

Newbury Pharmaceuticals AB

Year-end report September 2021 – August 2022

“Looking into the next year, we continue to focus on three strategic levers: Maximize value of the commercial launches and business development opportunities while enabling the organization to execute for results”
 –Lars Minor CEO

Quarter 4, June 2022 – August 2022

- Net revenue was 4 570 (2 097) tkr.
- EBITDA was -3 626 (-1 822) tkr.
- Operating cash flow was -4 987 (-860) tkr.

Year-end period, September 2021 – August 2022

- Net revenue was 5 516 (2 829) tkr.
- EBITDA was -13 661 (-5 013) tkr.
- Operating cash flow was -15 001 (-4 066) tkr.
- Cash position in the end of period was 33 334 (13 145) tkr.
- Licensed products in the end of period were 30 (17).
- Products with marketing authorization in the end of the period were 4 (0).

Significant events during the quarter

- Strengthening the portfolio with Teriparatide injection in pre-filled pen.
- “Icatibant Newbury” win the Swedish market tender for June and July.
- Expands the team with appointment of Mrs. Andrea Karnitschky as Senior Director and Head of Business Development.

Significant events after the end of the quarter

- Winning a tender for Sunitinib in Norway and winning the period of the month (Nov) for Icatibant in Sweden combined worth app 500 tkr.

SEK thousands	Q4 Jun22 -Aug22	Q4 Jun21 -Aug21	Full year Sep21 - Aug22	Full year Sep20 - Aug21
Net revenue	4 570	2 097	5 516	2 829
EBITDA	-3 626	-1 822	-13 661	-5 013
Operating result / EBIT	-3 895	-2 050	-14 667	-5 621
Result before tax	-3 895	-1 968	-14 667	-5 557
Cash flow from operating activities	-4 987	-860	-15 001	-4 066
Cash at the end of the period	33 334	13 145	33 334	13 145

A word from the CEO

Following the launch of Icatibant Newbury in May, we also achieved to win the period of the month for Icatibant in Sweden for the month of both June and July. The launch of Icatibant Newbury has paved the way for future launches. Next is the launch of Lenalidomid Newbury, – the first of 11 planned launches within oncology. This will be followed by Sunitinib and consequently increase the number of launched products to three in the near future.



Growing the pipeline

During the Quarter we announced the addition of Teriparatide pre-filled injection pen which is a synthetic follow-on version for the recombinant (biological) teriparatide (Forsteo®) indicated for treatment of osteoporosis and it has been developed by utilizing fast-developing synthetic technologies. The addition of this non-biological complex drug is a terrific supplement to the existing portfolio and our strategic focus on specialty medicine. In addition, we have secured a new strategic partnership which can be an advantage when sourcing future products.

In total we now have 30 products licensed for commercialization over the coming years.

Strengthening the organization

To strengthen our reach and capabilities, we have as of 1st August hired a Head of Business Development with a solid track record from the industry. Besides nurturing our existing partnerships, we aim to identify new partnerships based on either licensing models or distribution rights. Both models will work and we remain diligent in pursuing new partnerships and building our pipeline of products.

Looking ahead

Looking into the next year, we continue to focus on three strategic levers:

- Maximize value of the commercial launches
- Maximize business development opportunities
- Enable the organization to execute for results

The regulatory path is constantly evolving, and we have already achieved national approval of four products, and we have 10 other products in regulatory procedures that are expected to be completed during 2023.

In line with the growth of the portfolio and the commercial launches, we expect to grow the organization. But we remain focused on maintaining our entrepreneurial spirit to remain agile and fit for the future.

The above demonstrate the focus on scaling the company for future launches and identifying product opportunities as well as ongoing regulatory filings of our portfolio which by now consist of 30 products planned for launch in the years ahead.

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-licenses 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.

