

Newbury Pharmaceuticals AB

Interim report September 2023 – February 2024

Quarter 2, December 2023 - February 2024

- Net revenue was 3 135 (1 501) tkr.
- EBITDA was -4 147 (-4 550) tkr.
- Operating cash flow was -7 977 (-5 849) tkr.

Interim period, September 2023 – February 2024

- Net revenue was 14 320(1 759) tkr.
- EBITDA was -6 881 (-9 992) tkr.
- Operating cash flow was -13 655 (-11 064) tkr.
- Cash position in the end of period was 6 412 (21 157) tkr.
- Licensed products at the end of period were 31 (33).
- Products with distribution rights at the end of the period were 12 (2).
- Products with marketing authorization in the end of the period were 20 (8).
- Products launched in Nordics at end of the period 6 (2).

Significant events during the quarter

- The annual general meeting of Newbury Pharmaceuticals was held on 10 January 2024. The Board was re-elected with Karl Karlsson as chairman.
- Nintedanib Newbury approved by the Swedish Health Authorities.
- Newbury subsidiary based in Switzerland receives international sales order valued at 8,8 mkr.

Significant events after the end of the quarter

- Newbury carries out a directed share issue of approximately 19 mkr at a subscription price on 4 kr per share. After the Share Issue, the number of outstanding shares in Newbury increases by 4 737 500 shares, from 19 521 154 to 24 258 654 shares.

SEK thousands	Q2 Dec23 -Feb24	Q2 Dec22 -Feb23	Period Sep23 -Feb24	Period Sep22 -Feb23	Full year Sep22 - Aug23
Net revenue	3 135	1 501	14 320	1 759	10 266
EBITDA	-4 147	-4 550	-6 881	-9 992	-18 332
Operating result / EBIT	-4 583	-4 866	-7 681	-10 607	-19 587
Result before tax	-4 923	-4 842	-8 260	-10 583	-19 431
Cash flow from operating activities	-7 977	-5 849	-13 655	-11 064	-23 227
Cash at the end of the period	6 412	21 157	6 412	21 157	8 528

A word from the CEO

Sales in Q2

Sales is solidly growing compared to same period previous year with +108% growth in this quarter and year-to-date growth of 714%. However, as anticipated, the turnover was somewhat lower this quarter compared to previous quarter reflecting the irregular flow of orders and fluctuations in sales. It is nice to witness the commercial progress despite a quarter with modest sales.

For the same reasons, it was a pleasure to announce an order totalling 8,8 MSEK to be despatched by the end of May 2024.



Advancing the portfolio

Compared to previous year, we have enlarged the portfolio to 43 products with either licensed or distribution rights and expect to continue enlarging the portfolio through licenses or distribution rights.

We recently obtained regulatory approval in Sweden for Nintedanib Newbury – a product used for the treatment of idiopathic pulmonary fibrosis. By now we have 20 registered products across Scandinavia and additionally nine products are currently submitted for approval.

The expansion of the Nordic portfolio continues with several launches planned in 2024. At the same time, we see recurring orders from the international sales activities which is a strong foundation for continued growth. We have a good foundation for continued growth and will pursue to broaden the business during the coming months with more launches, more product approvals and potentially new partnerships.

Directed share issue

At the annual meeting in January the board was re-elected with Karl Karlsson as chairman. At the same time, the board were given authorization to decide to issue new shares in the company, in accordance with the board's proposal.

On March 4th the company announced a successful directed issue raising app. 19 MSEK from a few new investors together with a few existing shareholders.

The directed issue will enable Newbury to continue advance and expand the portfolio of in-licensed products and secure funding for the regulatory fees to authorities relating to new product approvals and the expenses relating to launching of more products.

I welcome new shareholders as well thank existing shareholders for the trust in the continued growth of Newbury Pharmaceuticals. We are pleased with 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.

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 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.

