VALUATIONLAB
FINANCIAL ANALYSIS

NEWRON PHARMACEUTICALS

FOCUS AREA: DISEASES OF THE CENTRAL NERVOUS SYSTEM (CNS) AND ORPHAN DISEASES

KEY DATA			SIX: NWRN
MARKET CAPITALIZATION (CHF MN)	164	**PRICE ON 12 MAY 2025**	8.2
ENTERPRISE VALUE (CHF MN)	120	**RISK-ADJUSTED NPV PER SHARE** (CHF)	23.2
ESTIMATED CASH & CASH EQUIVALENTS (30 APRIL 2025) (CHF MN)	43	**UPSIDE/DOWNSIDE** (%)	184%
MONTHLY OPERATING EXPENSE (CHF MN)	2.1	**RISK PROFILE**	HIGH RISK
CASH RUNWAY (YEAR)	WAY INTO 2026	**SUCCESS PROBABILITY LEAD PIPELINE DRUG**	65%
BREAK-EVEN (YEAR)	2024*	**EMPLOYEES** (GROUP)	22
FOUNDED (YEAR)	1999	**LISTED** (YEAR)	2006
KEY PRODUCTS:	**STATUS**	**MAJOR SHAREHOLDERS:**	**(%)**
- XADAGO (PARKINSON'S DISEASE)	MARKETED	- TOBIAS SCHERER	5.7
- EVENAMIDE (NON-TREATMENT-RESISTANT SCHIZOPHRENIA - NON-TRS)	POSITIVE PHASE II/III	- EUROPEAN INVESTMENT BANK	3.7
- EVENAMIDE (TREATMENT-RESISTANT SCHIZOPHRENIA (TRS) INCL. CTRS**)	PHASE III (IMMINENT)	- EXECUTIVE MANAGEMENT	0.6
		- FREE FLOAT	**99.4**
		- AVERAGE TRADING VOLUME (30-DAYS)	73'497
UPCOMING CATALYSTS:	**DATE**	**ANALYST(S):**	BOB POOLER
- EVENAMIDE - START PIVOTAL "ENIGMA-TRS 1" TRIAL IN TRS PATIENTS	IMMINENT		BP@VALUATIONLAB.COM
- H1 2025 RESULTS	16 SEPTEMBER		+41 79 652 67 68
- EVENAMIDE - PARTNERING AGREEMENTS (NON-CORE REGIONS)	DURING 2025		

* ASSUMES PARTNERING EVENAMIDE NON-CORE MARKETS IN 2025, US IN 2026/2027; **CTRS = CLOZAPINE TREATMENT-RESISTANT SCHIZOPHRENIA

ESTIMATES AS OF 12 MAY 2025

SOURCE: VALUATIONLAB ESTIMATES, NEWRON PHARMACEUTICALS

A pivotal year

"ENIGMA-TRS" to unravel the role of evenamide in TRS.

Newron Pharmaceuticals has a product pipeline targeting diseases of the central nervous system (CNS) and rare diseases. Key value drivers include: 1) Xadago, a once-daily oral add-on therapy for Parkinson's disease that features a unique dual mechanism of action, launched in the EU (2015), the US (2017), and Japan (2019); and 2) evenamide, an add-on therapy for schizophrenia and treatment-resistant schizophrenia (TRS), including clozapine treatment-resistant schizophrenia (CTRS), an orphan-like indication. With an estimated cash balance of EUR 45 mn (30 April 2025), bolstered by milestones from the EA Pharma agreement, a 10% patient contribution in the pivotal "ENIGMA-TRS" phase III trials of evenamide in TRS by Myung in Pharm, and Xadago revenues, Newron anticipates a cash runway extending well into 2026. The company is adequately funded for its planned development programs, including the "ENIGMA-TRS" phase III trials with evenamide in TRS and schizophrenia (a confirmatory trial may be needed). We derive a sum-of-parts risk-adjusted (r)NPV value of CHF 23.2 per share, with 5% of the value attributed to Xadago, 87% to evenamide, and 8% to cash. Newron's risk profile is classified as High Risk, as its product revenues largely depend on low royalties from Xadago in Parkinson's disease.

