

Newbury Pharmaceuticals AB

Interim report September 2022 - November 2022

“We see a strong momentum with increasing interest from collaboration partners which already has resulted in two new products available for tender participation. In addition, we continue making advancement of our pipeline with regulatory submissions and approvals.”

– Lars Minor CEO

Quarter 1, September 2022 - November 2022

- Net revenue was 258 (0) tkr.
- EBITDA was -5 442 (-3 553) tkr.
- Operating cash flow was -5 215 (-4 744) tkr.
- Cash position in the end of period was 27 393 (7 682) tkr.
- Licensed products at the end of period were 30 (17).
- Products with distribution rights at the end of the period were 2 (0).
- Products with marketing authorization in the end of the period were 7 (0).

Significant events during the quarter

- Pareto Securities will act as liquidity provider for the Newbury share with start 6th September.
- Winning a tender for Sunitinib in Norway and winning the period of the month (Nov) for Icatibant in Sweden combined worth app 500 tkr.
- Teriflunomide Newbury approved by the Norwegian Health Authorities.
- Expands its portfolio with two ready to launch products, Daptomycin and Linezolid with already granted Marketing Authorizations (MA) in Sweden.

Significant events after the end of the quarter

- Fampridine Newbury approved by the Swedish Health Authorities.
- Redeye initiated coverage of Newbury Pharmaceuticals.
- Announcement of sales orders confirmed for international markets totalling app. 6.2 MSEK during 2023.
- Withdrawal of Gabapentin marketing application due to increased regulatory requirements.

SEK thousands	Q1 Sep22 - Nov22	Q1 Sep21 - Nov21	Full year Sep21 - Aug22
Net revenue	258	0	5 516
EBITDA	-5 442	-3 553	-13 661
Operating result / EBIT	-5 741	-3 781	-14 667
Result before tax	-5 741	-3 740	-14 667
Cash flow from operating activities	-5 215	-4 744	-15 001
Cash at the end of the period	27 393	7 682	33 334

A word from the CEO

This Quarter was characterized by a high level of business development initiatives and making further progress on advancing our portfolio with regulatory approvals.

Business development:

We successfully participated at the most important annual congress called CPHI in Frankfurt. It was an opportunity to meet existing and new potential partners who can offer new products for future commercialization. In addition, we participated in Jefferies investor and partnering event in London.

We have signed two partnerships granting us access to two already approved products in Sweden. We thereby increased our portfolio to 32 products of which 8 are registered and 2 are launched.

Commercialization:

Sales in this Quarter was isolated to winning the tender for Icatibant Newbury in Sweden during November. We are pleased with the performance of this product and happy to see that we also were rewarded the period of the month in January in Sweden. Lenalidomide Newbury 5mg also won the January period of the month and it will be followed by additional product launches during 2023.

Furthermore, our international sales activities have generated sales orders for shipments during 2023 totalling app 6.2 MSEK.

Regulatory approvals:

We have obtained approval of Teriflunomide and Fampridine during the recent months. With the addition of two new products with already-granted marketing approvals, we now have 8 products approved across Scandinavia.

By the end of December 2022 new regulatory requirements for approval of Gabapentin were raised by the authorities and together with our license partner, we decided to withdraw the application due to delayed timeline, increased costs, and challenging market conditions. The license fee will be compensated whereas regulatory costs will be written-off in Q2. The product withdrawal will have no significant impact on Newbury future earnings.

There are many on-going regulatory procedures across Scandinavia for our portfolio and several new approvals are expected during 2023.

Finally, I wish readers and investors a happy new year. It has been a pleasure to meet many of you during recent investor events in Stockholm, Gothenburg and Lund. Investor presentations are available at our homepage and Redeye initiated coverage of Newbury Pharmaceuticals.

Newbury is positioned for a strong and exciting 2023.

Lars Minor



ABOUT

Newbury is a fast-growing company with an in-licensed product portfolio of prescription drugs and a focus on specialty drugs and own brands. Founded in 2020, Newbury in-license proprietary product rights and strives to be an expert in the registration and commercialization of pharmaceuticals with focus on the Scandinavian markets. This gives the Company the opportunity to be a cost-effective organization where the employment of key people is combined with consultants for specialist roles.

