

## Newbury Pharmaceuticals AB

### Interim report September 2022 - February 2023

*“Sales activities are starting to lay the foundation for future growth and expansion of the business. Sales grew in this Quarter and preparations for launch of new products in the Autumn are progressing.”*

– Lars Minor CEO

#### Quarter 2, December 2022 -February 2023

- Net revenue was 1 501 (302) tkr.
- EBITDA was -4 550 (-3 382) tkr.
- Operating cash flow was -5 849 (-739) tkr.

#### Interim period, September 2022 – February 2023

- Net revenue was 1 759 (302) tkr.
- EBITDA was -9 992 (-6 935) tkr.
- Operating cash flow was -11 064 (-5 483) tkr.
- Cash position at the end of period was 21 157 (44 194) tkr.
- No of products in the portfolio at end of period were 33.
- Products with marketing authorization at the end of the period were 8.

#### Significant events during the quarter

- Fampridine Newbury approved by the Swedish Health Authorities.
- Newbury Pharmaceuticals has received orders for international markets covering shipments during 2023 totalling a value of app. 6,2 mkr.
- The annual general meeting of Newbury Pharmaceuticals was held on 11 January 2023. The Board were re-elected with Karl Karlsson as chairman.
- Newbury Pharmaceuticals is strengthening its portfolio with Buspirone tablets.

#### Significant events after the end of the quarter

- Dimethyl Fumarate Newbury approved by the Swedish Health Authorities.
- Lapatinib Newbury approved by the Swedish Health Authorities

SEK thousands	Q2 Dec22 - Feb23	Q2 Dec21 - Feb22	Period Sep22 - Feb23	Period Sep21 - Feb22	Full year Sep21 - Aug22
Net revenue	1 501	302	1 759	302	5 516
EBITDA	-4 550	-3 382	-9 992	-6 935	-13 661
Operating result / EBIT	-4 866	-3 624	-10 607	-7 405	-14 667
Result before tax	-4 842	-3 665	-10 583	-7 405	-14 667
Cash flow from operating activities	-5 849	-739	-11 064	-5 483	-15 001
Cash at the end of the period	21 157	44 194	21 157	44 194	33 334

## A word from the CEO

We made further progress on all three key value drivers with new products being approved, a new license deal was signed, and sales increased compared to previous year and previous quarter.

### Business development:

Business development remains a key priority and we have continued discussions with several partners (new and existing partners) concerning expansion of the pipeline of products. During this quarter, we signed a licence agreement with a new partner for medication for anxiety. In addition to the additional product, we also participated in two important conferences with access to many global partners. DCAT in New York was a great opportunity to build a network of North America based companies and to meet key European business partners. Similarly, EuroPLX in Lisbon was a successful conference with many meetings between Newbury and potential suppliers.



### Commercialization:

Sales during this quarter was increasing from previous quarter and compared to last year. The two drivers were shipments of international orders and sales in Scandinavia. The number of products launched in Scandinavia are expected to increase towards second half of 2023 with an expected 7-8 products on the market by the end of 2023. The international sales activities are progressing according to plan.

### Regulatory approvals:

We have obtained approval of Fampridine, Dimethyl Fumarate and Lapatinib during the recent months and we expect to continue obtaining new approvals during the next months. However, we do experience delays in having the registrations issued by the authorities and we also have obtained questions for additional documentation which can lead to delays for some products. However, we still expect to have 7-8 products launched by the end of the year.

Strong progress on new regulatory approvals and potential business development opportunities will be valuable contributions to the continued growth of Newbury.

Newbury is well positioned to grasp these opportunities and to translate the activities into launch of additional products in Scandinavia and bolstering the international 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.

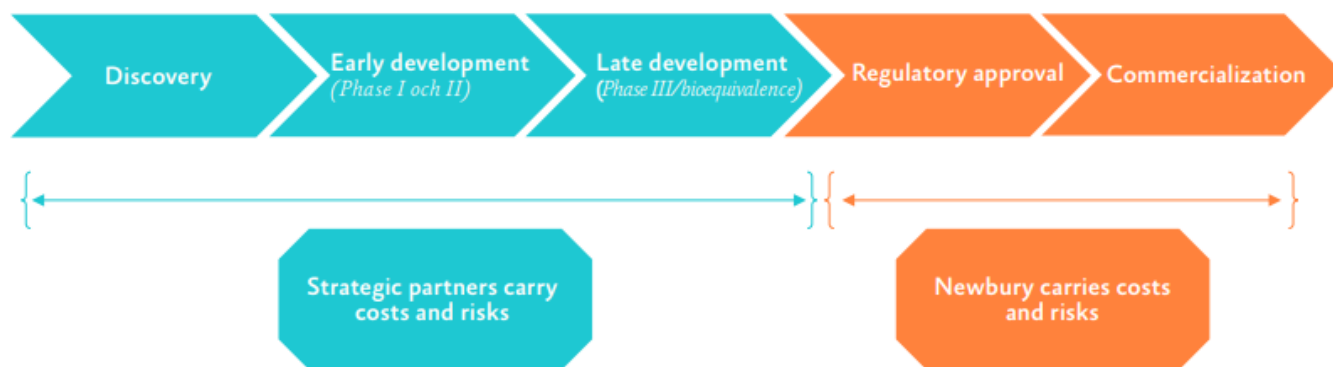
The Company does not have its own drug development but relies on partnerships to expand its drug portfolio. The Company's partnership therefore constitutes a strategic pillar in the business model of offering value-creating specialty drugs and own brands to both patients and other stakeholders.

