

Newbury Pharmaceuticals AB

Interim report September 2021 – February 2022

“It has been another strong Quarter with significant milestones. I am proud of the achievements during this Quarter which fully align with expectations and our strategic road map.” -Lars Minor CEO

Quarter 2, December 2021 – February 2022

- Net revenue was 302 (0) tkr.
- EBITDA was -3 382 (-920) tkr.
- Operating cash flow was -739 (5 265) tkr.

Interim period, September 2021 – February 2022

- Net revenue was 302 (0) tkr.
- EBITDA was -6 935 (-1 112) tkr.
- Operating cash flow was -5 483 (5 216) tkr.
- Cash position in the end of period was 44 194 (686) tkr.
- Licensed products in the end of period were 27.
- Products with marketing authorization in the end of the period were 2.

Significant events during the quarter

- Enlargement of the oncology portfolio with the addition of Lapatinib.
- Agreement on an exclusive license to commercialize its own brand of Teduglutide 5mg pre-filled syringe in the Nordics.
- Completed capital raise of 50 mkr, pre capital raising costs, and listing on Nasdaq First North Growth Market.
- Ticagrelor Newbury approved by the Norwegian Health Authorities.
- Received international export order on approx. 3,4 mkr.
- Commercialization of Icatibant Newbury in Sweden and Norway.

Significant events after the end of the quarter

- Lenalidomide Newbury approved by the Swedish Health Authorities.
- Sunitinib Newbury approved by the Danish Health Authorities.

SEK thousands	Q2 Dec 21 - Feb 22	Q2 Dec 20 - Feb 21	Period Sep 21 - Feb 22	Period Sep 20 - Feb 21	Full year Sep 20 - Aug 21
Net revenue	302	0	302	0	2 829
Operating result / EBIT	-3 624	-1 072	-7 405	-1 264	-5 621
Result before tax	-3 665	-1 068	-7 405	-1 260	-5 557
Cash flow from operating activities	-739	5 265	-5 483	5 216	-4 066
Cash at the end of the period	44 194	686	44 194	686	13 145

A word from the CEO

It has been another strong Quarter with significant milestones. I am proud of the achievements during this Quarter which fully align with expectations and our strategic road map.

First product has been launched

The first product has been launched in Scandinavia and we are able to record the first sales in Norway this Quarter. The sales opportunity arose from living our values of being curious and having a deep knowledge of the markets which gave us a window to sell Icatibant Newbury before the competitors in Norway. The sales recorded this period is covering the last month of the Quarter.



Another great milestone was the announcement of an export order valued at 3,4 mkr to be delivered in Q3 or Q4.

Marketing authorizations have been granted for several products and markets

During the Quarter we received the registration of Ticagrelor Newbury in Norway and additional new registrations have been obtained in Q3 with Lenalidomide and Sunitinib receiving approval.

Pipeline is growing

Two new important licensing deals were entered during this Quarter. The two products are closely link to our strategic focus within oncology and rare diseases.

Lapatinib was in-licensed as a supplement to our oncology portfolio – and Teduglutide as part of our rare disease category.

Teduglutide is a medicine for treating short bowel syndrome (or short gut) in adults. Due to the low number of patients with the condition, the disease is considered rare – and we see a huge potential for Teduglutide. We will work closely with the different stakeholders in our markets to make this medicine available for the patients in the coming years.

Executing the strategy road map

The organization has been expanded with a Head of Regulatory to oversee the many products having been filed with health authorities. This will support our ever-growing number of registrations across the Nordics.

Finally, a major milestone was achieved by ringing the Nasdaq bell on February the 4th where we were listed at Nasdaq First North Growth Markets, Stockholm. A strategic milestone which will enable the future growth of Newbury Pharmaceuticals and allow us to continue executing our strategic road map based on the completed capital raise of 50 mkr, pre capital raising costs.

The results in this Quarter demonstrate the focus on scaling the company for future launches and identifying new license opportunities as well as ongoing regulatory filings of our portfolio. All together we are making strong progress and are well prepared for further developing the company.

