

Newbury Pharmaceuticals AB

Interim report September 2022 – May 2023

“This quarter’s lift in sales is very encouraging. Furthermore, we are planning for additional product launches during 2nd half of 2023”.

Lars Minor, CEO

Quarter 3, March 2023 - May 2023

- Net revenue was 5 680 (644) tkr.
- EBITDA was -3 872 (-3 100) tkr.
- Operating cash flow was -8 532 (-4 531) tkr.

Interim period, September 2022 – May 2023

- Net revenue was 7 439 (946) tkr.
- EBITDA was -13 864 (-10 035) tkr.
- Operating cash flow was -19 596 (-10 014) tkr.
- Cash position at the end of period was 12 927 (38 715) tkr.
- No of products in the portfolio at end of period were 33 (29).
- Products with marketing authorization at the end of the period were 12 (4).

Significant events during the quarter

- Dimethyl Fumarate Newbury approved by the Swedish Health Authorities.
- Lapatinib Newbury approved by the Swedish Health Authorities.
- Solifenacin/Tamsulosin Newbury approved by the Norwegian Health Authorities.
- Pirfenidone Newbury approved by the Norwegian Health Authorities.

Significant events after the end of the quarter

- No significant events have incurred after the end of the quarter.

SEK thousands	Q3 Mar23 - May23	Q3 Mar22 - May22	Period Sep22 - May23	Period Sep21 - May22	Full year Sep21 - Aug22
Net revenue	5 680	644	7 439	946	5 516
EBITDA	-3 872	-3 100	-13 864	-10 035	-13 661
Operating result / EBIT	-4 187	-3 367	-14 794	-10 772	-14 667
Result before tax	-4 094	-3 367	-14 677	-10 772	-14 667
Cash flow from operating activities	-8 532	-4 531	-19 596	-10 014	-15 001
Cash at the end of the period	12 927	38 715	12 927	38 715	33 334

A word from the CEO

Newbury is well positioned to continue the execution of the growth plans and this quarter's lift in sales is very encouraging. Furthermore, we are in advanced stage regarding product launches during the 2nd half of 2023.

Sales and Operations

Sales during 3rd quarter reached a new record and showed an increase compared to previous quarter and compared to last year. The two drivers were shipments of international orders to B2B customers and direct sales in Scandinavia.

Furthermore, we continued to obtain new marketing authorisations with four new products approved during the quarter. We now have more than 10 products registered and we expect to launch several products in Scandinavia during 2023 and thereby achieve our goal of 7-8 products launched by end of 2023. Additional products are expected to be launched during 2024.

The launch of new products in Scandinavia and continued international B2B sales activities will support the sales growth during 2023 and 2024.

Financials

The strong sales growth is contributing to further solidifying the foundation for continued launch of new products in Scandinavia and furthermore driving international sales activities. However, in the short term is naturally has an impact on financing the build-up of inventory and accounts receivables. This will support future sales growth and the cash position will be improved when payments are due from our customers, but in the short term the operating cash flow is impacted by inventory and invoicing of large orders during the end of the quarter.

Outlook

The latest months have been very promising in relation to having several products approved by the authorities and it paves the way for the launch of several products in Scandinavia. New partnerships have been forged and we expect to continue enlarging the portfolio with additional products for future launches.

The value of near-term launch opportunities will help Newbury increase its profitability and soon reach an inflection point to turn EBITDA profitable in line with increased sales activities.

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.

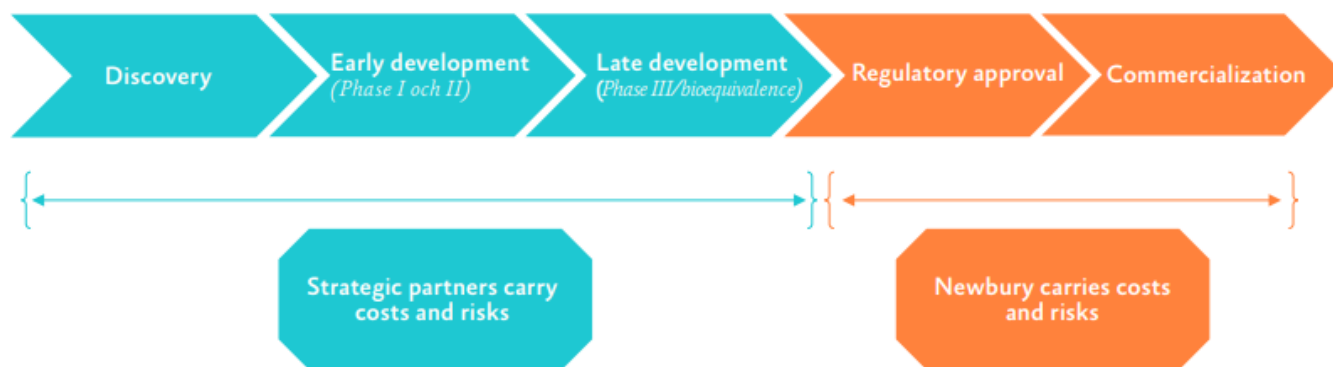
The Company does not have its own drug development but relies on partnerships to expand its drug portfolio. The Company's partnership therefore constitutes a strategic pillar in the business model of offering value-creating specialty drugs and own brands to both patients and other stakeholders.

