

Newbury Pharmaceuticals AB

Interim report September 2024 – November 2024

Quarter 1, September 2024 – November 2024

- Net revenue was 6 538 (11 185) tkr.
- EBITDA was -3 759 (-2 734) tkr.
- Operating cash flow was 4 792 (-5 678) tkr.
- Cash position in the end of period was 19 431 (15 897) tkr.
- Licensed products at the end of period were 31 (31).
- Products with distribution rights at the end of the period were 12 (12).
- Products with marketing authorization in the end of the period were 23 (19).
- Products launched in Nordics at end of the period 13 (4).

Significant events during the quarter

- Newbury has through one of its partners initiated a DCP filing for Teduglutide.
- Newbury Secures Approval for Varenicline in Sweden.
- Newbury announce higher than expected sales growth in Quarter 4 reaching sales of approximately 20 MSEK for the period.
- Newbury has agreed to extend the existing 15 MSEK loan agreement, or a new maturity date of December 31st of 2025.
- Newbury Pharmaceuticals Secures Generic Approval for Buspiron.

Significant events after the end of the quarter

- The annual general meeting of Newbury Pharmaceuticals was held on 15 January 2025. The Board was re-elected with Karl Karlsson as chairman.
- Newbury Pharmaceuticals Secures Generic Approval for Azelastine + Fluticasone nasal spray.
- Newbury Pharmaceuticals Secures Generic Approval for Bosutinib tablets.

SEK thousands	Q1 Sep24 -Nov24	Q1 Sep23 -Nov23	Full year Sep23 - Aug24
Net revenue	6 538	11 185	36 829
EBITDA	-3 759	-2 734	-12 340
Operating result / EBIT	-4 229	-3 098	-14 078
Result before tax	-4 638	-3 337	-15 409
Cash flow from operating activities	4 792	-5 678	-23 707
Cash at the end of the period	19 431	15 897	15 303

A word from the CEO

Our first financial quarter has started positively with a number of newly approved product registrations and solid sales across the Nordic markets.

Nordic sales dominate in Q1

We continue to see strong sales development in the Nordic markets with strong sales from among others Desmopressin Newbury. In quarter one we deliver a strong turnover in the Nordic markets with the second highest quarterly sales and 137% above same period last year. Unfortunately, we did not invoice any shipments outside of the Nordics and we therefore cannot match the strong combined Nordics and International sales from previous quarter nor same period last year. However, timing of orders in the international segment is always fluctuating and we do have orders on hand for 2025.



The increasing sales trend in the Nordics is a result of more products having been launched – and a sales trend we expect to continue with more products being launched in 2025.

We will continue to pursue sales growth while we acknowledge that tender sales and international sales orders by nature will fluctuate quarter by quarter.

Sales growth translates to positive cash-flow for the period

The cash-flow for the period was positive with 4.1 MSEK and mainly driven by a positive cash-flow from operating activities amounting to 4.8 MSEK. Additionally, we also recently secured a one year prolongation of the debt financing.

Albeit the strong sales in the Nordic markets, we are not able to continue delivering a quarterly positive EBITDA. However, costs are in control and the increase is attributed to sales related profit share arrangements with our partners.

Continuing to obtain registrations and launch new products

We continue to obtain more product approvals in the Nordics with 23 products approved and more expected in 2025. We are therefore confident to launch additional products during 2025. We see the advantage of having more products on the market which is generating sales opportunities while it also provides a balanced portfolio to minimize the impact from tender competition and regulatory delays.

It is too early to anticipate the sales uptake for the new launches, but in general, we are moving in the right direction with more products on the market and thereby more opportunities to win tenders. International sales orders will always fluctuate over the year and similarly the monthly sales across the Nordics are to a large extent dependent on winning tenders and having enough inventory to supply the market. For that reason, fluctuating turnover will also occur in the Nordics while we maintain an ambition of continued annual sales growth.

We are pleased with our quarter one, and we continue focusing 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.