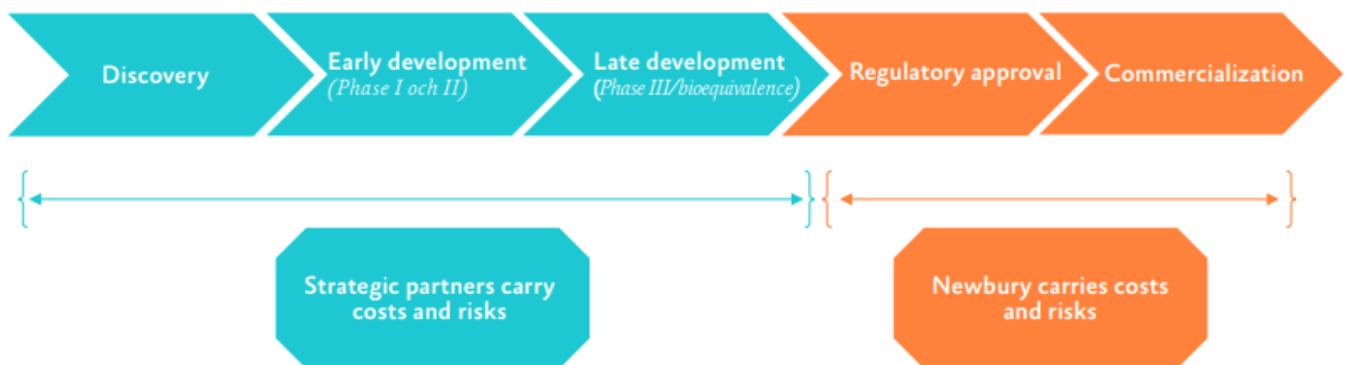
The Company does not have its own drug development but relies on partnerships to expand its drug portfolio. The Company’s partnership therefore constitutes a strategic pillar in the business model of offering value-creating specialty drugs and own brands to both patients and other stakeholders.

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 3 135 (1 501) tkr and for the interim period 14 320 (1 759) tkr. Of the total net revenue attributable to international sales for the quarter amounted to 1 401 (1 228) tkr and for the interim period 9 823 (1 228) tkr.

Operating results amounted to -4 583 (-4 886) tkr for the quarter and for the interim period to -7 681 (-10 607) tkr. Results for the period after taxes amounted to -4 961 (-4 842) tkr and for the interim period -8 485 (-10 583) tkr.

INVESTMENTS

Newbury Pharmaceuticals continues to invest in the development of the portfolio. During the quarter -1 279 (724) tkr was invested and for the interim period investments amount to - 3 622 (1 074) tkr.

LIQUIDITY AND FINANCING

Operating cashflow amounted to -7 977 (-5 849) tkr for the quarter and for the interim period to -13 655 (-11 064) tkr . Cashflow from financing activities amounted to -229 (337) tkr and for the interim period to 15 161 (-39).

Of the group's total receivables at end of the period, 10 718 tkr relates to customer receivables from international sales where some of payments are delayed. Partial payments were received during the quarter. 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. The subsidiary in Switzerland has established a branch in Dubai, UAE, to have closer banking relationships with international customers in the Middle East.

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 interim period 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 6 412 (21 157) tkr at the end of the period.

After the end of the quarter Newbury carried out a directed issue of 19 mkr.

EQUITY

Newbury Pharmaceuticals equity in the end of the period amounted to 40 779 (58 393) tkr and equity per share to 2,09 (2,99) 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 276 709 options. Costs for the employee stock option programs amounted to 82 (211) 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 5 (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 1 733 (272) tkr and for the interim period 4 497 (530) tkr. Operating results amounted to -4 497 (-4 745) tkr for the quarter and for the interim period to -9 247 (-10 023) tkr.

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 April 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	Q2	Q2	Period	Period	Full year
	Dec23 -Feb24	Dec22 -Feb23	Sep23 -Feb24	Sep22 -Feb23	Sep22 - Aug23
Net revenue	3 135	1 501	14 320	1 759	10 266
Other operating income	596	351	1 752	430	903
Cost of goods sold	-1 401	-1 030	-8 224	-1 240	-6 318
Other external expenses	-3 253	-2 359	-8 032	-4 704	-10 851
Personnel expenses	-2 618	-2 412	-5 292	-5 151	-9 963
Depreciation and amortization	-436	-316	-800	-615	-1 255
Other operating expenses	-606	-601	-1 405	-1 086	-2 369
Operating result / EBIT	-4 583	-4 866	-7 681	-10 607	-19 587
Financial net	-340	24	-579	24	156
Result before tax	-4 923	-4 842	-8 260	-10 583	-19 431
Tax	-38	0	-225	0	0
Result for the period	-4 961	-4 842	-8 485	-10 583	-19 431

(Attributable to the parent company's shareholders)

Balance Sheet - Group

SEK thousands	29 Feb 2024	28 Feb 2023	31 Aug 2023
Assets			
Fixed Assets			
Intangible fixed assets	48 505	50 482	45 682
Total Fixed Assets	48 505	50 482	45 682
Current Assets			
Inventory	6 458	1 504	2 105
Other receivables	22 751	1 463	16 603
Cash and bank balances	6 412	27 393	8 528
Total Current Assets	35 621	30 360	27 236
Total Assets	84 126	80 842	72 918
Equity and Liabilities			
Equity	40 779	63 250	49 380
Liabilities			
Long-term Liabilities	11 930	12 353	11 769
Short-term Liabilities	31 417	5 239	11 769
Total Liabilities	43 347	17 592	23 538
Total Equity and Liabilities	84 126	80 842	72 918