Key catalysts:

- **Start of pivotal "ENIGMA-TRS" phase III trials of evenamide in TRS (imminent):** The first "ENIGMA-TRS 1" international phase III trial needed for approval of evenamide in treatment-resistant schizophrenia, including clozapine TRS, will start imminently; the second "ENIGMA-TRS 2" US phase III trial will begin within the next three months.
- **H1 2025 results (16 September 2025):** Release of the H1 2025 results, including Xadago (schizophrenia) revenue and the progress of the "ENIGMA-TRS" phase III trials
- **Partnering evenamide with CNS players in non-core markets (during 2025):** Out-licensing evenamide to regional CNS players in non-core markets outside the US in return for substantial milestones and sales royalties, extending the cash runway, which can be used to in-license new CNS compounds or sell evenamide in CTRS through a small in-house commercial team of key account managers in the US.

Flash Update

"ENIGMA 1&2" pivotal phase III trials start to unravel the role of evenamide in TRS
The pivotal "ENIGMA-TRS" clinical development program, evaluating evenamide as an add-on therapy for patients suffering from treatment-resistant schizophrenia (TRS), including clozapine treatment-resistant schizophrenia (CTRS) and those with poorly responding schizophrenia, has received regulatory approval. The program consists of two phase III trials: "ENIGMA-TRS 1", an international, one-year, phase III trial involving at least 600 patients that will start imminently, with 12-week topline results expected in Q4 2026, and "ENIGMA-TRS 2", a US-based, 12-week, phase III trial involving at least 400 patients that will begin within the next three months. Both trials are expected to meet the International Council for Harmonization of Technical Requirements for Pharmaceutical Human Use (ICH) criteria for regulatory registration of evenamide in major markets, including the US and EU.

Thanks to recent agreements with EA Pharma and Myung in Pharm, along with future partnering agreements in non-core territories outside the US, Newron has secured sufficient funds to finance two pivotal phase III trials with substantially more patients. Conducting two parallel phase III trials in TRS and CTRS involving over 1,000 patients in the "ENIGMA-TRS" program, instead of the initially planned single pivotal "Study 023" phase III trial with over 600 patients, substantially improves the probability of regulatory approval, provided both trials yield positive results.

We conservatively forecast blockbuster peak sales potential for evenamide in TRS, CTRS, and poorly responding schizophrenia patients.

"ENIGMA-TRS" trials to start imminently with 12-week topline results in Q4 2026
The phase III "ENIGMA-TRS" clinical trials are part of Newron's development program for evenamide, targeting patients with schizophrenia who are experiencing a worsening of psychosis on therapeutic doses of current antipsychotics, as well as treatment-resistant patients. Together, these groups account for approximately 70% of individuals suffering from schizophrenia. Results from previous phase II "Study 014/015" and phase III "Study 008A" trials have demonstrated evenamide's significant and increasing efficacy as an add-on therapy across multiple measures of disease in patients with TRS and inadequate responders, respectively. These results also confirmed a favorable safety and tolerability profile, contributing to the growing evidence that evenamide's glutamatergic inhibition mechanism of action offers an innovative therapeutic option for schizophrenia patients who are not benefiting from current antipsychotic treatments.

The pivotal "ENIGMA-TRS" development program will enroll at least 1,000 patients and consists of two phase III trials:

1. **"ENIGMA-TRS 1":** An international, one-year (52-week), randomized, double-blind, placebo-controlled phase III trial evaluating the efficacy, tolerability, and safety of the 15 mg BID (twice-daily) and 30 mg BID (twice-daily) doses of evenamide compared to placebo. Patients on second-generation anti-psychotics (SGAs), including clozapine, will meet the Treatment Response and Resistance Psychosis (TRRIP) international consensus criteria for TRS. The trial will enroll at least 600 patients in Europe, Asia, Latin America, and Canada. During a 42-day screening period, patients will have their TRS

diagnosis, antipsychotic plasma levels (background medication), and conformance to protocol selection criteria evaluated by an Independent Eligibility Assessment Committee (IEAC) of three leading international schizophrenia experts. The primary assessment of efficacy and safety will be performed 12 weeks after randomization to treatment. The trial will remain double-blind and placebo-controlled until the one-year time point. Enrollment in the trial will start imminently. The 12-week trial results are expected in Q4 2026.