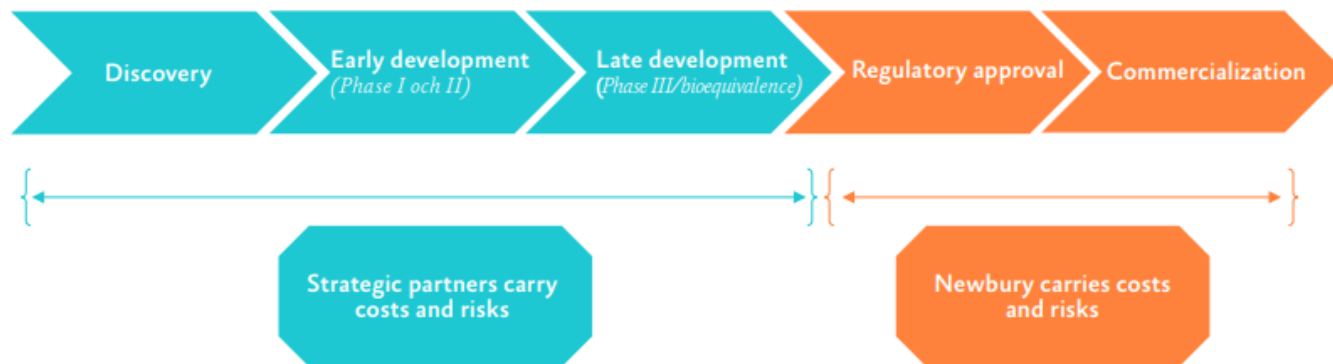
The Company does not have its own drug development but relies on partnerships to expand its drug portfolio. The Company's partnership therefore constitutes a strategic pillar in the business model of offering value-creating specialty drugs and own brands to both patients and other stakeholders.

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 30 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						
Teriparatide	Forsteo®/ Eli Lilly						
Azalastin/Fluticason	Dymista®/Meda						
Ivermectin	Soolantra® /Galderma Nordic AB						

REVENUE AND PROFIT

Net revenue for the quarter amounted to 4 570 (2 097) tkr and for the interim period 5 516 (2 829) tkr. During this Quarter, Newbury Pharmaceuticals delivered an export order as announced in a PR from February.

Operating result amounted to -3 895 (-2 050) tkr for the quarter and for the interim period to -14 667 (-5 621) tkr. Result for the period after taxes amounted to -3 895 (-1 968) tkr for the quarter and for the interim period to -14 667 (-5 557) tkr.

INVESTMENTS

Newbury Pharmaceuticals continues to invest in development of the portfolio. During the quarter 842 (1 724) tkr was invested. For the interim period investments amount to 24 398 (26 735) tkr.

LIQUIDITY AND FINANCING

Operating cashflow amounted to -4 987 (-860) tkr for the quarter and for the interim period to -15 001 (-4 066) tkr. Cashflow from financing activities amounted to 448 (0) tkr for the quarter and for the interim period to 59 588 (43 946), 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 33 334 (13 145) tkr at the end of the period.

EQUITY

Newbury Pharmaceuticals equity in the end of the period amounted to 68 770 (38 469) tkr and equity per share to 3,52 (2,45) kr. During the interim period Newbury raised 50 mkr in equity pre capital raising 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. 0,032 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 101 555 options. Cost for the employee stock option programs amounted to -60 (0) tkr for the quarter and for the interim period to 148 (0) tkr.

PERSONNEL

The average number of employees under the quarter amounted to 5 (2). Number of employees in the end of the period was 6 (2). During the quarter, one 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 366 (0) tkr and for the interim period 1 312 (0) tkr. Operating result amounted to -3 655 (-2 084) tkr for the quarter and for the interim period to -13 173 (-5 131) 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.

The comparative figures refer to a shortened financial year of 11 months.

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 October 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	Q4 Jun22 -Aug22	Q4 Jun21 -Aug21	Full year Sep21 - Aug22	Full year Sep20 - Aug21
Net revenue	4 570	2 097	5 516	2 829
Other operating income	754	0	1 724	11
Cost of goods sold	-3 656	-1 733	-3 952	-2 369
Other external expenses	-2 577	-1 178	-7 719	-2 810
Personnel expenses	-1 810	-1 004	-6 941	-2 645
Depreciation and amortization	-269	-228	-1 006	-608
Other operating expenses	-907	-4	-2 289	-29
Operating result / EBIT	-3 895	-2 050	-14 667	-5 621
Financial net	0	82	0	64
Result before tax	-3 895	-1 968	-14 667	-5 557
Tax	0	0	0	0
Result for the period	-3 895	-1 968	-14 667	-5 557

(Attributable to the parent company's shareholders)

