



ASX Release

Quarterly Activities Report and Appendix 4C – September Quarter 2024

Highlights: Dapsone 7.5%, Gel approved in August. Launch target date is early 2025.

Melbourne, Australia; 31 October 2024: Specialty pharmaceuticals group Acrux Limited (ASX:ACR, “Acrux” or the “Company”) is pleased to release its quarterly cashflow for the three months ended 30 September 2024 along with the accompanying business update.

Key Activities:

- Important progress has been made towards Acrux’s key objective of generating sustainable and growing revenues, enabled by the approval and launch of revenue generating products. Manufacturing and other launch planning activities are underway for Dapsone 7.5%, Gel as well as for a further product expected to be approved imminently. These 2 products are to be launched before the end of Quarter 1 2025.
- These 2 new product launches will supplement revenue growth from the 3 currently revenue generating products for which recent market size expansion coupled with favourable market penetration and pricing trends is expected to support future profit share revenue growth for Acrux.
- Dapsone 5%, Gel was launched in the second quarter of 2024.
- In September \$0.468 million was drawn down on the Radium short term facility. At the beginning of October, Acrux’s FY24 Research and Development Tax Incentive (‘RDTI’) rebate of \$2.278 million was received from the Australian Tax Office allowing the Radium short term facility to be repaid in full with a net surplus of \$0.701 million.

Acrux’s CEO, Michael Kotsanis, said:

“Following from the launch of Dapsone 5%, Gel in April 2024 we were very pleased to receive the FDA’s approval the higher strength Dapsone 7.5%, Gel in August 2024 and to progress our launch plans for this and one other product in the near term.

These two product launches are crucial steps in the execution of our strategy of having a portfolio of topically applied pharmaceutical products which supports a sustainable and growing future revenue stream. These products are approved in the United States and we also acknowledge the interest for each of our FDA product approvals from potential partners in other countries as well.”



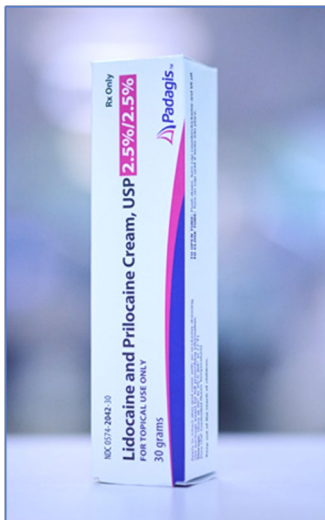
Acruz progresses its product expansion strategy

As we progress the development of our pipeline of topically applied pharmaceutical products we will continue to have products approved and launched, supporting our objective of having a diversified portfolio of products generating sustainable revenue.

Acruz currently has four products marketed by its licensees, including three revenue generating products in the key United States market, namely Lidocaine and Prilocaine 2.5%/2.5%, Cream which is used as a topical anaesthetic, Dapsone 5%, Gel used to treat acne vulgaris and Evamist® (Estradiol Spray) which is approved for treatment of moderate to severe vasomotor symptoms due to menopause.

Launches planned for FY25 include Dapsone 7.5%, Gel also used to treat acne vulgaris and one other product, pending FDA approval expected to be received in 2024.

Products sold in the United States by Acruz licensees



Dapsone 7.5%, Gel

The FDA granted approval of Dapsone 7.5%, Gel in August 2024 determining that the product is bioequivalent and therapeutically equivalent to the Reference Listed Drug (RLD), Aczone® Gel, 7.5%. This product has a higher strength of active drug than Dapsone 5%, Gel which Acruz received approval for in 2023 and launched through its licensee in Q2, 2024.

Both strengths of Dapsone are indicated for the treatment of acne vulgaris with the higher strength product approved for use in patients 9 years of age and older. The annual sales of the addressable market for Dapsone 7.5%, Gel as measured by IQVIA for the 12 months to the end of August 2024 was US\$38.4 million. Each of the two products are substitutable for branded and generic equivalents of the same individual strength as each of the Acruz approved products.

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Net Cash outflows from operating activities totaled \$2.234 million for the September Quarter with the major cost components continuing to be external Research and Development expenditure and staff costs.

Staff costs reflect all employment related expenses for the Company's employees as well as the Non-executive Directors. Cash payments and superannuation related to the remuneration of Non-executive Directors are additionally disclosed as a Related Party payment at Item 6.

ENDS

Approved for release by the Acrux Board of Directors.

For more information, please contact:

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About Acrux

Acrux is a specialty pharma company with a successful track record of developing and commercialising a pipeline of topically applied pharmaceutical products. Drawing on 25 years of experience, Acrux has successfully marketed through licensees a number of products worldwide with emphasis on the United States.

Acrux is formulating and developing a range of topical generic products by leveraging its highly skilled workforce, on-site laboratories, GMP manufacturing suite, technical, clinical and commercial experience to bring affordable products to market. Acrux encourages collaboration and is well positioned to discuss commercial partnering and product development opportunities.

