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Newbury Pharmaceuticals AB publishes prospectus regarding offering of newly issued shares prior to listing application on Nasdaq First North Growth Market

The Board of Directors of Newbury Pharmaceuticals AB (“Newbury” or “the Company”) decided on January 10th, 2022, with the support of the authorization granted by the Annual General Meeting on October 29, 2021, to carry out an offer of newly issued shares to the public in Sweden, Norway, Denmark, Finland and institutional investors (the “Offer”) prior to listing of the Company's shares on the Nasdaq First North Growth Market (the “Nasdaq First North”). The Board has drawn up a prospectus regarding the Offer, which has today been approved and registered by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen). The prospectus is available at www.newburypharma.com, www.aqurat.se and www.vhcorp.se.

Newbury is a Swedish company that focuses on providing prescription drugs to patients and health care practitioners in the Scandinavian market. Founded in 2020, Newbury in-licenses proprietary product rights in order to benefit from its expertise in drug registration and commercialization. The Company focuses on specialty medicine and its own brands with a strong focus on oncology, rare diseases and neurology. For this purpose, a portfolio of a total of 27 products has been in-licensed, which is expected to generate a stable flow of product launches in the coming years.

An important element of the Company's operations includes partnerships to deliver differentiated, high-quality and cost-effective products that Newbury can launch in the Scandinavian markets. Newbury's partnership strategy thus minimizes traditional risks such as investment in capital goods, research and development (“R&D”) and production, which means that Newbury can focus on the registration and commercialization of medicines.

From initially having been focused on building a strong portfolio of in-licensed products, the Company is now entering a commercial phase. The Company has implemented the necessary quality systems to support registration and commercialization of the portfolio. The products are expected to be approved by the national health authorities in the coming years, with an initial market approval of “Icatibant Newbury” during the fourth quarter of 2021. The Company's products will compete with

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original medicines and in some cases other suppliers of the same medicine. The Company strives to differentiate itself by focusing on specialty drugs and its own brands and to become a specialist and preferred partner in the Scandinavian markets. In addition, the strict product focus leads to significantly better margins compared to volume-driven traditional medicines.

In addition to the commercialization of the existing portfolio, Newbury is focusing on further strengthening its pipeline for future growth. The Company's strategic product focus and geographical concentration in Scandinavia make Newbury a preferred partner for pharmaceutical companies that primarily concentrate on larger markets in Europe and the rest of the world. Newbury thus offers its partners quick and dedicated access to Scandinavia. New partnerships are constantly evaluated based on product benefits and competitiveness, and as part of the Company's partnership strategy, Newbury focuses primarily on maintaining close collaboration with selected partners.

As part of preparing the business for future growth and ensuring that the Company has sufficient working capital for the coming twelve-month period, Newbury's Board of Directors has decided to carry out this new share issue. The Offer primarily aims to provide the Company with financial resources to accelerate the launch of the existing product portfolio and to expand the pipeline to ensure future growth. Upon full subscription, the Company will receive a maximum net payment of approximately SEK 50 million before deduction of issue costs. The issue proceeds are intended to be used in the order of priority below:

- 25 percent for commercialization of existing portfolio;
- 40 percent for in-licensing of new products; and
- 35 percent for other working capital such as inventory build-up and capital reserves.

The Board's view is that the current listing on First North will broaden the Company's shareholder base and give Newbury access to the Swedish and international capital markets. In addition, the listing is expected to strengthen the profile for Newbury by increasing the visibility for future suppliers and partners and giving the Company a better basis for attracting talent to the Company.

The offer in brief

- The Offer is aimed at the general public in Sweden, Norway, Denmark, Finland and institutional investors and comprises 3,846,154 newly issued shares in Newbury. The dilution effect of the Offering for existing shareholders amounts to approximately 19.7 percent of the total number of shares and votes in the Company after the Offering. Upon full subscription in the Offer, Newbury will receive a supplement of approximately SEK 50 million before issue costs.
- The issue price in the Offer amounts to SEK 13 per share.
- The Offering includes subscription commitments from Board members, senior executives, existing shareholders and external investors totaling SEK 40 million, which corresponds to approximately 80 percent of the number of shares in the Offer.
- Subscription for shares will take place during the period from January 12, 2022, to January 25, 2022.
- A prospectus with full terms for the Offer will be published today, January 11, 2022.
- Newbury has received a conditional approval from Nasdaq Stockholm AB for listing of the Company's shares on Nasdaq First North. The approval is conditional on Newbury meeting the formal listing requirements to (i) have secured working capital for a period of twelve months and (ii) have at least 300 shareholders from the first trading day on First North and (iii) no new information emerges

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that affects the Company's compliance with the listing requirements. Preliminary first day of trading on Nasdaq First North is February 4, 2022.

