



ASX Release

28 October 2022

Quarterly Activities Report and Appendix 4C

Melbourne, Australia: Acrux Limited (ASX:ACR, “Acrux” or the “Company”) is pleased to provide its Appendix 4C and a quarterly update for the period ended 30 September 2022.

FDA acceptance for review of an Abbreviated New Drug Application

During the quarter, the Company announced that the US Food and Drug Administration (FDA) has accepted for review Acrux’s application for a generic version (Abbreviated New Drug Application or ‘ANDA’) of cold sore treatment, Acyclovir Cream, 5%.¹ The announcement marked Acrux’s sixth ANDA accepted for review by the FDA.

Lenzetto® records continued growth

Lenzetto is now marketed in over 40 countries, predominantly in Europe and South America, by our licensee Gedeon Richter. The product continues to grow through a combination of higher sales in existing markets and new launches in new markets. Revenue from Lenzetto in Australian dollars in the 2022 financial year grew by 39% over the prior corresponding period. Quarterly growth has continued to date in the current financial year.

Acrux portfolio

The portfolio of products that Acrux has in development continues to advance. Our primary priority is on later stage development projects that will achieve commercialisation in the short term, with continued development of our earlier stage products to provide breadth of our product pipeline.

Receipt of R&D Tax Incentive Rebate

The Company announced in September that it had received \$983,421 from the Australian Tax Office in relation to its R&D Tax Incentive Rebate for the 2021/2022 financial year for one of its subsidiary companies.

¹ Acyclovir Cream, 5% is used to treat herpes labialis (cold sores) in immunocompetent adults and adolescents 12 years of age and older.



Material Events after the reporting date

Acrux Limited (ASX:ACR) was pleased to announce receipt of \$2,293,419 from the Australian Tax Office in relation to its R&D Tax Incentive Rebate for the 2021/2022 financial year for a second subsidiary company. A total of \$3,276,840 has now been received across the Company, which is the full claimed amount in relation to eligible Research and Development expenditure incurred in Australia. The R&D Tax Incentive is an Australian Government program under which eligible companies receive cash refunds for research and development expenditure.

Additionally, AusIndustry favourably assessed our application for an Overseas Finding and has determined certain expenditure in relation to overseas activities conducted through this period to be eligible for the R&D Tax Incentive Rebate. Acrux received \$362,197 as announced on 27 October 2022 and an additional rebate is expected to be received within this program in the near term.

Impending product launch

Acrux announced in June 2022 that it had entered into an exclusive commercialisation agreement with Padagis in the United States for one of the products in the Acrux portfolio. The product is expected to be launched in the United States during the second half of 2022 and further details will be provided at that time.

Annual General Meeting

Acrux also announced the date of its Annual General Meeting as Wednesday 23 November 2022 at 10.00am. The meeting will be held as a hybrid meeting meaning that shareholders may participate in person in the offices of our auditors, Pitcher Partners, Level 13, 664 Collins St, Docklands, Victoria, or via the virtual online platform. We encourage shareholders to attend to AGM.

The board and management thank shareholders for their support and look forward to an exciting next quarter in growth of royalties from product sales, additional FDA and other regulatory approvals, as well as significant advancement on our development projects.

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

Appendix 4C

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

Name of entity

Acrux Ltd

ABN

72 082 001 152

Quarter ended ("current quarter")

September 2022

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	400	400
1.2 Payments for		
(a) research and development	(1,736)	(1,736)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(12)	(12)
(d) leased assets	(13)	(13)
(e) staff costs	(1,628)	(1,628)
(f) administration and corporate costs	(404)	(404)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	5
1.5 Interest and other costs of finance paid	(42)	(42)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	983	983
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(2,447)	(2,447)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(3)	(3)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(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	(3)	(3)
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	-	-
3.6	Repayment of borrowings	(46)	(46)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(46)	(46)
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of period	5,831	5,831
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,447)	(2,447)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(3)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(46)	(46)
4.5	Effect of movement in exchange rates on cash held	(6)	(6)
4.6	Cash and cash equivalents at end of period	3,329	3,329

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	1,327	2,828
5.2	Call deposits	2,000	3,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	2	2
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,329	5,831

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	51
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.

Being remuneration paid to Non-executive Directors in the form of cash payments and superannuation.

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other	120	4
7.4 Total financing facilities	120	4
7.5 Unused financing facilities available at quarter end		116
7.6 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.		
Credit Card facility		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,447)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,329
8.3 Unused finance facilities available at quarter end (item 7.5)	116
8.4 Total available funding (item 8.2 + item 8.3)	3,445
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.4
<i>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.</i>	
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: Yes	
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: During October 2022 \$2.656million was received in relation to the FY22 R&D Tax Incentive Rebate (RDTI) materially adding to available cash reserves after the date of this report. These receipts bring the total FY22 RDTI received to date to \$3.639million.	
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 carefully monitors its cash balances. Following \$2.656million RDTI received in October plus further cash inflows receivable in relation to customer licensing agreements, Acrux expects to continue operations and meet business objectives.	
<i>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.</i>	

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: 28 October 2022

Authorised by: The Board of Directors, Acrux Ltd
(Name of body or officer authorising release – see note 4)

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.