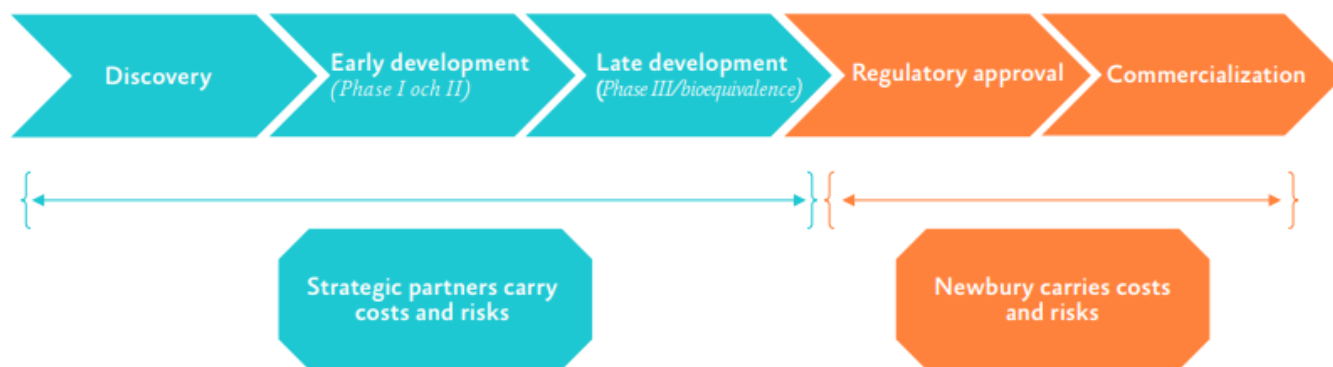
The Company does not have its own drug development but relies on partnerships to expand its drug portfolio. The Company's partnership therefore constitutes a strategic pillar in the business model of offering value-creating specialty drugs and own brands to both patients and other stakeholders.

BUSINESS MODEL

Products are licensed through partnerships. In this way, traditional risks and investments in capital goods, research and development ("R&D") and production are minimized so that Newbury has a business model with a focus on registration and commercialization of pharmaceuticals. As a result of this business model, Newbury can offer its partners and customers a competitive advantage with the opportunity to be among the first in the market with a deep market knowledge. This model is the result of strong partnerships and a network of suppliers that offer flexibility, speed and scalability.

The business model enables Newbury to utilize the strengths of its partners together with the Company's deep knowledge of the Scandinavian market. After building a foundation in the Scandinavian market, the Company wants to strengthen its offering to other markets.

Newbury's partnership model minimizes costs and risk



PORTFOLIO

As of the date of this report, Newbury has built a strong portfolio with a total of 32 products. Newbury's existing portfolio is focused on the Scandinavian market with an estimated current annual sales value of approximately EUR 800 million in the existing categories in which Newbury will launch its products. The portfolio consists of drugs from several different therapeutic areas with products, including oncology, rare diseases and neurology that represent more than 50 percent.

The existing product portfolio is expected to generate a steady stream of product launches in the coming years. In addition, Newbury has a strong focus on continuously expanding its portfolio of strategically important products.

REVENUE AND PROFIT

Net revenue for the quarter amounted to 258 (0) tkr.

Operating result amounted to -5 741 (-3 781) tkr for the quarter. Result for the period after taxes amounted to -5 741 (-3 740) tkr for the quarter.

INVESTMENTS

Newbury Pharmaceuticals continues to invest in development of the portfolio. During the quarter 350 (5 428) tkr was invested.

LIQUIDITY AND FINANCING

Operating cashflow amounted to -5 215 (-4 744) tkr for the quarter. Cashflow from financing activities amounted to -376 (4 709) tkr for the quarter.

Newbury Pharmaceutical cash and cash equivalents amounted to 27 393 (7 682) tkr at the end of the period.

EQUITY

Newbury Pharmaceuticals equity in the end of the period amounted to 63 250 (34 717) tkr and equity per share to 3,24 (2,21) kr.

Share capital in the end of the period was 622 684 kr divided on 19 521 154 shares. each share has a quota value amounted to approx. 0,032 kr.

