

# Invitation to subscribe for shares in Newbury Pharmaceuticals AB

Financial advisor



VÄSTRA HAMNEN  
CORPORATE FINANCE

Selling agent



Nordnet

*In accordance with Article 12 (1) of Regulation (EU) 2017/1129 of the European Parliament and of the Council, the period of validity of this prospectus runs until January 11, 2023, provided that the prospectus is supplemented by appropriate additions in accordance with Article 23 of that Regulation. The obligation to provide a supplement to a prospectus in the event of new circumstances of significance, factual errors or material errors ceases after the period of validity of the prospectus has expired.*

# Important information to investors

This EU Growth Prospectus (**"the Prospectus"**) has been prepared in connection with Newbury Pharmaceuticals AB's offering of newly issued shares to the public in Sweden, Norway, Denmark, Finland and institutional investors (**"the Offer"**) and admission to trading of the shares on Nasdaq First North Growth Market in Stockholm (**"First North"**). **"Newbury"** or **"the Company"** means Newbury Pharmaceuticals AB (publ), org. No. 559274-2463. **"Financial advisor"** refers to Västra Hamnen Corporate Finance AB (**"Västra Hamnen"**).

This Prospectus has been approved by Finansinspektionen, as the competent authority in accordance with Regulation (EU) 2017/1129. Finansinspektionen approves this Prospectus only to the extent that it meets the requirements for completeness, comprehensibility and consistency specified in Regulation (EU) 2017/1129. This approval should not be construed as support for the issuer or for the quality of the securities referred to in the Prospectus. Investors should make their own assessment of whether it is appropriate to invest in this security. The prospectus has been prepared as an EU growth prospectus in accordance with Article 15 of Regulation (EU) 2017/1129. The prospectus is available on Västra Hamnen's website ([www.vhcorp.se](http://www.vhcorp.se)), Newbury's website ([www.newburypharma.com](http://www.newburypharma.com)), Aqurat's website ([www.aqurat.se](http://www.aqurat.se)) and Finansinspektionen's website ([www.fi.se](http://www.fi.se)).

Rounding has been done in calculations in certain parts of the financial information and the percentages that are included in the Prospectus. As a result, the numerical values displayed as totals in some tables do not always constitute the exact summations of the actual values. All amounts are stated in US dollars (**"USD"**), Swedish kronor (**"SEK"**) or Euro (**"EUR"**) unless otherwise stated. The abbreviation **"KUSD"**, **"KSEK"** or **"KEUR"** refers to one thousand US dollars, one thousand Swedish kronor and one thousand Euros, respectively. **"MUSD"**, **"MSEK"** or **"MEUR"** refers to millions of US dollars, millions of Swedish kronor and millions of Euros, respectively. Unless otherwise expressly stated, no financial information in the Prospectus has been audited or reviewed by the Company's auditor.

Distribution of this Prospectus and participation in the Offer are subject to restrictions in law and other rules in certain jurisdictions. Newbury has not taken and will not take any action to allow an offer to the public to any jurisdictions other than Sweden, Norway, Denmark and Finland. The offer is not directed, either directly or indirectly, at persons whose participation presupposes additional prospectuses, registration or other measures than those that follow from Swedish law. The prospectus, application form or other documents relating to the Offer may not be distributed in or to any country where distribution or the Offer would presuppose that any such measures are taken or would otherwise be contrary to applicable laws or regulations in such country. No shares or other securities issued by Newbury have been registered or will be registered under the United States Securities Act of 1933 under its current wording, nor under any corresponding law of any state in the United States, or applicable law in any country other than Sweden. The Offer does not cover persons domiciled in the United States, Australia, Japan, Canada or in any other country where the Offer or distribution of the Prospectus, Registration Form or other docu-

ments relating to the Offer violates applicable laws or regulations or requires additional prospectus, registration or other measures than those required which follows from Swedish law. Notification of subscription for shares in violation of the above restrictions may be invalid. Persons receiving copies of the Prospectus must inform themselves of and comply with such restrictions. Measures in violation of the restrictions may constitute a breach of applicable securities legislation. Consequently, the shares may not, either directly or indirectly, be offered, sold, resold or delivered in or to countries or jurisdictions where action as required above is required or to shareholders domiciled as described above.

An investment in securities is associated with risks, see the section **"Risk factors"**. When investors make an investment decision, they must rely on their own assessment of the Company in accordance with this Prospectus, including the present facts and risks. Before making an investment decision, potential investors should hire their own professional advisers as well as carefully evaluate and consider the investment decision. Investors may only rely on the information in this Prospectus and any additions to this Prospectus. No person has been authorized to provide any other information or make any statements other than those contained in this Prospectus and, if so, such information or such statements shall not be deemed to have been approved by the Company and the Company is not responsible for such information or such statements.

Financial advisor regarding the Offer is Västra Hamnen who assisted the Company in the preparation of this Prospectus. Västra Hamnen has relied on information provided by the Company and since all information in the Prospectus derives from the Company, Västra Hamnen disclaims all responsibility in relation to shareholders in the Company and regarding other direct or indirect consequences as a result of investment decisions or other decisions as wholly or partly based on information in the Prospectus. Västra Hamnen represents the Company and no one else in connection with the Offer. Västra Hamnen is not responsible to anyone other than the Company for the provision of the protection offered to clients or for the provision of advice in connection with the Offer or any other matter to which reference is made in this Prospectus. The issuing agent for the Offer is Aqurat Fondkommission AB (**"Aqurat"**).

## Forward-looking information

The prospectus contains certain forward-looking market information that reflects the Company's current view of future events as well as financial and operational development. Words that are **"intended"**, **"assessed"**, **"expected"**, **"can"**, **"plan"**, **"appreciate"** and other expressions that imply indications or predictions regarding future developments or trends and that are not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties because it is dependent on future events and circumstances. Forward-looking information does not constitute a guarantee regarding future results or development and the actual outcome may differ materially from what is stated in forward-looking information.

Factors that may cause the Company's future results and development to deviate from what is stated in forward-looking information include, but are not limited to, those described in the section **"Risk factors"**. Forward-looking information in this Prospectus applies only as of the date of publication of the Prospectus. The company makes no commitments to publish updates or revisions of forward-looking information as a result of new information, future events or similar circumstances other than what follows from applicable legislation.

## Industry and market information

The prospectus contains statistics, forecasts, data and other information regarding markets, market size, market positions and other industry data regarding the Company's operations and industry. The information originating from third parties has been reproduced in a correct manner and as far as the Company knows and can ascertain from information published by this third party, no information, the omission of which would make the reproduced information misleading or incorrect, has been omitted. Market publications and market reports regularly state that the information contained therein comes from sources that are judged to be reliable, but that the accuracy and completeness of the information cannot be guaranteed. The Company has not independently verified, and therefore cannot guarantee the accuracy of, or the completeness of, the market information contained in the Prospectus which has been obtained or derived from external publications or reports. Market data and statistics may be forward-looking, subject to uncertainty, may be interpreted subjectively and do not necessarily reflect actual or future market conditions. Such information and statistics are based on market research, which in turn is based on selection and subjective interpretations and assessments, including assessments of the type of products and transactions that should be covered by the relevant market, both by the researchers and the respondents.

## Important information about First North

Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted to trading on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. Västra Hamnen is the Company's Certified Adviser. Nasdaq Stockholm AB approves the application for admission to trading on First North.

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## Documents incorporated by reference

The Company's annual report for the financial year 2020/2021 and the interim report for the period 1 September - 30 November 2021 form part of the Prospectus and shall be read as part thereof, where references are made as follows:

- Newbury's annual report for 2020/2021: income statement (page 6), balance sheet (pages 7-8), cash flow statement (page 9), changes in equity (page 4), notes (pages 14-20) and auditor's report (pages 21-23).
- Newbury's interim report for the period September 1 - November 30, 2021: income statement (page 4), balance sheet (page 4) and cash flow statement (page 5).

Newbury's annual report for the financial year 2020/2021 has been audited by the Company's auditor and the auditor's report is attached to the annual report. The interim report for the period 1 September - 30 November 2021 has not been subject to review by the Company's auditor.

Apart from Newbury's audited annual report for the financial year 2020/2021, no information in the Prospectus has been reviewed or audited by the Company's auditor. The parts of the financial information that have not been incorporated by reference are either not relevant to an investor or can be found elsewhere in the Prospectus.

# Summary

## 1. INTRODUCTION AND WARNINGS

Warnings	This summary should be read as an introduction to the EU growth prospect. All decisions to invest in securities should be based on the investor studying the entire EU growth prospect. The investor may lose all or part of his invested capital. If a claim related to information in an EU Growth Prospectus is made in court, the investor who is the plaintiff under national law in the Member States may have to pay the cost of translating the EU Growth Prospectus before the legal proceedings begin. Civil liability covers only the persons who have presented the summary, including translations thereof, but only if the summary is misleading.
Name and ISIN code	The name of the security is Newbury Pharmaceuticals. ISIN code SE0015244884.
Identity, address and LEI code	Newbury Pharmaceuticals AB, with LEI code 549300F7XHU3I8CWL373 and org. no. 559274-2463. The Company's office address is: Medicion Village, Scheeleorget 1, 223 81 Lund, with telephone number: +46 (0) 46 12 11 20. The Company's website is <a href="http://www.newburypharma.com">www.newburypharma.com</a> .
Information about the competent authority that approved the prospectus	Finansinspektionen Visiting address: Brunnsgatan 3 Address: Box 7821, 103 97 Stockholm, <a href="mailto:finansinspektionen@fi.se">finansinspektionen@fi.se</a> , 08-408980 00 <a href="http://www.fi.se">www.fi.se</a> .
Date of approval for the Prospectus	January 11, 2022

## 2. KEY INFORMATION ABOUT THE ISSUER

### 2.1 Who is the issuer of the securities?

Issuer's domicile, legal form and legislation	The Company is a public limited company formed in Sweden. The board is based in Lund. The Company's form of association is regulated by the Swedish Companies Act (2005: 551).		
The issuer's main activity	<p>Newbury is a fast-growing company with an in-licensed product portfolio in prescription drugs and a focus on specialty drugs and own brands. Founded in 2020, Newbury in-licenses proprietary product rights and strives to be a small organization with expertise in the registration and commercialization of pharmaceuticals in the Scandinavian market. 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.</p> <p>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. As of the date of this Prospectus, Newbury has established close partnerships with four external partners that have given Newbury access to 27 products that will be launched in the coming years.</p> <p>Newbury has now entered the stage where commercialization will begin to drive growth and the first product, Icatibant, will be launched during the first quarter of 2022.</p>		
Controlling shareholder	As of the date of this Prospectus, Newbury has 23 shareholders. The Company's controlling shareholders with holdings corresponding to at least five percent of the shares and votes before the Offering are described below.		
	<b>Shareholders</b>	<b>Number of shares</b>	<b>Proportion of shares and votes</b>
	Karl Karlsson	9,750,000	62.2%
	Sumar Pharma*	2,500,000	15.9%
	<b>Total shareholders with holdings in excess of five percent</b>	<b>12,250,000</b>	<b>78.1%</b>
	* Sumar Pharma is controlled by AZTIQ, a long-term pharmaceutical fund.		
The issuer's most important senior executives	Lars Minor has been the Company's CEO since 2021.		

## 2.2 Key financial information for the issuer

Financial accounting (All amounts in KSEK)	Revenue and profitability	30 Sep 2020 - 31 Aug 2021	1 Sep 2021 - 30 Nov 2021	1 Sep 2020 - 30 Nov 2020
		<i>Revised</i>	<i>Not revised</i>	<i>Not revised</i>
	Total revenue	2,829	-	-
	Operating profit (EBIT)	-5,621	-3,781	-192
	The result of the period	-5,557	-3,740	-192
	<b>Assets and capital structure</b>			
		<b>31 Aug 2021</b>	<b>30 Nov 2021</b>	<b>30 Nov 2020</b>
	Total assets	42,808	42,099	67
	Equity	38,469	34,717	-92
	<b>Key figures</b>			
		<b>30 Sep 2020 - 31 Aug 2021</b>	<b>1 Sep 2021 - 30 Nov 2021</b>	<b>1 Sep 2020 - 30 Nov 2020</b>
	Operating profit (EBIT)	-5,621	-3,781	-192
	EBITDA	-5,013	-3,553	-192
	EBITDA margin	-177%	N/A	N/A
	Number of shares at the end of the period	15,675,000	15,675,000	10,000,000
	Solidity (%)	90%	82%	N/A

## 2.3 Main risks that are specific to the Company

Main risks that are specific to the Company	<b>Brief business history</b>
	Newbury is a newly formed company with a limited operational and financial history. The lack of business history and relevant financial history can make it difficult for investors to assess and compare the risk profile of the investment and what return is reasonable to expect. The Company's management and board have not, as a group in a relatively new company, proven that together they can achieve positive earnings development. In the event that the Company fails to achieve operational objectives according to schedule, it may delay the development phase and results associated with progress in the commercialization of the Company's products.
	The Company assesses the level of the above risk to medium. If the Company fails to achieve its operational objectives in the development work, and this leads to delays in the schedule, there is a risk that this will have a negative impact on the Company's operations, and thereby results and financial position.
	<b>Loss of key personnel</b>
	Newbury has a limited organization and is highly dependent on certain key people to achieve success. The Company's key personnel have extensive expertise and long experience in the Company's business area. Should the Company lose any of its key personnel, this could therefore delay or cause interruptions in the launch of the Company's product portfolio. There is also a risk that Newbury will not be able to attract or retain qualified personnel, or that this will not be possible on satisfactory terms for the Company. There is also a risk that the confidentiality and non-compete clauses contained in key employees' employment agreements are not sufficient or applicable, which could mean reduced protection of the Company's trade secrets.
	The Company assesses the level of the above-mentioned risk to medium. Should Newbury lose any or all of its key personnel, whether this happens to a competitor or not, it could adversely affect the Company's future development.
	<b>Competition</b>
	The Company operates in a fragmented market, where competitors consist of both small and large companies. Competition varies depending on the type of drug and geographic market, and it cannot be ruled out that competition will increase. Some of the Company's competitors have products that focus on the same diseases as the Company's products, which may affect the Company's opportunities to commercialize its products. Even if the Company achieves the desired development that enables the Commercialization of the Company's products, there is a risk that the Company's competitors may allocate significantly greater resources for marketing and sales in comparison with the Company, which may lead to a broader market acceptance in favor of the competitor. Furthermore, there is a risk that the Company will not succeed in selling a safer, more efficient or cheaper product than the competing products. If a competitive situation arises that makes it difficult for the Company to successfully position itself in the market, it may have a negative impact on the Company's operations and revenue potential. Such a situation may mean that the Company needs to implement measures such as price reductions and await commercialization.
	The Company assesses the level of the above-mentioned risk to medium. If Newbury is forced to lower its prices due to increased competition, or if the Company is unable to compete successfully, this may have a negative impact on the Company's margins and thereby earnings.

Main risks that are specific to the Company, cont.

#### **Partners**

Newbury has and will in future have collaborations with a number of partners. If these external parties do not fulfill their obligations to the Company or do not stay within the expected time frame, ongoing and planned commercializations of the Company's products may be hampered, delayed or completely interrupted, which would have a material adverse effect on the Company's operations and its ability to commercialize its products.

The Company may continue to enter into cooperation agreements with additional parties in order to, among other things, spread the financial risk that commercialization of product candidates entails. Entering into partnerships with companies that are already established in markets is a future scenario for financing and commercializing any products. The Company's success in this respect depends, among other things, on the Company's ability to attract partners and to enter into cooperation agreements on terms favorable to the Company. However, there is a risk that the Company will not be able to enter into such cooperation agreements. There is also a risk that the Company's partners do not allocate sufficient resources or are otherwise unable or unwilling to fulfill agreements entered into. If the Company is not successful in its efforts to enter into future or maintain current collaboration agreements regarding relevant product candidates, the Company's opportunities to generate revenue may be adversely affected. A loss or deterioration of the cooperation with Adalvo, which as of the date of this prospectus accounts for the majority of Newbury's products, would have a material adverse effect on the Company's operations.

It cannot be ruled out that one or more of these chooses to terminate their cooperation with the Company, which could have a negative impact on the Company's operations, in the form of limited or lost income. Nor can it be guaranteed that Newbury's partners fully meet the quality requirements set by the Company. Likewise, the establishment of new partners can be more costly and / or take longer than the Company has calculated.

The Company assesses the level of the above-mentioned risk to medium. Lack of relevant co-operation agreements or co-operation partners that fail in their work may therefore have a material adverse effect on the Company's operations.

#### **Commercialization of Newbury's products**

The Company's future success and ability to generate revenue depends partly on obtaining regulatory approval, so-called market approval, to market one of the Company's products, and partly on the commercial success of such products on the market. There is a risk that the Company's application for market approval will be denied or must be supplemented, which may delay planned sales and increase the costs for the Company. Such an outcome could have a material adverse effect on Newbury's earnings and financial position. In the event that the Company obtains relevant regulatory approvals for the marketing and sale of pharmaceuticals, the risk remains that sales, regionally or globally, will not meet expectations and that commercial success will not be forthcoming. The degree of market acceptance and sales of a drug depends on a number of factors. This includes the drug's properties, its clinical results, competing products, the perception of its advantages over competing products, the prevalence and degree of adverse side effects and availability.