## 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 1 501 (302) tkr and for the interim period 1 759 (302) tkr.

Operating results amounted to -4 886 (-3 624) tkr for the quarter and for the interim period to -10 607 (-7 405) tkr. Results for the period after taxes amounted to -4842 (-3 665) tkr for the quarter and for the interim period to -10 583 (-7 405) tkr.

## INVESTMENTS

Newbury Pharmaceuticals continues to invest in the development of the portfolio. During the quarter 724 (14 525) tkr was invested. For the interim period investments amount to 1 074 (19 953) tkr.

## LIQUIDITY AND FINANCING

Operating cashflow amounted to -5 849 (-739) tkr for the quarter and for the interim period to -11 064 (-5 483) tkr. Cashflow from financing activities amounted to 337 (51 776) tkr for the quarter and for the interim period to -39 (56 485).

Newbury Pharmaceutical cash and cash equivalents amounted to 21 157 (44 194) tkr at the end of the period.

## EQUITY

Newbury Pharmaceuticals equity in the end of the period amounted to 58 393 (76 089) tkr and equity per share to 2,99 (3,90) 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 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 at the end of the period were 160 038 options. Cost for the employee stock option programs amounted to -24 (134) tkr for the quarter and for the interim period to 211 (232) tkr.

## PERSONNEL

The average number of employees in the quarter amounted to 6 (3). 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 530 (302) tkr and for the interim period 272 (302) tkr. Operating results amounted to -4 745 (-3 254) tkr for the quarter and for the interim period to -10 023 (-6 501) 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/](http://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/](http://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, 12 April 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	Q2 Dec22 - Feb23	Q2 Dec21 - Feb22	Period Sep22 - Feb23	Period Sep21 - Feb22	Full year Sep21 - Aug22
Net revenue	1 501	302	1 759	302	5 516
Other operating income	351	190	430	314	1 724
Cost of goods sold	-1 030	-40	-1 240	-40	-3 952
Other external expenses	-2 359	-1 402	-4 704	-3 267	-7 719
Personnel expenses	-2 412	-1 678	-5 151	-3 301	-6 941
Depreciation and amortization	-316	-242	-615	-470	-1 006
Other operating expenses	-601	-754	-1 086	-943	-2 289
<b>Operating result / EBIT</b>	<b>-4 866</b>	<b>-3 624</b>	<b>-10 607</b>	<b>-7 405</b>	<b>-14 667</b>
Financial net	24	-41	24	0	0
<b>Result before tax</b>	<b>-4 842</b>	<b>-3 665</b>	<b>-10 583</b>	<b>-7 405</b>	<b>-14 667</b>
Tax	0	0	0	0	0
<b>Result for the period</b>	<b>-4 842</b>	<b>-3 665</b>	<b>-10 583</b>	<b>-7 405</b>	<b>-14 667</b>

(Attributable to the parent company's shareholders)

## Balance Sheet - Group

SEK thousands	28 Feb 2023	28 Feb 2022	31 Aug 2022
<b>Assets</b>			
<b>Fixed Assets</b>			
Intangible fixed assets	50 890	46 549	50 431
<b>Total Fixed Assets</b>	<b>50 890</b>	<b>46 549</b>	<b>50 431</b>
<b>Current Assets</b>			
Inventory	1 320	606	1 774
Other receivables	3 713	4 262	1 366
Cash and bank balances	21 157	44 194	33 334
<b>Total Current Assets</b>	<b>26 190</b>	<b>49 062</b>	<b>36 474</b>
<b>Total Assets</b>	<b>77 080</b>	<b>95 611</b>	<b>86 905</b>
<b>Equity and Liabilities</b>			
Equity	58 393	76 089	68 770
<b>Liabilities</b>			
Long-term Liabilities	12 508	11 277	12 076
Short-term Liabilities	6 179	8 245	6 059
<b>Total Liabilities</b>	<b>18 687</b>	<b>19 522</b>	<b>18 135</b>
<b>Total Equity and Liabilities</b>	<b>77 080</b>	<b>95 611</b>	<b>86 905</b>