· Existing shareholders with holdings in excess of 5 percent, board members and senior executives (private and/or via companies) have undertaken to Västra Hamnen, with certain exceptions, to refrain from selling or otherwise transferring or selling their shares in the Company ("Lock-up commitment"). The Lock-up commitment is valid for a period of 12 months from the first day of trading in the shares on First North. In addition, all other shareholders have entered into a corresponding Lock-up commitment for a period of 3 months from the first day of trading in the shares on First North. Provided that the Offer is fully subscribed, approximately 80 percent of the shares in the Company are covered by Lock-up commitment after the Offer.

CEO, Lars Minor, comments

We have a strong pipeline which is well positioned for growth in the Scandinavian markets. We will during the next couple of years have a steady stream of product launches and will work to further expand the pipeline with exciting new opportunities. We look forward to unfolding our strategy and help patients across the Scandinavian markets.

Prospectus and application form

In connection with the Offer, the Board has prepared a prospectus, which has been approved and registered by the Swedish Financial Supervisory Authority, and which is hereby published. The prospectus and application form are available on Newbury website (www.newburypharma.com/investors/ipo), Aqurat's website (www.aqurat.se) and Västra Hamnen Corporate Finance website (www.vhcorp.se). The prospectus will soon also be available on Finansinspektionen's website, www.fi.se. To fully understand the potential risks and benefits associated with the decision to invest in the Offer, potential investors should read the prospectus before making an investment decision.

Advisors

Västra Hamnen Corporate Finance is the financial advisor to Newbury in connection with the Offer. Advokatfirman Lindahl acts as legal advisor. Aqurat Fondkommission acts as an issuing institution.

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About Newbury Pharmaceuticals

Newbury Pharmaceuticals is building a pipeline of proprietary and licensed products with focus on specialty and branded products in the Nordics. Newbury aims to make a difference by offering treatment solutions within areas like oncology, rare diseases and neurology. The portfolio is built by leveraging experience and extensive international network. Newbury offers strategic partnerships of innovation for the benefit of the Nordic healthcare market.

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.

Important information

This press release is not an offer to sell or a solicitation of any offer to purchase or subscribe for any securities issued by Newbury.

This announcement is not being made in and may not be distributed or sent into the United States, Australia, Canada, Hongkong, Japan, New Zealand, Switzerland, Singapore, South Africa, South Korea or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures. This press release does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in the United States. Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

Any offering of the securities referred to in this press release will be made by means of a prospectus. This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/ EC (and, with respect to the United Kingdom, such regulation as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018) (the "Prospectus Regulation"). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

In any EEA member state other than Sweden, and in the United Kingdom, this press release is only addressed to and is only directed at qualified investors in that member state or the United Kingdom within the meaning of the Prospectus Regulation (as applicable), i.e., only to investors who can receive the offer without an approved prospectus in such EEA member state or in the United Kingdom.

In the United Kingdom, this document is only being distributed to and is only directed at (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons in (i) and (ii) above together being referred to as "relevant persons"). The Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person must not act or rely on this document or any of its contents. Persons distributing this document must satisfy themselves that it is lawful to do so.

Forward-looking statements

Matters discussed in this press release may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe," "expect," "anticipate," "intend," "estimate," "will," "may," "continue", "should", "could" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond the Company's control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the offered shares have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "EU Target Market Assessment"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "UK Target Market Assessment" and, together with the EU Target Market Assessment, the "Target Market Assessment").

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Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Newbury may decline and investors could lose all or part of their investment; the shares in Newbury offer no guaranteed income and no capital protection; and an investment in the shares in Newbury is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Global Coordinators and the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Newbury.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the shares in Newbury and determining appropriate distribution channels.

Attachments

[Newbury Pharmaceuticals AB publishes prospectus regarding offering of newly issued shares prior to listing application on Nasdaq First North Growth Market](#)