Another important factor is the possible compensation received from private insurance companies, authorities and other payers of healthcare products and services. The compensation that a drug can receive from time to time depends on several factors such as legislation, the value the product is considered to add to the patient and the healthcare system, the paying party's perception of whether the product is safe and effective, non-experimental, medically important and suitable for patients and whether it is cost-effective based on the laws and regulations applicable in the specific market. The degree of market acceptance is also affected by the sales and marketing efforts that the Company implements. For the Company's future profitability, it is essential that potential products can be successfully commercialized.

In addition, the Company continuously monitors the intellectual property rights (patent protection) for each product and the time of patent expiration for the original medicines. There is a risk that a competitor will challenge a launch in a specific country or that the original medicine will receive extended patent protection, which may delay the launch of a specific product. The Company therefore monitors the launch time for their products on its own and through its partner network. Patent protection is not expected to be an obstacle to market approval, but may delay launch. A delayed launch could lead to delayed revenues for the Company, which could have a negative impact on the Company's financial position.

The Company considers the level of the above-mentioned risk to be low. If the commercialization of the Company's products develops worse than expected, it may have a material adverse effect on the Company's sales and financial position.

#### **Risks related to license agreements and suppliers**

Newbury does not have its own drug development, but all products are licensed through, above all, partnerships. A critical part of the Company's operations therefore includes the licensing agreements entered into with partners regarding one or more drugs. Even if Newbury does not bear development risk for the products, there is a risk that the products will not be available in time, which may mean delays compared with the Company's rollout plan. Newbury can therefore be negatively affected by, for example, shortages of supply and production associations. Furthermore, there is a risk that suppliers change their terms or raise prices due to, for example, lack of supply of raw materials. According to the delivery agreements that the Company enters into when in-licensing new products, the Company undertakes to only purchase the products from the licensors. The commitment is generally valid for five years from the start of sales in each country. Each party then has the right to terminate the delivery agreement. If the collaboration thereafter does not proceed as before, the Company may be exposed to risks regarding delivery of the product. There is a risk that the Company will not succeed in finding a new supplier or that it will be more costly than the Company has anticipated, which may affect Newbury's sales and / or earnings negatively.

According to the Company's license agreement, the Company has an obligation to submit forecasts and orders for a certain period before the planned delivery. There is thus a risk that Newbury overestimates or underestimates the potential in its sales forecasts, which can lead to either lost sales opportunities or increased costs in connection with inventory surpluses.

The Company considers the level of the above-mentioned risk to be low. Delivery deficits or delays may have a negative effect on sales and lead to lost growth opportunities.

### 3. KEY INFORMATION ABOUT THE SECURITIES

#### 3.1 The most important characteristics of the security

The currency, denomination, nominal value, number and maturity of the security	The shares are denominated in SEK. The share capital amounts to SEK 500,000 and the number of shares in Newbury amounts to 15,675,000. All shares are issued and fully paid. The quota value amounts to SEK 0.032.
Rights related to the securities	The Company has only one class of shares. Each share gives an equal right to a share of the Company's assets and profits. In the event of a liquidation of the Company, shareholders are entitled to a share of the surplus in relation to the number of shares held by the shareholder. There are no restrictions regarding the transferability of the shares.
The relative seniority of the security in the issuer's capital structure	Newbury's shares are of the type that the shareholders bear the Company's losses first and creditors bear losses only after the shareholders. The shareholders' loss is limited to the capital initially invested, given that no derivatives have been entered into with Newbury's shares as the underlying asset.
Transferability of shares	There are no restrictions on the right to freely transfer shares in the Company.
Dividend policy	The Company has not paid any dividends in previous financial years. There are no guarantees that for a certain year a dividend will be proposed or decided in the Company. The intention is for the board to annually examine the possibility of a dividend. In considering future dividends, the Board will consider several factors, including the Company's operations, operating profit and financial position, current and expected liquidity needs, expansion plans, contractual restrictions and other significant factors. Newbury believes that the focus in the future will primarily be on growth and that dividends are not relevant in the near future.

#### 3.2 Where will the securities be traded?

Market place	The Board of Directors of Newbury has decided to apply for admission to trading of the Company's shares on First North, a multilateral trading platform that does not have the same legal status as a regulated market, in connection with the Offer. Provided that First North grants the Company's application, the first day of trading on First North is estimated to be 4 February 2022.
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#### 3.3 Guarantees covered by the securities

Guarantees	Not applicable. The securities are not covered by guarantees.
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#### 3.4 Main risks specific to the securities

Main risks specific to the securities	<p><b>Owner with significant influence</b></p> <p>As of the date of this Prospectus, the Company's two largest owners (the "Principal Owners") hold 78.1 percent of the share capital and votes prior to the Offering. Even after the Offering, the main owners will hold a significant ownership interest in the Company. Consequently, these can exercise a significant influence in matters that are subject to the approval of the shareholders in the Company, including any mergers, consolidations or sales of all or a significant part of the Company's assets. As a result of the Company's ownership structure, there is a risk that investors will not be able to exercise any influence at all or that the main owners' interests are not in line with the Company's or other shareholders' interests. For example, the share price may be negatively affected in the event that investors see disadvantages in owning shares in companies with a strong ownership concentration.</p> <p>The Company assesses the level of the above-mentioned risk to medium. In cases where the Principal Owners would sell all or part of their respective shareholdings, the Company assesses that it would have a medium impact on the Company's valuation.</p> <p><b>Unsecured subscription commitments</b></p> <p>Newbury has entered into subscription agreements with external investors regarding the Offer. The agreements entered into are not secured by pledges, blocking funds or any similar arrangement. There is thus a risk that the subscription commitments will not be fulfilled. In the event that the Offer is not completed and the Company does not succeed in generating additional income, the Company would be forced to seek alternative financing or postpone existing projects and implement cost reductions. In the event that all alternative financing options fail and in the event that additional working capital cannot be raised, this could lead to the Company being forced to wind up parts of its operations or ultimately be forced to restructure or apply for bankruptcy.</p> <p>The Company considers the probability of the risk to be low. In the event that the parties who have submitted subscription commitments do not fulfill their obligation, this may mean that the Company cannot raise the desired capital. For the Company, the worst outcome in this respect would be that no investors participate in the Offer.</p>
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## 4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC

### 4.1 On what terms and according to what schedule can I invest in the securities?

#### Terms of the Offer

##### The Offer

The public in Sweden, Norway, Denmark, Finland and institutional investors are offered the opportunity to subscribe for shares in Newbury. The minimum subscription item is 450 shares corresponding to 5,850 SEK. The offer comprises a maximum of 3,846,154 newly issued shares. The offer is carried out without preferential rights for existing shareholders. Upon full subscription of the Offer, the Company will receive a net payment of approximately SEK 45.4 million after deduction of issue costs of SEK 4.6 million.

##### Subscription course

The offer price has been determined by the Company's Board in consultation with Västra Hamnen. The Company value is based on discussions between Newbury and a number of qualified investors regarding the Company's future, long-term business prospects, where the most important discussion points have concerned the Company's market potential and competition. In light of the above and with regard to the prevailing stock market climate, the valuation in the Offer has been set at SEK 13 per share, corresponding to a company value of SEK 204 million. Brokerage commission will not be charged.

##### Subscription period

Acquisitions of shares will take place during the period from January 12, 2022 to January 25, 2022. The Board of Directors of Newbury reserves the right to extend the subscription period and the time for payment. Decisions to extend will be announced no later than the last day of the subscription period.

##### Notification of acquisition of shares

Acquisition of shares must be made by filling in and signing a registration form and be received by Aqurat no later than 15:00 on 25 January 2022. Registration can also be done electronically via BankID on Aqurat's website [www.aqurat.se](http://www.aqurat.se).

##### Registration via Nordnet

Custodian customers at Nordnet can register for subscription of shares via Nordnet's Internet service until 23:59 on January 24, 2022. More information is available at [www.nordnet.se](http://www.nordnet.se).

##### Allocation

The allotment of shares is decided by the Company's Board in consultation with Västra Hamnen. The primary purpose is to achieve a good distribution of ownership. The allotment of shares does not depend on when the application form is submitted during the subscription period. In the event of an oversubscription, allotment may take place with a lower number of shares than what the application form refers to or will not be issued at all. People who have entered into subscription commitments and strategic investors may be given priority.

##### Allocation notice

Allotment is expected to take place as soon as possible after the end of the application period and notification of allotment is received in the form of a settlement note which is expected to be sent out in week 4. Information will not be sent to those who have not been allotted shares.

##### Dilution

The number of shares will, in the event of a fully subscribed Offer, increase by 3,846,154 shares, from 15,675,000 to 19,521,154 shares, which corresponds to a dilution of approximately 19.7 percent of the capital and votes in the Company for existing shareholders.



## 4.2 Why is the Prospectus prepared?

### Use and appreciation of funds

Newbury is a Swedish company that focuses on providing prescription drugs to patients and care providers in the Scandinavian market. Founded in 2020, Newbury in-licenses proprietary product rights and strives to be a small organization with expertise in drug registration and commercialization. The Company focuses on specialty drugs and its own brands with a strong focus on oncology, rare diseases and neurology. For this purpose, a portfolio of a total of 27 products has been in-licensed, which is expected to generate a stable flow of product launches in the coming years.

A significant part of the Company's operations includes partnerships to deliver differentiated, high-quality and cost-effective products that Newbury can launch in the Scandinavian markets. Newbury's partnership strategy thus minimizes traditional risks such as investment in capital goods, research and development ("R & D") and production, which means that Newbury can focus on the registration and commercialization of medicines.

From previously being focused on building a strong portfolio of unlicensed drugs, the Company is now entering a commercial phase. The Company has implemented the necessary quality systems to support registration and commercialization of the portfolio. The products are expected to be approved by the national health authorities in the coming years, with an initial market approval of Icatibant during the fourth quarter of 2021. The Company's products will compete with the original medicine and in some cases other suppliers of the same medicine. The Company strives to differentiate itself by focusing on specialty drugs and its own brands and to become a specialist in the Scandinavian markets. In addition, the strict product focus leads to significantly better margins compared to volume-driven traditional medicines.

In addition to the commercialization of the existing portfolio, Newbury is focusing on further strengthening its pipeline for future growth. The Company's strategic product focus and geographical concentration in Scandinavia make Newbury a preferred partner for pharmaceutical companies that primarily reward larger markets in Europe and the rest of the world. Newbury thus offers its partners quick access to a market that they have not previously worked on. New partnerships are constantly evaluated based on product range and competitiveness, and as part of the Company's partnership strategy, Newbury focuses primarily on maintaining close collaboration with selected partners.

As part of preparing the business for future growth and ensuring that the Company has sufficient working capital for the coming twelve-month period, Newbury's Board of Directors has decided to carry out this new share issue. The offer primarily aims to provide the Company with financial resources to accelerate the launch of the existing product portfolio and to expand the pipeline to ensure future growth. Upon full subscription, the Company will receive a maximum net payment of approximately SEK 45.4 million after deduction of issue costs of SEK 4.6 million. The issue proceeds are intended to be used in the order of priority below:

- 25 percent for commercialization of existing portfolio;
- 40 percent for in-licensing of new products; and
- 35 percent for other working capital such as inventory build-up and capital reserves.

The Board's view is that the current listing on First North will broaden the Company's shareholder base and give Newbury access to the Swedish and international capital markets. In addition, the listing is expected to strengthen the profile for Newbury by increasing the visibility for future suppliers and partners and giving the Company a better basis for attracting talent to the company.

Should the Offer not be implemented or subscribed for to the required extent or if the cash flow is not developed in accordance with the Board's assessments, the Company will need to reduce the planned sales and marketing efforts or need to carry out additional capital raising. Additional capital raising could consist of, for example, a new share issue or loan or other contribution from the Company's owners. In the event that all alternative financing options fail and in the event that additional working capital cannot be raised, this could lead to the Company being forced to wind up parts of its operations or ultimately be forced to restructure or apply for bankruptcy.

### Interests and conflicts of interest

Västra Hamnen has provided, and may in the future provide, various banking, financial, investment, commercial and other services to Newbury for which they have received, or may receive, compensation. Västra Hamnen and Aqurat receive a pre-agreed remuneration for services rendered in connection with the Offer.

The Offering includes subscription commitments from Board members, senior executives, existing shareholders and external investors totaling SEK 40 million, which corresponds to approximately 80 percent of the number of shares in the Offer. No compensation is paid for subscriptions provided.

In addition to the above parties' interest in the Offer being successful, as well as in Västra Hamnen's and Aqurat's interest in the payment of agreed compensation, and the conflicts of interest that appear in the section "Information on shareholders and securities holders - Conflicts of interest" below, no financial or other interests or any conflicts of interest between the parties who, in accordance with the above, have financial or other interests in the Offer.

# Responsible persons, information from third parties and approval by the competent authority

## RESPONSIBLE PEOPLE

The Board of Newbury is responsible for the content of this Prospectus. According to the Board's knowledge, the information provided in the Prospectus corresponds to the facts and no information that could probably affect its meaning has been omitted. Below is Newbury's current board.

Namn	Position
Karl Karlsson	Chairman of the Board and Executive director
Andreas Hedskog	Board member
Anil Okay	Board member
Johan Strömquist	Board member

## PREPARATION AND REGISTRATION OF THE PROSPECTUS

This Prospectus has been approved by Finansinspektionen, as the competent authority in accordance with Regulation (EU) 2017/1129. Finansinspektionen approves this Prospectus only to the extent that it meets the requirements for completeness, comprehensibility and consistency specified in Regulation (EU) 2017/1129. This approval should not be construed as support for the issuer or for the quality of the securities referred to in the Prospectus. Investors should make their own assessment of whether it is appropriate to invest in this security. The prospectus has been prepared as an EU growth prospectus in accordance with Article 15 of Regulation (EU) 2017/1129.

## INFORMATION FROM THIRD PARTIES

The information regarding market growth and market size as well as Newbury's market position in relation to competitors stated in the Prospectus is Newbury's overall assessment, based on both internal and external sources. The sources on which Newbury based its assessment are listed on an ongoing basis in the information. Where information has been obtained from a third party, this information has been reproduced correctly and as far as the issuer knows and can ascertain from information published by this third party, no facts have been omitted that would make the reproduced information incorrect or misleading. The market overview contains hyperlinks to websites. The information on these websites does not form part of the Prospectus and has not been reviewed or approved by the competent authority.

Apart from Newbury's audited annual report for the financial year 2020/2021, no information in the Prospectus has been reviewed or audited by the Company's auditor.

## SOURCE LIST

- IQIVIA Insitute for Human Data Science, april 2021
- <https://www.chameleon-pharma.com/the-nordic-countries/>
- Nordic Joint report - Online pharmacy markets in the Nordics April 2021, Konkurrensverket
- OECD Health Statistics 2019, may 2020
- DLMI Nordic Pharma Insights, july 2021
- Läkemedelsmarknaden - Tandvårds- och läkemedelsförmånsverket TLV
- Internationell prisjämförelse 2020, Tandvårds- och läkemedelsförmånsverket, december, 2020
- <https://www.mm-info.se/>
- Revestive - FASS Allmänhet
- NT-rådets yttrande till landstingen gällande teduglutid (Revestive) ([janusinfo.se](http://janusinfo.se))

# Reasons for the Offer

Newbury is a Swedish company that focuses on providing prescription drugs to patients and care providers in the Scandinavian market. Founded in 2020, Newbury in-licenses proprietary product rights and strives to be a small organization with expertise in drug registration and commercialization. The Company focuses on specialty drugs and its own brands with a strong focus on oncology, rare diseases and neurology. For this purpose, a portfolio of a total of 27 products has been in-licensed, which is expected to generate a stable flow of product launches in the coming years.

A significant part of the Company's operations includes partnerships to deliver differentiated, high-quality and cost-effective products that Newbury can launch in the Scandinavian markets. Newbury's partnership strategy thus minimizes traditional risks such as investment in capital goods, research and development ("R&D") and production, which means that Newbury can focus on the registration and commercialization of medicines.

From previously being focused on building a strong portfolio of unlicensed drugs, the Company is now entering a commercial phase. The Company has implemented the necessary quality systems to support registration and commercialization of the portfolio. The products are expected to be approved by the national health authorities in the coming years, with an initial market approval of Icatibant during the fourth quarter of 2021. The company's products will compete with the original medicine and in some cases other suppliers of the same medicine. The Company strives to differentiate itself by focusing on specialty drugs and its own brands and to become a specialist in the Scandinavian markets. In addition, the strict product focus leads to significantly better margins compared to volume-driven traditional medicines.

In addition to the commercialization of the existing portfolio, Newbury is focusing on further strengthening its pipeline for future growth. The Company's strategic product focus and geographical concentration in Scandinavia make Newbury a preferred partner for pharmaceutical companies that primarily reward larger markets in Europe and the rest of the world. Newbury thus offers its partners quick access to a market that they have not previously worked on. New partnerships are constantly evaluated based on product range

and competitiveness, and as part of the Company's partnership strategy, Newbury focuses primarily on maintaining close collaboration with selected partners.

