April 30, 2015

Dear NeurOp Shareholder:

I want to update you on the substantial progress we made in the last year and the opportunities we see in front of us for 2015 and beyond. Our drug discovery efforts, focused on the NMDA receptor, have yielded two development candidates that will advance in 2015. I am pleased to share that we reached a significant milestone in our collaboration with Bristol-Myers Squibb (BMS) in the area of depression. BMS selected a development candidate, which triggered a milestone payment to NeurOp. In addition, the NIH continues to show strong support and enthusiasm for our subarachnoid hemorrhage (SAH) program, because they see intervention in this indication as a major unmet medical need.

In addition to moving these programs toward clinical testing, we made progress in identifying promising new applications for NMDA modulators outside those targeted for SAH and depression. NeurOp began a research collaboration with Janssen Pharmaceuticals to identify molecules that may yield further medical applications of NMDA receptor modulation.

Depression

Since BMS internalized the depression program in 2013, our access to information on the progression of the program is limited. However, in late June, BMS elevated compound NP11948 to development status. They are now evaluating the compound in the necessary experiments to file an Investigational New Drug (IND) application with the FDA. Typically, one would expect to this work to be completed in 2015, and we are hopeful that will be the case.

Ischemia & Addiction

NP10679, a compound meant to ameliorate or prevent brain damage and its clinical manifestations in those receiving treatment for SAH, met criteria set by us and the NIH to qualify it as a development candidate in 2013. Results from advanced pre-clinical studies performed in 2014 support the continued development of this molecule. Of significance, NP10679 showed a durable effect in animal studies. This observation, coupled with successful scale-up synthesis of drug substance and pre-IND cardiovascular studies, led us to a meeting with the FDA to review our planned submission to begin human testing.

The FDA review of the program reinforced our plan to move this program forward with all possible speed. The NIH granted additional funding of almost $400,000 to support our pre-IND studies, which brings the investment in this stage of the program to over $1.6 million for this year. We anticipate an IND filing in late 2015.

Last year, we mentioned an investigation of our compound's ability to influence addiction – specifically, reducing the cravings associated with nicotine and opiate addiction. NeurOp conducted this research in collaboration with a leading researcher at the Medical University of South Carolina. The experimental findings in animals were positive in lessening cravings. These data suggest clinical application of NP10679 beyond SAH, and we are currently formulating an experimental strategy to enhance the compound's value.

Further Leveraging the NMDA Platform
The NeurOp-Emory University collaborative research program helped us form another partnership with big pharma this past year. Janssen Pharmaceuticals and NeurOp entered into a short-term research agreement to find molecules that inhibit the NMDA receptor through GluN2C and/or GluN2D subunits. Although the program is in its early stages, we are encouraged and making progress to meet the yearly objectives for the program.

Looking Forward
In 2015/16, we anticipate that the BMS depression program should reach a second milestone and trigger an additional payment to NeurOp. We will also continue our early drug discovery efforts by working to extend our agreement with Janssen and pursue an additional large pharma collaboration to identify NMDA modulators outside our current scope.

We expect that the ischemia program for NP10679 will have an approved IND and enter into clinical trials once we obtain funding. Despite having adequate funding to meet our 2015 objectives and complete the remaining studies required to file the IND, we will be unable to begin clinical trials without additional funds. NINDS, the division of the NIH that has supported the SAH program to date, has a limited budget for the initial Phase I trials we plan to start in 2016. While we will submit a grant application for this early clinical work, the total cost of the program is not likely to be covered. Securing additional funding remains a top priority for us.

The scientific news around modulating the NMDA receptor continues to be very positive, and NeurOp is entering a new and exciting phase in its evolution. We are energized by the potential of providing new medicines for unmet medical needs in many underserved areas of neuroscience, while at the same time growing value for our company.

I look forward to updating you throughout the year on our progress.

Very sincerely yours,

George Koszalka, Ph.D.
President and Chief Executive Officer
NeurOp, Inc.

NeurOp is committed to keeping you informed of our progress. We are working to launch a new website in the next few months that will allow us to share news, events and publications in a more timely, mobile-friendly format. You may sign up on our website to receive our latest news through an RSS feed. We also post news to our LinkedIn page, so you may wish to follow us there.