Lars Minor
CEO

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 a small organization with expertise in the registration and commercialization of pharmaceuticals in the Scandinavian market. 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.

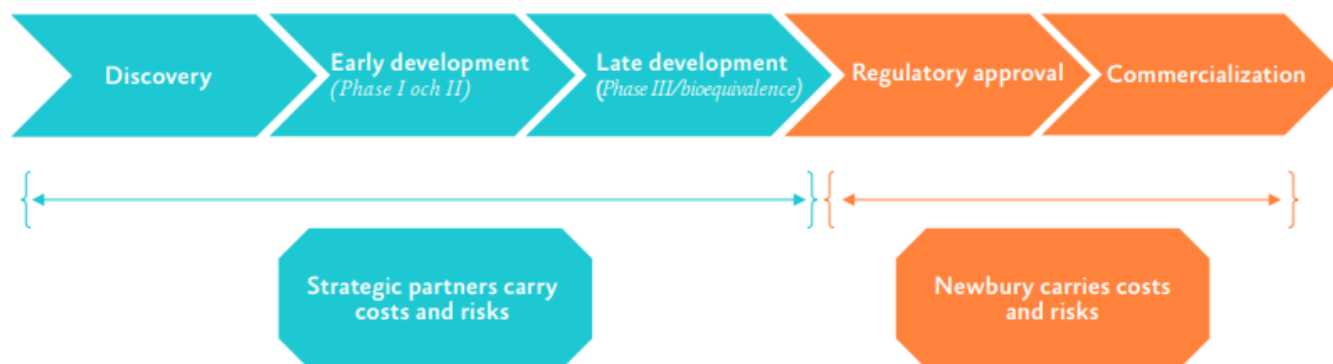
The Company does not have its own drug development but relies on partnerships to expand its drug portfolio. The Company's partnership therefore constitutes a strategic pillar in the business model of offering value-creating specialty drugs and own brands to both patients and other stakeholders.

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. Initially, Newbury focuses only on prescription medicine in Scandinavia. 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 27 licensed 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.

Overview of Newbury's product portfolio

Portfolio drugs	Original medicine / Originator	Registration process					
		Approvals	2022	2023	2024	2025	2026
Oncology							
Lenalidomide	Revlimid®/Celgene	Approved					
Sunitinib	Sutent®/Pfizer	Approved					
Pazopanib	Votrient®/Novartis						
Lapatinib	Tyverb®/Novartis						
Bosutinib	Bosulif®/Pfizer						
Lenvatinib	Lenvima®/Eisai						
Enzalutamide	Xtandi®/Astellas						
Nilotinib	Tasigna®/Novartis						
Pomalidomide	Imnovid®/Celgene						
Palbociclib	Ibrance®/Pfizer						
Nintedanib	Ofev®, Vargatef® /Boehringer Ingelheim						
Rare diseases							
Icatibant	Firazyr®/Shire	Approved					
Macitentan	Opsumit®/Janssen						
Pirfenidone	Esbriet®/Roche						
Teduglutide	Revestive®/Takeda						
Neurology							
Dimetylfumarat	Tecfidera®/Biogen						
Lorazepam ER	N/A / Adalvo						
Teriflunomide	Aubagio®/Sanofi						
Fampridine	Fampyra®/Biogen						
Other therapy areas							
Solifenacin + Tamsulosin	Urizia®/Astellas						
Liraglutide	Victoza®, Saxenda® /Novo Nordisk						
Desmopressin ODT	Minirin®/Ferring						
Gabapentin ER	Gralise®/Adalvo						
Rivaroxaban	Xarelto®/Bayer						
Ticagrelor	Brilique®/AstraZeneca	Approved					
Tofacitinib	Xeljanz®/Pfizer						
Varenicline	Champix®/Pfizer						

REVENUE AND PROFIT

Net revenue for the second quarter amounted to 302 (0) tkr and for the interim period 302 (0) tkr. During the last month of the quarter, Newbury Pharmaceuticals first launched product Icatibant had the first sales in Norway.

