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Newbury Pharmaceuticals carries out a directed share issue of approximately SEK 16 million and extends the existing SEK 15 million loan agreement

Newbury Pharmaceuticals AB (“Newbury” or the “Company”) carries out a directed share issue of approximately 6.1 million shares at a subscription price of SEK 2.60 per share (the “Share Issue”) to a limited number of current shareholders and new qualified investors. Through the Share Issue, the Company receives gross proceeds of approximately SEK 16 million before transaction costs. Newbury has also agreed to a 6-month extension of the SEK 15 million loan agreement announced on 18 September 2023. The loan terms remain unchanged except for a new maturity date of 30 June 2026, and it carries an interest rate of 11 per cent per annum, payable at the end of each quarter.

About the Share Issue

The Share Issue consists of a total of 6 139 235 shares. The subscription price in the Share Issue of SEK 2.60 per share corresponds to a discount of approximately 21,5 per cent in relation to the volume weighted average price (VWAP) of the share during last ten trading days (SEK 3,31). Through the Share Issue, Newbury receives approximately SEK 16 million before transaction costs.

The Board of Directors of the Company has resolved on the Share Issue, based on the authorization from the Annual General Meeting on 15 January 2025. The Share Issue is directed to qualified Swedish investors and the current shareholders Johan Orvelin (through AB Slädens Pensionsstiftelse nr 3), Hikurangi AB, Christian Månsson and Gunnar Gårdemyr.

Through the Share Issue, the number of outstanding shares in Newbury increases by 6,139,235 shares to 30,397,889 shares, and the share capital increases by SEK 195,828.87 to SEK 969,629.64, resulting in a dilution effect of approximately 20.2 per cent based on the total number of shares and votes in Newbury after the Share Issue.

Purpose and use of proceeds

The purpose of raising capital is to strengthen the capital structure in order to continue executing on the growth strategy. Newbury intends to use the proceeds from the Share Issue for growth purposes enabling the Company to continue its growth journey by launching more products to obtain a positive EBITDA and expanding the portfolio with new products to fuel future growth. The net proceeds will be used as described below.

Investments in regulatory processes - 20 %

Primarily financing of regulatory fees paid to authorities related to product approvals.

New license fees and milestones - 40 %

Primarily to finance investments in new product licenses and to finance milestone payments for existing products in the portfolio.

Working capital - 40 %

Primarily to finance general working capital needs.

Lars Minor, Chief Executive Officer of Newbury, says:

“We are pleased to announce a strengthening of our capital base which will secure the continued focus on executing our growth plans by launching additional products and building a stronger company for the future.”

Jan Poulsen, CEO at Life Science Invest Fund, LSIF, says:

“We are delighted to becoming a Top-10 shareholder in Newbury. With a strong and experienced management team, Newbury is building its portfolio of licensed products at an impressive pace, and with marketing authorization for currently 32 products and with 14 products already launched, we view Newbury as well on its way to the point where Newbury will be cash flow positive while still expanding its footprint. We are happy to support this journey.”

The reasons for deviation from the shareholders' preferential rights and the grounds for the subscription price

Prior to the resolution of the Share Issue, the Board of Directors has carefully considered alternative financing options, including the possibility of carrying out a rights issue. However, the Board of Directors, after an overall assessment and careful consideration, considers a share issue carried out with deviation from the shareholders' preferential rights to be a more beneficial alternative for the Company and the Company's shareholders than a rights issue and that it is objectively in the Company's as well as its shareholders' interests to carry out the Share Issue. The Board of Directors has, among other things, considered the following.

A rights issue would be significantly more time- and resource-consuming compared to the Share Issue, not least due to work related to securing a rights issue, while there are no guarantees that a rights issue would be fully subscribed. Reducing time consumption allows for flexibility for potential investment opportunities in the short term, contributes to reduced exposure to share price fluctuations on the stock market, as well as allows for the opportunity to benefit from current interest in the Company's share. Moreover, the costs of the Share Issue are considered to be lower than those of a rights issue since, among other things and based on the market volatility that has been observed during 2024 and 2025, such issue would also require significant underwriting commitments from an

underwriting syndicate, which would entail additional costs and/or additional dilution for the shareholders depending on the type of remuneration for such underwriting. The Share Issue has, through intensive efforts by the Board of Directors and the advisors, been conducted in a swift and cost-effective manner.

In contrast to a rights issue, the Share Issue is expected to provide the Company with new shareholders. The Board of Directors' assessment is that the new shareholders will strengthen the Company's ownership structure.

