</i>		
Short-term investments	<u>291,895</u>	<u>219,089</u>

Following the receipt of the first commercial sale milestone payment, the upfront payment for the expansion of the partnership with Acadia Pharmaceuticals for Trofinetide to a worldwide exclusive licence and quarterly royalties, Neuren is holding more funds than are required to meet currently forecast short-term cash commitments. As a result, the Company has classified short-term deposits as short-term investments.

**Neuren Pharmaceuticals Limited**  
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**Note 12. Trade and other receivables**

	<b>As at 31 Dec 2025 \$'000</b>	<b>As at 31 Dec 2024 \$'000</b>
<i>Current assets</i>		
Trade receivables	450	155,154
Other receivables	14	1,167
Interest receivables	1,348	1,249
	<u>1,812</u>	<u>157,570</u>

Trade receivables includes amounts receivable under the license agreement with Neuren's partner, Acadia Pharmaceuticals. The amounts outstanding from Acadia at 31 December 2024 were related to the revenue recognised for the sales milestone payment and the consideration in relation to the priority review voucher. The consideration for both the priority review voucher and sales milestone payment was received in February 2025.

The Group applies the simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on an individual basis due to the limited number of receivables.

The expected loss rates are based on the payment profile of the individual receivable including historical experience, external indicators and forward-looking information to calculate the expected credit losses.

Trade receivables are written off (i.e. de-recognised) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangements amongst others are considered indicators of no reasonable expectation of recovery. No credit losses have been determined for the current year (2024: nil) and all outstanding invoices are within payment terms at year end.

**Note 13. Contract assets**

	<b>As at 31 Dec 2025 \$'000</b>	<b>As at 31 Dec 2024 \$'000</b>
<i>Current assets</i>		
Accrued income	<u>18,924</u>	<u>17,756</u>

*Reconciliation*

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

Opening balance	17,756	12,800
Additions	64,641	56,191
Transfer to trade receivables	<u>(63,473)</u>	<u>(51,235)</u>
Closing balance	<u>18,924</u>	<u>17,756</u>

**Note 14. Other current assets**

	<b>As at 31 Dec 2025 \$'000</b>	<b>As at 31 Dec 2024 \$'000</b>
<i>Current assets</i>		
Prepayments	<u>9,568</u>	<u>397</u>

**Neuren Pharmaceuticals Limited**  
**Notes to the consolidated financial statements**  
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**Note 14. Other current assets (continued)**

Prepayments for FY25 include A\$9.1 million advance payments for future trials.

**Note 15. Trade and other payables**

	<b>As at 31 Dec 2025 \$'000</b>	<b>As at 31 Dec 2024 \$'000</b>
<i>Current liabilities</i>		
Trade payables	877	1,449
Accruals	934	943
Employee benefits	591	503
	<u>2,402</u>	<u>2,895</u>
<i>Non-current liabilities</i>		
Employee benefits	68	41
Total Trade and other payables	<u>2,470</u>	<u>2,936</u>

Trade payables and accruals relate to operating expenses, primarily research and development expenses. Trade payables comprise amounts invoiced prior to the reporting date and accruals comprise the value of goods or services received but not invoiced at each reporting date.

Refer to Note 21 for further information on financial instruments and risk management.

**Note 16. Derivative financial instruments**

	<b>As at 31 Dec 2025 \$'000</b>	<b>As at 31 Dec 2024 \$'000</b>
<i>Current assets</i>		
Forward exchange contracts	<u>-</u>	<u>1,362</u>
<i>Current liabilities</i>		
Forward exchange contracts	<u>1,935</u>	<u>-</u>

Refer to note 21 for further details.