For further information on Acrux, visit www.acrux.com.au

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity: **Acrux Ltd**

| | |
|----------------|--|
| ABN | Quarter ended ("current quarter") |
| 72 082 001 152 | September 2024 |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 13 | 13 |
| 1.2 Payments for | | |
| (a) research and development | (378) | (378) |
| (b) product manufacturing and operating costs | (4) | (4) |
| (c) advertising and marketing | - | - |
| (d) leased assets | (7) | (7) |
| (e) staff costs | (1,421) | (1,421) |
| (f) administration and corporate costs | (410) | (410) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 16 | 16 |
| 1.5 Interest and other costs of finance paid | (43) | (43) |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (2,234) | (2,234) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) businesses | - | - |
| (c) property, plant and equipment | (2) | (2) |
| (d) investments | - | - |
| (e) intellectual property | - | - |
| (f) other non-current assets | - | - |
| 2.2 Proceeds from disposal of: | | |
| (a) entities | - | - |
| (b) businesses | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|--|------------------------------------|--|
| (c) property, plant and equipment | | - | - |
| (d) investments | | - | - |
| (e) intellectual property | | - | - |
| (f) other non-current assets | | - | - |
| 2.3 Cash flows from loans to other entities | | - | - |
| 2.4 Dividends received (see note 3) | | - | - |
| 2.5 Other (provide details if material) | | - | - |
| 2.6 Net cash from / (used in) investing activities | | (2) | (2) |
| 3. Cash flows from financing activities | | | |
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities) | | - | - |
| 3.2 Proceeds from issue of convertible debt securities | | - | - |
| 3.3 Proceeds from exercise of options | | - | - |
| 3.4 Transaction costs related to issues of equity securities or convertible debt securities | | - | - |
| 3.5 Proceeds from borrowings | | 468 | 468 |
| 3.6 Repayment of borrowings | | (53) | (53) |
| 3.7 Transaction costs related to loans and borrowings | | (1) | (1) |
| 3.8 Dividends paid | | - | - |
| 3.9 Other (provide details if material) | | - | - |
| 3.10 Net cash from / (used in) financing activities | | 414 | 414 |
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | | |
| 4.1 Cash and cash equivalents at beginning of period | | 2,945 | 2945 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | | (2,234) | (2,234) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | | (2) | (2) |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | | 414 | 414 |
| 4.5 Effect of movement in exchange rates on cash held | | 1 | 1 |
| 4.6 Cash and cash equivalents at end of period | | 1,124 | 1,124 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|---|--|---|
| 5.1 Bank balances | 1,124 | 1,124 |
| 5.2 Call deposits | - | - |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other (provide details) | - | - |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 1,124 | 1,124 |

| 6. Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|--|
| 6.1 Aggregate amount of payments to related parties and their associates included in item 1 | 48 |
| 6.2 Aggregate amount of payments to related parties and their associates included in item 2 | - |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

| 7. Financing facilities <i>Note: the term 'facility' includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|---|--|
| 7.1 Loan facilities | 1,955 | 1,955 |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other | 120 | 3 |
| 7.4 Total financing facilities | 2,075 | 1,958 |
| 7.5 Unused financing facilities available at quarter end | | 117 |
| 7.6 <i>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</i> | | |

During the September Quarter, Acrux drew down a \$466k on the short term funding facility with Radium Capital established in June 2024.

In October \$2.728m was received from the ATO for FY24 Research and Development Tax Incentive Rebate ('RDTI') and consequently this loan balance has been repaid in full. Acrux may draw down further funds under this short term facility based on ongoing eligible R&D expenditure.

| 8. Estimated cash available for future operating activities | \$A'000 |
|--|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (2,234) |
| 8.2 Cash and cash equivalents at quarter end (item 4.6) | 1,124 |
| 8.3 Unused finance facilities available at quarter end (item 7.5) | 117 |
| 8.4 Total available funding (item 8.2 + item 8.3) | 1,241 |

8.5 **Estimated quarters of funding available (item 8.4 divided by item 8.1)**

0.6

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: In October Acrux received \$2.728m from the Australian Tax Office for FY24 RDTI which enabled the Radium Capital short term loan facility to be repaid in full with a net refund balance of \$701k received into Acrux's bank.

Acrux expects revenue growth will be achieved from increasing market shares of currently marketed products. This organic revenue growth will be further fueled by the recent launches of Dapsone 5%, Gel in Q2, 2024, Dapsone 7.5%, Gel early in 2025 and another product late planned for launch later in 2024.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. Acrux closely monitors its funding requirements and maintains a short term funding facility with Radium Capital enabling the Group to more closely match the timing of cash outflows associated with progressing its pipeline of development products with cash inflows associated with the RDTI.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. Acrux is determined to execute its strategy of developing a portfolio of topically applied pharmaceutical products predominantly for commercialisation in US markets. The short term funding facility with Radium Capital assists the Group to more closely match the timing of portfolio development expenditure with funding associated with the RDTI. Furthermore, Acrux expects the approval and launch of new products in FY25 will enable future growth in Receipts from Customers.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2024

Authorised by: The Board of Directors, Acrux Ltd

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.