2. **"ENIGMA-TRS 2":** An FDA-approved trial to be conducted at US centers and selected additional countries, involving at least 400 patients in a 12-week, randomized, double-blind, placebo-controlled phase III trial designed to evaluate the efficacy, tolerability, and safety of the 15 mg BID (twice-daily) dose of evenamide. Patients will meet selection criteria and be reviewed by the aforementioned IEAC. The analysis to determine efficacy and safety will be performed after patients complete 12 weeks of participation in the trial. US investigational centers are expected to initiate the study within the next three months.

EA Pharma, Myung in Pharm, and future deals will fund the "ENIGMA-TRS" program

The recent co-development and commercialization agreements, and future partnering deals in non-core territories outside the US, will fund the pivotal "ENIGMA-TRS" development program. Newron has entered into licensing agreements with EA Pharma, a subsidiary of Eisai, in Japan and other designated territories, as well as with Myung In Pharm in South Korea, to develop, manufacture, and commercialize evenamide in their respective areas. Under the terms of the agreements, Newron will receive a maximum total of EUR 117 mn, which included an upfront payment of EUR 44 mn, financial contributions to the pivotal "ENIGMA-TRS" program, milestone payments, and tiered royalties up to a double-digit percentage of net sales for evenamide from EA Pharma. Myung In Pharm will contribute 10% of the total patient population to be enrolled in the "ENIGMA-TRS" phase III trials and will cover the associated costs for this population. Newron continues to actively seek additional partnerships for the global development and commercialization of evenamide in non-core territories outside the US.

Schizophrenia - Inadequate responders (non-TRS) and TRS (excl. CTRS)

EVENAMIDE - FINANCIAL FORECASTS FOR SCHIZOPHRENIA

REVENUE MODEL

EUROPE (EXCL. CEE COUNTRIES) - PARTNER TBD	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
NUMBER OF PATIENTS (MN)	3.6	3.6	3.7	3.8	3.8	3.9	3.9	4.0	4.0	4.1	4.2
PATIENTS WITH POSITIVE SYMPTOMS (~70%) (MN)	2.5	2.6	2.6	2.6	2.7	2.7	2.7	2.8	2.8	2.9	2.9
PATIENTS TREATED (~25% COMPLIANCE RATE)	628'394	637'820	647'387	657'098	666'955	676'959	687'113	697'420	707'881	718'500	729'277
-/- PATIENTS WITH CTRS (SEE EVANAMIDE CTRS MODEL)	-23'819	-24'176	-24'539	-24'907	-25'280	-25'659	-26'044	-26'435	26'832	27'234	27'643
PATIENTS TREATED (EXCLUDING CTRS PATIENTS)	604'575	613'644	622'849	632'191	641'674	651'299	661'069	670'985	681'050	691'266	701'634
TREATMENT RESISTANT SCHIZOPHRENIA (TRS) PATIENTS (~43%)	259'967	263'867	267'825	271'842	275'920	280'059	284'260	288'524	292'851	297'244	301'703
PENETRATION (%)	0%	0%	0%	5%	8%	10%	11%	12%	13%	13%	14%
NUMBER OF TREATED TRS PATIENTS	0	0	0	13'592	22'074	28'006	31'269	34'623	36'606	38'642	40'730
INADEQUATE RESPONDERS (~57%)	344'608	349'777	355'024	360'349	365'754	371'241	376'809	382'461	388'198	394'021	399'932
PENETRATION (%)	0%	0%	0%	0%	5%	8%	10%	11%	12%	13%	13%
NUMBER OF TREATED INADEQUATE RESPONDER SCHIZOPHRENIA PATIENTS	0	0	0	0	18'288	29'699	37'681	42'071	46'584	49'253	51'991
COST OF THERAPY PER YEAR (EUR)	3'650	3'650	3'650	3'650	3'650	3'650	3'650	3'650	3'650	3'650	3'650
SALES (EUR MN) - BOOKED BY PARTNER	**0**	**0**	**0**	**50**	**147**	**211**	**252**	**280**	**304**	**321**	**338**
CHANGE (%)					197%	43%	19%	11%	8%	6%	5%
ROYALTY (%)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
ROYALTIES (EUR MN)	0	0	0	5	15	21	25	28	30	32	34
UPFRONT & MILESTONE PAYMENTS (EUR MN)		15	20	30	15	20			30		
R&D COSTS	-2	-10	-20	-10	0	0	0	0	0	0	0
PROFIT BEFORE TAX (EUR MN)	**-2**	**5**	**0**	**25**	**30**	**41**	**25**	**28**	**60**	**32**	**34**
TAXES (EUR MN)	0	0	0	-4	-9	-13	-8	-9	-19	-10	-11
PROFIT (EUR MN)	**-2**	**5**	**0**	**21**	**20**	**28**	**17**	**19**	**41**	**22**	**23**