The shareholder base has, through the Share Issue, been additionally strengthened by the subscription from qualified Swedish investors and the current shareholders Johan Orvelin (through AB Slädens Pensionsstiftelse nr 3), Hikurangi AB, Christian Månsson and Gunnar Gårdemyr. The reason for partly directing the Share Issue to current shareholders is that these shareholders have expressed and demonstrated a long-term interest in the Company, which, according to the Board of Directors, creates security and stability for both the Company and its shareholders as well as significant strategic and long-term value. It is the Board of Directors' assessment that without the support from the existing shareholders, carrying out a capital raise would not have been possible.

An additional aspect that speaks in favor of the choice of a directed share issue is that a rights issue, most probably, would have had to be conducted at a not inconsiderable discount, which would lead to larger dilution effects for the Company's existing shareholders, which has now been avoided through the Share Issue where the subscription price has corresponds to a discount of approximately 21,5 per cent in relation to the volume weighted average price (VWAP) of the share during last ten trading days (SEK 3,31). From a shareholder perspective, a rights issue at a significant discount also entails a risk of a negative effect on the share price in connection with the execution of the rights issue.

Considering the above, the Board of Directors' overall assessment is that the reasons for the Share Issue outweigh the reasons for a rights issue, and that a directed share issue is considered to be in the interest of both the Company and all shareholders.

The Board of Directors has, prior to the resolution on the Share Issue, put a lot of emphasis on the subscription price being at market terms in relation to the current share price. The subscription price corresponds to a discount of approximately 21,5 per cent in relation to the volume weighted average price (VWAP) of the share during last ten trading days (SEK 3,31), and has been determined through extensive negotiations at arm's length with the investors and through market sounding conducted by the Company's financial advisor. In light of these negotiations and the market sounding, the Board of Directors' assessment is that the subscription price has been set on market terms.

Conditions for the Share Issue

Johan Orvelin (through AB Slädens Pensionsstiftelse nr 3) has subscribed for new shares corresponding to approximately SEK 10 million, which will result in an ownership in the company that exceeds 20 per cent of the votes in Newbury. The investor is therefore obliged to notify the investment to the Inspectorate of Strategic Products (Sw. Inspektionen för strategiska produkter) in accordance with the Foreign Direct Investment Screening Act (Sw. lagen (2023:560) om granskning av utländska direktinvesteringar). The investment is thus conditional on the Inspectorate of Strategic Products either not taking any action upon the notification or approving the notification.



Extension of the existing SEK 15 million loan agreement.

The parties has agreed to a 6-month extension of the SEK 15 million loan agreement announced on 18 September 2023. The loan terms remain unchanged except for a new maturity date of 30 June 2026, and it carries an interest rate of 11 per cent per annum, payable at the end of each quarter. The loan is intended to be repaid in cash. No financial advisor has been used, and therefore no transaction costs apply.

The loan facility is still expected to be replaced by standard bank financing from a major bank, which is providing an inventory financing facility. Discussions on terms and conditions have taken place with a major bank, and Newbury believes that conversion to bank financing will occur before the loan matures.

Advisors

In connection with the Share Issue, the Company has engaged Västra Hamnen Corporate Finance as financial advisor and Advokatfirman Lindahl as legal advisor.

For more information, contact:

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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.

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This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Company's shares. Any investment decision to acquire or subscribe for shares in connection with the issue must be made on the basis of all publicly available information relating to the Company and the Company's shares.

This press release does not constitute a recommendation for any investor's decision regarding the issue. Each investor or potential investor should conduct his, her or its own investigation, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs or current expectations regarding the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by the fact that they contain expressions such as "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "assumes", "should", "could" and, in each case, negatives thereof, or similar expressions. The forward-looking statements in this press release are based on various assumptions, many of which are based, in turn, on additional assumptions. Although the Company believes that the assumptions reflected in these forward-looking statements are reasonable, it can give no assurance that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcomes could differ materially from those in the forward-looking statements for a variety of reasons. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied by the forward-looking statements in this press release. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are correct nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release. Any reader of the press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of the date of this press release and are subject to change without notice. Neither the Company nor anyone else undertakes to review, update, confirm or publicly release any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless required by law or the Nasdaq First North Growth Market rule book for Issuers.

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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 2025-04-28 09:21 CEST.

Attachments

Newbury Pharmaceuticals carries out a directed share issue of approximately SEK 16 million and extends the existing SEK 15 million loan agreement