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 risks



PORTFOLIO

As of the date of this report, Newbury has built a strong portfolio with a total of 33 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 5 680 (644) tkr and for the interim period 7 439(946) tkr.

Operating results amounted to -4 187 (-3 367) tkr for the quarter and for the interim period to -14 794 (-10 772) tkr. Results for the period after taxes amounted to -4 094 (-3 367) tkr for the quarter and for the interim period to -14 677 (-10 772) tkr.

INVESTMENTS

Newbury Pharmaceuticals continues to invest in the development of the portfolio. During the quarter -266 (3 603) tkr was invested. For the interim period investments amount to 808 (23 556) tkr.

LIQUIDITY AND FINANCING

Operating cashflow amounted to -8 532 (-4 531) tkr for the quarter and for the interim period to -19 596 (-10 014) tkr. Cashflow from financing activities amounted to 36 (2 655) tkr for the quarter and for the interim period to -3 (59 140).

Newbury Pharmaceutical cash and cash equivalents amounted to 12 927 (38 715) tkr at the end of the period.

EQUITY

Newbury Pharmaceuticals equity in the end of the period amounted to 54 317 (72 709) tkr and equity per share to 2,78 (3,72) kr.

Share capital at the end of the period was 622 684 kr divided on 19 521 154 shares. Each share has a quota value amounting 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 was SEK 0 per option, for the warrants. 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 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 at the end of the period were 189 765 options. Cost for the employee stock option programs amounted to -177 (-24) tkr for the quarter and for the interim period to 35 (208) tkr.

PERSONNEL

The average number of employees in the quarter amounted to 6 (4). The number of employees at the end of the period was 6 (4). During the quarter, no person was employed. Newbury are using a wide range of specialist consultants 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 591 (644) tkr and for the interim period 1 121 (946) tkr. Operating results amounted to -5 548 (-2 985) tkr for the quarter and for the interim period to -15 631 (-9 518) tkr.

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 Annual Report for 2021/2022, available on newburypharma.com/investors/.

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.

Lund, 14 June 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	Q3	Q3	Period	Period	Full year
	Mar23 - May23	Mar22 - May22	Sep22 - May23	Sep21 - May22	Sep21 - Aug22
Net revenue	5 680	644	7 439	946	5 516
Other operating income	111	656	541	970	1 724
Cost of goods sold	-3 506	-256	-4 746	-296	-3 952
Other external expenses	-3 155	-1 875	-7 859	-5 142	-7 719
Personnel expenses	-2 274	-1 830	-7 425	-5 131	-6 941
Depreciation and amortization	-315	-267	-930	-737	-1 006
Other operating expenses	-728	-439	-1 814	-1 382	-2 289
Operating result / EBIT	-4 187	-3 367	-14 794	-10 772	-14 667
Financial net	93	0	117	0	0
Result before tax	-4 094	-3 367	-14 677	-10 772	-14 667
Tax	0	0	0	0	0
Result for the period	-4 094	-3 367	-14 677	-10 772	-14 667

(Attributable to the parent company's shareholders)

Balance Sheet - Group

SEK thousands	31 May 2023	31 May 2022	31 Aug 2022
Assets			
Fixed Assets			
Intangible fixed assets	50 309	49 858	50 431
Total Fixed Assets	50 309	49 858	50 431
Current Assets			
Inventory	1 506	488	1 774
Other receivables	10 536	2 637	1 366
Cash and bank balances	12 927	38 715	33 334
Total Current Assets	24 969	41 840	36 474
Total Assets	75 278	91 698	86 905
Equity and Liabilities			
Equity	54 317	72 709	68 770
Liabilities			
Long-term Liabilities	12 953	12 227	12 076
Short-term Liabilities	8 008	6 762	6 059
Total Liabilities	20 961	18 989	18 135
Total Equity and Liabilities	75 278	91 698	86 905