NORTH AMERICA (US & CANADA) - PARTNER TBD	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
NUMBER OF PATIENTS (MN)	3.0	3.1	3.1	3.1	3.2	3.2	3.3	3.3	3.4	3.4	3.5
GROWTH (%)	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
PATIENTS WITH POSITIVE SYMPTOMS (~70%) (MN)	2.1	2.1	2.2	2.2	2.2	2.3	2.3	2.3	2.4	2.4	2.4
PATIENTS TREATED (~25% COMPLIANCE RATE)	527'047	534'953	542'977	551'122	559'388	567'779	576'296	584'940	593'715	602'620	611'660
PATIENTS TREATED (EXCLUDING CTRS PATIENTS)	503'740	511'296	518'966	526'750	534'652	542'671	550'811	559'074	567'460	575'972	584'611
TREATMENT RESISTANT SCHIZOPHRENIA (TRS) PATIENTS (~43%)	216'608	219'857	223'155	226'503	229'900	233'349	236'849	240'402	244'008	247'668	251'383
PENETRATION (%)	0%	0%	0%	6%	10%	12%	13%	14%	15%	16%	8%
NUMBER OF TREATED TRS PATIENTS	0	0	0	13'590	22'990	28'002	30'790	33'656	36'601	39'627	20'111
INADEQUATE RESPONDERS (~57%)	287'132	291'439	295'810	300'248	304'751	309'323	313'962	318'672	323'452	328'304	333'228
PENETRATION (%)	0%	0%	0%	0%	6%	10%	12%	13%	14%	15%	8%
NUMBER OF TREATED INADEQUATE RESPONDER SCHIZOPHRENIA PATIENTS	0	0	0	0	18'285	30'932	37'675	41'427	45'283	49'246	24'992
COST OF THERAPY PER YEAR (EUR)	5'122	5'123	5'123	5'123	5'123	5'123	5'123	5'123	5'123	5'123	5'123
SALES (EUR MN) - BOOKED BY PARTNER	**0**	**0**	**0**	**70**	**211**	**302**	**351**	**385**	**419**	**455**	**231**
CHANGE (%)					204%	43%	16%	10%	9%	9%	-49%
ROYALTY (%)	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
ROYALTIES (EUR MN)	0	0	0	14	42	60	70	77	84	91	46
UPFRONT & MILESTONE PAYMENTS (EUR MN)	0	0	75	28	47	28	0	37	0	47	0
PROFIT BEFORE TAX (USD MN)	**0**	**0**	**80**	**45**	**95**	**95**	**75**	**122**	**90**	**147**	**49**
TAXES (EUR MN)	0	0	-9	-7	-28	-28	-22	-36	-26	-43	-15
PROFIT (EUR MN)	**0**	**0**	**65**	**35**	**61**	**61**	**48**	**78**	**58**	**95**	**32**