As part of preparing the business for future growth and ensuring that the Company has sufficient working capital for the coming twelve-month period, Newbury's Board of Directors has decided to carry out this new share issue. The offer primarily aims to provide the Company with financial resources to accelerate the launch of the existing product portfolio and to expand the pipeline to ensure future growth. Upon full subscription, the Company will receive a maximum net payment of approximately SEK 45.4 million after deduction of issue costs of SEK 4.6 million. The issue proceeds are intended to be used in the order of priority below:

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*Lund, January 11, 2022  
Newbury Pharmaceuticals AB  
The Board*

### ADVISOR

Västra Hamnen is the financial advisor to Newbury in connection with the Offer. Aqurat acts as an issuer in connection with the Offer. The law firm Lindahl is a legal advisor in connection with the Offer. As all information in the Prospectus has been provided by the Company, Västra Hamnen and Aqurat disclaim liability in relation to investments in the Company or other decisions based on information or the lack of information in the Prospectus.

### INTERESTS AND CONFLICTS OF INTEREST

Västra Hamnen has provided, and may in the future provide, various banking, financial, investment, commercial and other services to Newbury for which they have received, or may receive, compensation. Västra Hamnen and Aqurat receive a pre-agreed remuneration for services rendered in connection with the Offer.

The Offering includes subscription commitments from Board members, senior executives, existing shareholders and external investors totaling SEK 40 million, which corresponds to approximately 80 percent of the number of shares in the Offer. Distribution is shown on page 35. No compensation is paid for subscriptions provided.

In addition to the above parties' interest in the Offer being successful, as well as in Västra Hamnen's and Aqurat's interest in the payment of agreed compensation, and the conflicts of interest that appear in the section "Information on shareholders and securities holders - Conflicts of interest" below, no financial or other interests or any conflicts of interest between the parties who, in accordance with the above, have financial or other interests in the Offer.



# Market and company overview

The market overview contains hyperlinks to websites. The information on these websites does not form part of the Prospectus and has not been reviewed or approved by the competent authority.

## THE GLOBAL PHARMACEUTICAL MARKET

### Trends and market size

The COVID-19 pandemic has been the most powerful global health crisis for decades and its direct and indirect effects have affected the entire pharmaceutical industry. But even though the pandemic has led to major changes, both in society and healthcare, previous trends in healthcare have not changed. Instead, the immediate transition that took place in early 2020 has paved the way for innovative solutions and adaptations worldwide. The countries of the world have successfully implemented a global vaccination program that is unparalleled in terms of speed and scope. The progress that this has brought will be an important part of the development of the industry for all time to come.

In the near future, the continued management of the pandemic, excluding Covid-19-related drugs, and the consequences it entails for other healthcare will be the most important driving force for the pharmaceutical industry. However, the trends that prevailed before the pandemic have not changed and in developed countries, market sales and growth are expected to continue to be driven by launches of new drugs, revenue losses attributable to outgoing patents, and increased competition from generics and biosimilars.

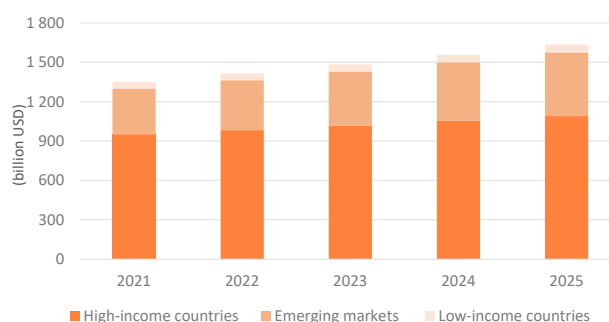
Until 2025, the global pharmaceutical market is expected to grow by between 3 and 6 percent annually and then reach a turnover of 1,600 billion USD. The growth rate in developed countries with higher incomes compared with developing countries is expected to be slightly lower than global growth and reach an annual growth rate of 2 to 5 percent, which is in line with the growth rate of the last five years.<sup>1</sup>

### Europeiska marknaderna

Sales in Europe's five largest countries; France, Germany, Italy, Spain and the United Kingdom ("EU5") are expected to reach USD 214 billion by 2025, an increase of USD 35 billion compared to 2020.

<sup>1</sup> IQIVIA Institute for Human Data Science, april 2021

Turnover for the global pharmaceutical industry, 2021-2025

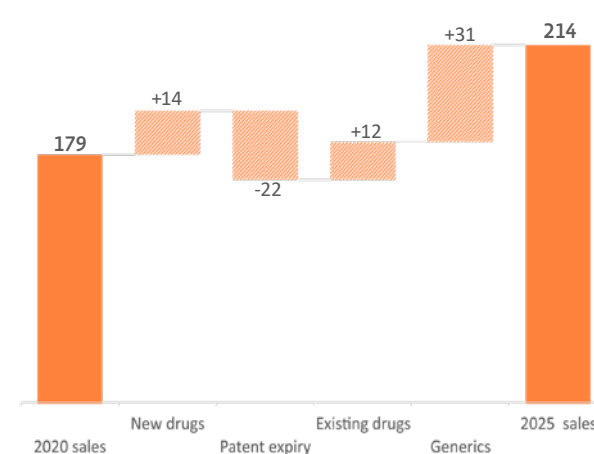


Does not include the purchase of Covid-19 vaccine.  
Source: IQIVIA Institute for Human Data Science, april 2021

New drugs, which in the years 2015 to 2020 were the largest driver of growth, are expected to contribute less in the next five years. Growth in the coming years is expected to be mainly attributable to increased sales in the generics and biosimilars segment. In total, generics and biosimilars are estimated to have sales of USD 31 billion, which is a marked increase compared to the years 2015 to 2020, when the segment grew by USD 12 billion.<sup>2</sup>

<sup>2</sup> IQIVIA Institute for Human Data Science, april 2021

Growth drivers in EU5 (2020-2025)



Source: IQIVIA Institute for Human Data Science, april 2021

## NEW DRUGS

In developed markets, sales of new drugs until 2025 are expected to be on a par with the past five years, which has been a historically strong period for the segment. The number of launches of new active substances ("NAS") is expected to be at a higher level than the historical average of 54 to 63 launches per year. In addition, the growth in the number of active substances examined is expected to contribute to an increasing number of new drugs with a focus on niche and rare diseases.

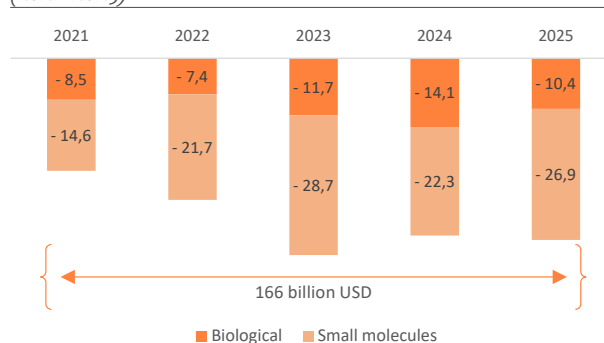
Over the next five years, Loss Of Exclusivity (LOE) revenue losses is estimated to be \$ 166 billion, of which \$ 52 billion is for biologics and \$ 114 billion for small molecule drugs. The loss of revenue is expected to be offset by increased sales of generics and biosimilars, which is a development that means significant savings for healthcare systems and patients in the coming years as generics and biosimilars are significantly cheaper compared to patented drugs.<sup>1</sup>

### Specialty drugs dominate the market

Specialty drugs are a collective name for drugs that treat chronic, complex and rare diseases, and common to them is that they are more expensive than traditional drugs. These products are generally prescribed by hospital specialists rather than primary care physicians, and have more niche patient groups. In the ten largest developed countries (USA, Japan, EU5, Canada, South Korea and Australia), specialty drugs have continuously gained market share since 2010. The segment accounted for 47 percent of the total pharmaceutical market in 2020, but is expected to rise to 59 percent by 2025. The increasing trend is global and is also found in Scandinavia.

<sup>1</sup> IQIVIA Institute for Human Data Science, april 2021

Developed markets impact of brand losses of exclusivity (2021-2025)



Losses in future periods are modeled based on expected growth before patent expiration and are not compensated by sales from generics or biosimilars.

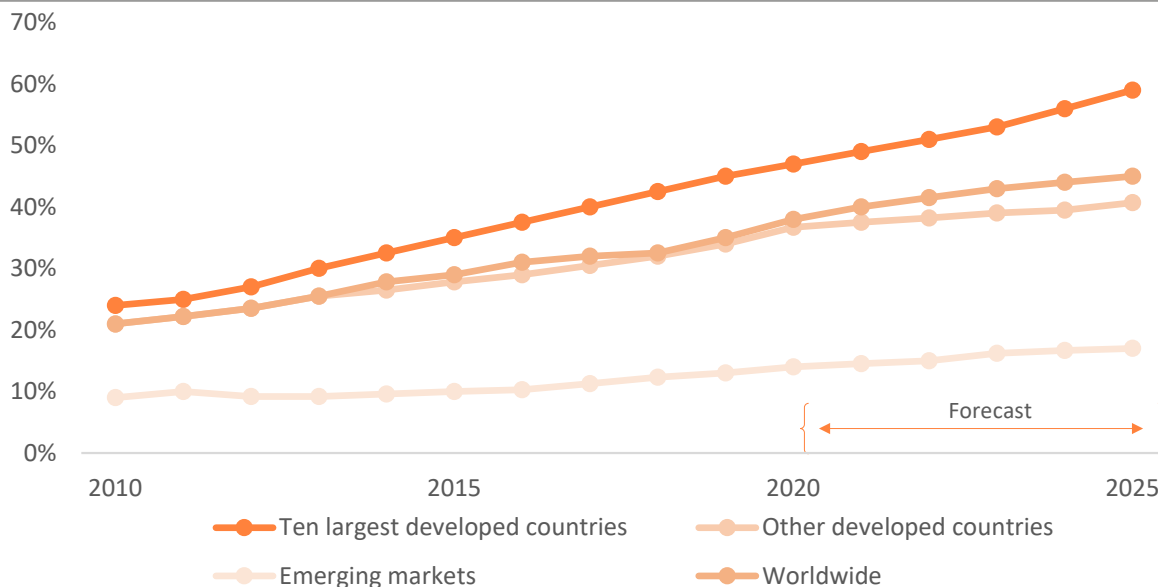
Source: IQIVIA Institute for Human Data Science, april 2021

The shift to specialty drugs requires more targeted sales efforts from the pharmaceutical companies, which means that it is no longer a competitive advantage to have large general sales teams for launches of new products. To be successful, a commercialization model is required instead, where a few specialists and other stakeholders are informed about the products. Such strategies include a multifunctional and integrated sales team, with clearly defined target groups and convincing evidence for the value of the products.

In specialist medicines, commercial success can also be achieved in smaller markets with a focused set of specialists and patients. To remain relevant in the specialist pharmaceutical industry, the larger companies often need to be more focused and responsive, as smaller companies can often compete with greater speed and mobility.<sup>2</sup>

<sup>2</sup> IQIVIA Institute for Human Data Science, april 2021

Market share for specialty drugs, 2010-2025



"Ten largest developed countries" means: USA, Japan, EU5, Canada, South Korea and Australia.

Source: IQIVIA Institute for Human Data Science, april 2021



### Therapeutic areas

Oncology, immunology, diabetes and neurology are expected to be the main growth drivers of the pharmaceutical market until 2025. This is mainly through a continued flow of new drugs, which is partly offset by LOE where competition from generics and biosimilars is expected to lead to price erosion.

Oncology is expected to continue to be the treatment area with the largest turnover. Expected sales in 2025 amount to USD 273 billion. The growth rate is estimated to be in the range of 9 to 12 percent annually until 2025 and is driven by launches of new drugs, while introductions of new biosimilars have a dampening effect on growth.

Immunology, which includes autoimmune treatments for rheumatoid arthritis, ulcerative colitis, Crohn's disease, psoriasis and related conditions, as well as a new series of autoimmune dermatological conditions, is also expected to see annual growth of 9 to 12 percent, including expected negative effects from outgoing patents. Expected sales in 2025 amount to USD 175 billion.

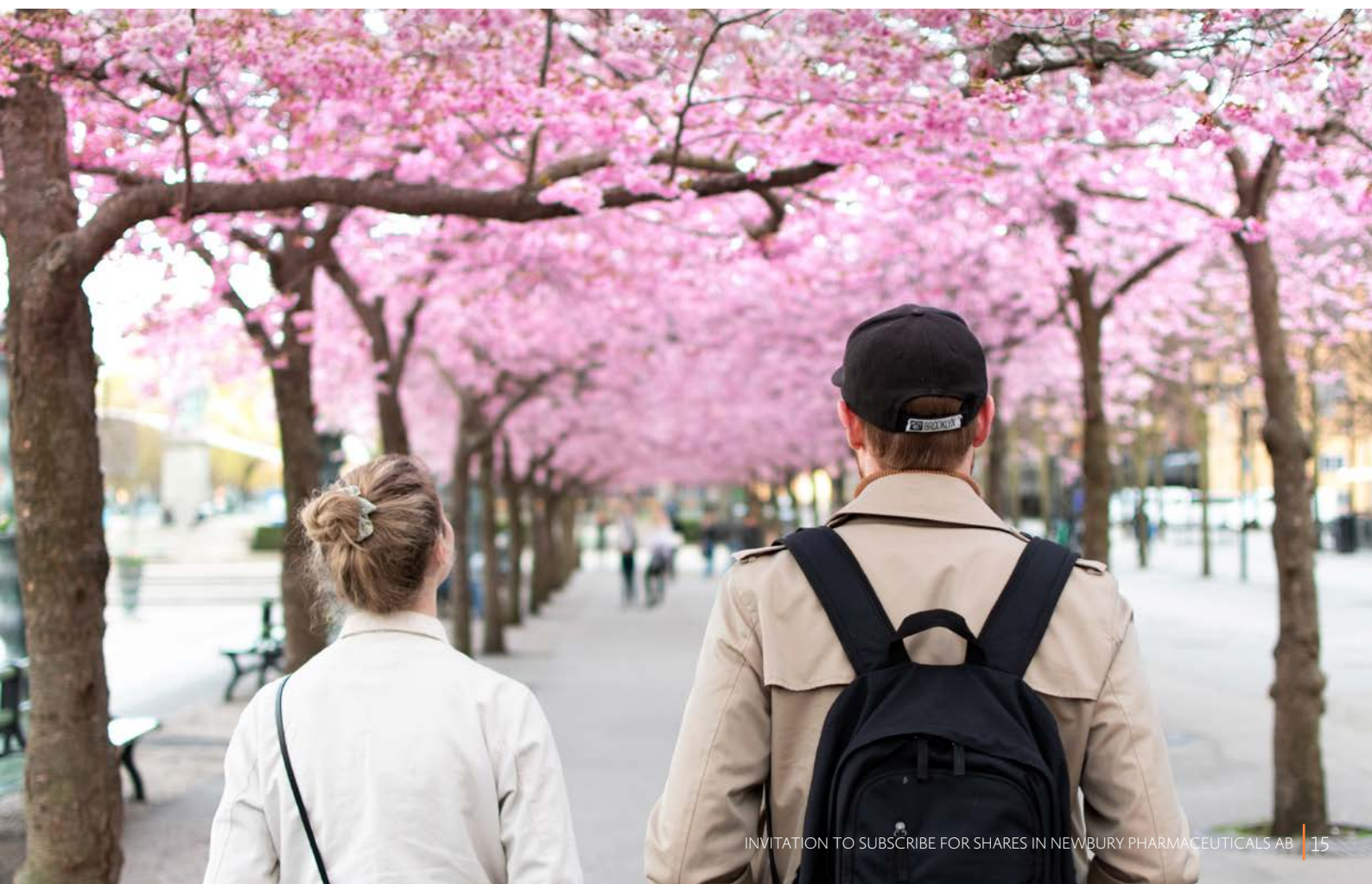
Diabetes is the third largest treatment area globally and is expected to have sales of almost USD 150 billion by 2025, which means an annual growth rate of around 4 to 7 percent from 2020. The segment is heavily discounted, which may lead to significantly lower sales than expected.

Neurology is expected to grow by 3 to 6 percent to more than \$ 140 billion by 2025, but the treatment area includes sub-segments with much higher growth potential. A number of rare neurological diseases have seen successful research results and others have also received new treatments approved. New treatments may also be launched for common diseases such as Alzheimer's and Parkinson's, which represents a significant potential upside for the neurology field.

