

Newbury Pharmaceuticals AB

Interim report September 2023 – November 2023

Quarter 1, September 2023 - November 2023

- Net revenue was 11 185 (258) tkr.
- EBITDA was -2 734 (-5 442) tkr.
- Operating cash flow was -5 678 (-5 215) tkr.
- Cash position in the end of period was 15 897 (27 393) tkr.
- Licensed products at the end of period were 31 (30).
- Products with distribution rights at the end of the period were 12 (2).
- Products with marketing authorization in the end of the period were 19 (7).
- Products launched in Nordics at end of the period 4 (2).

Significant events during the quarter

- Newbury has signed a 15 MSEK loan agreement with a maturity date of 31 Dec 2024.
- Newbury is strengthening its portfolio with Levodopa/Benserazide.
- Newbury has entered into a partnership with AmaroX granting access to 6 registered products.

Significant events after the end of the quarter

- Newbury Pharmaceuticals is strengthening its portfolio with Melatonin Extended Release 2 mg.

SEK thousands	Q1 Sep23 -Nov23	Q1 Sep22 - Nov22	Full year Sep22 - Aug23
Net revenue	11 185	258	10 266
EBITDA	-2 734	-5 256	-18 332
Operating result / EBIT	-3 098	-5 741	-19 587
Result before tax	-3 337	-5 741	-19 431
Cash flow from operating activities	-5 678	-4 987	-23 227
Cash at the end of the period	15 897	27 393	8 528

A word from the CEO

A major milestone was reached by the end of 2023 with the launch of product number seven on the Scandinavian market. It has been a clear goal to get more products to market, and with these we are well positioned for continued growth.

Another important milestone and record were the Q1 sales. The turnover of 11,2 MSEK in Q1 is 9% higher than the entire previous financial year.

Strong sales in Q1

Compared to previous year, we close this quarter with a growth in sales of staggering +4235% vs same period last year. The growth has been driven by supplies to international business customers and by product launches across the Scandinavian markets.

Scandinavian sales during this quarter have shown very promising progress, and we have achieved a tenfold higher turnover in this quarter compared to previous year.

Sales in Scandinavia have been fuelled by new launches as well as favourable sales of one product where competition was unable to supply the patients. Such opportunities arise when sales operations and supply work closely together.

International sales activities were supported by new orders being shipped during this quarter. New orders have been received, but shipments will take place during second half of 2024.

We are well positioned for continued sales growth due to more products marketed in Scandinavia and recurring orders from international sales. However, the nature of competitive tender sales in Scandinavia and irregular international sales orders, will make the individual quarters fluctuate.

Business development is securing three important deals

We have secured three new partnerships during the last couple of months. Business development is a key value creation driver, and we see the results of being positioned as the local champion with more and more companies looking to partner with us.

During autumn, we were having numerous discussions at conferences like CPhI in Barcelona and Jefferies healthcare conference in London with potential partners looking to either out-license products or searching for local distribution partners. Such discussions are a clear signal that we offer an attractive platform for potential partners, and we will pursue to expand our partnering network with additional strategic partnerships. This will entail both more products from existing partners and adding new strategic partnerships which fit our go-to-market model.

Very pleased with Q1 results

We remain committed to achieving solid sales from the launches in Scandinavia while at the same time to grasp international sales opportunities. Furthermore, we have more products planned for launches during the next 12-18 months and we continue to identify new strategic partnerships adding value to our business. The momentum is strong, and we are pleased with the Q1 results and the foundation from which we continue to accelerate the business.

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. Along with the focus on building the direct business in the Nordics, Newbury is pursuing sales orders from international customers via an indirect business model outside of the Nordics. 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.