JAPAN / ASIA (EXCL. CHINA, S. KOREA) - EA PHARMA	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
NUMBER OF PATIENTS (MN)	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.5	1.5
PATIENTS WITH POSITIVE SYMPTOMS (~70%) (MN)	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0
PATIENTS TREATED (~25% COMPLIANCE RATE)	224'586	227'955	231'374	234'845	238'368	241'943	245'572	249'256	252'995	256'790	260'642
PATIENTS TREATED (EXCLUDING CTRS PATIENTS)	200'768	203'779	206'836	209'938	213'087	216'284	219'528	222'821	226'163	229'556	232'999
TREATMENT RESISTANT SCHIZOPHRENIA (TRS) PATIENTS (~43%)	86'330	87'625	88'939	90'273	91'628	93'002	94'397	95'813	97'250	98'709	100'190
PENETRATION (%)	0%	0%	0%	5%	8%	10%	11%	12%	13%	13%	14%
NUMBER OF TREATED TRS PATIENTS	0	0	0	4'514	7'330	9'300	10'384	11'498	12'156	12'832	13'526
INADEQUATE RESPONDERS (~57%)	114'438	116'154	117'896	119'665	121'460	123'282	125'131	127'008	128'913	130'847	132'809
PENETRATION (%)	0%	0%	0%	0%	5%	8%	10%	11%	12%	13%	13%
NUMBER OF TREATED INADEQUATE RESPONDER SCHIZOPHRENIA PATIENTS	0	0	0	0	6'073	9'863	12'513	13'971	15'470	16'356	17'265
COST OF THERAPY PER YEAR (EUR)	3'650	3'650	3'650	3'650	3'650	3'650	3'650	3'650	3'650	3'650	3'650
SALES (EUR MN) - BOOKED BY EA PHARMA	**0**	**0**	**0**	**16**	**49**	**70**	**84**	**93**	**101**	**107**	**112**
CHANGE (%)					197%	43%	19%	11%	8%	6%	5%
ROYALTY (%)	6%	6%	6%	6%	6%	8%	8%	8%	10%	10%	10%
ROYALTIES (EUR MN)	0	0	0	3	9	17	20	22	30	32	34
UPFRONT & MILESTONE PAYMENTS (EUR MN)	44	11		15	5		7		10		
PROFIT BEFORE TAX (EUR MN)	**44**	**11**	**0**	**18**	**14**	**17**	**27**	**22**	**40**	**32**	**34**
TAXES (EUR MN)	0	0	0	-4	-9	-13	-8	-9	-19	-10	-11
PROFIT (EUR MN)	**44**	**11**	**0**	**14**	**5**	**4**	**19**	**14**	**21**	**22**	**23**

	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
GLOBAL SALES (EUR MN)	**0**	**0**	**0**	**136**	**408**	**582**	**686**	**758**	**824**	**883**	**682**
CHANGE (%)					200%	43%	18%	10%	9%	7%	-23%
GLOBAL PROFIT (EUR MN)	**42**	**16**	**65**	**71**	**86**	**93**	**85**	**111**	**120**	**139**	**78**
CHANGE (%)	-454%	-62%	309%	8%	22%	8%	-9%	31%	8%	15%	-44%

WACC (%)	10%	
NPV TOTAL PROFIT (CHF MN)	**604**	
NUMBER OF SHARES (MN)	20.0	
NPV PER SHARE (CHF)	30	
SUCCESS PROBABILITY	65%	(PIVOTAL PHASE III TRIAL)
RISK ADJUSTED NPV PER SHARE (CHF)	**19.7**	

SENSITIVITY ANALYSIS

		WACC (%)				
	CHF/SHARE	8	9	10	11	12
	100%	33.8	32.0	30.3	28.7	27.3
	90%	30.4	28.8	27.2	25.8	24.5
	80%	27.0	25.6	24.2	23.0	21.8
SUCCESS PROBABILITY	70%	23.6	22.4	21.2	20.1	19.1
	65%	22.0	20.8	**19.7**	18.7	17.7
	50%	16.9	16.0	15.1	14.4	13.6
	40%	13.5	12.8	12.1	11.5	10.9