Common to the treatment areas that are expected to have a lower growth in the next five years compared to the growth of the last five years, such as lipid regulators, antacids, dermatology and cardiovascular diseases, is that they consistently belong to more traditional treatment areas where fewer new drugs have been launched and where price erosion due to outgoing patents is the main driving force in the market.<sup>1</sup>

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<sup>1</sup> IQIVIA Insitute for Human Data Science, april 2021



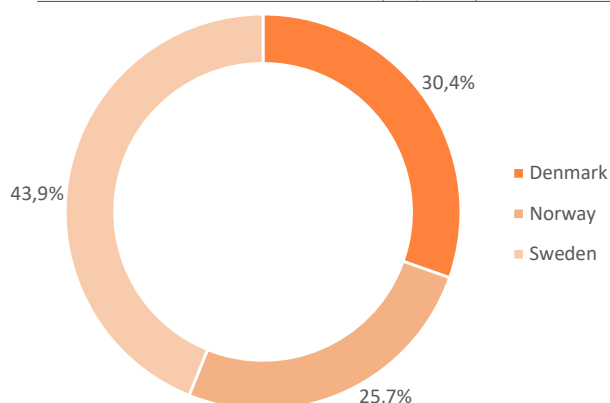
## SCANDINAVIAN MARKET

The Scandinavian countries have publicly funded healthcare. In Sweden and Denmark, healthcare is decentralized to the regional level, while in Norway it is divided between the state and municipalities. Despite some administrative differences between the countries, the healthcare systems and forms of compensation are very similar.<sup>1</sup> Healthcare and pharmaceutical markets are generally heavily regulated by governments. The aim of regulation is to take several healthcare and social issues into account, such as quality, transparency, easy access to pharmacies and ensuring that public expenditure on medical reimbursements and medicines is kept under control.<sup>2</sup>

### Market size

Sweden, Denmark and Norway all spend between 10 and 11 percent of their GDP on healthcare, which is above the European average of 8.6 percent.<sup>3</sup> Total rolling 12-month sales in the Scandinavian pharmaceutical market amounted to EUR 10.8 billion (purchase price for pharmacies August 2020 - July 2021) with a growth of 5.9 percent compared to the previous twelve-month period. The growth can be attributed to more sold products, which is an effect of an aging population that requires more drugs as well as increased use of newly intro-

Market distribution in Scandinavia (July 2021)



Source: DLMI Nordic Pharma Insights, July 2021

duced and more expensive drugs. In Sweden, many new high-cost treatments are included in side-agreements between the regions and companies, the discounts in these agreements are not public and are therefore not included in the sales data below.<sup>4</sup>

Sweden is the largest pharmaceutical market in Scandinavia with 43.9 percent of the market, followed by Denmark and Norway with 30.4 and 25.7 percent of the market each.

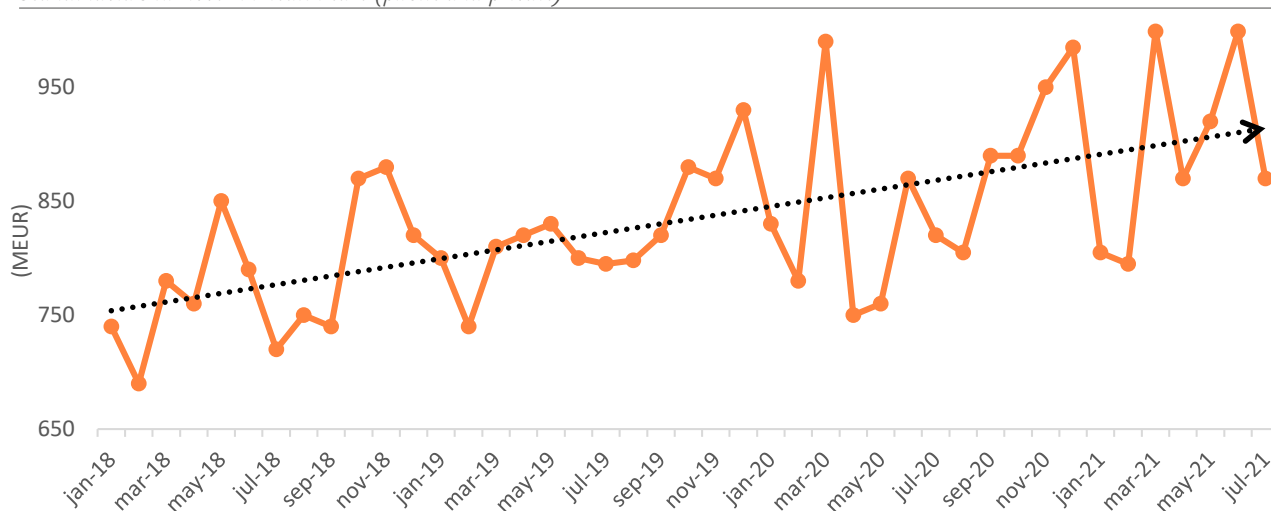
<sup>1</sup> <https://www.chameleon-pharma.com/the-nordic-countries/>

<sup>2</sup> Nordic Joint report - Online pharmacy markets in the Nordics April 2021, Konkurrentverket

<sup>3</sup> OECD Health Statistics 2019, may 2020

<sup>4</sup> DLMI Nordic Pharma Insights, juli 2021

Scandinavia's turnover in health care (public and private)



Source: DLMI Nordic Pharma Insights, July 2021



## Pricing model

### Sweden

Pricing and reimbursement for medicines in outpatient care is regulated by the Swedish Dental and Pharmaceutical Benefits Agency ("TLV"). TLV decides whether a drug should be reimbursed (included in the high-cost protection) or not and determines the price and is responsible for any future changes to this. For patent-protected medicines, value-based prices are applied, while medicines where competition has arisen after expired patents are included in the "product of the period", which is a monthly process where the Company that offers the medicine at the lowest price wins the procurement and sells the product to pharmacies in the coming month.

Sales of prescription drugs covered by the high-cost protection amounted to SEK 34.3 billion in 2020 and thus accounted for just over 65 percent of the pharmaceutical market. The patients themselves accounted for 6.4 billion of this cost, while the state, via the regions, financed the remaining part. Medicines for inpatient care, or requisition medicines, which the regions procure, accounted for 20 percent of the market during the same period with a turnover of SEK 10.5 billion. Other sales of medicines consist of over-the-counter medicines, SEK 4.9 billion, and non reimbursed prescription medicines, SEK 2.7 billion, where the costs were paid in full by the patients themselves.<sup>1</sup>

### Denmark

The Danish market is characterized by transparent and low pricing of medicines. In Denmark, a free pricing model applies. This model covers all medicines, both original medicines and medicines where competition has arisen as a result of expired patents. The prices are reported to the Danish Medicines Agency (Lægemiddelstyrelsen), which then publishes the sales prices and the subsidized prices.

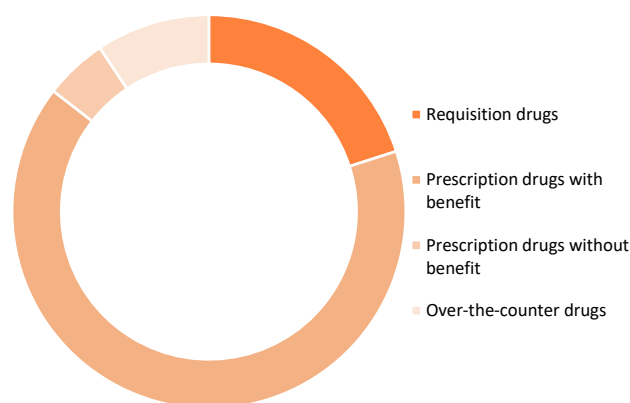
However, it has become more common for medicines to be purchased through Amgro, the healthcare system's central procurement organization, and administered within the framework of inpatient care. Special medicines are procured centrally via Amgro through tenders every twelve months, which has reduced the role of free pricing in the market.

For medicines in outpatient care where expired patents have led to a competitive situation in the market, there is an exchange system in place that is similar to the Swedish "period product system". Pharmaceutical manufacturers can announce price changes as often as every fortnight, and the product with the lowest price on each occasion automatically receives the maximum compensation subsidized by the state.<sup>2</sup>

<sup>1</sup> Läkemedelsmarknaden - Tandvårds- och läkemedelsförmånsverket TLV

<sup>2</sup> Internationell prisjämförelse 2020, Tandvårds- och läkemedelsförmånsverket, december, 2020

*Distribution of sales in the Swedish pharmaceutical market (2020)*



Source: Läkemedelsmarknaden - Tandvårds- och läkemedelsförmånsverket TLV

### Norway

In Norway, sales of traditional medicines are characterized by longer bidding procedures and direct sales to pharmaceutical wholesalers.

The price of medicines in outpatient care is determined in relation to the price level in other countries through reference pricing. Norway's reference countries are Belgium, Denmark, Finland, Sweden, Ireland, the United Kingdom (NHS), Germany, the Netherlands and Austria. The price is set at the average market price of the product in the three countries with the lowest price, and then a fixed margin is added to this. Outpatient medicines, where competition has arisen, are regulated by the Norwegian step model (step price), which sets the highest sales price for pharmacies. The price is gradually reduced depending on the sales volume, where medicines with high turnover receive a larger price reduction.

In Norway, there is also a supplement to the prescription of ordinary medicines in outpatient care, called an H-prescription, which allows certain inpatient medicines to be picked up at regular pharmacies. For requisition medicines, there is a central procurement organization, (Sykehusinnkjöp), whose function is similar to Amgro's function in Denmark, with the aim of obtaining national discounts and thereby reducing the costs of medicines used in inpatient care. This has led to Norway gradually transferring the purchase and handling of certain groups of drugs from outpatient to inpatient care.<sup>3</sup>

<sup>3</sup> Internationell prisjämförelse 2020, Tandvårds- och läkemedelsförmånsverket, december, 2020

## COMPETITION

The competitive landscape in the pharmaceutical industry can be illustrated by dividing the market using two axes according to the diagram below. The Y-axis represents the complexity of the product, where specialty drugs imply high complexity, while traditional drugs imply low complexity, and the X-axis represents marketing efforts related to interchangeability, where proprietary brands are difficult to replace due to specific properties such as a value-creating formulation, complex molecules and such properties, while the others have a high degree of substitutability.

Newbury's focus is on complex specialty drugs and its own brands where few other companies have their main focus. Many competitors have a broader product portfolio that is more focused on traditional medicines with a high degree of substitutability. As a young company without an outdated product portfolio, Newbury can focus only on the most attractive and sustainable segments of specialist medicines and its own brands.



*Based on the Company's own perception of the competitive situation*

## NEWBURY IN BRIEF

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 a small organization with expertise in the registration and commercialization of pharmaceuticals in the Scandinavian market. 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. As of the date of this Prospectus, Newbury has established close partnerships with four external partners that have given Newbury access to 27 products that will be launched in the coming years.

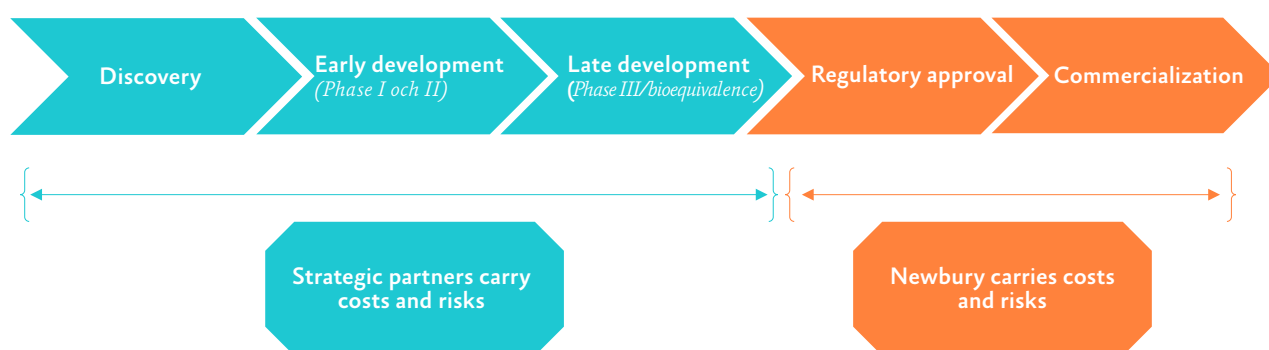
Newbury has now entered the stage where commercialization will begin to drive growth and the first product, Icatibant, will be launched during the first quarter of 2022.

## BUSINESS MODEL

Newbury does not have its own drug development, instead 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. 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. Initially, Newbury focuses only on prescription medicine in Scandinavia. 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*



## NEWBURY'S FOCUS AREAS

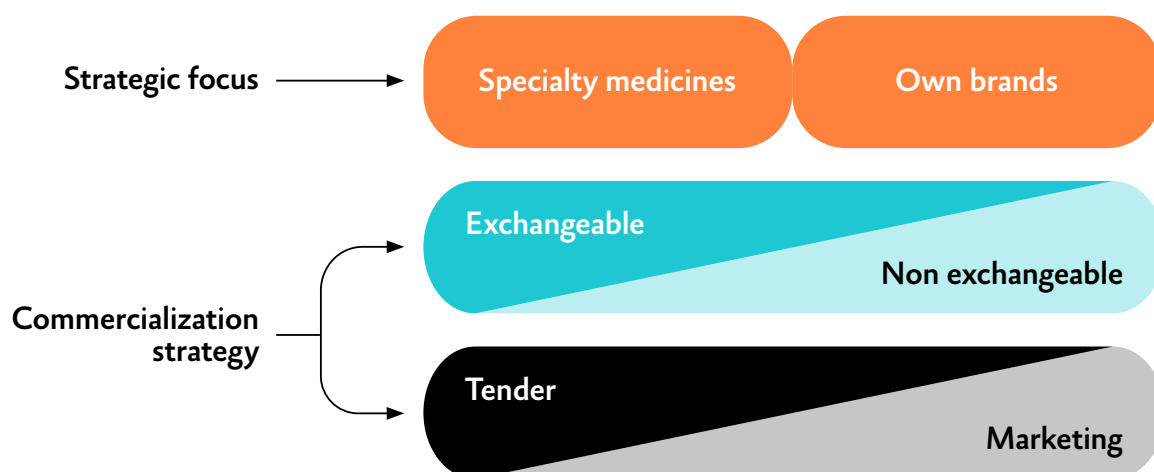
Newbury is active in prescription drugs, where the focus is on specialty drugs and its own brands.

- **Specialty medicines** - Specialty medicines are a collective name for medicines that treat chronic, complex and rare diseases, and what they have in common is that they are more expensive than traditional medicines. Specialty medicines are also characterized by high price, high complexity and / or extensive hand-laying. The laying on of hands refers to medicines with a high degree of complexity in terms of distribution, administration or patient management that drive up the cost of the medicines.
- **Own brands** - Medicines consisting of complex molecules that make the products unique and in most cases non-exchangeable. Own brands also offer consumers a product name that is probably easier to remember than the generic name. Some own brands are also manufactured as a new dosage form of an existing medicine without a patent and thus also fill a dosage gap. Own brands thus constitute a small but profitable segment in the pharmaceutical market.

In specialty medicines, Newbury focuses on both its own brands and exchangeable medicines. The biggest difference is that own brands involve a high initial investment with marketing expenses, while exchangeable medicines usually result in a significantly lower initial investment. The upside for non-exchangeable own brands is that price erosion is significantly lower once the product is established on the market compared with exchangeable medicines where the competitive situation can change quickly, which drives down the price of products.

In the field of specialty medicines and own brands, Newbury also targets biosimilars, which are medicines that are equivalent in all essential respects compared to already approved biological medicines.

*Newbury's focus areas*



### Partnership

The Company sees its partnerships as strategic pillars in the effort to offer value-creating drugs to patients and other stakeholders. The Company's strategic product focus and geographical focus on Scandinavia make Newbury a preferred partner for many pharmaceutical companies that primarily focus on larger markets in Europe and in the rest of the world. Newbury thus offers its partners quick access to a market that they did not initially process. New partnerships are constantly evaluated based on product range and competitiveness, but as part of the Company's partnership strategy, Newbury focuses above all on maintaining close cooperation with selected partners.

As of the date of this Prospectus, the majority of Newbury's products originate from a partnership with Adalvo, a company within the Alvogen Group, which through license agreements has given the Company access to innovative and value-creating specialty drugs. Adalvo is a global pharmaceutical company with a stated purpose to make a difference for patients around the world.

In addition, the Company has entered into a number of other partnerships with classic license agreements that may be exclusive or non-exclusive and differ from product to product. The Company is also open to other ways of structuring partnerships, e.g. through profit sharing.

### *The Company's license and supply agreement*

The Company's license and supply agreement can generally be described in such a way that the Company through the license agreements receives a license from the licensor to use a dossier consisting of data, information and know-how related to a particular product and then the products are purchased from the licensor in accordance with the supply agreements. Through

the license, the Company has the right to apply for registration for the sale of the product, so-called market approval, with the competent authority in each country. The Company thus owns the market approval and thus the right to market and sell the product within each country, but has no own production but acquires the products from the licensor. Before Newbury can then market and sell the product, the Company must wait for outgoing patents. Newbury normally receives all revenue from the sale, ie without royalties etc, but in some cases the price of the license is lower and then there is profit sharing between Newbury and the licensor.

The degree of exclusivity to the licenses varies between the agreements and can be non-exclusive, semi-exclusive, or fully exclusive. The degree of exclusivity regulates the licensor's opportunities to grant a license to another company to apply for registration for the sale of a certain product. Most of the license agreements give the Company the right to apply for registration, market and sell the respective product within Sweden, Norway and Denmark. For some products, such a right is also obtained for Iceland. The license agreements run without a time limit.

According to the delivery agreements, the Company undertakes to only purchase the products from the licensors. The commitment is generally valid for five years from the start of sales in each country. Each party then has the right to terminate the delivery agreement. In such a case, the Company has the opportunity to choose another supplier for the purchase of products. If the agreement is not terminated, it will be extended automatically. Any termination of the delivery agreement does not affect the Company's right to market and sell a particular product within each country.



## PRODUCT PORTFOLIO

As of the date of this Prospectus, Newbury has built a strong portfolio with a total of 27 licensed products. Newbury's existing portfolio is focused on the Scandinavian market with an annual sales value of approximately EUR 800 million<sup>1</sup>. 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.

### Oncology

Oncology is a high priority area in Newbury due to the great opportunity to help cancer patients access affordable and value-creating drugs. Over time, the portfolio will consist of several products for various cancer treatments, but primarily specialty medicines as they are in most cases complex products with good sales margins.