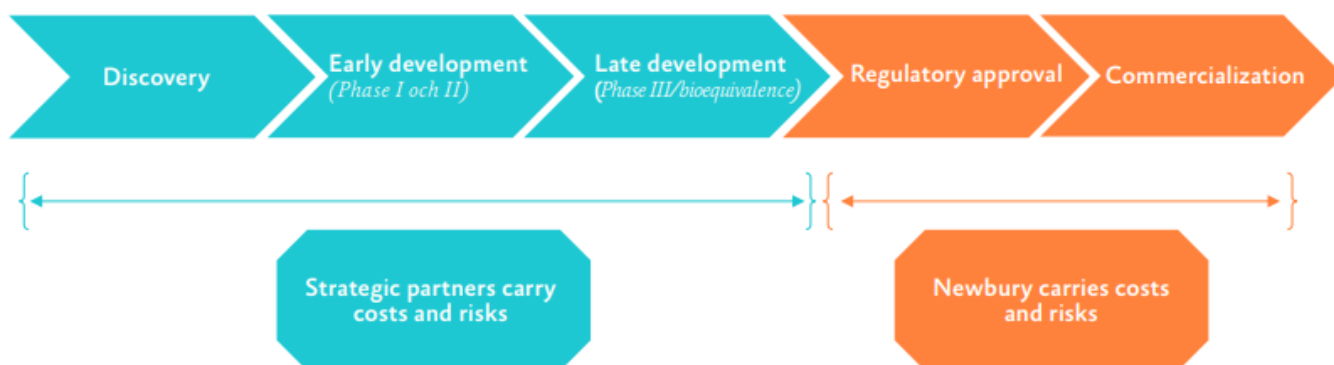
The Company does not have its own drug development but relies on partnerships to expand its drug portfolio. The Company's partnership therefore constitutes a strategic pillar in the business model of offering value-creating specialty drugs and own brands to both patients and other stakeholders.

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. 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 11 185 (258) tkr. International sales for the quarter amounted to 8 422 (0) tkr.

Operating results amounted to -3 098 (-5 741) tkr for the quarter. Results for the period after taxes amounted to -3 524 (-5 741) tkr.

INVESTMENTS

Newbury Pharmaceuticals continues to invest in the development of the portfolio. During the quarter 2 343 (350) tkr was invested.

LIQUIDITY AND FINANCING

Operating cashflow amounted to -5 678(-5 215) tkr for the quarter. Cashflow from financing activities amounted to 15 390 (-376) tkr.

Of the group's total receivables at end of the period, 11 238 tkr relates to customer receivables from international sales where some of payments are delayed. Payments have been received during the quarter and after the end of the period we have received another approx. 2 mkr. No reservation has been made for this as the company is in a dialogue with the customer who has confirmed the rest of the payments in the coming months.

Of the total receivables, 4 075 tkr relates to a receivable on a partner for the canceled product and can be used for acquiring new products from the partner.

During the quarter Newbury took out a loan totaling 15 mkr from a private investor with maturity 2024-12-31 and 11 percents interest per year.

Newbury Pharmaceutical cash and cash equivalents amounted to 15 897 (27 393) tkr at the end of the period.

EQUITY

Newbury Pharmaceuticals equity in the end of the period amounted to 47 662 (63 250) tkr and equity per share to 2,34 (3,24) 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 248 894 options. Costs for the employee stock option programs amounted to -22 (235) tkr for the quarter.

PERSONNEL

The average number of employees in the quarter amounted to 6 (6). The number of employees at the end of the period was 6 (6). 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 2 764 (258) tkr. Operating results amounted to -4 750 (-5 338) tkr for the quarter.

TRANSACTIONS WITH RELATED PARTIES

Newbury has rented an apartment from chairman Karl Karlsson for three months for 15 tkr per month during the quarter. The rent has taken place on market terms and is used to facilitate housing for an expat employee.

Apart from the above no transactions took place between Newbury and related parties during the year.

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 2022/2023, 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 Annual Report for 2022/2023 and in Newbury Pharmaceuticals prospectus of 11 January 2022, pages 28-30. Both documents are available on newburypharma.com/investors/.

AUDIT

This report has not been reviewed by Newbury Pharmaceuticals auditor.

Lund, 10 January 2024

The Board of Directors and the CEO assure that the year-end 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 Sep23 - Nov23	Q1 Sep22 - Nov22	Full year Sep22 - Aug23
Net revenue	11 185	258	10 266
Other operating income	1 156	79	903
Cost of goods sold	-6 823	-210	-6 318
Other external expenses	-4 779	-2 345	-10 851
Personnel expenses	-2 674	-2 739	-9 963
Depreciation and amortization	-364	-299	-1 255
Other operating expenses	-799	-485	-2 369
Operating result / EBIT	-3 098	-5 741	-19 587
Financial net	-239	0	156
Result before tax	-3 337	-5 741	-19 431
Tax	-187	0	0
Result for the period	-3 524	-5 741	-19 431

(Attributable to the parent company's shareholders)

