



ASX Release

Quarterly Activities Report and Appendix 4C – June Quarter 2023

Key Highlights

Acrux is continuing to commercialise a pipeline of topically applied pharmaceutical products. During the June Quarter Acrux achieved a number of important commercial milestones towards our objective including:

- Approval by the FDA of Dapsone Gel 5%, a treatment for acne vulgaris, in June 2023. Plans are progressing with our commercial licensee and the manufacturer for this product to be launched in the United States
- The dossier for Nitroglycerin Ointment 0.4%, a treatment for moderate to severe pain caused by chronic anal fissure, was submitted to the FDA in June 2023. The FDA formally accepted this registration application (the 'ANDA') for review in July 2023
- Market data shows that our commercial licensee for Prilocaine 2.5% and Lidocaine 2.5% Cream is achieving a strong market position. Profit share income for the June Quarter's sales is due to be received by Acrux in August 2023
- Acrux generated positive cashflow of \$0.401 million for the full financial year with cash and cash equivalents on hand being higher than the prior financial year.

Melbourne, Australia; 27 July 2023: Acrux Limited (ASX:ACR, "Acrux" or the "Company")

Acrux is pleased to report that for the financial year ended 30 June 2023 there was an increase of cash and cash equivalents of \$0.401 million to a total of \$6.232 million (refer to Item 4.6) compared to \$5.831 million on hand at the end of the prior financial year (refer to Item 4.1). This was achieved with positive net cash from operating activities totalling \$0.678 million generated over the full financial year which was primarily driven by an increase in receipts from customers of \$8.357 million (refer to Item 1.1). Acrux did not undertake any capital raising during the twelve month period.

For the June Quarter net cash from / (used in) operations totalled (\$2.370 million) with positive net cash generated of \$0.678 million reported for the full financial year (refer Item 1.9). As announced in January 2023, Acrux will derive no further royalties from Lenzetto® subsequent to Gedeon Richter Plc.'s buyout of the future royalty stream during the March Quarter. Profit



share payable by Padagis to Acrux in relation to June Quarter's sales of Prilocaine 2.5% and Lidocaine 2.5% Cream becomes payable during the first quarter of the new financial year. Following departure of the market leader for Prilocaine 2.5% and Lidocaine 2.5% Cream which was announced in February 2023 IQVIA market data shows that our commercial licensee for the product is achieving a strong market position.

Total operating payments were comparable to the previous quarter. Payments were \$2.343 million for the June Quarter and \$11.294 million for the full year (refer Item 1.2). Staff costs reflect employment related expenses for the Company's employees and Non-executive Directors. Cash payments and superannuation related to the remuneration of Non-executive Directors is additionally disclosed as a related party payment at Item 6.

The R&D Tax Incentive rebate, including Overseas Findings, for FY22 was received in full during the December quarter and no further grant funds or tax incentives were received during the current quarterly reporting period.

The Acrux product portfolio

The Company is continuing to commercialise a pipeline of topically applied pharmaceutical products. The following products have recently received FDA approval or have launched in the United States:

- Prilocaine 2.5% and Lidocaine 2.5% Cream, a topical anaesthetic marketed by Padagis
- Dapsone Gel 5%, a treatment for acne vulgaris was approved in June 2023 and launch activities are underway.

Additionally, the FDA has accepted and is currently reviewing Acrux's ANDAs for the following products:

- Nitroglycerin Ointment 0.4%, a treatment for moderate to severe pain caused by chronic anal fissure
- Acyclovir Cream 5%, a treatment for cold sores
- Dapsone Gel 7.5%, a treatment for acne vulgaris.

While the FDA administers the ANDA review process, the time to ultimate approval is influenced by the number and nature of questions that may arise as the FDA progresses its review.



Overall, Acrux has 16 products in its portfolio at various stages of development and commercialisation.

Approved for release by the Acrux Board of Directors.

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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	Quarter ended ("current quarter")
72 082 001 152	June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	8,357
1.2 Payments for		
(a) research and development	(1,040)	(4,282)
(b) product manufacturing and operating costs	(61)	(576)
(c) advertising and marketing	-	(44)
(d) leased assets	(7)	(41)
(e) staff costs	(1,120)	(5,074)
(f) administration and corporate costs	(115)	(1,277)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	48	84
1.5 Interest and other costs of finance paid	(75)	(201)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	3,731
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(2,370)	678

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(112)	(119)
(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 (12 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	(112)	(119)
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	(14)	(152)
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	(14)	(152)
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	8,728	5,831
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,370)	678
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(112)	(119)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(14)	(152)
4.5 Effect of movement in exchange rates on cash held	-	(6)
4.6 Cash and cash equivalents at end of period	6,232	6,232

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	3,230	725
5.2 Call deposits	3,000	8,000
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)	6,232	8,727

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	46
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	-	-
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 <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>		
Credit Card facility, ANZ Bank		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,370)
8.2 Cash and cash equivalents at quarter end (item 4.6)	6,232
8.3 Unused finance facilities available at quarter end (item 7.5)	116
8.4 Total available funding (item 8.2 + item 8.3)	6,348
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.7

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: Whilst a net cash outflow is reported for the June Quarter and operating expenditure is expected to remain at a comparable level for future quarters, Acrux expects to receive the Research and Development Tax Incentive for FY23 from the Australian Federal Government before the end of 2024 and the first material profit share income for Prilocaine 2.5% and Lidocaine 2.5% cream is due to be received in the September quarter.

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: No

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

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: 27 July 2023

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.