ESTIMATES AS OF 12 MAY 2025

SOURCE: VALUATIONLAB ESTIMATES

Clozapine treatment-resistant schizophrenia (orphan-like indication)

EVENAMIDE - FINANCIAL FORECASTS FOR CLOZAPINE TREATMENT-RESISTANT SCHIZOPHRENIA (CTRS)

INDICATION	ADD-ON THERAPY TO ANTIPSYCHOTICS FOR REDUCING POSITIVE SYPMTOMS & PSYCHOTIC WORSENING IN CLOZAPINE TREATMENT-RESISTANT SCHIZOPHRENIA (CTRS)
DOSAGE	15 OR 30 MG TWICE DAILY (TBD)
PRICE	USA: USD 15/DAY, EU/ROW: EUR 10/DAY; PRICING MAY PROVE CONSERVATIVE IF EVENAMIDE BECOMES A NEW TREATMENT PARADIGM IN SCHIZOPHRENIA
STANDARD OF CARE	CLOZAPINE AND OTHER ATYPICAL (2ND GENERATION) ANTIPSYCHOTICS SUCH AS ZYPREXA (OLANZAPINE), SEROQUEL (QUETIAPINE), RISPERDAL (RISPERIDONE)
UNIQUE SELLING POINT	POTENTIALLY FIRST ADD-ON THERAPY TO ANTIPSYCHOTICS IN PATIENTS WITH CLOZAPINE TREATMENT-RESISTANT SCHIZOPHRENIA (ORHPAN INDICATION)

7Ps ANALYSIS

PATENT	US: COMPOSITION OF MATTER (COM) PATENT 2034; EU: COM PATENT 2033, 10-YEARS DATA EXCLUSIVITY; ADDITIONAL PATENTS UNDER REVIEW: 2040+
PHASE	FAST-TO-MARKET: START PHASE III "ENIGMA-TRS" TRIALS IN Q2 2025, 12-WEEK TOPLINE RESULTS IN Q4 2026; LAUNCH IN 2027 (ACCELERATED/CONDITIONAL APPROVAL)
PATHWAY	TWO PHASE III TRIALS IN TREATMENT-RESISTANT SCHIZOPHRENIA (INCL. CTRS); A CONFIRMATORY PHASE III TRIAL MAY BE NEEDED FOR INADEQUATE RESPONDERS
PATIENT	CLOZAPINE TREATMENT-RESISTANT SCHIZOPHRENIA PATIENTS CAN POTENTIALLY REGAIN A NORMAL SOCIAL AND PRODUCTIVE LIFE WITH A HIGHER LIFE EXPECTANCY
PHYSICIAN	POTENTIAL TO ADDRESS TREATMENT-RESISTANT PATIENTS WHERE CLOZAPINE NO LONGER WORKS OR OTHER ATYPICAL ANTIPSYCHOTICS
PAYER	TREATMENT-RESISTANT SCHIZOPHRENIA IS ASSOCIATED WITH SOME OF THE HIGHEST HOSPITALIZATION COSTS, COSTS TO SOCIETY AND RISK OF SUICIDE
PARTNER	US (CORE MARKET): ON POSITIVE PHASE III "ENIGMA-TRS" TRIALS; NON-CORE MARKETS: JAPAN & ASIA: EA PHARMA (2024); S. KOREA: MYUN (2025); EU & ROW PARTNERING IN 2025E