**Note 17. Share capital**

	<b>2025 Shares</b>	<b>2024 Shares</b>	<b>2025 \$'000</b>	<b>2024 \$'000</b>
Ordinary shares - issued	<u>126,639,526</u>	<u>129,262,624</u>	<u>134,944</u>	<u>165,270</u>

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**Note 17. Share capital (continued)**

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>\$'000</b>
Balance	1 January 2024	129,665,676	173,127
Loan Funded Shares repaid and transferred to participant		-	382
Shares issued on exercise of options		400,000	2,196
Share issue expenses - issue costs		-	(9)
Shares bought back during the year		(803,052)	(10,426)
Balance	31 December 2024	129,262,624	165,270
Loan Funded Shares repaid and transferred to participant		-	5,715
Shares issued on exercise of options		650,000	3,569
Share issue expenses - issue costs		-	(37)
Shares bought back during the year		(3,273,098)	(39,573)
Balance	31 December 2025	<u>126,639,526</u>	<u>134,944</u>

*Ordinary shares*

At 31 December 2025, 126,639,526 ordinary shares (31 December 2024: 127,012,624) are quoted on the ASX, and nil unquoted ordinary shares (31 December 2024: 2,250,000) were held as treasury stock in respect of the Loan Funded Share Plan described below. On 2 December 2024 Neuren commenced a share buy-back program, buying back 3,273,098 shares in the period to 31 December 2025. The share buy-back program concluded on 16 June 2025, with total consideration paid for the share buy-back of \$50.0 million since 2 December 2024.

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**Share based payments**

During year to 31 December 2025 \$3.7 million (31 December 2024: \$1.2 million) was recognised in share-based payments expense.

**Loan funded shares**

The Company has a Loan Funded Share Plan to support the achievement of the Company's business strategy by linking executive reward to improvements in the financial performance of the Company and aligning the interests of executives with shareholders. Under the Loan Funded Share Plan, loan funded shares may be offered to employees or consultants ("Participants"). The Company issues new ordinary shares, which are placed in a trust to hold the shares on behalf of the Participant. The trustee issues a limited-recourse, interest-free loan to the participant, which is equal to the number of shares multiplied by the issue price. A limited-recourse loan means that the repayment amount will be the lesser of the outstanding loan and the market value of the shares that are subject to the loan. The trustee continues to hold the shares on behalf of the Participant until all vesting conditions have been satisfied and the Participant chooses to settle the loan, at which point ownership of the shares is transferred from the trust to the Participant. Any dividends paid by the Company while the shares are held by the trust are applied as repayment of the loan at the after-tax value of the dividend. On request by the Participant, the Company may dispose of, or buy back, vested shares and utilise the proceeds to settle the outstanding loan. The directors may apply vesting conditions to be satisfied before the shares can be transferred to the Participant. Before the loan can be given, the New Zealand Companies Act requires the Company to disclose to shareholders the provision of financial assistance to the Participant. The maximum loan term is 5 years.

All loan funded shares under the plan during the year ended 31 December 2025 vest subject to remaining an employee or consultant if and when the following non-market performance vesting conditions are met:

**Neuren Pharmaceuticals Limited**  
**Notes to the consolidated financial statements**  
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**Note 17. Share capital (continued)**

	<b>Vesting conditions</b>	<b>Date met</b>
i.	40% of the Loan Funded Shares shall vest on acceptance by the US Food and Drug Administration of the filing of a New Drug Application for Trofinetide; and	September 2022
ii.	40% of the Loan Funded Shares shall vest when the Company determines to progress NNZ-2591 to a Phase 2b or Phase 3 clinical trial following a positive Phase 2 clinical trial outcome, or executes a partnering transaction for NNZ-2591;	February 2024
iii.	20% of the Loan Funded Shares shall vest when the Company executes a partnering transaction for trofinetide outside North America, or submits a Marketing Authorisation Application for trofinetide in the European Union, the United Kingdom, or Japan.	July 2023

Each of these vesting conditions shall be tested separately from the other vesting conditions.

The estimated fair value of the shares has been determined using the Black-Scholes valuation model. The significant inputs into the model were the share price on date of valuation, the estimated future volatility of the share price, a dividend yield of 0%, an expected life of 5 years, and an annual risk-free interest rate of 0.4%. The estimated future volatility of the share price was derived by analysing the historic volatility of the share price during the relevant period.

At 31 December 2025, nil Loan Funded Shares are held in trust. During the year ended 31 December 2025, 2,250,000 vested loan funded shares were converted to issued ordinary shares upon repayment of the loan.