Balance Sheet - Group

SEK thousands	30 Nov 2023	30 Nov 2022	31 Aug 2023
Assets			
Fixed Assets			
Intangible fixed assets	47 662	50 482	45 682
Total Fixed Assets	47 662	50 482	45 682
Current Assets			
Inventory	5 401	1 504	2 105
Other receivables	25 130	1 463	16 603
Cash and bank balances	15 897	27 393	8 528
Total Current Assets	46 428	30 360	27 236
Total Assets	94 090	80 842	72 918
Equity and Liabilities			
Equity	45 658	63 250	49 380
Liabilities			
Long-term Liabilities	27 160	12 353	11 769
Short-term Liabilities	21 272	5 239	11 769
Total Liabilities	48 432	17 592	23 538
Total Equity and Liabilities	94 090	80 842	72 918

Cash Flow Analysis - Group

SEK thousands	Q1 Sep23 -Nov23	Q1 Sep22 - Nov22	Full year Sep22 - Aug23
Cash flow from operating activities before changes in working capital	-3 358	-5 220	-17 856
Cash flow from working capital	-2 320	5	-5 371
Cash flow from operating activities	-5 678	-5 215	-23 227
Cash flow from investing activities	-2 343	-350	-862
Cash flow from financing activities	15 390	-376	-717
Cash flow for the period	7 369	-5 941	-24 806
Cash and cash equivalents opening balance	8 528	33 334	33 334
Cash and cash equivalents closing balance	15 897	27 393	8 528

Changes In Equity - Group

SEK thousands	Q1 Sep23 -Nov23	Q1 Sep22 - Nov22	Full year Sep22 - Aug23
Opening balance	49 380	68 770	68 770
Issue (including issue costs)	0	0	0
Employee stock option program	-22	235	68
Translation differences	-176	-14	-27
Result for the period	-3 524	-5 741	-19 431
Closing balance	45 658	63 250	49 380

Key figures - Group

	Q1 Sep23 -Nov23	Q1 Sep22 - Nov22	Full year Sep22 - Aug23
Net revenue (tkr)	11 185	258	10 266
EBITDA (tkr)	-2 734	-5 442	-18 332
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)	15 897	27 393	8 528
Equity (tkr)	45 658	63 250	49 380
Equity per share (kr)	2,34	3,24	2,53
Equity per share after full dilution(kr)	2,31	3,22	2,50
Solidity	49%	78%	68%
Number of shares, average (thousands)	19 521	19 521	19 521
Number of shares, end of period (thousands)	19 521	19 521	19 521
Number of shares after full dilution (thousands)	19 770	19 652	19 740

Income Statement - Parent Company

SEK thousands	Q1 Sep23 - Nov23	Q1 Sep22 - Nov22	Full year Sep22 - Aug23
Net revenue	2 764	258	2 733
Other operating income	1 152	48	761
Cost of goods sold	-444	-210	-1 493
Other external expenses	-5 087	-2 736	-12 430
Personnel expenses	-2 057	-2 149	-7 634
Depreciation and amortization	-136	-72	-343
Other operating expenses	-942	-477	-2 122
Operating result / EBIT	-4 750	-5 338	-20 528
Financial net	-198	18	278
Result before tax	-4 948	-5 320	-20 250
Tax	0	0	0
Result for the period	-4 948	-5 320	-20 250

Balance Sheet - Parent Company

SEK thousands	30 Nov 2023	30 Nov 2022	31 Aug 2023
Assets			
Fixed Assets			
Intangible fixed assets	45 762	47 669	43 554
Shares in group companies	4 000	4 000	4 000
Receivables from group companies	7 383	2 244	5 930
Total Fixed Assets	57 145	53 913	53 484
Current Assets			
Inventory	5 401	1 504	2 105
Other receivables	7 544	912	6 440
Cash and bank balances	13 250	26 670	7 878
Total Current Assets	26 195	29 086	16 423
Total Assets	83 340	82 999	69 907
Equity and Liabilities			
Equity	45 721	65 787	50 691
Liabilities			
Long-term Liabilities	27 160	12 354	11 769
Short-term Liabilities	10 459	4 858	7 447
Total Liabilities	37 619	17 212	19 216
Total Equity and Liabilities	83 340	82 999	69 907

Financial calendar

Annual general meeting	10 Jan 2024
Interim report December 2023 – February 2024	10 Apr 2024
Interim report March 2024 – May 2024	10 July 2024
Year-end report June 2024 – August 2024	9 Oct 2024
Annual report 2023-2024	11 Dec 2024
Interim report September 2024 – November 2024	15 Jan 2025
Annual general meeting	15 Jan 2025

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 10 January 2024, 08.00 CET.