SHARE-BASED INCENTIVE PROGRAMS

On May 20, 2021, the Company's Board of Directors, in accordance with the authorization from the Extraordinary General Meeting on November 18, 2020, decided to issue 1,000,000 warrants to the Company. The price for the warrants was SEK 0 per option. Each warrant entitles the holder to subscribe for one new share in the Company at a subscription price of SEK 5.5 during the period 21 June 2021 to 21 June 2031. Upon full utilization of the authorization, the Company's share capital will increase by SEK 31,898, which will result in a dilution effect of approximately 4.9 percent after the Offer. The purpose of the warrants is to be used as hedging for the Company's obligations under current (see below) and future employee benefit programs. Usual conversion terms apply to the warrants.

Newbury has signed five employee stock option agreement with a total of 590 000, in accordance with Swedish employee stock option program. The agreements contain an earnings clause which states that the number of options that the holder can use to subscribe for new shares in the Company depends on how long the employee has been employed. In other respects, the agreement contains customary terms for an employee stock option agreement. Vested employee options in the end of the period were 130 958 options. Cost for the employee stock option programs amounted to 235 (98) tkr for the quarter.

PERSONNEL

The average number of employees under the quarter amounted to 6 (3). Number of employees in the end of the period was 6 (3). During the quarter, no person was employed. Newbury are using a wide range of specialist consultant to support the ongoing operating activities.

PARENT COMPANY

Newbury Pharmaceuticals AB is the parent company. Net revenue for the Parent Company during the quarter amounted to 258 (0) tkr. Operating result amounted to -5 338 (-3 274) tkr for the quarter.

TRANSACTIONS WITH RELATED PARTIES

No transactions took place between Newbury and related parties during the interim period.

ACCOUNTING PRINCIPLES

Newbury Pharmaceuticals prepares its accounts in accordance with the Annual Accounts Act and the Accounting Boards general advice 2012:1(K3). Information on accounting principles in general is provided in the Financial Statement for 2020/2021.

RISKS AND UNCERTAINTIES

Newbury Pharmaceuticals operations, financial position and earnings can be affected by several risks and uncertainties. These are described in Newbury Pharmaceuticals prospectus of 11 January 2022, pages 28-30, available on newburypharma.com/investors/.

Newbury assesses that the current covid situation does not constitute a risk to the business.

The current situation in Ukraine has no direct impact on Newbury's operations.

AUDIT

This report has not been reviewed by Newbury Pharmaceuticals auditor.

Annual General Meeting

Newbury will hold Annual General Meeting 11 January 2023 at 11:00 am. More information available on newburypharma.com/investors/.

Lund, 11 January 2023

The Board of Directors and the CEO assure that the interim report provides a fair overview of the group's operations, position and results.

Lars Minor
CEO

Karl Karlsson
Chairman

Andreas Hedskog

Anil Okay

Johan Strömqvist

Income Statement - Group

SEK thousands	Q1 Sep22 - Nov22	Q1 Sep21 - Nov21	Full year Sep21 - Aug22
Net revenue	258	0	5 516
Other operating income	79	124	1 724
Cost of goods sold	-210	0	-3 952
Other external expenses	-2 345	-1 865	-7 719
Personnel expenses	-2 739	-1 623	-6 941
Depreciation and amortization	-299	-228	-1 006
Other operating expenses	-485	-189	-2 289
Operating result / EBIT	-5 741	-3 781	-14 667
Financial net	0	41	0
Result before tax	-5 741	-3 740	-14 667
Tax	0	0	0
Result for the period	-5 741	-3 740	-14 667

(Attributable to the parent company's shareholders)

Balance Sheet - Group

SEK thousands	30 Nov 2022	30 Nov 2021	31 Aug 2022
Assets			
Fixed Assets			
Intangible fixed assets	50 482	32 239	50 431
Total Fixed Assets	50 482	32 239	50 431
Current Assets			
Inventory	1 504	0	1 774
Other receivables	1 463	2 178	1 366
Cash and bank balances	27 393	7 682	33 334
Total Current Assets	30 360	9 860	36 474
Total Assets	80 842	42 099	86 905
Equity and Liabilities			
Equity	63 250	34 717	68 770
Liabilities			
Long-term Liabilities	12 353	3 468	12 076
Short-term Liabilities	5 239	3 914	6 059
Total Liabilities	17 592	7 382	18 135
Total Equity and Liabilities	80 842	42 099	86 905