Operating result amounted to -3 624 (-1 072) tkr for the quarter and for the interim period to -7 405 (-1 264) tkr. Result for the period after taxes amounted to -3 665 (-1 068) tkr for the quarter and for the interim period to -7 405 (-1 260) tkr.

INVESTMENTS

Newbury Pharmaceuticals continues to invest in development of the portfolio. During the quarter 14 525 (24 936) tkr was invested. For the interim period investments amount to 19 953 (24 936) tkr.

LIQUIDITY AND FINANCING

Operating cashflow amounted to -739 (5 265) tkr for the quarter and for the interim period to -5483 (5 216) tkr. Cashflow from financing activities amounted to 51 776 (20 306) tkr for the quarter, were 50 000 tkr, pre capital raising costs, comes from capital raise in connection to ownership diversification for the IPO.

Newbury Pharmaceutical cash and cash equivalents amounted to 44 194 (686) tkr at the end of the period.

EQUITY

Newbury Pharmaceuticals equity in the end of the period amounted to 76 089 (19 146) tkr and equity per share to 3,90 (1,53) kr. Under the quarter Newbury raised 50 mkr in equity before transaction costs.

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. 0,32 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 two employee stock option agreement with a total of 400 000. 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 50 821 options. Cost for the employee stock option programs amounted to 134 (0) tkr for the quarter and for the interim period to 232 (0) tkr.

PERSONNEL

The average number of employees under the quarter amounted to 3 (1). Number of employees in the end of the period was 4 (1). During the quarter, 1 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 second quarter amounted to 302 (0) tkr and for the interim period 302 (0) tkr. Operating result amounted to -3 254 (-799) tkr for the quarter and for the interim period to -6 501 (-991) 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 Financial Statement for 2020/2021.

RISKS AND UNCERTAINTIES

Newbury Pharmaceuticals operations, financial position and earnings can be affected by a number of 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, 13 April 2022

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	Q2	Q2	Period	Period	Full year
	Dec21 - Feb22	Dec20 - Feb21	Sep21 - Feb22	Sep20 - Feb21	Sep20 - Aug21
Net revenue	302	0	302	0	2 829
Other operating income	190	0	314	11	11
Cost of goods sold	-40	0	-40	0	-2 369
Other external expenses	-1 402	-526	-3 267	-551	-2 810
Personnel expenses	-1 678	-394	-3 301	-572	-2 645
Depreciation and amortization	-242	-152	-470	-152	-608
Other operating expenses	-754	0	-943	0	-29
Operating result / EBIT	-3 624	-1 072	-7 405	-1 264	-5 621
Financial net	-41	4	0	4	64
Result before tax	-3 665	-1 068	-7 405	-1 260	-5 557
Tax	0	0	0	0	0
Result for the period	-3 665	-1 068	-7 405	-1 260	-5 557

(Attributable to the parent company's shareholders)

Balance Sheet - Group

SEK thousands	28 Feb 2022	28 Feb 2021	31 Aug 2021
Assets			
Fixed Assets			
Intangible fixed assets	46 549	24 784	27 039
Total Fixed Assets	46 549	24 784	27 039
Current Assets			
Inventory	606	0	0
Other receivables	4 262	1 007	2 624
Cash and bank balances	44 194	686	13 145
Total Current Assets	49 062	1 693	15 769
Total Assets	95 611	26 477	42 808
Equity and Liabilities			
Equity	76 089	19 146	38 469
Liabilities			
Long-term Liabilities	11 277	0	0
Short-term Liabilities	8 245	7 331	4 339
Total Liabilities	19 522	7 331	4 339
Total Equity and Liabilities	95 611	26 477	42 808

Cash Flow Analysis - Group

SEK thousands	Q2	Q2	Period	Period	Full year
	Dec21 - Feb22	Dec20 - Feb21	Sep21 - Feb22	Sep20 - Feb21	Sep20 - Aug21
Cash flow from operating activities before changes in working capital	-3 358	-916	-6 882	-1 108	-4 948
Cash flow from working capital	2 619	6 181	1 399	6 324	882
Cash flow from operating activities	-739	5 265	-5 483	5 216	-4 066
Cash flow from investing activities	-14 525	-24 936	-19 953	-24 936	-26 735
Cash flow from financing activities	51 776	20 306	56 485	20 406	43 946
Cash flow for the period	36 512	635	31 049	686	13 145
Cash and cash equivalents opening balance	7 682	51	13 145	0	0
Cash and cash equivalents closing balance	44 194	686	44 194	686	13 145