Balance Sheet - Group

SEK thousands	31 Aug 2022	31 Aug 2021
Assets		
Fixed Assets		
Intangible fixed assets	50 431	27 039
Total Fixed Assets	50 431	27 039
Current Assets		
Inventory	1 774	0
Other receivables	1 366	2 624
Cash and bank balances	33 334	13 145
Total Current Assets	36 474	15 769
Total Assets	86 905	42 808
Equity and Liabilities		
Equity	68 770	38 469
Liabilities		
Long-term Liabilities	12 076	0
Short-term Liabilities	6 059	4 339
Total Liabilities	18 135	4 339
Total Equity and Liabilities	86 905	42 808

Cash Flow Analysis - Group

SEK thousands	Q4	Q4	Period	Full year
	Jun22 -Aug22	Jun21 -Aug21	Sep21 - Aug22	Sep20 - Aug21
Cash flow from operating activities before changes in working capital	-3 670	-1 834	-13 638	-4 948
Cash flow from working capital	-1 317	974	-1 363	882
Cash flow from operating activities	-4 987	-860	-15 001	-4 066
Cash flow from investing activities	-842	-1 724	-24 398	-26 735
Cash flow from financing activities	448	0	59 588	43 946
Cash flow for the period	-5 381	-2 584	20 189	13 145
Cash and cash equivalents opening balance	38 715	15 729	13 145	0
Cash and cash equivalents closing balance	33 334	13 145	33 334	13 145

Changes In Equity - Group

SEK thousands	Q4	Q4	Period	Full year
	Jun22 -Aug22	Jun21 -Aug21	Sep21 - Aug22	Sep20 - Aug21
Opening balance	72 709	40 452	38 469	100
Issue (including issue costs)	0	0	44 945	43 946
Employee stock option program	-60	0	148	0
Translation differences	16	-15	-125	-20
Result for the period	-3 895	-1 968	-14 667	-5 557
Closing balance	68 770	38 469	68 770	38 469

Key figures - Group

	Q4	Q4	Period	Full year
	Jun22 -Aug22	Jun21 -Aug21	Sep21 - Aug22	Sep20 - Aug21
Net revenue (tkr)	4 570	2 097	5 516	2 829
EBITDA (tkr)	-3 626	-1 822	-13 661	-5 013
Earnings per share (kr)	neg.	neg.	neg.	neg.
Earnings per share after full dilution (kr)	neg.	neg.	neg.	neg.
Cash at the end of the period (tkr)	33 334	13 145	33 334	13 145
Equity (tkr)	68 770	38 469	68 770	38 469
Equity per share (kr)	3,52	2,45	3,52	2,45
Equity per share after full dilution(kr)	3,50	2,45	3,50	2,45
Solidity	79%	90%	79%	90%
Number of shares, average (thousands)	19 521	15 675	17 799	13 092
Number of shares, end of period (thousands)	19 521	15 675	19 521	15 675
Number of shares after full dilution (thousands)	19 623	15 675	19 623	15 675

Income Statement - Parent Company

SEK thousands	Q4	Q4	Period	Full year
	Jun22 -Aug22	Jun21 -Aug21	Sep21 - Aug22	Sep20 - Aug21
Net revenue	366	0	1 312	0
Other operating income	442	0	1 241	11
Cost of goods sold	-273	0	-569	0
Other external expenses	-1 866	-1 076	-6 393	-2 468
Personnel expenses	-1 633	-1 004	-6 764	-2 645
Depreciation and amortization	-41	0	-94	0
Other operating expenses	-650	-4	-1 906	-29
Operating result / EBIT	-3 655	-2 084	-13 173	-5 131
Financial net	17	-1	64	-28
Result before tax	-3 638	-2 085	-13 109	-5 159
Tax	0	0	0	0
Result for the period	-3 638	-2 085	-13 109	-5 159

Balance Sheet - Parent Company

SEK thousands	31 Aug 2022	31 Aug 2021
Assets		
Fixed Assets		
Intangible fixed assets	47 391	23 086
Shares in group companies	4 000	4 000
Receivables from group companies	2 178	1 992
Total Fixed Assets	53 569	29 078
Current Assets		
Inventory	1 774	0
Other receivables	1 207	1 115
Cash and bank balances	32 192	11 847
Total Current Assets	35 173	12 962
Total Assets	88 742	42 040
Equity and Liabilities		
Equity	70 872	38 887
Liabilities		
Long-term Liabilities	12 076	0
Short-term Liabilities	5 794	3 153
Total Liabilities	17 870	3 153
Total Equity and Liabilities	88 742	42 040

Financial calendar

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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