Cash Flow Analysis - Group

SEK thousands	Q2	Q2	Period	Period	Full year
	Dec23 -Feb24	Dec22 -Feb23	Sep23 -Feb24	Sep22 -Feb23	Sep22 - Aug23
Cash flow from operating activities before changes in working capital	-4 444	-4 542	-7 802	-9 762	-17 856
Cash flow from working capital	-3 533	-1 307	-5 853	-1 302	-5 371
Cash flow from operating activities	-7 977	-5 849	-13 655	-11 064	-23 227
Cash flow from investing activities	-1 279	-724	-3 622	-1 074	-862
Cash flow from financing activities	-229	337	15 161	-39	-717
Cash flow for the period	-9 485	-6 236	-2 116	-12 177	-24 806
Cash and cash equivalents opening balance	15 897	27 393	8 528	33 334	33 334
Cash and cash equivalents closing balance	6 412	21 157	6 412	21 157	8 528

Changes In Equity - Group

SEK thousands	Q2	Q2	Period	Period	Full year
	Dec23 -Feb24	Dec22 -Feb23	Sep23 -Feb24	Sep22 -Feb23	Sep22 - Aug23
Opening balance	45 658	63 250	49 380	68 770	68 770
Issue (including issue costs)	0	0	0	0	0
Employee stock option program	-60	-24	-82	211	68
Translation differences	142	9	-34	-5	-27
Result for the period	-4 961	-4 842	-8 485	-10 583	-19 431
Closing balance	40 779	58 393	40 779	58 393	49 380

Key figures - Group

	Q2	Q2	Period	Period	Full year
	Dec23 -Feb24	Dec22 -Feb23	Sep23 -Feb24	Sep22 -Feb23	Sep22 - Aug23
Net revenue (tkr)	3 135	1 501	14 320	1 759	10 266
EBITDA (tkr)	-4 147	-4 550	-6 881	-9 992	-18 332
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)	6 412	21 157	6 412	21 157	8 528
Equity (tkr)	40 779	58 393	40 779	58 393	49 380
Equity per share (kr)	2,09	2,99	2,09	2,99	2,53
Equity per share after full dilution(kr)	2,06	2,97	2,06	2,97	2,50
Solidity	48%	76%	48%	76%	68%
Number of shares, average (thousands)	19 521	19 521	19 521	19 521	19 521
Number of shares, end of period (thousands)	19 521	19 521	19 521	19 521	19 521
Number of shares after full dilution (thousands)	19 798	19 681	19 798	19 681	19 740

Income Statement - Parent Company

SEK thousands	Q2	Q2	Period	Period	Full year
	Dec23 -Feb24	Dec22 -Feb23	Sep23 -Feb24	Sep22 -Feb23	Sep22 - Aug23
Net revenue	1 733	272	4 497	530	2 733
Other operating income	600	353	1 752	401	761
Cost of goods sold	-419	-246	-863	-456	-1 493
Other external expenses	-3 310	-2 686	-8 397	-5 422	-12 430
Personnel expenses	-2 278	-1 874	-4 335	-4 023	-7 634
Depreciation and amortization	-208	-87	-344	-159	-343
Other operating expenses	-615	-477	-1 557	-954	-2 122
Operating result / EBIT	-4 497	-4 745	-9 247	-10 083	-20 528
Financial net	-283	42	-481	60	278
Result before tax	-4 780	-4 703	-9 728	-10 023	-20 250
Tax	0	0	0	0	0
Result for the period	-4 780	-4 703	-9 728	-10 023	-20 250

Balance Sheet - Parent Company

SEK thousands	29 Feb 2024	28 Feb 2023	31 Aug 2023
Assets			
Fixed Assets			
Intangible fixed assets	46 832	48 306	43 554
Shares in group companies	4 000	4 000	4 000
Receivables from group companies	7 296	3 932	5 930
Total Fixed Assets	58 128	56 238	53 484
Current Assets			
Inventory	6 459	1 320	2 105
Other receivables	9 265	1 897	6 440
Cash and bank balances	3 012	20 036	7 878
Total Current Assets	18 736	23 253	16 423
Total Assets	76 864	79 491	69 907
Equity and Liabilities			
Equity	41 045	61 061	50 691
Liabilities			
Long-term Liabilities	11 930	12 508	11 769
Short-term Liabilities	23 889	5 922	7 447
Total Liabilities	35 819	18 430	19 216
Total Equity and Liabilities	76 864	79 491	69 907

Financial calendar

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.

For more information, contact

Lars Minor, CEO
lars.minor@newburypharma.com
Mobile: +46 72-377 3005

Christoffer Tell, CFO
christoffer.tell@newburypharma.com
Mobile: +46 70-317 3494

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 April 2024, 08.00 CET.