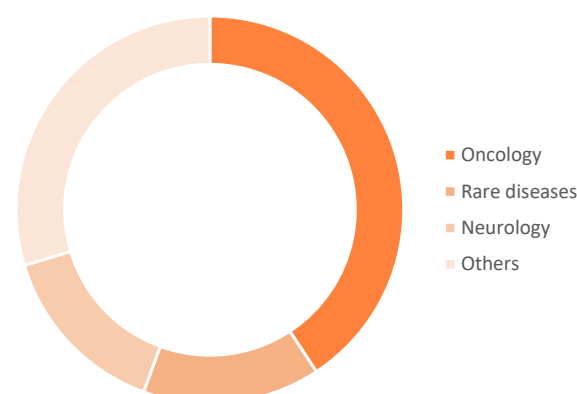
### Rare diseases

Rare diseases are characterized by few patients and relatively high treatment costs due to the complexity and low volume of the disease.

The Company's first product launch (which is expected to take place during the first quarter of 2022) concerns Icatibant, a product in the area of rare diseases and more will follow in the coming years.

<sup>1</sup> DLMI Nordic Pharma Insights, juli 2021

Portfolio distribution based on therapeutic areas



### Neurology

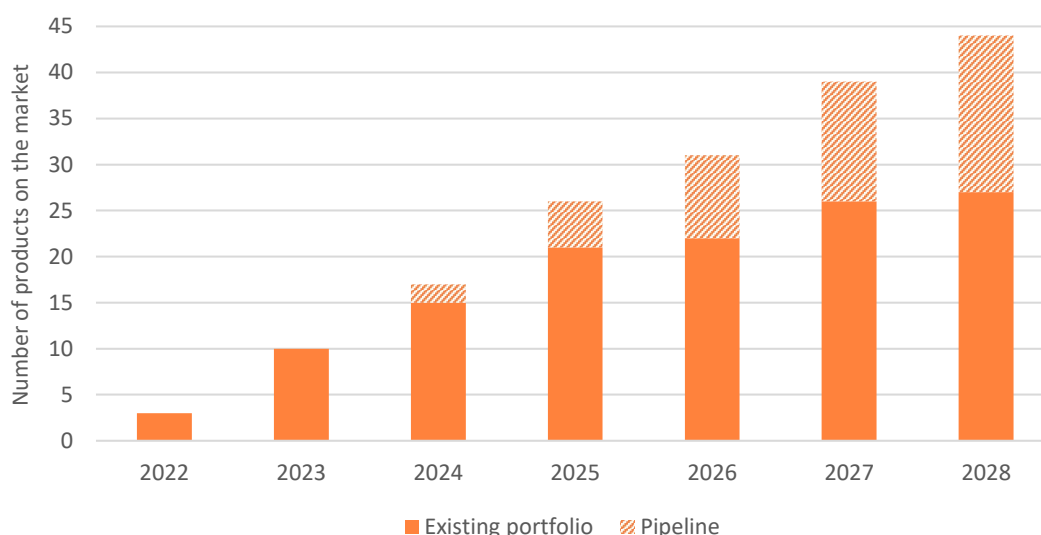
Neurology encompasses a wide range of indications, but the Company will primarily focus on selected specialty medicines in multiple sclerosis in the coming years. Multiple sclerosis is a serious life-changing disease in which the Company strives to provide cost-effective alternatives compared to current treatments.

### Other projects

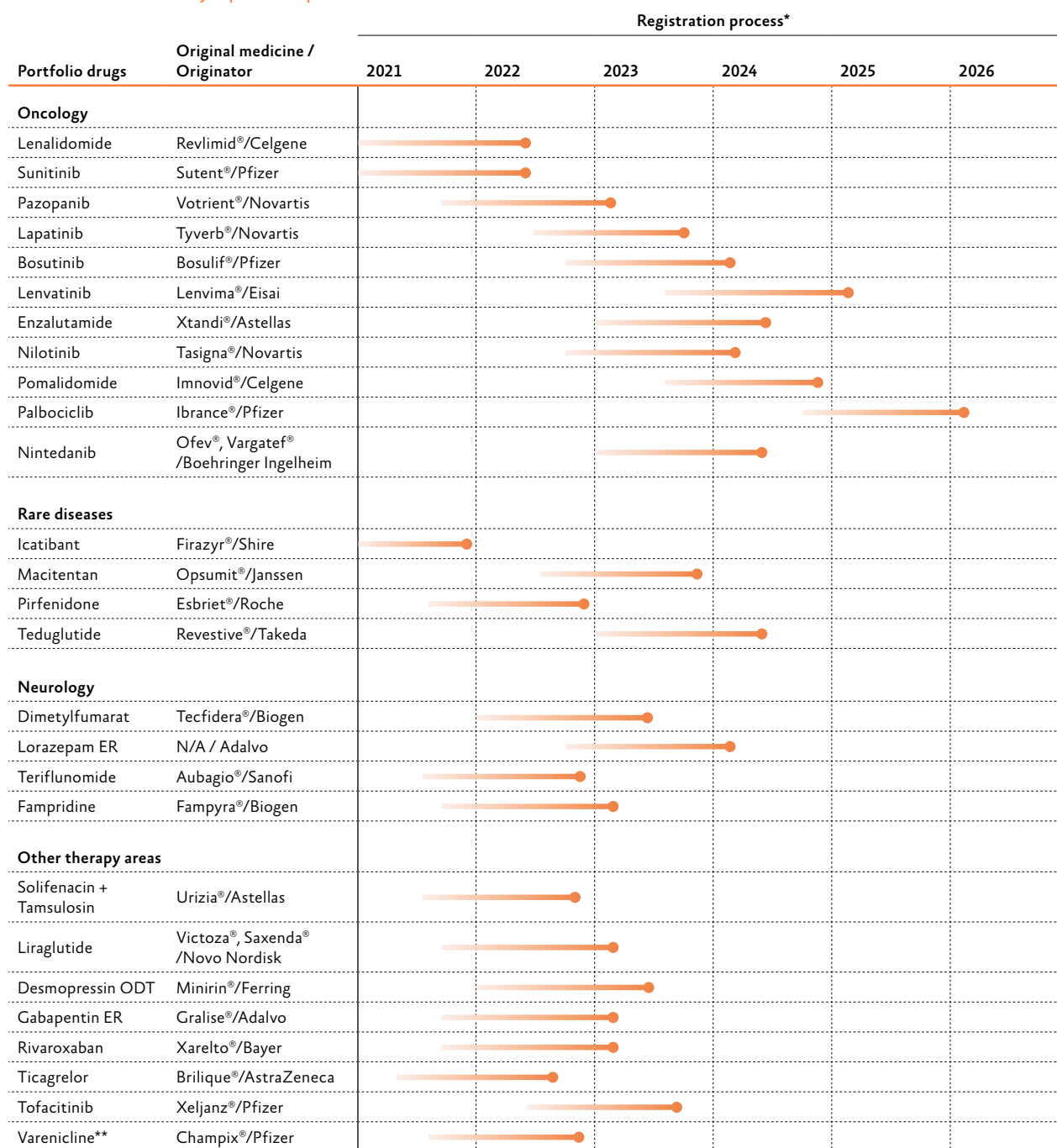
In addition to the above focus areas, the portfolio will consist of a wider range of different indications and treatment areas. The criteria for building the portfolio has been to ensure that the products brought in are in line with the Company's strategy within specialty drugs and own brands.

The portfolio will be gradually expanded with new registrations within the existing indications or new indications where the Company can offer competitive treatments to the Scandinavian market.

Expected number of products on the market



## Overview of Newbury's product portfolio



\* The registration process refers to the expected time from Newbury or its partners applying for a product approved by regulatory authorities until the product has received market approval in each country that the Company is licensed to sell the product (Sweden, Denmark and Norway). After receiving market approval, outgoing patents are awaited before the product can be sold. Planned sales start is not illustrated by the illustration above.

\*\* The Company is only licensed to sell Varenicline in Sweden.







## GO-TO-MARKET STRATEGY

Depending on the type of drug to be launched, the commercialization strategy differs from how the products are sold and marketed. But whatever the product, Newbury's Go-To-Market strategy is focused on three areas:

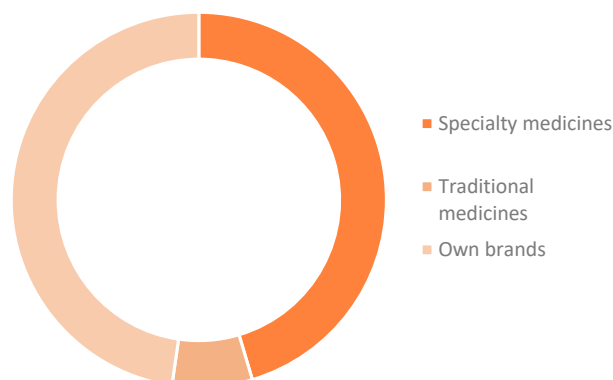
- **Timing** - The Company's local expertise and knowledge in the pharmaceutical industry in the Scandinavian market together with a flexible organization is a key component for a successful launch. The Company strives to be first on the market and is therefore looking for molecules that are among the first to be approved after the patent expires for the original drug.
- **Pricing** - Local pricing strategy adapted to each market and the different pricing systems that exist. Newbury will both compete with its own brands where margins are high and be competitive in local and national tenders for exchangeable products.
- **Volume** - Gain market share over time for your own brands where marketing makes a difference and maximize the volume of exchangeable products through tenders.

Traditional products are less complex and all Scandinavian countries have implemented efficient exchange systems to benefit the product with the lowest price. Prices can change every two weeks or every month, which tends to erode prices quickly. Several of the Company's products to be launched in the next two years are traditional products. These are expected to give Newbury quick access to the markets.

Specialty medicines are usually purchased by the national procurement agencies in Norway and Denmark through tenders. In Sweden, there are monthly offers for these products if there is more than one version that has been classified as exchangeable by the Medical Products Agency. Products that are only used in hospitals are bought directly by the county councils in Sweden. The majority of Newbury's products are in this segment and will form the basis for growth over the next five years.

Own brands are rarely replaced and generally require more marketing efforts. Sales are driven by doctors' prescriptions, which are often governed by national and regional guidelines. Newbury's commercial branding strategy is based on having a combination of the skills required to meet all relevant stakeholders, from healthcare professionals and medical experts guiding decision-makers, to the purchasers themselves and those responsible for the pharmaceutical budget.

*Portfolio breakdown 2026 (expected sales)*



## FINANCIAL GOALS

In connection with the Offer, the Company has announced the following financial targets:

- To achieve sales in excess of SEK 300 million in 2026;
- To achieve a positive cash flow from operating activities in 2023;
- Achieving an EBITDA margin in excess of 20 percent in the medium term;
- To have launched at least eight products by the end of 2023; and
- To win tenders in Norway, Denmark and Sweden by 2023.

The Company will focus on building its commercial muscles to ensure the above goals and thereby build a platform for growth in the coming years.

## ORGANISATION

Newbury has the advantage of being a small and flexible organization where the employment of key people is combined with consultants for specialist roles. As of the date of this Prospectus, the Company has three employees and ten consultants for specialist roles. The current organization is sufficient to manage the current operations, which focus on business development, operations and preparations for commercialization.

In 2022, the number of registered products will increase and will require more dedicated resources to unlock the potential in the part of the product portfolio that requires more marketing. For this reason, sales and marketing staff will be added to support Newbury's go-to-market model. In addition, some specialist roles will be employed to secure dedicated resources for business-critical roles.

## INFORMATION ABOUT THE COMPANY

The Company's registered company name (also trade name) is Newbury Pharmaceuticals AB. The Company's current company name was registered with the Swedish Companies Registration Office on September 30, 2020. The Company's organization number is 559274-2463, and the board is based in Lund municipality. The Company's office address is Medicon Village, Scheeletorget 1, 223 81 Lund with telephone number +46 46 12 11 20 and the Company's website is [www.newburypharma.com](http://www.newburypharma.com), it being noted that the information on the website is not included in the Prospectus unless this information is incorporated into the Prospectus through references. The Company identification code (LEI) is 549300F7XHU3I8CWL373. Newbury is a Swedish public limited company formed and registered in accordance with Swedish law. The Company was formed on 10 July 2020 and registered with the Swedish Companies Registration Office on 30 September 2020. The Company is a csd-registered company and its share register is maintained by Euroclear. The Company's form of association is regulated by the Swedish Companies Act (2005: 551) and the shareholders' rights associated with the ownership of the shares can only be changed in accordance with the said regulations. According to the business object in the Company's Articles of Association (§ 3), the Company shall trade in medicinal products, herbal medicines, natural remedies, health and medical care products and own and manage shares and participations in subsidiaries and related activities.

The Company is the parent company of a group with a wholly owned subsidiary, Newbury Pharmaceuticals SA, which conducts international export sales of pharmaceuticals outside Scandinavia. Although Newbury's focus is on sales in Scandinavia, export opportunities arise that contribute to improved profitability.

### Environment, Social and Governance ("ESG")

Newbury recognizes its responsibility for the ESG by providing a range of products that together contribute to better health, better patient outcomes and lower costs to society. The Company works continuously to reduce its environmental footprint and, as part of its ESG work, has set the following goals:

- Strive to understand the full environmental impact of its internal operations.
- Strive to go beyond existing legislation and demonstrate best practices for sustainable occupancy where possible.
- Strive to provide patients and society with additional product offerings by providing medicines for rare diseases at affordable prices.
- Work actively to create public-private partnerships to find the pricing model that benefits society.

### Facilities

To be close to the Scandinavian customers, Newbury uses a cGMP-certified warehouse in Gothenburg that offers a wide range of storage options. This enables Newbury to offer flexibility for fast, cost-effective and reliable delivery in the Scandinavian markets.

### Financing and investments

Bolaget kommer finansiera sin verksamhet via befintligt. The Company will finance its operations via existing working capital and through the proceeds from the Offer during the coming twelve-month period. To expand its portfolio of drugs, Newbury will continue to acquire licensing rights. This can be done through partnerships or in the form of acquisitions, which is why investments may continue to occur. As of the date of this Prospectus, in addition to the above, there are no significant ongoing, decided or future investments.

### Significant changes in the Company's loan and financing structure since November 30, 2021.

After November 30, 2021, Newbury has acquired two license rights. In connection with this, new liabilities of SEK 10.9 million arose, of which SEK 5.3 million pertains to current liabilities and SEK 5.6 million pertains to long-term liabilities.

Besides that, there have been no significant changes in the Company's loan and financing structure since November 30, 2021.

### Trends

The pressure on supply chains and lead times after Covid-19 also affects the pharmaceutical industry. In the pharmaceutical industry, it is generally a long process to change production partners and the supply of raw materials is challenged by long lead times and costly logistics.

Competition in the pharmaceutical industry is high, which means that pricing and reimbursement have been under high pressure, something that is expected to continue in the coming years. The population is getting older and thus increasing the total expenditure on health care. New products with great medical benefits drive up the total expenditure on healthcare. To counteract this, there is a continued drive for lower prices and a demand for competitive offers for generics and biosimilars. Newbury is positioned to take advantage of the above trends by offering specialized niche products at competitive prices and by focusing on bringing products to market that reduce costs to society. The Company believes that future challenges could consist of difficulties in estimating partly when the product (after marketing approval) can begin to be sold, ie. the time of the patent expiration of the original medicinal product, as well as the price and subsidy coverage set by the purchasers for the medicinal product and the conditions under which the tender procedure takes place. Delayed start of sales and difficult negotiations can lead to lower revenues and / or lower margins for the product.

In addition to the above, as far as the Company is aware, there have been no changes in the development regarding sales, inventories, costs or sales prices since the end of the most recent financial period up to the date of this prospectus.

# Working capital

The Board makes the assessment that existing working capital is not sufficient to conduct business in the coming twelve-month period from the date of this Prospectus. The total deficit is estimated to amount to approximately SEK 25 million during the coming twelve-month period. The deficit is expected to arise in April 2022. In order to finance the Company's working capital and market investment, the Board has decided on the present Offer of a total of SEK 50 million before issue costs which are estimated to amount to approximately SEK 4.6 million.

The Offering includes subscription commitments from Board members, senior executives, existing shareholders and external investors totaling SEK 40 million, which corresponds to approximately 80 percent of the number of shares in the Offer. No compensation is paid for submitted subscription

commitments. The subscription commitments are not secured by the deposit of cash, pledging of securities or other assets, presentation of a bank guarantee or in any other way.

Should the Offer not be implemented or subscribed for to the required extent or if the cash flow is not developed in accordance with the Board's assessments, the Company will need to reduce the planned sales and marketing efforts or need to carry out additional capital raising. Additional capital raising could consist of, for example, a new share issue or loan or other contribution from the Company's owners. In the event that all alternative financing options fail and in the event that additional working capital cannot be raised, this could lead to the Company being forced to wind up parts of its operations or ultimately be forced to restructure or apply for bankruptcy.