Movements in the number of Loan Funded Shares were as follows:

	<b>Loan funded shares</b>	<b>Weighted average exercise price</b>
Outstanding at 31 December 2023	2,400,000	\$1.84
Loan repaid and shares transferred to participant	(150,000)	\$1.84
Outstanding at 31 December 2024	2,250,000	\$1.84
Loan repaid and shares transferred to participant	(2,250,000)	\$1.84
Outstanding at 31 December 2025	-	-
Vested and exercisable at 31 December 2025	-	-

**Options to acquire ordinary shares**

Movements in the number of Share Options were as follows:

	<b>Share options</b>	<b>Weighted average exercise price</b>
Outstanding at 31 December 2023	1,500,000	\$3.57
Granted during the year	700,000	\$23.09
Forfeited during the year	(370,000)	\$23.09
Exercised during the year	(400,000)	\$3.46
Outstanding at 31 December 2024	1,430,000	\$8.11
Granted during the year	2,175,000	\$13.53
Forfeited during the year	(70,000)	\$23.09
Exercised during the year	(650,000)	\$3.46
Outstanding at 31 December 2025	2,885,000	\$12.88
Vested and exercisable at 31 December 2025	450,000	\$3.83

The weighted average exercise price for the options to acquire ordinary shares is \$12.88.

**Neuren Pharmaceuticals Limited**  
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**Note 17. Share capital (continued)**

At 31 December 2025, there are 2,885,000 options to acquire ordinary shares on issue to employees and consultants. During the year ended 31 December 2025, 650,000 vested options to acquire ordinary shares were exercised, and 70,000 options to acquire ordinary shares were forfeited due to service conditions not being met.

During year ended 31 December 2025, options to acquire 2,175,000 ordinary shares were granted to employees and consultants. Options to acquire ordinary shares vest subject to remaining an employee or consultant if and when the following non-market performance vesting conditions are met in respect of NNZ-2591:

- i. One third of the Options shall vest on the last patient dosing in a Phase 3 clinical trial
- ii. One third of the Options shall vest on the acceptance for filing of a marketing application, or execution of a material partnering transaction
- iii. One third of the Options shall vest on the first patient dosing in a pivotal clinical trial for a second indication

Each of these vesting conditions shall be tested separately from the other vesting conditions.

The estimated fair value of the options to acquire ordinary shares has been determined using the Black-Scholes valuation model. The significant inputs into the model were the share price on date of valuation, the estimated future volatility of the share price, the risk-free rate, the expected life and a dividend yield of 0%. The estimated future volatility of the share price was derived by analysing the historic volatility of the share price on a daily basis over a period consistent with the expected life of the options, as this period is reflective of the anticipated volatility in the future.

Details of the options to acquire ordinary shares issued during the year ended 31 December 2025, the estimated fair value and variable inputs into the valuation model are shown in the following tables:

**May 2025**

Number of shares under option	1,800,000		
Grant date	23 May 2025		
Exercise price per share option <sup>1</sup>	\$12.91		
Share price on date of valuation	\$12.87		
Estimated future volatility	55.73%		
Annual risk-free rate	3.69%		
Expiration	5 years from issue date		
	Vesting condition (i)	Vesting condition (ii)	Vesting condition (iii)
Fair value per share option	\$5.36	\$5.93	\$4.78
Expected life (years)	3.19	3.94	2.52

**July 2025**

Number of shares under option	210,000		
Grant date	9 July 2025		
Exercise price per share option <sup>1</sup>	\$14.10		
Share price on date of valuation	\$14.18		
Estimated future volatility	55.91%		
Annual risk-free rate	3.4%-3.55%		
Expiration	5 years from issue date		
	Vesting condition (i)	Vesting condition (ii)	Vesting condition (iii)
Fair value per share option	\$5.78	\$6.43	\$5.12
Expected life (years)	3.02	3.77	2.35

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**Note 17. Share capital (continued)**

**September 2025**

Number of shares under option	165,000
Grant date	19 Sept 2025
Exercise price per share option <sup>1</sup>	\$19.63
Share price on date of valuation	\$19.82
Estimated future volatility	55.16%
Annual risk-free rate	3.36%-3.61%
Expiration	5 years from issue date

	Vesting condition (i)	Vesting condition (ii)	Vesting condition (iii)
Fair value per share option	\$7.75	\$8.71	\$6.80
Expected life (years)	2.82	3.57	2.16

<sup>1</sup> The exercise price for the options to acquire ordinary shares is the 5-day weighted average price at which the shares were traded on the ASX in the 5 days preceding the issue of the options.