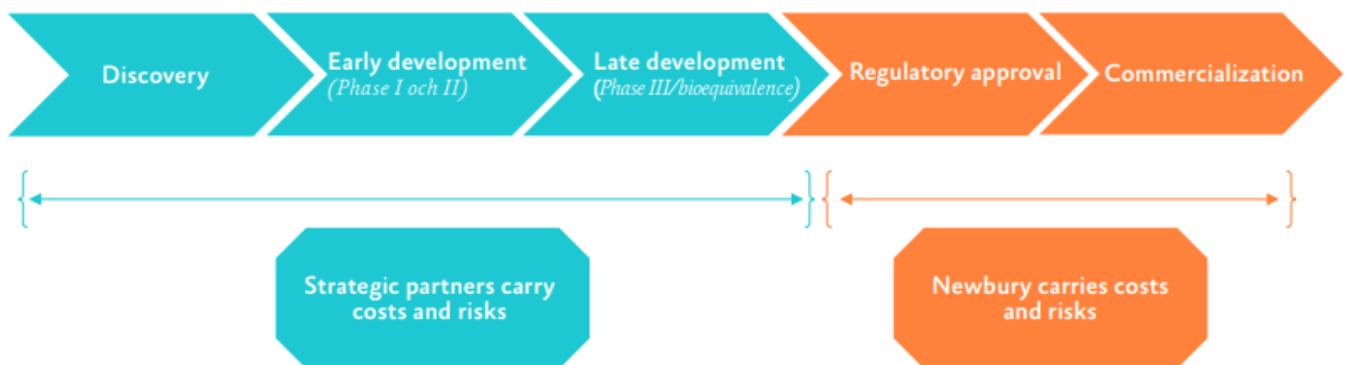
The Company does not have its own drug development but relies on partnerships to expand its drug portfolio. The Company’s partnership therefore constitutes a strategic pillar in the business model of offering value-creating specialty drugs and own brands to both patients and other stakeholders.

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 6 538 (11 185) tkr. Of the total net revenue attributable to international sales for the quarter amounted to 0 (8 422) tkr.

Operating results amounted to -4 229 (-3 098) tkr for the quarter. Results for the quarter after taxes amounted to -4 638 (-3 524) tkr.

INVESTMENTS

Newbury Pharmaceuticals continues to invest in the development of the portfolio. During the quarter 664 (2 343) tkr was invested.

LIQUIDITY AND FINANCING

Operating cashflow amounted to 4 792 (-5 678) tkr for the quarter. Cashflow from financing activities amounted to 0 (15 390) tkr.

Of the group's total receivable at end of the year, 4 407 tkr (after reservation of 3 837 tkr) relates to customer receivables from international sales where the payments are delayed. The company is in a dialogue with the customer who has confirmed the rest of the payments in the coming quarters.

Of the total receivables, 6 939 tkr relates to a receivable from a partner for canceled pipeline products and can be used for acquisition of new licensed products from the partner.

On 18 September 2023 Newbury took out a loan totaling 15 000 tkr from a private investor with maturity 2024-12-31 and 11 percents interest per year. On 30 September 2024 Newbury agreed to a 12-month extension of the loan agreement. The loan terms remain unchanged except for a new maturity date of 31 December 2025.

Newbury Pharmaceuticals cash and cash equivalents amounted to 19 431 (15 303) tkr at the end of the period.

EQUITY

Newbury Pharmaceuticals equity in the end of period amounted to 46 773 (45 658) tkr and equity per share to 1,93 (2,34) kr.

Share capital at the end of the period amounted to 773 801 kr divided on 24 258 654 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 0 kr 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 warrants, the Company's share capital will increase by 31 898 kr, which will result in a dilution effect of approximately 4 percent. 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 four employee stock option agreement with a total of 490 000, 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 320 493 options. Costs for the employee stock option programs amounted to 2 (-22) tkr for the quarter.

On July 31, 2024, the Extraordinary General Meeting decided to issue 1 000 000 warrants to directors of the Company. The price was 0 kr 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 5,0 during the period 1 September 2028 to 30 November 2028. Upon full utilization of the warrants, the Company's share capital will increase by 31 898 kr, which will result in a dilution effect of approximately 4 percent.

PERSONNEL

The average number of employees in the quarter amounted to 6 (6). The number of employees at the end of the quarter amounted to 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 6 538 (2 764) tkr. Operating results amounted to -4 1125 (-4 750) tkr for the quarter.

TRANSACTIONS WITH RELATED PARTIES

Newbury has rented an apartment from chairman Karl Karlsson for twelve months for 15 tkr per month during the financial year. 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 financial 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 2023/2024, 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 2023/2024 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, 24 January 2025

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

Ramon Vila

Ivailo S. Georgiev

Income Statement - Group

SEK thousands	Q1 Sep24 - Nov24	Q1 Sep23 - Nov23	Full year Sep23 - Aug24
Net revenue	6 538	11 185	36 829
Other operating income	1 011	1 156	2 907
Cost of goods sold	-3 022	-6 823	-20 796
Other external expenses	-5 400	-4 779	-18 970
Personnel expenses	-2 366	-2 674	-9 796
Depreciation and amortization	-470	-364	-1 738
Other operating expenses	-520	-799	-2 514
Operating result / EBIT	-4 229	-3 098	-14 078
Financial net	-409	-239	-1 331
Result before tax	-4 638	-3 337	-15 409
Tax	0	-187	4
Result for the period	-4 638	-3 524	-15 405