# Risk factors

*This section describes the risk factors and important circumstances that are considered essential for Newbury's operations and future development. The risk factors relate to Newbury's operations, industry and markets, and further include operational, legal and financial risks as well as risks attributable to the securities. In accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "Prospectus Regulation"), the risk factors listed below are limited to such risk factors that are specific to the Company and the securities and essential for making an informed investment decision.*

*The description below is based on information available per day for this Prospectus. The risk factors that are currently considered to be most significant, taking into account the probability that the risks will be realized and the expected extent of the negative effects of the risks, are first presented in each category, while the risk factors are then presented without special ranking. The probability of each risk is indicated by the Company with an estimated risk level (low / medium / high) on a qualitative scale, and in some cases, also with a specified financial cost*

## RISKS RELATED TO THE ISSUER'S OPERATIONS AND INDUSTRY

### Brief business history

Newbury is a newly formed company with a limited operational and financial history. The lack of business history and relevant financial history can make it difficult for investors to assess and compare the risk profile of the investment and what return is reasonable to expect. The company's management and board have not, as a group in a relatively new company, proven that together they can achieve positive earnings development. In the event that the Company fails to achieve operational objectives according to schedule, it may delay the development phase and results associated with progress in the commercialization of the Company's products.

The Company assesses the level of the above risk to medium. If the Company fails to achieve its operational objectives in the development work, and this leads to delays in the schedule, there is a risk that this will have a negative impact on the Company's operations, and thereby results and financial position.

### Loss of key personnel

Newbury has a limited organization and is highly dependent on certain key people to achieve success. The Company's key personnel have extensive expertise and long experience in the Company's business area. Should the Company lose any of its key personnel, this could therefore delay or cause interruptions in the launch of the Company's product portfolio. There is also a risk that Newbury will not be able to attract or retain qualified personnel, or that this will not be possible on satisfactory terms for the Company. There is also a risk that the confidentiality and non-compete clauses contained in key employees' employment agreements are not sufficient or applicable, which could mean reduced protection of the Company's trade secrets.

The Company assesses the level of the above-mentioned risk to medium. Should Newbury lose any or all of its key personnel, whether this happens to a competitor or not, it could adversely affect the Company's future development.

### Partners

Newbury has and will in future have collaborations with a number of partners. If these external parties do not fulfill their obligations to the Company or do not stay within the expected time frame, ongoing and planned commercializations of the Company's products may be hampered, delayed or completely interrupted, which would have a material adverse effect on the Company's operations and its ability to commercialize its products.

The Company may continue to enter into cooperation agreements with additional parties in order to, among other things, spread the financial risk that commercialization of product candidates entails. Entering into partnerships with companies that are already established in markets is a future scenario for financing and commercializing any products. The Company's success in this respect depends, among other things, on the Company's ability to attract partners and to enter into cooperation agreements on terms favorable to the Company. However, there is a risk that the Company will not be able to enter into such cooperation agreements. There is also a risk that the Company's partners do not allocate sufficient resources or are otherwise unable or unwilling to fulfill agreements entered into. If the Company is not successful in its efforts to enter into future or maintain current collaboration agreements regarding relevant product candidates, the Company's opportunities to generate revenue may be adversely affected. A loss or deterioration of the cooperation with Adalvo, which as of the date of this prospectus accounts for the majority of Newbury's products, would have a material adverse effect on the Company's operations.

It cannot be ruled out that one or more of these chooses to terminate their cooperation with the Company, which could have a negative impact on the Company's operations, in the form of limited or lost income. Nor can it be guaranteed that Newbury's partners fully meet the quality requirements set by the Company. Likewise, the establishment of new partners can be more costly and / or take longer than the Company has calculated.

The Company assesses the level of the above-mentioned risk to medium. Lack of relevant co-operation agreements or co-operation partners that fail in their work may therefore have a material adverse effect on the Company's operations.

### Competition

The Company operates in a fragmented market, where competitors consist of both small and large companies. Competition varies depending on the type of drug and geographic market, and it cannot be ruled out that competition will increase. Some of the Company's competitors have products that focus on the same diseases as the Company's products, which may affect the Company's opportunities to commercialize its products. Even if the Company achieves the desired development that enables the Commercialization of the Company's products, there is a risk that the Company's competitors may allocate significantly greater resources for marketing and sales in comparison with the Company, which may lead to a broader market acceptance in favor of the competitor. Furthermore, there is a risk that the Company will not succeed in selling a safer, more efficient or cheaper product than the competing products. If a competitive situation arises that makes it difficult for the Company to successfully position itself in the market, it may have a negative impact on the Company's operations and revenue potential. Such a situation may mean that the Company needs to implement measures such as price reductions and await commercialization.

The Company assesses the level of the above-mentioned risk to medium. If Newbury is forced to lower its prices due to increased competition, or if the Company is unable to compete successfully, this may have a negative impact on the Company's margins and thereby earnings.

### Commercialization of Newbury's products

The Company's future success and ability to generate revenue depends partly on obtaining regulatory approval, so-called market approval, to market one of the Company's products, and partly on the commercial success of such products on the market. There is a risk that the Company's application for market approval will be denied or must be supplemented, which may delay planned sales and increase the costs for the Company. Such an outcome could have a material adverse effect on Newbury's earnings and financial position. In the event that the Company obtains relevant regulatory approvals for the marketing and sale of pharmaceuticals, the risk remains that sales, regionally or globally, will not meet expectations and that commercial success will not be forthcoming. The degree of market acceptance and sales of a drug depends on a number of factors. This includes the drug's properties, its clinical results, competing products, the perception of its advantages over competing products, the prevalence and degree of adverse side effects and availability.

Another important factor is the possible compensation received from private insurance companies, authorities and other payers of healthcare products and services. The compensation that a drug can receive from time to time depends on several factors such as legislation, the value the product is considered to add to the patient and the healthcare system, the paying party's perception of whether the product is safe and effective, non-experimental, medically important and suitable for patients and whether it is cost-effective based on the laws and regulations applicable in the specific market. The degree of market acceptance is also affected by the sales and marketing efforts that the Company implements. For the Company's future profitability, it is essential that potential products can be successfully commercialized.

In addition, the Company continuously monitors the intellectual property rights (patent protection) for each product and the time of patent expiration for the original medicines. There is a risk that a competitor will challenge a launch in a specific country or that the original medicine will receive extended patent protection, which may delay the launch of a specific product. The Company therefore monitors the launch time for their products on its own and through its partner network. Patent protection is not expected to be an obstacle to market approval, but may delay launch. A delayed launch could lead to delayed revenues for the Company, which could have a negative impact on the Company's financial position.

The Company considers the level of the above-mentioned risk to be low. If the commercialization of the Company's products develops worse than expected, it may have a material adverse effect on the Company's sales and financial position.

### Risks related to license agreements and suppliers

Newbury does not have its own drug development, but all products are licensed through, above all, partnerships. A critical part of the Company's operations therefore includes the licensing agreements entered into with partners regarding one or more drugs. Even if Newbury does not bear development risk for the products, there is a risk that the products will not be available in time, which may mean delays compared with the Company's rollout plan. Newbury can therefore be negatively affected by, for example, shortages of supply and production associations. Furthermore, there is a risk that suppliers change their terms or raise prices due to, for example, lack of supply of raw materials. According to the delivery agreements that the Company enters into when in-licensing new products, the Company undertakes to only purchase the products from the licensors. The commitment is generally valid for five years from the start of sales in each country. Each party then has the right to terminate the delivery agreement. If the collaboration thereafter does not proceed as before, the Company may be exposed to risks regarding delivery of the product. There is a risk that the Company will not succeed in finding a new

supplier or that it will be more costly than the Company has anticipated, which may affect Newbury's sales and / or earnings negatively.

According to the Company's license agreement, the Company has an obligation to submit forecasts and orders for a certain period before the planned delivery. There is thus a risk that Newbury overestimates or underestimates the potential in its sales forecasts, which can lead to either lost sales opportunities or increased costs in connection with inventory surpluses.

The Company considers the level of the above-mentioned risk to be low. Delivery deficits or delays may have a negative effect on sales and lead to lost growth opportunities.

#### Depending on national insurance systems

The Company's success in certain markets depends on national insurance systems (private or public) approving Newbury's products for replacement in the national insurance systems. The Company works to ensure that the products are incorporated in relevant markets, but there is a risk that the Company's pharmaceutical products will not be able to achieve or maintain the requirements set for receiving compensation from national insurance systems in the markets in which the Company operates. Furthermore, there is a risk that sufficiently beneficial compensation from these national insurance schemes will not be obtained and that the schemes will not pay any such compensation within a certain period of time.

The Company considers the level of the above-mentioned risk to be low. If in some markets no compensation is obtained from the insurance systems and no clinical acceptance of the drugs is achieved, it will lead to a negative impact on the Company's future sales growth, which may have a significant negative impact on the Company's margins and thereby earnings.

### RISKS RELATED TO THE COMPANY'S SECURITIES AND THE OFFER

#### Owner with significant influence

As of the date of this Prospectus, the Company's two largest owners (the "Principal Owners") hold 78.1 percent of the share capital and votes prior to the Offering. Even after the Offering, the main owners will hold a significant ownership interest in the Company. Consequently, these can exercise a significant influence in matters that are subject to the approval of the shareholders in the Company, including any mergers, consolidations or sales of all or a significant part of the Company's

assets. As a result of the Company's ownership structure, there is a risk that investors will not be able to exercise any influence at all or that the main owners' interests are not in line with the Company's or other shareholders' interests. For example, the share price may be negatively affected in the event that investors see disadvantages in owning shares in companies with a strong ownership concentration.

The Company assesses the level of the above-mentioned risk to medium. In cases where the Principal Owners would sell all or part of their respective shareholdings, the Company assesses that it would have a medium impact on the Company's valuation.

#### Unsecured subscription commitments

Newbury has entered into subscription agreements with external investors regarding the Offer. The agreements entered into are not secured by pledges, blocking funds or any similar arrangement. There is thus a risk that the subscription commitments will not be fulfilled. In the event that the Offer is not completed and the Company does not succeed in generating additional income, the Company would be forced to seek alternative financing or postpone existing projects and implement cost reductions. In the event that all alternative financing options fail and in the event that additional working capital cannot be raised, this could lead to the Company being forced to wind up parts of its operations or ultimately be forced to restructure or apply for bankruptcy.

The Company considers the probability of the risk to be low. In the event that the parties who have submitted subscription commitments do not fulfill their obligation, this may mean that the Company cannot raise the desired capital. For the Company, the worst outcome in this respect would be that no investors participate in the Offer.

# Terms for the securities

## INFORMATION ABOUT THE SECURITIES OFFERED

Newbury's shares are denominated in SEK and have been issued in accordance with Swedish law and the provisions of the Swedish Companies Act (2005: 551). The Company's shares are issued to holders and the Company's shares are accounted for in a reconciliation register in accordance with the Act (1998: 1479) on central securities depositories and the accounting of financial instruments. The register is maintained by Euroclear Sweden AB, Box 191, 101 23 Stockholm. No share certificates have been issued for the Company's shares. The share's ISIN code is SE0015244884. The Offer comprises a maximum of 3,846,154 newly issued shares.

## CERTAIN RIGHTS ATTACHED TO THE SHARES

The rights associated with shares issued by the Company, including the rights that follow from the Articles of Association, can only be changed in accordance with the procedures specified in the Swedish Companies Act. Each share entitles the holder to one vote at Newbury's Annual General Meeting. At the Annual General Meeting, each shareholder entitled to vote may vote for the full number of shares owned and represented by him. There is only one class of shares and all shares carry an equal right to a share in the Company's assets and profits. In the event of a liquidation of the Company, shareholders are entitled to a share of the surplus in relation to the number of shares held by the shareholder. There are no restrictions regarding the transferability of the shares. Shareholders normally have a preferential right to subscribe for new shares, warrants and convertibles in accordance with the Swedish Companies Act, unless the Annual General Meeting or the Board of Directors, on the basis of the authorization of the Annual General Meeting, decides on a deviation from the shareholders' preferential rights. The Articles of Association do not contain any special provisions on redemption or conversion.

## THE OFFER

The Board of Directors of the Company decided on January 10, 2021, with the support of the authorization granted by the Annual General Meeting on October 29, 2021, to implement the Offer. The offer pertains to subscription of shares (ISIN code SE0015244884) without preferential rights for existing shareholders in the Company. The newly issued shares in the Offer are issued in accordance with Swedish law and the currency for the Offer is SEK. The shares issued within the framework of the Offer are expected to be registered with the Swedish Companies Registration Office during week 7, 2022. The specified time for registration is preliminary and may change.

## DIVIDEND

Decisions on dividends are made by the Annual General Meeting and payment is arranged by Euroclear. Dividends may only be paid in such an amount that after the dividend there is full coverage for the Company's restricted equity and only if the dividend appears justifiable with regard to (i) the requirements that the nature, scope and risks of the business impose on the size of equity; and (ii) the Company's consolidation needs, liquidity and position in general (the so-called prudential rule). As a general rule, shareholders may not decide on a dividend of a larger amount than what the Board has proposed or approved.

The right to dividends accrues to those who are registered as shareholders in the share register kept by Euroclear on the record date for dividends decided by the Annual General Meeting. Dividends are normally paid as a cash amount per share through Euroclear. Dividends can also be paid in other forms than cash dividends (so-called non-cash dividends). If a shareholder cannot be reached for receipt of a dividend, the shareholder's claim on the Company remains and is limited only by general rules for prescription. The claim matures as a general rule after ten years. In the event of prescription, the entire amount goes to the Company. The Company does not apply any restrictions or special procedures regarding cash dividends to shareholders resident outside Sweden. With the exception of any restrictions that follow from banking and clearing systems, payment is made in the same way as for shareholders resident in Sweden. The tax legislation in both Sweden and the shareholder's home country can affect the income from any dividends that are paid, see more under the section "Taxation". For shareholders who are not tax resident in Sweden, however, Swedish coupon tax is normally paid.

## AUTHORIZATION

At the Annual General Meeting on October 29, 2021, it was decided to authorize the Board to, on one or more occasions during the period until the next Annual General Meeting, decide on a new issue of a maximum of 7,500,000 shares. The Board shall be able to decide on the issue of shares with deviation from the shareholders' preferential rights and / or with a provision on non-cash, set-off or otherwise with conditions in accordance with Chapter 2, Section 5, second paragraph 1-3 and 5 of the Swedish Companies Act.

Issuance in accordance with this authorization shall take place on market terms, subject to a market issue discount where applicable. The Board shall have the right to determine the terms and conditions for other issues in accordance with this authorization and who shall have the right to subscribe for the shares. The reason for the Board to be able to make a decision on a share issue with deviation from shareholders' preferential rights and / or with a provision on non-cash and set-off issue or otherwise with conditions as above is that the



Company should be able to issue shares in connection with acquisitions of companies or operations. directed issues for the purpose of raising capital for the Company.

## TAXATION

The tax legislation in the investor's home country and Sweden may affect any income received from the shares offered through the Offer.

Taxation of any dividends, as well as capital gains taxation and rules on capital losses on the sale of securities, depend on the specific situation of each individual shareholder. Special tax rules apply to certain types of taxpayers, such as investment companies and insurance companies, and certain types of investment forms. Each holder of shares and subscription rights should therefore consult a tax adviser to obtain information on the specific consequences that may arise in the individual case, including the applicability and effect of foreign tax rules and tax treaties.

## PUBLIC TAKEOVER BIDS AND COMPULSORY REDEMPTION

Provided that the Company's shares are admitted to trading on First North, the Company's shares will be covered by the rules on public takeover bids issued by the Swedish Corporate Governance Board (Takeover rules for certain trading platforms). A public takeover bid can apply to all or part of the shares in a company, and can be either voluntary or mandatory (so-called mandatory bidding). The obligation to bid arises when a shareholder, alone or together with related parties, achieves a holding that represents at least three tenths of the voting rights for all shares in a company.

A company may only, after a decision by the general meeting, take measures that are likely to impair the conditions for the submission or implementation of an offer, if the board or the managing director of the Company has good reason to assume that such an offer is imminent, or if such an offer has been made.

In the case of a public takeover bid, a shareholder must take a position on the bid during the acceptance deadline. A shareholder has the right to either accept or reject the offer. A shareholder who has accepted a public takeover bid is, as a rule, bound by his acceptance. A shareholder may, however, in certain circumstances revoke his acceptance, for example if the acceptance given has been conditional on the fulfillment of certain conditions. If a shareholder chooses to reject, or does not respond, a public takeover bid, the shareholder's shares may be subject to compulsory redemption in the event that the bidder obtains a holding that represents more than nine tenths of the shares in the limited company through the bid.

Compulsory redemption means that a majority shareholder who holds more than nine tenths of the shares in a company, regardless of the voting value of the shares, has a statutory right to redeem the remaining shares that are not already held by the majority shareholder. Correspondingly, the person whose shares can be redeemed has the right to have their shares redeemed by the majority shareholder. The price of shares redeemed through compulsory redemption can be determined in two ways. If the majority shareholder has submitted a public takeover bid to other shareholders, which has been accepted by at least nine tenths of the shareholders, the redemption amount shall correspond to the consideration offered for the shares, unless special reasons justify otherwise. In other cases, the redemption amount for the shares shall correspond to the price that can be expected from a sale of the shares under normal circumstances. This process for determining reasonable compensation for shares as redemption through compulsory redemption forms part of the minority company law protection, which aims to create a fair treatment of all shareholders. Any disputes about redemption shall be tried by arbitrators.

Newbury's shares are not subject to an offer made as a result of a mandatory bid, redemption right or redemption obligation. There have been no public takeover bids for Newbury's shares during the current or previous financial year.