## Cash Flow Analysis - Group

SEK thousands	Q2	Q2	Period	Period	Full year
	Dec22 - Feb23	Dec21 - Feb22	Sep22 - Feb23	Sep21 - Feb22	Sep21 - Aug22
Cash flow from operating activities before changes in working capital	-4 542	-3 358	-9 762	-6 882	-13 638
Cash flow from working capital	-1 307	2 619	-1 302	1 399	-1 363
<b>Cash flow from operating activities</b>	<b>-5 849</b>	<b>-739</b>	<b>-11 064</b>	<b>-5 483</b>	<b>-15 001</b>
Cash flow from investing activities	-724	-14 525	-1 074	-19 953	-24 398
Cash flow from financing activities	337	51 776	-39	56 485	59 588
<b>Cash flow for the period</b>	<b>-6 236</b>	<b>36 512</b>	<b>-12 177</b>	<b>31 049</b>	<b>20 189</b>
Cash and cash equivalents opening balance	27 393	7 682	33 334	13 145	13 145
<b>Cash and cash equivalents closing balance</b>	<b>21 157</b>	<b>44 194</b>	<b>21 157</b>	<b>44 194</b>	<b>33 334</b>

## Changes In Equity - Group

SEK thousands	Q2	Q2	Period	Period	Full year
	Dec22 - Feb23	Dec21 - Feb22	Sep22 - Feb23	Sep21 - Feb22	Sep21 - Aug22
Opening balance	63 250	34 717	68 770	38 469	38 469
Issue (including issue costs)	0	44 945	0	44 945	44 945
Employee stock option program	-24	134	211	232	148
Translation differences	9	-42	-5	-152	-125
Result for the period	-4 842	-3 665	-10 583	-7 405	-14 667
<b>Closing balance</b>	<b>58 393</b>	<b>76 089</b>	<b>58 393</b>	<b>76 089</b>	<b>68 770</b>

## Key figures - Group

	Q2	Q2	Period	Period	Full year
	Dec22 - Feb23	Dec22 - Feb23	Sep22 - Feb23	Sep21 - Feb22	Sep21 - Aug22
Net revenue (tkr)	1 501	302	1 759	302	5 516
EBITDA (tkr)	-4 550	-3 382	-9 992	-6 935	-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)	21 157	44 194	21 157	44 194	33 334
Equity (tkr)	58 393	76 089	58 393	76 089	68 770
Equity per share (kr)	2,99	3,90	2,99	3,90	3,52
Equity per share after full dilution(kr)	2,97	3,89	2,97	3,89	3,50
Solidity	76%	80%	76%	80%	79%
Number of shares, average (thousands)	19 521	16 410	19 521	16 038	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)	19 681	19 572	19 681	19 572	19 623

## Income Statement - Parent Company

SEK thousands	Q2 Dec22 - Feb23	Q2 Dec21 - Feb22	Period Sep22 - Feb23	Period Sep21 - Feb22	Full year Sep21 - Aug22
Net revenue	272	302	530	302	1 312
Other operating income	353	82	401	197	1 241
Cost of goods sold	-246	-40	-456	-40	-569
Other external expenses	-2 686	-1 268	-5 422	-2 845	-6 393
Personnel expenses	-1 874	-1 678	-4 023	-3 301	-6 764
Depreciation and amortization	-87	-13	-159	-13	-94
Other operating expenses	-477	-644	-954	-833	-1 906
<b>Operating result / EBIT</b>	<b>-4 745</b>	<b>-3 259</b>	<b>-10 083</b>	<b>-6 533</b>	<b>-13 173</b>
Financial net	42	5	60	32	64
<b>Result before tax</b>	<b>-4 703</b>	<b>-3 254</b>	<b>-10 023</b>	<b>-6 501</b>	<b>-13 109</b>
Tax	0	0	0	0	0
<b>Result for the period</b>	<b>-4 703</b>	<b>-3 254</b>	<b>-10 023</b>	<b>-6 501</b>	<b>-13 109</b>

## Balance Sheet - Parent Company

SEK thousands	28 Feb 2023	28 Feb 2022	31 Aug 2022
<b>Assets</b>			
<b>Fixed Assets</b>			
Intangible fixed assets	48 306	43 053	47 391
Shares in group companies	4 000	4 000	4 000
Receivables from group companies	3 932	2 141	2 178
<b>Total Fixed Assets</b>	<b>56 238</b>	<b>49 194</b>	<b>53 569</b>
<b>Current Assets</b>			
Inventory	1 320	606	1 774
Other receivables	1 897	2 544	1 207
Cash and bank balances	20 036	42 531	32 192
<b>Total Current Assets</b>	<b>23 253</b>	<b>45 681</b>	<b>35 173</b>
<b>Total Assets</b>	<b>79 491</b>	<b>94 875</b>	<b>88 742</b>
<b>Equity and Liabilities</b>			
Equity	61 061	77 563	70 872
<b>Liabilities</b>			
Long-term Liabilities	12 508	11 277	12 076
Short-term Liabilities	5 922	6 035	5 794
<b>Total Liabilities</b>	<b>18 430</b>	<b>17 312</b>	<b>17 870</b>
<b>Total Equity and Liabilities</b>	<b>79 491</b>	<b>94 875</b>	<b>88 742</b>



### Financial calendar

Interim Report September 2022 – May 2023	7 Jul 2023
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](mailto:ca@vhcorp.se) or +46 (0) 40 200 250.

### For more information, contact

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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 12 April 2023, 08.00 CET.*