Cash Flow Analysis - Group

SEK thousands	Q3 Mar23 - May23	Q3 Mar22 - May22	Period Sep22 - May23	Period Sep21 - May22	Full year Sep21 - Aug22
Cash flow from operating activities before changes in working capital	-3 762	-3 086	-13 524	-9 968	-13 638
Cash flow from working capital	-4 770	-1 445	-6 072	-46	-1 363
Cash flow from operating activities	-8 532	-4 531	-19 596	-10 014	-15 001
Cash flow from investing activities	266	-3 603	-808	-23 556	-24 398
Cash flow from financing activities	36	2 655	-3	59 140	59 588
Cash flow for the period	-8 230	-5 479	-20 407	25 570	20 189
Cash and cash equivalents opening balance	21 157	44 194	33 334	13 145	13 145
Cash and cash equivalents closing balance	12 927	38 715	12 927	38 715	33 334

Changes In Equity - Group

SEK thousands	Q3 Mar23 - May23	Q3 Mar22 - May22	Period Sep22 - May23	Period Sep21 - May22	Full year Sep21 - Aug22
Opening balance	58 393	76 089	68 770	38 469	38 469
Issue (including issue costs)	0	0	0	44 945	44 945
Employee stock option program	-176	-24	35	208	148
Translation differences	194	11	189	-141	-125
Result for the period	-4 094	-3 367	-14 677	-10 772	-14 667
Closing balance	54 317	72 709	54 317	72 709	68 770

Key figures - Group

	Q3 Mar23 - May23	Q3 Mar22 - May22	Period Sep22 - May23	Period Sep21 - May22	Full year Sep21 - Aug22
Net revenue (tkr)	5 680	644	7 439	946	5 516
EBITDA (tkr)	-3 872	-3 100	-13 864	-10 035	-13 661
Earnings per share (kr)	neg.	neg.	neg.	neg.	neg.
Earnings per share after full dilution (kr)	neg.	neg.	neg.	neg.	neg.
Cash at the end of the period (tkr)	12 927	38 715	12 927	38 715	33 334
Equity (tkr)	54 317	72 709	54 317	72 709	68 770
Equity per share (kr)	2,78	3,72	2,78	3,72	3,52
Equity per share after full dilution(kr)	2,76	3,71	2,76	3,71	3,50
Solidity	72%	79%	72%	79%	79%
Number of shares, average (thousands)	19 521	19 521	19 521	17 217	17 799
Number of shares, end of period (thousands)	19 521	19 521	19 521	19 521	19 521
Number of shares after full dilution (thousands)	19 711	19 595	19 711	19 595	19 623

Income Statement - Parent Company

SEK thousands	Q3 Mar23 - May23	Q3 Mar22 - May22	Period Sep22 - May23	Period Sep21 - May22	Full year Sep21 - Aug22
Net revenue	591	644	1 121	946	1 312
Other operating income	69	602	470	799	1 241
Cost of goods sold	-191	-256	-647	-296	-569
Other external expenses	-3 575	-1 682	-8 997	-4 527	-6 393
Personnel expenses	-1 655	-1 830	-5 678	-5 131	-6 764
Depreciation and amortization	-87	-40	-246	-53	-94
Other operating expenses	-700	-423	-1 654	-1 256	-1 906
Operating result / EBIT	-5 548	-2 985	-15 631	-9 518	-13 173
Financial net	134	15	194	47	64
Result before tax	-5 414	-2 970	-15 437	-9 471	-13 109
Tax	0	0	0	0	0
Result for the period	-5 414	-2 970	-15 437	-9 471	-13 109

Balance Sheet - Parent Company

SEK thousands	31 May 2023	31 May 2022	31 Aug 2022
Assets			
Fixed Assets			
Intangible fixed assets	47 952	46 589	47 391
Shares in group companies	4 000	4 000	4 000
Receivables from group companies	5 262	2 132	2 178
Total Fixed Assets	57 214	52 721	53 569
Current Assets			
Inventory	1 506	488	1 774
Other receivables	2 150	948	1 207
Cash and bank balances	12 764	37 189	32 192
Total Current Assets	16 420	38 625	35 173
Total Assets	73 634	91 346	88 742
Equity and Liabilities			
Equity	55 470	74 570	70 872
Liabilities			
Long-term Liabilities	12 953	12 227	12 076
Short-term Liabilities	5 211	4 549	5 794
Total Liabilities	18 164	16 776	17 870
Total Equity and Liabilities	73 634	91 346	88 742

Financial calendar

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.

For more information, contact

Lars Minor, CEO

lars.minor@newburypharma.com

Mobile: +46 72-377 3005

Christoffer Tell, CFO

christoffer.tell@newburypharma.com

Mobile: +46 70-317 3494

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 14 June 2023, 08.00 CET.