In addition, the Board resolved to issue options to acquire 360,000 ordinary shares for CEO & Managing Director Jon Pilcher which are subject to shareholder approval and will not be issued prior to receiving approval at a future meeting of shareholders. If approved, the options to acquire ordinary shares will be subject to the same vesting conditions as the above options to acquire 1,800,000 ordinary shares issued on 23 May 2025. As the services received from Jon Pilcher in respect of the proposed grant of options have commenced, the fair value of the share options has been estimated using the Black-Scholes model. The significant inputs into the model were the same assumptions as the above options to acquire 1,800,000 ordinary shares granted on 23 May 2025, with the exception of the share price on date of valuation which was updated to \$18.61 at 31 December 2025. The fair value estimate will be revised once the grant date has been established, subject to shareholder approval.

The share options included in the outstanding balance at 31 December 2025, vest subject to remaining an employee or consultant if and when the following non-market performance vesting conditions are met:

	<b>450,000 share options</b>
i. when the Company determines to progress NNZ-2591 to a Phase 2b or Phase 3 clinical trial following a positive Phase 2 clinical trial outcome, or executes a partnering transaction for NNZ-2591	60%
ii. when the Company executes a partnering transaction for trofinetide outside North America, or submits a Marketing Authorisation Application for trofinetide in the European Union, the United Kingdom, or Japan	40%

Each of the above vesting conditions shall be tested separately from the other vesting conditions. The first vesting condition (i) was met in February 2024 and the second vesting condition (ii) was met in July 2023.

	<b>260,000 share options</b>
i. on the first dosing of a subject in a Phase 3 or Phase 2B clinical trial for NNZ-2591	33%
ii. on the first dosing of a subject in a Phase 3 or Phase 2B clinical trial for a second indication for NNZ-2591	33%
iii. on the last patient last visit in a Phase 3 or Phase 2B clinical trial for NNZ-2591	33%

Each of the above vesting conditions shall be tested separately from the other vesting conditions.

**Note 18. Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

**Neuren Pharmaceuticals Limited**  
**Notes to the consolidated financial statements**  
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**Note 19. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		As at 31 Dec 2025 %	As at 31 Dec 2024 %
Neuren Pharmaceuticals Inc.	United States of America	100%	100%
Neuren Pharmaceuticals (Australia) Pty Ltd	Australia	100%	100%
Neuren Trustee Limited	New Zealand	100%	100%

All subsidiaries have a reporting date of 31 December.

**Note 20. Commitments and contingencies**

**(a) Legal claims**

The Group had no legal matter contingencies at 31 December 2025 (31 December 2024: nil).

**(b) Commitments**

The Group was not committed to the purchase of any plant or equipment or intangible assets as at 31 December 2025 (31 December 2024: nil).

As at 31 December 2025, the Group had commitments under product development contracts at the end of the reporting period but not recognised as liabilities amounting to approximately \$67 million, including approximately US \$44 million.

**(c) Contingent liabilities**

The Group had no contingent liabilities at 31 December 2025 (31 December 2024: nil) that require disclosure.

**Note 21. Financial instruments and risk management**

**(a) Categories of financial instruments**

2025		At amortised cost		At fair value through profit or loss	Total
		Interest Bearing \$'000	Non-Interest Bearing \$'000	Non-Interest Bearing \$'000	
<b>Financial assets</b>					
	Cash and cash equivalents	10	4,227	-	4,227
	Short term investments	11	291,895	-	291,895
	Trade and other receivables	12	-	464	464
	Total financial assets		296,122	-	296,586
<b>Financial liabilities</b>					
	Trade and other payables	15	-	1,811	1,811
	Derivative financial instruments - forward exchange contracts	16	-	-	1,935
	Total financial liabilities		-	1,811	3,746

**Neuren Pharmaceuticals Limited**  
**Notes to the consolidated financial statements**  
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**Note 21. Financial instruments and risk management (continued)**

**2024**

**Financial assets**

Cash and cash equivalents	10	3,153	-	-	3,153
Short term investments	11	219,089	-	-	219,089
Trade and other receivables	12	-	156,321	-	156,321
Derivative financial instruments - forward exchange contracts	16	-	-	1,362	1,362
Total financial assets		<u>222,242</u>	<u>156,321</u>	<u>1,362</u>	<u>379,925</u>

**Financial liabilities**

Trade and other payables	15	-	2,392	-	2,392
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At 31 December 2025, the carrying value of all financial instruments approximated their fair value.