REVENUE MODEL

EUROPE (EXCL. CEE COUNTRIES) - PARTNER TBD	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**
NUMBER OF PATIENTS (MN)	3.6	3.6	3.7	3.8	3.8	3.9	3.9	4.0	4.0	4.1	4.2
GROWTH (%)	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
PERCENTAGE WITH POSITIVE SYMPTOMS (%)	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
PATIENTS WITH POSITIVE SYMPTOMS (MN)	2.5	2.6	2.6	2.6	2.7	2.7	2.7	2.8	2.8	2.9	2.9
TREATMENT-RESISTANT SCHIZOPHRENIA (%)	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
TREATMENT-RESISTANT SCHIZOPHRENIA PATIENTS	754'073	765'384	776'865	788'518	800'346	812'351	824'536	836'904	849'458	862'199	875'132
PATIENTS ON CLOZAPINE (%)	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%
PATIENTS ON CLOZAPINE	79'396	80'587	81'795	83'022	84'268	85'532	86'815	88'117	89'439	90'780	92'142
CLOZAPINE-RESISTANT SCHIZOPHRENIA (%)	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
CLOZAPINE-RESISTANT SCHIZOPHRENIA PATIENTS	23'819	24'176	24'539	24'907	25'280	25'659	26'044	26'435	26'832	27'234	27'643
PENETRATION (%)	0%	0%	0%	12%	20%	26%	30%	32%	33%	34%	35%
NUMBER OF TREATED CTRS PATIENTS	0	0	0	2'989	5'056	6'671	7'813	8'459	8'854	9'260	9'675
COST OF THERAPY PER YEAR (EUR)	3'650	3'650	3'650	3'650	3'650	3'650	3'650	3'650	3'650	3'650	3'650
SALES (EUR MN) - BOOKED BY PARTNER	**0**	**0**	**0**	**11**	**18**	**24**	**29**	**31**	**32**	**34**	**35**
CHANGE (%)					69%	32%	17%	8%	5%	5%	4%
ROYALTY (%)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
ROYALTIES (EUR MN)	0	0	0	1	2	2	3	3	3	3	4
UPFRONT & MILESTONE PAYMENTS (EUR MN)		20	5				5				
R&D COSTS	0	0	0	0	0	0	0	0	0	0	0
PROFIT BEFORE TAX (EUR MN)	**0**	**20**	**5**	**1**	**2**	**2**	**8**	**3**	**3**	**3**	**4**
TAXES (EUR MN)	0	0	-1	0	-1	-1	-2	-1	-1	-1	-1
PROFIT (EUR MN)	**0**	**20**	**4**	**1**	**1**	**2**	**5**	**2**	**2**	**2**	**2**

NORTH AMERICA (NEWRON SPECIALIST SALES FORCE)	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**
NUMBER OF PATIENTS (MN)	3.0	3.1	3.1	3.1	3.2	3.2	3.3	3.3	3.4	3.4	3.5
PATIENTS WITH POSITIVE SYMPTOMS (~70%) (MN)	2.1	2.1	2.2	2.2	2.2	2.3	2.3	2.3	2.4	2.4	2.4
TREATMENT-RESISTANT SCHIZOPHRENIA (~35%)	737'866	748'934	760'168	771'570	783'144	794'891	806'814	818'917	831'200	843'668	856'323
PATIENTS ON CLOZAPINE (~11%)	77'689	78'854	80'037	81'238	82'456	83'693	84'949	86'223	87'516	88'829	90'161
CLOZAPINE-RESISTANT SCHIZOPRENIA PATIENTS (~30%)	23'307	23'656	24'011	24'371	24'737	25'108	25'485	25'867	26'255	26'649	27'048
PENETRATION (%)	0%	0%	0%	20%	32%	42%	50%	56%	60%	60%	30%
NUMBER OF TREATED CTRS PATIENTS	0	0	0	4'874	7'916	10'545	12'742	14'485	15'753	15'989	8'115
COST OF THERAPY PER YEAR (EUR)	5'122	5'123	5'123	5'123	5'123	5'123	5'123	5'123	5'123	5'123	5'123
SALES (EUR MN) - BOOKED BY NEWRON	**0**	**0**	**0**	**25**	**41**	**54**	**65**	**74**	**81**	**82**	**42**
CHANGE (%)					62%	33%	21%	14%	9%	2%	-49%
COGS (%)	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
COGS (EUR MN)	0	0	0	-4	-6	-8	-10	-11	-12	-12	-6
S,G&A (EUR MN)	0	0	0	-7	-8	-9	-11	-13	-14	-14	-7
PROFIT BEFORE TAX (EUR MN)	**0**	**0**	**0**	**14**	**26**	**37**	**44**	**50**	**55**	**56**	**28**
TAXES (EUR MN)	0	0	0	-2	-8	-12	-14	-16	-17	-17	-9
PROFIT (EUR MN)	**0**	**0**	**0**	**12**	**18**	**25**	**30**	**35**	**38**	**38**	**19**