Changes In Equity - Group

SEK thousands	Q2	Q2	Period	Period	Full year
	Dec21 - Feb22	Dec20 - Feb21	Sep21 - Feb22	Sep20 - Feb21	Sep20 - Aug21
Opening balance	34 717	-92	38 469	100	100
Issue (including issue costs)	44 945	20 306	44 945	20 306	43 946
Employee stock option program	134	0	232	0	0
Translation differences	-42	0	-152	0	-20
Result for the period	-3 665	-1 068	-7 405	-1 260	-5 557
Closing balance	76 089	19 146	76 089	19 146	38 469

Key figures - Group

	Q2	Q2	Period	Period	Full year
	Dec21 - Feb22	Dec20 - Feb21	Sep21 - Feb22	Sep20 - Feb21	Sep20 - Aug21
Net revenue (tkr)	302	0	302	0	2 829
EBITDA (tkr)	-3 382	-920	-6 935	-1 112	-5 013
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)	44 194	686	44 194	686	13 145
Equity (tkr)	76 089	19 146	76 089	19 146	38 469
Equity per share (kr)	3,90	1,53	3,90	1,53	2,45
Equity per share after full dilution(kr)	3,89	1,53	3,89	1,53	2,45
Solidity	80%	72%	80%	72%	90%
Number of shares, average (thousands)	16 410	10 478	16 038	10 281	13 092
Number of shares, end of period (thousands)	19 521	12 500	19 521	12 500	15 675
Number of shares after full dilution (thousands)	19 572	12 500	19 572	12 500	15 675

Income Statement - Parent Company

SEK thousands	Q2	Q2	Period	Period	Full year
	Dec21 - Feb22	Dec20 - Feb21	Sep21 - Feb22	Sep20 - Feb21	Sep20 - Aug21
Net revenue	302	0	302	0	0
Other operating income	82	0	197	11	11
Cost of goods sold	-40	0	-40	0	0
Other external expenses	-1 268	-405	-2 845	-430	-2 468
Personnel expenses	-1 678	-394	-3 301	-572	-2 645
Depreciation and amortization	-13	0	-13	0	0
Other operating expenses	-644	0	-833	0	-29
Operating result / EBIT	-3 259	-799	-6 533	-991	-5 131
Financial net	5	0	32	0	-28
Result before tax	-3 254	-799	-6 501	-991	-5 159
Tax	0	0	0	0	0
Result for the period	-3 254	-799	-6 501	-991	-5 159

Balance Sheet - Parent Company

SEK thousands	28 Feb 2022	28 Feb 2021	31 Aug 2021
Assets			
Fixed Assets			
Intangible fixed assets	43 053	20 375	23 086
Financial fixed assets	4 000	4 000	4 000
Total Fixed Assets	47 053	24 375	27 086
Current Assets			
Inventory	606	0	0
Receivables from group companies	2 141	0	1 992
Other receivables	2 544	402	1 115
Cash and bank balances	42 531	67	11 847
Total Current Assets	47 822	469	14 954
Total Assets	94 875	24 844	42 040
Equity and Liabilities			
Equity	77 563	19 415	38 887
Liabilities			
Long-term Liabilities	11 277	3 600	0
Short-term Liabilities	6 035	1 829	3 153
Total Liabilities	17 312	5 429	3 153
Total Equity and Liabilities	94 875	24 844	42 040

Financial calendar

Interim report March 2022 – May 2022	6 Jul 2022
Year-end report June 2022 – August 2022	13 Oct 2022
Annual Report 2021-2022	14 Dec 2022
Interim report September 2022 – November 2022	11 Jan 2023
Annual General Meeting	11 Jan 2023

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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