# Details of the Offer

## THE OFFER

The public in Sweden, Norway, Denmark, Finland and institutional investors are offered the opportunity to subscribe for shares in Newbury. The minimum subscription item is 450 shares corresponding to 5,850 SEK. The offer comprises a maximum of 3,846,154 newly issued shares. Upon full subscription in the Offer, SEK Newbury 50 million will be added before issue costs. The issue is carried out without preferential rights for existing shareholders.

### Offer price

The offer price has been determined by the Company's Board in consultation with Västra Hamnen. The Company value is based on discussions between Newbury and a number of qualified investors regarding the Company's future, long-term business prospects, where the most important discussion points have concerned the Company's market potential and competition. In light of the above and with regard to the prevailing stock market climate, the valuation in the Offer has been set at SEK 13 per share, corresponding to a company value of SEK 204 million. Brokerage commission will not be charged.

### Subscription period

Subscription for shares will take place during the period from January 12, 2022 to January 25, 2022. The Board of Directors of Newbury reserves the right to extend the subscription period and the time for payment. Decisions to extend will be announced no later than the last day of the subscription period.

### Registration for subscription of shares

Subscription for shares shall take place by filling in and signing a registration form or electronically via BankID on Aqurat's website [www.aqurat.se](http://www.aqurat.se).

The minimum subscription item is 450 shares, which corresponds to SEK 5,850 and thereafter subscription takes place in any number of shares. Completed application form must be received by Aqurat no later than 15:00 on January 25, 2022. Application forms sent by post should be sent well in advance of the last day of the subscription period. It is only permitted to submit one (1) application form per subscriber. In the event that several application forms were submitted, only the most recent receipt will be considered. Incomplete or incorrectly completed application form may be disregarded. No additions or changes may be made to the text printed on the application form. Please note that registration is binding.

### *Completed special application form is sent or submitted to:*

Aqurat Fondkommission AB  
Subject: Newbury Pharmaceuticals AB  
Box 7461  
103 92 Stockholm  
Phone: 08-684 05 800  
Fax: 08-684 08 801  
E-mail: [info@aqurat.se](mailto:info@aqurat.se) (scanned registration form)

Anyone who registers for subscription of shares must have a VP account or a depository with a bank or other nominee to whom delivery of shares can take place. Persons who do not have a VP account or depository must open a VP account or a depository with a bank or a securities institution before submitting the application form to Aqurat. Note that this may take some time.

Note that anyone who has a depository or account with specific rules for securities transactions, such as an investment savings account (ISK) or endowment insurance account (KF), must check with the bank / manager who maintains the account, if, and if so how, subscription of securities within the framework for the Offer is possible. In that case, the notification must be made in agreement with the bank / manager who maintains the account.

Registration form and the Prospectus are available on Newbury's website [www.newburypharma.com](http://www.newburypharma.com), Västra Hamnen's website [www.vhcorp.se](http://www.vhcorp.se) and on Aqurat's website [www.aqurat.se](http://www.aqurat.se). Custodian customers at Nordnet can register for subscription of shares via Nordnet's Internet service until 23:59 on January 24, 2022. More information is available at [www.nordnet.se](http://www.nordnet.se).

### Allocation

The allotment of shares is decided by the Company's Board in consultation with Västra Hamnen. The primary purpose is to achieve a good distribution of ownership. The allotment of shares does not depend on when the application form is submitted during the subscription period. In the event of an oversubscription, allotment may take place with a lower number of shares than what the application form refers to or will not be issued at all. People who have entered into subscription commitments and strategic investors may be given priority.

### Allocation notice

Allotment is expected to take place as soon as possible after the end of the application period and notification of allotment is received in the form of a settlement note which is expected to be sent out in week 4. Information will not be sent to those who have not been allotted shares.

### Dilution

The number of shares will, with a fully subscribed Offer, increase by 3,846,154 shares, from 15,675,000 to 19,521,154 shares, which corresponds to a dilution of approximately 19.7 percent of the capital and votes in the Company for existing shareholders.

### Payment

Payment must be made in accordance with the settlement note sent out. Payment must be made no later than three (3) banking days after the issuance of the settlement note. If payment is not made on time, the shares may be transferred to another. Should the sale price in the event of such a transfer

fall below the price in accordance with the Offer, the person who originally received the allotment of these securities may be liable for all or part of the difference.

#### Delivery of shares

As soon as the issue has been registered with the Swedish Companies Registration Office, which is expected to take place week 7 2022, shares will be delivered to the VP account or the depository at the bank or other nominee stated on the application form. In connection with this, the subscriber receives a VP notice confirming that the booking of securities has taken place in his VP account. Holders who have their holdings registered at a depository with a bank or stockbroker receive information from the respective nominee.

#### Pre-delivery through share loans

In connection with this offer, subscribers have the opportunity to receive early delivery ("Pre-delivery") of the corresponding number of shares that the subscriber has been allotted and paid in the offer. The purpose of receiving an early delivery of shares is that the subscriber will have the share available on his securities account as of the first trading day, provided that payment has been made on time.

Pre-delivery is made possible by one or more current shareholders in the Company lending the corresponding number of shares to subscribers until the new share issue has been registered with the Swedish Companies Registration Office. The subscriber settles the loan by returning the corresponding number of newly issued shares to the lender, which is done entirely through Aqurat's care, immediately after the newly issued shares have been created and can be delivered in Euroclear. Aqurat is not a party to the share loan transaction, but only acts as an intermediary for lenders and borrowers. If Pre-delivery is not desired, this must be stated in connection with subscription.

Please note that delivery of shares before the first day of listing presupposes that payment has been made on time.

#### Admission to trading

Newbury has received a conditional approval for listing of the Company's shares on First North. Preliminary first day of trading is February 2, 2022. Newbury's share will be traded under the short name NEWBURY with ISIN code SE0015244884.

The listing decision is conditional on Newbury meeting the formal listing requirements to (i) have secured working capital for a period of twelve months and (ii) have at least 300 shareholders from the first trading day on First North and (iii) no new information emerges that affects the Company's compliance with the listing requirements.

#### Publication of the outcome in the Offer

As soon as possible after the end of the subscription period, Newbury will announce the outcome of the Offer. The announcement is scheduled for January 27, 2022 and will be through a press release and will be available on Newbury's website.

#### Terms for the completion of the Offer

The Offer is conditional on the occurrence of no circumstances that may result in the time of the Execution of the Offer being deemed inappropriate. Such circumstances may, for example, be of an economic, financial or political nature and may refer to circumstances in Sweden as well as abroad as well as that the interest in participating in the Offer of the Board in Newbury is deemed insufficient. In such cases, the Board will not complete the Offer. If the Offer is withdrawn, this will be announced via a press release no later than January 25, 2022.

#### Shareholders' rights

Shareholders' rights regarding dividends, voting rights, preferential rights when subscribing for new shares, etc. are governed partly by Newbury's Articles of Association, which are available via the Company's website, and partly by the Swedish Companies Act (2005: 551).

#### Restrictions regarding participation in the Offer

Due to restrictions in securities legislation in Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa, the USA or other countries where participation requires additional prospectuses, registration or other measures than those that follow from Swedish law, the Offer to subscribe for shares is not directed to persons or others with a registered address in any of these countries.

#### Information about the processing of personal data

The subscriber of shares in the Offer will provide information to Aqurat. Personal data provided to Aqurat will be processed in computer systems to the extent necessary to provide services and administer customer arrangements. Personal data obtained from other than the customer to whom the processing relates may also be processed. It may also happen that personal data is processed in computer systems at companies or organizations with which Aqurat cooperates. Information about the processing of personal data is provided by Aqurat. Aqurat also accepts requests for correction of personal data. Address information may be obtained by Aqurat through an automated process at Euroclear.

#### Other information

Incomplete or incorrectly completed application forms may be submitted without consideration. A subscription of shares in the Offer is irrevocable and the subscriber may not cancel or modify a subscription of shares.

Shares that are not paid on time may be transferred to another. Should the sale price in the event of such a transfer fall below the price in accordance with the Offer, the person who originally received the allotment of these securities may be liable for all or part of the difference.

## SUBSCRIPTION COMMITMENTS IN THE OFFER

The Offering includes subscription commitments from Board members, senior executives, existing shareholders and external investors totaling SEK 40 million, which corresponds to approximately 80 percent of the number of shares in the Offer. Distribution is shown in the table below. All subscription commitments were entered into in December 2021.

The subscription commitments have been issued without compensation and are not secured by the deposit of cash, mortgaging of securities or other assets, presentation of a bank guarantee or in any other way.

## LOCK-UP

Existing shareholders with holdings in excess of 5 percent, board members and senior executives (private and/or via companies) have undertaken to Västra Hamnen, with certain exceptions, to refrain from selling or otherwise transferring or selling their shares in the Company ("Lock-up commitment"). The Lock-up commitment is valid for a period of 12 months from the first day of trading in the shares on First North. In addition, all other shareholders have entered into a corresponding Lock-up commitment for a period of 3 months from the first day of trading in the shares on First North.

Provided that the Offer is fully subscribed, approximately 80 percent of the shares in the Company are covered by Lock-up commitment after the Offer. Transfer restrictions described above are subject to customary restrictions and exceptions, for example the acceptance of an offer to all shareholders in the Company in accordance with Swedish takeover rules or where transfer of the shares is required as a result of legal, administrative or legal requirements. After the lock-up period has expired, shareholders affected by the lock-up period are free to sell their shares in Newbury.

### Subscription commitments

Name	Subscription commitment (KSEK)	Subscription commitment (shares)	Share of the Offer
Sumar Pharma**	10,300	792,308	20.6%
ES Aktiehandel AB	5,000	384,616	10.0%
Urus AB	5,000	384,616	10.0%
Alsakali Equity AB*	3,400	261,539	6.8%
Polynom Investments AB	3,000	230,770	6.0%
Hexiron AB	3,000	230,770	6.0%
Cajory AB	2,000	153,847	4.0%
Jesper Langebro	2,000	153,847	4.0%
Abraxas Holding AB	1,500	115,385	3.0%
Johan Wäborg	1,000	76,924	2.0%
Gunnar Gårdemyr	500	38,462	1.0%
Thorbjörn Wennerholm	500	38,462	1.0%
Johan Tollgerdt	500	38,462	1.0%
Richard Kilander	500	38,462	1.0%
Maria o Victoria Management & Investment AB	500	38,462	1.0%
Christian Månsson	250	19,231	0.5%
Filippa J Rüder	250	19,231	0.5%
Johan Stein	250	19,231	0.5%
Johan Källstrand	250	19,231	0.5%
Lars Minor***	200	15,385	0.4%
Jacob Andersson	100	7,693	0.2%
<b>Total</b>	<b>40,000</b>	<b>3,076,934</b>	<b>80.0%</b>

\* Owned by Karl Karlsson, Chairman and Executive Director of Newbury

\*\* Existing shareholders with more than 5% before the Offer

\*\*\* Senior executives

# Corporate governance

## BOARD

According to the Company's Articles of Association, the Board shall consist of a minimum of three and a maximum of ten members with a maximum of three deputies. The company's board currently consists of four board members. The board is based in Lund municipality. The Board members are elected by the Annual General Meeting on October 29, 2021, for the period until the end of the Annual General Meeting in 2022. The table below indicates the name, position, year of birth, year of election to the Board and shareholdings

Name	Position	Year of birth	Elected	Independent in relation to		Holdings**
				The Company and the Company's management	Major shareholders *	
Karl Karlsson	Chairman of the Board and Executive Director	1974	2020	Nej	Nej	9,750,000
Andreas Hedskog	Board member	1974	2020	Ja	Ja	100,000
Anil Okay***	Board member	1986	2021	Nej	Nej	50 000
Johan Strömqvist	Board member	1976	2020	Ja	Ja	100,000

\* Major shareholders refer to owners who directly or indirectly control 10 percent or more of the shares in the Company.

\*\* Refers to private ownership and ownership through companies.

\*\*\* Anil Okay is considered to be dependent in relation to The Company and its management due to the fact that Anil Okay is the CEO of Adalvo, which is a major partner. Anil Okay is also considered to be dependent on major shareholders as both Adalvo and Sumar Pharma are controlled by AZTIQ.



### Karl Karlsson

Born 1974. Chairman of the Board since 2020. Executive director since 2021.

Karl Karlsson holds an Executive MBA from Harvard Business School. Karl also has 20 years of experience in entrepreneurship, implementation of growth strategy and rapid marketing expansion. Karl has previously been the CEO of the Company and the CEO, board member and founder of Bluefish Pharmaceuticals.

- **Other ongoing assignments:** Board member of Alsakali Equity AB.
- **Holdings:** 9,750,000 shares.



### Andreas Hedskog

Born 1974. Board member since 2020.

Andreas Hedskog has a master's degree in economics from Cambridge University and an Executive MBA from Harvard Business School. Andreas is the founder and board member of 4C Strategies AB.

- **Other ongoing assignments:** Chairman of the Board of 4C Group AB and Hedskog Equity AB. Board member of 4C Strategies AB, SnigelDesign AB, 4C International AB, HAEVE AB and Southside Padel AB. Member of the security and defense companies.
- **Holdings:** 100,000 shares.



#### Anil Okay

*Born 1986. Board member since 2021.*

Anil Okay has a degree in Mathematics-Computer Engineering from Vienna Technical University, an MBA from Vienna Economy University, and a master's degree in marketing management from Galatasaray University. Anil has more than 15 years of experience from the pharmaceutical industry and has negotiated a large number of licensing, acquisition, delivery, distribution, sales and marketing agreements. Anil has been Head of International Markets at Abdi Ibrahim and has also been Global Head of Licensing and Sales at HELM AG.

- **Other ongoing assignments:** CEO at Adalvo and CCO at Alvotech.
- **Holdings:** 50,000 shares.



#### Johan Strömqvist

*Born 1976. Board member since 2020.*

Johan Strömqvist has a PhD in biological physics and a master's degree in technical physics from the Royal Institute of Technology, as well as a master's degree in mathematics from Stockholm University. Johan has ten years of experience in the life science industry, including as CEO and founder of the DNA sequencing company Single Technologies AB.

- **Other ongoing assignments:** President and board member of Single Technologies AB.
- **Holdings:** 100,000 shares.

## MANAGEMENT

Name	Position	Year of birth	Hired since	Holdings*
Lars Minor	CEO	1970	2021	37,500 shares and 200,000 employee stock options
Karl Karlsson	Chairman of the Board and Executive Director	1974	2021**	9,750,000 shares
Fredrik Hellqvist	Vice President Sales and Marketing	1973	2021	12,500 shares and 200,000 employee stock options
Christoffer Tell	Chief Financial Officer	1987	2021	50,000 shares

\* Refers to private ownership and ownership through companies.

\*\* Karl Karlsson was the CEO of the Company during the period 30 September 2020 until 31 August 2021.

### Karl Karlsson

Chairman of the Board since 2020 and Executive Director since 2021 (see description above under "Board").



### Lars Minor

*Born 1970. CEO since 2021.*

Lars Minor has a degree in business science from Copenhagen Business School, has studied Leadership development at IMD Business School and completed the Senior Executive Leadership program at London Business School. Lars Minor has extensive experience in the pharmaceutical industry and his previous position was Corporate Vice President, Strategy Execution and Change, at LEO Pharma A/S.

- **Other ongoing assignments:** -
- **Holdings:** 37,500 shares and 200,000 employee stock options.



### Fredrik Hellqvist

*Born 1973. Vice President Sales and Marketing since 2021.*

Fredrik Hellqvist has studied at the School of Business, Economics and Law at the University of Gothenburg. Fredrik has previously been Business Unit Director Oncology for Scandinavia at AbbVie AB and international experience from AbbVie's European office.

- **Other ongoing assignments:** -
- **Holdings:** 12,500 shares and 200,000 employee stock options.



#### Christoffer Tell

*Born 1987. Chief Financial Officer since 2021.*

Christoffer Tell has a bachelor's degree in business administration from Kristianstad University. Christoffer has over 10 years of experience in leading positions from listed and unlisted companies in various industries. Christoffer has a background as CFO for Global Gaming 555 AB, CFO for Examec Group and work as an independent consultant and auditor.

- **Other ongoing assignments:** CFO of Simris Alg AB, chairman of Christoffer Tell AB and CORMKA AB, CEO and chairman of Mainstream Media Scandinavia AB.
- **Holdings:** 50,000 shares.

## OTHER INFORMATION REGARDING THE BOARD AND SENIOR EXECUTIVES

Karl Karlsson and Johan Strömquist are cousins. Otherwise, there are no family ties between the board members and / or the senior executives.

During the past five years, none of the Company's board members or senior executives has (i) been convicted in a fraud-related case, (ii) been bound by a crime and / or has been subject to penalties for a crime by a regulatory or supervisory authority (including recognized professional associations), or (iii) prohibited by a court from being a member of an issuer's administrative, management or supervisory body or from having leading or overarching functions of an issuer. Karl Karlsson has been a member of Genai Labs SA and director of Newbury General Trading LLC, which in 2020 has been dissolved through voluntary liquidations. In addition, no board member or member of the management team has been involved in any bankruptcies, liquidations or the like during the past five years.

All board members and senior executives can be reached via the Company's address Medicon Village, 223 81, Lund, Sweden.

## REMUNERATION TO THE BOARD AND REMUNERATION AND TERMS OF EMPLOYMENT FOR SENIOR EXECUTIVES

Remuneration to Board members elected by the Annual General Meeting is decided by the Annual General Meeting. At the Annual General Meeting on October 29, 2021, it was decided that fees to the Board would be paid in the amount of SEK 60,000 to each of the Board members who are not employed by the Company. No board member has an agreement that entitles to remuneration upon termination of the assignment.