**(b) Risk management**

The Group is subject to a number of financial risks which arise as a result of its activities.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

**Foreign currency risk**

During the normal course of business the Group enters into contracts with overseas customers or suppliers or consultants that are denominated in foreign currency. As a result of these transactions there is exposure to fluctuations in foreign exchange rates. The Company also has a net investment in a foreign operation, whose net assets are exposed to foreign currency translation risk.

The principle currency risk faced by the business is the exchange rate between the Australian dollar and the US dollar. The Group holds cash denominated in US dollars and Australian dollars and has material revenue and expenditure in each of these currencies. Where possible, the Group matches foreign currency income and foreign currency expenditure as a natural hedge, holding foreign currency cash to facilitate this natural hedge. When foreign currency expenditure exceeds foreign currency revenue and foreign currency cash, the group purchases foreign currency to meet anticipated requirements under spot and forward contracts. The Group does not designate formal hedges.

At 31 December 2025, there were three forward contracts to convert Australian dollars to US dollars outstanding. Adjustment of these financial instruments to fair value as measured at 31 December 2025 resulted in a loss of \$3.3 million. This fair value measurement is categorised within Level 2 of the fair value hierarchy. A summary of the forward contracts outstanding at 31 December 2025 is as follows:

	Buy USD \$'000	Sell AUD \$'000	Term	Weighted average exchange rate
Buy US dollar / sell AU dollar	65,103	99,232	3 months or less	0.6561

During the year, the US dollar fluctuated against the Australian dollar. A net foreign exchange gain of \$8.0 million is included in results for the year ended 31 December 2025 (2024: \$7.2 million loss).

The carrying amounts of Australian dollar denominated financial assets and liabilities are as follows:

**Note 21. Financial instruments and risk management (continued)**

	Year ended Dec 2025 \$'000	Year ended Dec 2024 \$'000
<b>Assets</b>		
Australian dollars	116,917	104,030
<b>Liabilities</b>		
Australian dollars	182	230

An increase of 10% in the rate of the Australian dollar against the US dollar as at the reporting date would have increased the consolidated profit after income tax by \$1,584,483 (2024: \$5,428,109). A decrease of 10% in the rate of the Australian dollar against the US dollar as at the reporting date would have decreased the consolidated profit after income tax by \$1,944,721 (2024: \$6,639,911). An increase of 10% in the rate of the Australian dollar against the US dollar as at the reporting date would have decreased equity by \$28,978,429 (2024: \$36,280,789). A decrease of 10% in the rate of the Australian dollar against the US dollar as at the reporting date would have increased equity by \$34,208,896 (2024 \$44,142,672).

**Interest rate risk**

The Group is exposed to changes in market interest rates as entities in the Group hold cash and cash equivalents and short-term investments.

The effective interest rates on financial assets are as follows:

<b>Financial Assets</b>	<b>2025 \$'000</b>	<b>2024 \$'000</b>
Cash and cash equivalents		
Australian dollar cash deposits	116,917	102,014
Australian dollar interest rate	4.06%	4.67%
US dollar cash deposits	179,204	120,174
US dollar interest rate	3.70%	4.27%

The Company and Group do not have any interest-bearing financial liabilities. Trade and other receivables and payables do not bear interest and are not interest rate sensitive.

A 5% change in average market interest rates would have changed reported profit after tax by approximately \$569,296 (2024: \$494,963). A 5% increase/decrease in the average market interest rates would have no impact on other components of equity.

**Credit risk**

The Group incurs credit risk from transactions with financial institutions. The total credit risk on cash and cash equivalents and short-term investments, which have been recognised in the statement of financial position, is the carrying amount. The Company and its subsidiaries do not retain any collateral or security to support transactions with financial institutions. Cash and cash equivalents and short-term deposits are held and transacted with National Australia Bank, Commonwealth Bank, Westpac, ANZ, Convera and Primis bank.

**Liquidity risk**

The Group's financial liabilities, comprising trade and other payables and derivatives, are generally repayable within 1 – 3 months. The maturity and availability of financial assets, comprising cash and cash equivalents, short-term investments and trade and other receivables, are monitored and managed to ensure financial liabilities can be repaid when due.