Cash Flow Analysis - Group

SEK thousands	Q1 Sep22 - Nov22	Q1 Sep21 - Nov21	Full year Sep21 - Aug22
Cash flow from operating activities before changes in working capital	-5 220	-3 524	-13 638
Cash flow from working capital	5	-1 220	-1 363
Cash flow from operating activities	-5 215	-4 744	-15 001
Cash flow from investing activities	-350	-5 428	-24 398
Cash flow from financing activities	-376	4 709	59 588
Cash flow for the period	-5 941	-5 463	20 189
Cash and cash equivalents opening balance	33 334	13 145	13 145
Cash and cash equivalents closing balance	27 393	7 682	33 334

Changes In Equity - Group

SEK thousands	Q1 Sep22 - Nov22	Q1 Sep21 - Nov21	Full year Sep21 - Aug22
Opening balance	68 770	38 469	38 469
Issue (including issue costs)	0	0	44 945
Employee stock option program	235	98	148
Translation differences	-14	-110	-125
Result for the period	-5 741	-3 740	-14 667
Closing balance	63 250	34 717	68 770

Key figures - Group

	Q1 Sep22 - Nov22	Q1 Sep21 - Nov21	Full year Sep21 - Aug22
Net revenue (tkr)	258	0	5 516
EBITDA (tkr)	-5 442	-3 553	-13 661
Earnings per share (kr)	neg.	neg.	neg.
Earnings per share after full dilution (kr)	neg.	neg.	neg.
Cash at the end of the period (tkr)	27 393	7 682	33 334
Equity (tkr)	63 250	34 717	68 770
Equity per share (kr)	3,24	2,21	3,52
Equity per share after full dilution(kr)	3,22	2,21	3,50
Solidity	78%	82%	79%
Number of shares, average (thousands)	19 521	15 675	17 799
Number of shares, end of period (thousands)	19 521	15 675	19 521
Number of shares after full dilution (thousands)	19 652	15 706	19 623

Income Statement - Parent Company

SEK thousands	Q1 Sep22 - Nov22	Q1 Sep21 - Nov21	Full year Sep21 - Aug22
Net revenue	258	0	1 312
Other operating income	48	115	1 241
Cost of goods sold	-210	0	-569
Other external expenses	-2 736	-1 577	-6 393
Personnel expenses	-2 149	-1 623	-6 764
Depreciation and amortization	-72	0	-94
Other operating expenses	-477	-189	-1 906
Operating result / EBIT	-5 338	-3 274	-13 173
Financial net	18	27	64
Result before tax	-5 320	-3 247	-13 109
Tax	0	0	0
Result for the period	-5 320	-3 247	-13 109

Balance Sheet - Parent Company

SEK thousands	30 Nov 2022	30 Nov 2021	31 Aug 2022
Assets			
Fixed Assets			
Intangible fixed assets	47 669	28 514	47 391
Shares in group companies	4 000	4 000	4 000
Receivables from group companies	2 244	2 007	2 178
Total Fixed Assets	53 913	34 521	53 569
Current Assets			
Inventory	1 504	0	1 774
Other receivables	912	1 762	1 207
Cash and bank balances	26 670	6 652	32 192
Total Current Assets	29 086	8 414	35 173
Total Assets	82 999	42 935	88 742
Equity and Liabilities			
Equity	65 787	35 738	70 872
Liabilities			
Long-term Liabilities	12 354	3 468	12 076
Short-term Liabilities	4 858	3 729	5 794
Total Liabilities	17 212	7 197	17 870
Total Equity and Liabilities	82 999	42 935	88 742

Financial calendar

Annual General Meeting	11 Jan 2023
Interim Report September 2022 – February 2023	12 Apr 2023
Interim Report September 2022 – May 2023	7 Jul 2023
Year-End report September 2022 – August 2023	11 Oct 2023
Annual Report September 2022 – August 2023	13 Dec 2023
Interim report September 2023 – November 2023	10 Jan 2024
Annual General Meeting	10 Jan 2024

Certified Adviser

Västra Hamnen Corporate Finance is the Company's Certified Adviser on Nasdaq First North and can be reached at ca@vhcorp.se or +46 (0) 40 200 250.

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This information is information that Newbury Pharmaceuticals is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 11 January 2023, 08.00 CET.