The Company has no allocated or accrued amounts for pensions or similar benefits after a board member or senior executive resigns from a position or assignment.

The table below shows the remuneration received by the Board members and senior executives for the financial year 2020/2021. All amounts are stated in SEK.

### Remuneration during 2020/2021

(SEK)	Basic salary / Board fee	Variable remuneration	Pension compensation	Other benefits*	Amount
Karl Karlsson	1,137,020	-	180,482	1,979	1,319,481
Andreas Hedskog	-	-	-	-	-
Anil Okay	-	-	-	-	-
Johan Strömquist	-	-	-	-	-
Lars Minor	-	-	-	-	-
Fredrik Hellqvist	496,064	-	103,805	1,979	601,848
Christoffer Tell	-	-	-	-	-
<b>Sum</b>	<b>1,633,084</b>	<b>-</b>	<b>284,287</b>	<b>3,958</b>	<b>1,921,329</b>

\* Other benefits relate to health insurance.



# Finansiell information och nyckeltal

The following financial information is the Company's complete financial history and includes audited consolidated financial statements for the financial year 2020/2021 (11 months), which have been prepared in accordance with the Annual Accounts Act (1995: 1554) and the Swedish Accounting Standards Board's general advice BFNAR 2012: 1 Annual Report and Consolidated Financial Statements (K3). The interim report for the period 1 September 2021 - 30 November 2021 has not been reviewed by the Company's auditor. The interim report for the period 1 September 2021 - 30 November 2021 has been prepared in accordance with BFNAR 2012: 1 Annual Report and Consolidated Financial Statements (Q3) and the Company's financial statements are presented below. Newbury is the parent company of a group consisting of a wholly owned subsidiary. The current financial year refers to 1 September - 31 August.

The following financial information has been taken from the above-mentioned incorporated documents and the Prospectus has not been reviewed by the Company's auditor. The key figures are taken from the above-mentioned sources. The key figures are calculated on amounts in the accounts that are reported in accordance with BFNAR 2012: 1. The key figures are not in themselves revised. Apart from what is stated above regarding historical financial information that has been incorporated by reference, no information in the Prospectus has been reviewed or audited by the Company's auditor. References to these reports are made as follows:

- *Newbury's annual report for 2020/2021: income statement (page 6), balance sheet (pages 7-8), cash flow analysis (page 9), changes in equity (page 4), notes (pages 14-20) and auditor's report (pages 21-23).*
- *Newbury's interim report for the period September 1, 2021 - November 30, 2021: income statement (page 4), balance sheet (page 4), and cash flow statement (page 5).*

## Income statement

	1 Sep 2021 - 30 Nov 2021	1 Sep 2020 - 30 Nov 2020	30 Sep 2020 - 31 Aug 2021
(amount in KSEK)	Not revised	Not revised	Revised
Net sales	-	-	2,829
Other operating income	124	11	11
<b>Total operating income</b>	<b>124*</b>	<b>11*</b>	<b>2,840</b>
<i>Operating expenses</i>			
Merchandise	-	-	-2,369
Other external expenses	-1,865	-25	-2,810
Personnel costs	-1,623	-178	-2,645
Depreciation of intangible fixed assets	-228	-	-608
Other operating expenses	-189	-	-29
	<b>-3,905*</b>	<b>-203*</b>	<b>-8,461</b>
<b>Operating profit</b>	<b>-3,781</b>	<b>-192</b>	<b>-5,621</b>
<b>Profit from financial items</b>			
Interest income and similar income items	-	-	99
Interest expenses and similar income items	-	-	-35
	<b>41*</b>	<b>-*</b>	<b>65</b>
<b>Profit after financial items</b>	<b>-3,740</b>	<b>-192</b>	<b>-5,557</b>
<b>Profit before tax</b>	<b>-</b>	<b>-</b>	<b>-5,557</b>
<b>The result of the period</b>	<b>-3,740</b>	<b>-192</b>	<b>-5,557</b>

\* Not found or has another name in the interim report for the period 1 September 2021 - 30 November 2021

Balance sheet

	30 Nov 2021	30 Nov 2020	31 Aug 2021
(amount in KSEK)	<i>Not revised</i>	<i>Not revised</i>	<i>Revised</i>
<b>Fixed assets</b>			
<i>Intangible assets</i>			
Concessions, patents, licenses, trademarks and similar rights	-*	-*	23,086
Goodwill	-*	-*	3,953
	<b>32,239</b>	-	<b>27,039</b>
<b>Total fixed assets</b>	<b>32,239</b>	-	<b>27,039</b>
<b>Current assets</b>			
<i>Receivables</i>			
Accounts receivable	-*	-*	1,080
Other receivables	-*	-*	1,254
Prepayments and accrued income	-*	-*	289
	<b>2,178</b>	<b>16</b>	<b>2,624</b>
Cash and bank balances	7,682	51	13,145
<b>Total current assets</b>	<b>9,860</b>	<b>67</b>	<b>15,769</b>
<b>Total assets</b>	<b>42,099</b>	<b>67</b>	<b>42,808</b>
<b>Equity</b>			
<i>Equity attributable to the parent company's shareholders</i>			
Share capital	-*	-*	157
Other contributed capital	-*	-*	43,889
Other equity including profit for the year	-*	-*	-5,577
	<b>-*</b>	<b>-*</b>	<b>38,469</b>
<b>Total equity</b>	<b>34,717</b>	<b>-92</b>	<b>38,469</b>
<i>Long-term liabilities</i>			
Long-term liabilities	3,468	-	-
	<b>3,468</b>	-	-
<i>Current liabilities</i>			
Accounts payable	-*	-*	1,880
Current tax liabilities	-*	-*	69
Other debts	-*	-*	160
Accrued expenses and prepaid income	-*	-*	2,231
<b>Total short-term liabilities</b>	<b>3,914</b>	<b>159</b>	<b>4,339</b>
<b>Total equity and liabilities</b>	<b>42,099</b>	<b>67</b>	<b>42,808</b>

\* Not found or has another name in the interim report for the period 1 September 2021 - 30 November 2021

## Cash flow analysis

	1 Sep 2021 - 30 Nov 2021	1 Sep 2020 - 30 Nov 2020	30 Sep 2020 - 31 Aug 2021
(amount in KSEK)	<i>Not revised</i>	<i>Not revised</i>	<i>Revised</i>
<i>The day-to-day operations</i>			
Profit after financial items	-*	-*	-5,557
Adjustments for items that are not included in cash flow etc.	-*	-*	608
<b>Cash flow from operating activities before changes in working capital</b>	<b>-3,524</b>	<b>-192</b>	<b>-4,948</b>
<i>Cash flow from changes in working capital</i>			
Change in accounts receivable	-*	-*	-1,080
Change in current receivables	-*	-*	-847
Change in accounts payable	-*	-*	1,426
Change in current liabilities	-*	-*	1,385
<b>Cash flow from operating activities</b>	<b>-4,744</b>	<b>-49</b>	<b>-4,066</b>
<i>Investment activities</i>			
Investments in intangible fixed assets	-*	-*	-23,086
Investments in financial fixed assets	-*	-*	-3,649
<b>Cash flow from investing activities</b>	<b>-5,428</b>	<b>-*</b>	<b>-26,735</b>
<i>Financing activities</i>			
New issue	-*	-*	43,946
<b>Cash flow from financing activities</b>	<b>4,709</b>	<b>100</b>	<b>43,946</b>
<b>Cash flow of the period</b>	<b>-5,463</b>	<b>51</b>	<b>13,145</b>
Cash and cash equivalents at the beginning of the period	13,145	-	-
Cash and cash equivalents at the beginning of the period	7,682	51	13,145

\* Not found or has another name in the interim report for the period 1 September 2021 - 30 November 2021

## Key figures

(amount in KSEK)	1 Sep 2021 - 30 Nov 2021	1 Sep 2020 - 30 Nov 2020	30 Sep 2020 - 31 Aug 2021
Operating profit (EBIT)	-3,781	-192	-5,621
EBITDA	-3,553	-192	-5,013
EBITDA margin	N/A	N/A	-177%
Number of shares at the end of the period	15,675,000	10,000,000	15,675,000
Solidity (%)	82%	N/A	90%

### Key figure definitions

Solidity	Equity at the end of the period as a percentage of total assets at the end of the period. Equity / assets ratio is a measure that provides information to investors to assess the Company's financial stability and ability to survive in the longer term.
EBITDA	The Company defines earnings before interest, tax, depreciation and amortization (EBITDA) as operating profit excluding depreciation and amortization of tangible and intangible assets.
EBITDA margin	EBITDA margin shows the Company's EBITDA in relation to sales.

### Justification for the use of certain alternative key figures

Solidity	The equity / assets ratio shows the Company's equity in relation to the total capital in the Company. A low equity / assets ratio indicates high indebtedness and a high equity / assets ratio to the contrary, low debt and a high proportion of financing through equity. The key figure therefore provides important information about the Company's opportunities to be able to increase its borrowing in the future in order to, for example, finance increased investments and, in the long run, thereby increase its revenues. A decrease in the equity / assets ratio without a simultaneous increase in revenue can then also be said to constitute a warning signal that the Company is reducing its equity through losses.
EBITDA	EBITDA is a measure that the Company considers relevant for an investor who wants to understand profit generation before investing in fixed assets.
EBITDA margin	The EBITDA margin is a performance measure that measures the Company's profitability from operations.

### Derivation of key figures

(amount in KSEK)	1 Sep 2021 - 30 Nov 2021	1 Sep 2020 - 30 Nov 2020	30 Sep 2020 - 31 Aug 2021
<b>Solidity</b>	<b>82%</b>	<b>N/A</b>	<b>90%</b>
Equity	34,717	-92	38,469
/ Balance sheet total	42,099	67	42,808
<b>EBITDA</b>	<b>-3,553</b>	<b>-192</b>	<b>-5,013</b>
Operating profit	-3,781	-192	-5,621
Depreciation and write-downs of tangible and intangible assets	-228	-	-608
<b>EBITDA margin</b>	<b>N/A</b>	<b>N/A</b>	<b>-177%</b>
EBITDA	-3,553	-192	-5,013
/ Sales	-	-	2,829

## DIVIDEND POLICY

The Company has not paid any dividends in previous financial years. There are no guarantees that for a certain year a dividend will be proposed or decided in the Company. The intention is for the board to annually examine the possibility of a dividend. In considering future dividends, the Board will consider several factors, including the Company's operations, operating profit and financial position, current and expected liquidity needs, expansion plans, contractual restrictions and other significant factors. Newbury believes that the focus in the future will primarily be on growth and that dividends are not relevant in the near future.

## SIGNIFICANT CHANGES IN THE COMPANY'S FINANCIAL POSITION SINCE NOVEMBER 30, 2021

After November 30, 2021, Newbury has acquired two license rights. In connection with this, new liabilities of SEK 10.9 million arose, of which SEK 5.3 million pertains to current liabilities and SEK 5.6 million pertains to long-term liabilities.

Besides that, there have been no significant changes in the Company's financial position since November 30, 2021.

# Information about shareholders and securities holders

## OWNERSHIP AND LARGER SHAREHOLDERS

As of the date of the Prospectus, as far as the Company is aware, there are no natural or legal persons who own five percent or more of all shares and votes in the Company, in addition to what is shown in the table below. For information on board members' and senior executives' shareholdings in the Company, see the section "Corporate governance". No shareholder has shares of different voting rights.

As far as the Board is aware, there are no shareholder agreements or other agreements between the Company's owners that aim at joint influence over the Company, or that may lead to the control of the Company being changed or prevented.

The Company has not taken any special measures in order to guarantee that control of the Company is not abused and there are no provisions in the Company's Articles of Association that may delay, postpone or prevent a change in control of the Company. However, the rules for the protection of minority shareholders contained in the Swedish Companies Act (2005: 551) constitute protection against a majority shareholder's possible abuse of control over a company.

## SHARES AND SHARE CAPITAL

According to the Company's Articles of Association, the share capital shall be a minimum of SEK 500,000 and a maximum of SEK 2,000,000 and the number of shares shall be a minimum of 15,000,000 and a maximum of 60,000,000.

As of the date of the most recent balance sheet, the share capital amounted to SEK 156,750 divided into 15,675,000 shares. At the time, each share had a quotient value of SEK 0.01. The number of outstanding shares at the beginning of the most recent financial year amounted to 10,000,000 shares. At the end of the most recent financial year, the number of outstanding shares was 15,675,000. Each share in the Company entitles the holder to one vote at the Annual General Meeting and each shareholder has the right to vote for all shares held by the shareholder in the Company. The shares in the Company have been issued in accordance with Swedish law and all issued shares are fully paid and freely transferable.

On February 9, 2021, the Annual General Meeting of the Company resolved on a new issue of 2,500,000 shares (corresponding to 15.95 percent of the share capital). The shares were paid for by set-off of a receivable of approximately SEK 20.4 million to the Company.

## SIGNIFICANT AGREEMENTS

The Company has not, with the exception of what is stated below and agreements included in normal business operations, entered into any agreement of major importance for a period of one year immediately before the publication of the Prospectus.

*Ownership as of November 30, 2021*

Shareholders	Number of shares	Proportion of shares and votes
Karl Karlsson	9,750,000	62.2%
Sumar Pharma*	2,500,000	15.9%
<b>Total shareholders with holdings in excess of five percent</b>	<b>12,250,000</b>	<b>78.1%</b>
Other shareholders (23)	3,425,000	21.9%
<b>Total</b>	<b>15,675,000</b>	<b>100%</b>

*\* Sumar Pharma is controlled by AZTIQ, a long-term pharmaceutical fund.*

*Source: Euroclear and changes known to the Company thereafter.*

On March 29, 2021, the Company and Newbury Pharmaceuticals SA (a wholly owned subsidiary) entered into a credit agreement. According to the agreement, Newbury Pharmaceuticals SA is granted a loan of a maximum of EUR 300,000 by the Company. The borrower must pay an interest rate of 3 percent per year. The interest must be paid annually and the loan must be repaid by 31 December 2025.

## SHARE-BASED INCENTIVE PROGRAMS

As of September 24, 2021, with the exception of what is stated below, the company does not have any outstanding share-related 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.

On May 20, 2021, the Company signed an employee stock option agreement with Fredrik Hellqvist for 200,000 employee stock options, which entitles him to subscribe for 200,000 shares in the Company at a subscription price of SEK 5.5 per share during the period May 21, 2024 through August 20, 2029. The agreement contains 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. The holder has the right to exercise all employee stock options if the holder is employed by the Company until and including 20 May 2026. In other respects, the agreement contains customary terms for an employee stock option agreement.

On September 1, 2021, the Company signed an employee stock option agreement with Lars Minor for 200,000 employee stock options, which entitles him to subscribe for 200,000 shares in the Company at a subscription price of SEK 5.5 per share during the period September 2, 2024 through August 20, 2029. The agreement contains 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. The holder has the right to exercise all employee stock options if the holder is employed by the Company until and including 1 September 2026. In other respects, the agreement contains customary terms for an employee stock option agreement.

#### **AUTHORITY PROCEEDINGS, LEGAL PROCEEDINGS AND ARBITRATION PROCEEDINGS.**

During the last twelve months, the Company has not been a party to any official proceedings, legal proceedings or arbitration proceedings (including proceedings that have not yet been decided or which, to the Company's knowledge, are in danger of being initiated) and which have had or could have significant effects in recent times. on the Company's and / or the Group's financial position or profitability.

#### **CONFLICTS OF INTEREST**

With the exception of what is stated below in the section "Transactions with related parties", and that a number of board members and senior executives have financial interests in the Company through direct or indirect shareholding, see the section "Corporate governance", there are no potential conflicts of interest between the board members. or the senior executives have towards the Company and their private interests and /or other assignments.

None of the Board members or senior executives have been elected or appointed as a result of a special agreement with major shareholders, customers, suppliers or other parties.

#### **TRANSACTIONS WITH RELATED PARTIES**

On December 4, 2020, the Company entered into a share transfer agreement with Newbury Healthcap Limited, which is indirectly 100 percent owned by Karl Karlsson, regarding all shares in Newbury Pharmaceuticals SA. SEK 4,000,000, partly through a loan from Newbury Healthcap Limited of SEK 3,600,000. The interest on the loan was 3 percent per year.

On March 4, 2021, the Company decided on a new issue of a total of 3,175,000 shares. Newbury Healthcap Limited subscribed for and was allotted 600,000 shares with a value of SEK 4,800,000. Newbury Healthcap Limited paid for the shares in part by set-off of the above-mentioned receivable of SEK 3,600,000.

The Company's board of directors assesses that the above-mentioned transactions with related parties have been entered into on market terms.

In addition to what is stated above, no further transactions between the Company and related parties have occurred during the period covered by the historical financial information up to the date of the Prospectus.



# Available documents

Copies of the following documents may be inspected during the entire Prospectus' period of validity at the Company's office Medicon Village, Scheeletorget 1, 223 81 Lund during regular office hours.

- Newbury's updated memorandum of association (registration certificate) and articles of association.

The above documents are also available in electronic form on the Company's website [www.newburypharma.com](http://www.newburypharma.com). Please note that the information on the website does not form part of the Prospectus and has not been reviewed or approved by the Swedish Financial Supervisory Authority.