**Capital management**

The Group monitors capital including share capital, retained earnings and reserves and the cash and cash equivalents and short-term investments presented in the consolidated statement of financial position. The Group has no debt. The key objective of the Group when managing its capital is to safeguard its ability to continue as a going concern, so that the Group can sustain the future development of the research and development activities being performed by the Group.

**Neuren Pharmaceuticals Limited**  
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**Note 22. Key management personnel disclosures**

The Key Management Personnel of the Group (KMP) include the directors of the Company and employees who report directly to the Managing Director. Compensation for KMP was as follows:

	Year ended Dec 2025 \$'000	Year ended Dec 2024 \$'000
Short-term employee benefits	2,141	1,864
Post-employment benefits	172	158
Long-term benefits	94	37
Share-based payments	1,423	98
	<u>3,830</u>	<u>2,157</u>

**Note 23. Related party transactions**

*Parent entity*

Neuren Pharmaceuticals Limited is the ultimate parent entity ("Parent").

*Subsidiaries*

Interests in subsidiaries are set out in Note 19. The Parent funds the activities of the subsidiaries throughout the year as needed. All amounts due between entities are payable on demand and bear no interest.

*Key management personnel*

Disclosures relating to key management personnel are set out in Note 22.

*Transactions with related parties*

There were no transactions with related parties during the current and previous financial year.

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

**Note 24. Events after the reporting period**

Subsequent to year end, Neuren Pharmaceuticals Limited announced its intention to commence an on-market share buy-back program. The program will permit the Company to repurchase up to 5% of the total shares on issue, as at 12 months prior to the commencement of the buy-back. The buy-back may be undertaken at the Company's discretion over a period of up to 12 months.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

# Independent Auditor's Report

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To the Shareholders of Neuren Pharmaceuticals Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Neuren Pharmaceuticals Limited (the "Company") and its subsidiaries (the "Group") on pages 3 to 28 which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2025 and its financial performance and cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board and IFRS Accounting Standards issued by the International Accounting Standards Board.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Why the audit matter is significant	How our audit addressed the key audit matter
<p><b>Share Based Payments</b></p> <p>During the year ended 31 December 2025, the Group issued share options to key employees and contractors,</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>Obtaining an understanding of the key terms and conditions of the share options by reviewing the relevant agreements.</li> </ul>

<p>which have been accounted for as share based payments under <i>IFRS 2 Share-Based Payments</i>.</p> <p>Share-based payments is an accounting area involving complex calculations which requires the use of assumptions and judgements from management to derive the fair value of the options issued during the year.</p> <p>The fair value of the options was determined using the Grant-Date Method via a Black-Scholes valuations model as described in Note 17 in the financial statements.</p> <p>Management's judgements and estimates included the estimated future volatility of the share price, and an annual risk-free interest rate.</p> <p>We included the valuation of the share options as a key audit matter, due to the high estimation uncertainty within the assumptions and the impact these have on the fair value of the shares.</p>	<ul style="list-style-type: none"> <li>• Engaging with our financial advisory services team as our auditor's expert to assess the reasonableness of the methodology as well as the key assumptions used in deriving the fair value of the share options.</li> <li>• Ensuring the mathematical accuracy of the fair valuation model.</li> <li>• Performing a sensitivity analysis using key inputs and assessing the impact on the fair value.</li> <li>• Reviewing the adequacy of the financial statement disclosures, including the disclosures around significant judgments involved and the accounting policies adopted.</li> </ul>
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#### Information Other than the Financial Statements and Auditor's Report thereon

The Directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### Directors' responsibilities for the Consolidated Financial Statements

The Directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards issued by the New Zealand Accounting Standards Board and IFRS Accounting Standards issued by the International Accounting Standards Board, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the Audit of the Consolidated Financial Statements**

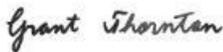
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/>

### **Restriction on use of our report**

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders, as a body those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and its shareholders, as a body, for our audit work, for this report or for the opinion we have formed.

### **Grant Thornton New Zealand Audit Limited**



**D Alamar**

**Partner**

**Auckland, New Zealand**

**26 February 2026**

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