(Attributable to the parent company's shareholders)

Balance Sheet - Group

SEK thousands	30 Nov 2024	30 Nov 2023	31 Aug 2024
Assets			
Fixed Assets			
Intangible fixed assets	47 092	47 662	46 898
Total Fixed Assets	47 092	47 662	46 898
Current Assets			
Inventory	4 603	5 401	4 995
Other receivables	17 413	25 130	23 675
Cash and bank balances	19 431	15 897	15 303
Total Current Assets	41 447	46 428	43 973
Total Assets	88 539	94 090	90 871
Equity and Liabilities			
Equity	46 773	45 658	51 917
Liabilities			
Long-term Liabilities	9 661	27 160	9 508
Short-term Liabilities	32 105	21 272	29 446
Total Liabilities	41 766	48 432	38 954
Total Equity and Liabilities	88 539	94 090	90 871

Cash Flow Analysis - Group

SEK thousands	Q1 Sep24 -Nov24	Q1 Sep23 -Nov23	Full year Sep23 - Aug24
Cash flow from operating activities before changes in working capital	-4 521	-3 358	-13 886
Cash flow from working capital	9 313	-2 320	-9 821
Cash flow from operating activities	4 792	-5 678	-23 707
Cash flow from investing activities	-664	-2 343	-2 954
Cash flow from financing activities	0	15 390	33 436
Cash flow for the period	4 128	7 369	6 775
Cash and cash equivalents opening balance	15 303	8 528	8 528
Cash and cash equivalents closing balance	19 431	15 897	15 303

Changes In Equity - Group

SEK thousands	Q1 Sep24 -Nov24	Q1 Sep23 -Nov23	Full year Sep23 - Aug24
Opening balance	51 917	49 380	49 380
Issue (including issue costs)	0	0	18 162
Employee stock option program	1	-22	-86
Translation differences	-507	-176	-134
Result for the period	-4 638	-3 524	-15 405
Closing balance	46 773	45 658	51 917

Key figures - Group

	Q1 Sep24 -Nov24	Q1 Sep23 -Nov23	Full year Sep23 - Aug24
Net revenue (tkr)	6 538	11 185	36 829
EBITDA (tkr)	-3 759	-2 734	-12 340
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)	19 431	15 897	15 303
Equity (tkr)	46 773	45 658	51 917
Equity per share (kr)	1,93	2,34	2,14
Equity per share after full dilution(kr)	1,90	2,31	2,11
Solidity	53%	49%	57%
Number of shares, average (thousands)	24 259	19 521	21 411
Number of shares, end of period (thousands)	24 259	19 521	24 259
Number of shares after full dilution (thousands)	24 579	19 770	24 555

Income Statement - Parent Company

SEK thousands	Q1 Sep24 - Nov24	Q1 Sep23 - Nov23	Full year Sep23 - Aug24
Net revenue	6 538	2 764	17 122
Other operating income	331	1 152	2 898
Cost of goods sold	-3 022	-444	-5 516
Other external expenses	-5 213	-5 087	-16 398
Personnel expenses	-2 187	-2 057	-8 374
Depreciation and amortization	-240	-136	-824
Other operating expenses	-319	-942	-2 938
Operating result / EBIT	-4 112	-4 750	-14 030
Financial net	-317	-198	-1 109
Result before tax	-4 429	-4 948	-15 139
Tax	0	0	0
Result for the period	-4 429	-4 948	-15 139

Balance Sheet - Parent Company

SEK thousands	30 Nov 2024	30 Nov 2023	31 Aug 2024
Assets			
Fixed Assets			
Intangible fixed assets	46 064	45 762	45 639
Shares in group companies	4 000	4 000	4 000
Receivables from group companies	11 132	7 383	10 878
Total Fixed Assets	61 196	57 145	60 517
Current Assets			
Inventory	4 603	5 401	4 995
Other receivables	12 208	7 544	18 842
Cash and bank balances	11 240	13 250	7 564
Total Current Assets	28 051	26 195	31 401
Total Assets	89 247	83 340	91 918
Equity and Liabilities			
Equity	49 201	45 721	53 628
Liabilities			
Long-term Liabilities	9 661	27 160	9 508
Short-term Liabilities	30 385	10 459	28 782
Total Liabilities	40 046	37 619	38 290
Total Equity and Liabilities	89 247	83 340	91 918

Financial calendar

Interim report December 2024 – February 2025	9 April 2025
Interim report March 2025 – May 2025	9 July 2025
Year-end report June 2025 – August 2025	29 Oct 2025
Annual report 2024-2025	10 Dec 2025
Interim report September 2025 – November 2025	14 Jan 2026
Annual General Meeting	14 Jan 2026

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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