JAPAN / ASIA (EXCL. CHINA, S. KOREA) - EA PHARMA	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**
NUMBER OF PATIENTS (MN)	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.5	1.5
PATIENTS WITH POSITIVE SYMPTOMS (~70%) (MN)	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0
TREATMENT-RESISTANT SCHIZOPHRENIA PATIENTS (~30%)	269'504	273'546	277'649	281'814	286'041	290'332	294'687	299'107	303'594	308'148	312'770
PATIENTS ON CLOZAPINE (~11%)	29'645	30'090	30'541	31'000	31'465	31'936	32'416	32'902	33'395	33'896	34'405
CLOZAPINE-RESISTANT SCHIZOPHRENIA PATIENTS (~30%)	8'894	9'027	9'162	9'300	9'439	9'581	9'725	9'871	10'019	10'169	10'321
PENETRATION (%)	0%	0%	0%	12%	20%	26%	30%	32%	33%	34%	35%
NUMBER OF TREATED CTRS PATIENTS	0	0	0	1'116	1'888	2'491	2'917	3'159	3'306	3'457	3'612
COST OF THERAPY PER YEAR (EUR)	3'650	3'650	3'650	3'650	3'650	3'650	3'650	3'650	3'650	3'650	3'650
SALES (EUR MN) - BOOKED BY EA PHARMA	**0**	**0**	**0**	**4**	**7**	**9**	**11**	**12**	**12**	**13**	**13**
CHANGE (%)					69%	32%	17%	8%	5%	5%	4%
ROYALTY (%)	6%	6%	6%	6%	6%	8%	8%	8%	10%	10%	10%
ROYALTIES (EUR MN)	0	0	0	1	1	2	2	2	3	3	4
UPFRONT & MILESTONE PAYMENTS (EUR MN)			5				5				
PROFIT BEFORE TAX (EUR MN)	**0**	**0**	**5**	**1**	**1**	**2**	**7**	**2**	**3**	**3**	**4**
TAXES (EUR MN)	0	0	-1	0	-1	-1	-2	-1	-1	-1	-1
PROFIT (EUR MN)	**0**	**0**	**4**	**0**	**1**	**1**	**5**	**2**	**2**	**2**	**2**

	2024E	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**
GLOBAL SALES (EUR MN)	**0**	**0**	**0**	**40**	**66**	**87**	**104**	**117**	**125**	**128**	**90**
CHANGE (%)											
GLOBAL PROFIT (EUR MN)	**0**	**20**	**9**	**14**	**20**	**28**	**41**	**38**	**42**	**43**	**24**
CHANGE (%)	-100%		-56%	56%	46%	41%	45%	-6%	10%	2%	-43%
WACC (%)	10%										
NPV TOTAL PROFIT (CHF MN)	**179**										
NUMBER OF SHARES (MN)	20.0										
NPV PER SHARE (CHF)	9										
SUCCESS PROBABILITY	65%	(PIVOTAL PHASE III TRIAL)									
RISK ADJUSTED NPV PER SHARE (CHF)	**5.8**										

SENSITIVITY ANALYSIS

		WACC (%)				
	CHF/SHARE	8	9	10	11	12
	100%	9.9	9.4	9.0	8.5	8.1
	90%	8.9	8.5	8.1	7.7	7.3
	80%	7.9	7.5	7.2	6.8	6.5
SUCCESS PROBABILITY	70%	6.9	6.6	6.3	6.0	5.7
	65%	6.5	6.1	**5.8**	5.5	5.3
	50%	5.0	4.7	4.5	4.3	4.1
	40%	4.0	3.8	3.6	3.4	3.3

ESTIMATES AS OF 12 MAY 2025

SOURCE: VALUATIONLAB ESTIMATES

Investment case, strategy & cash

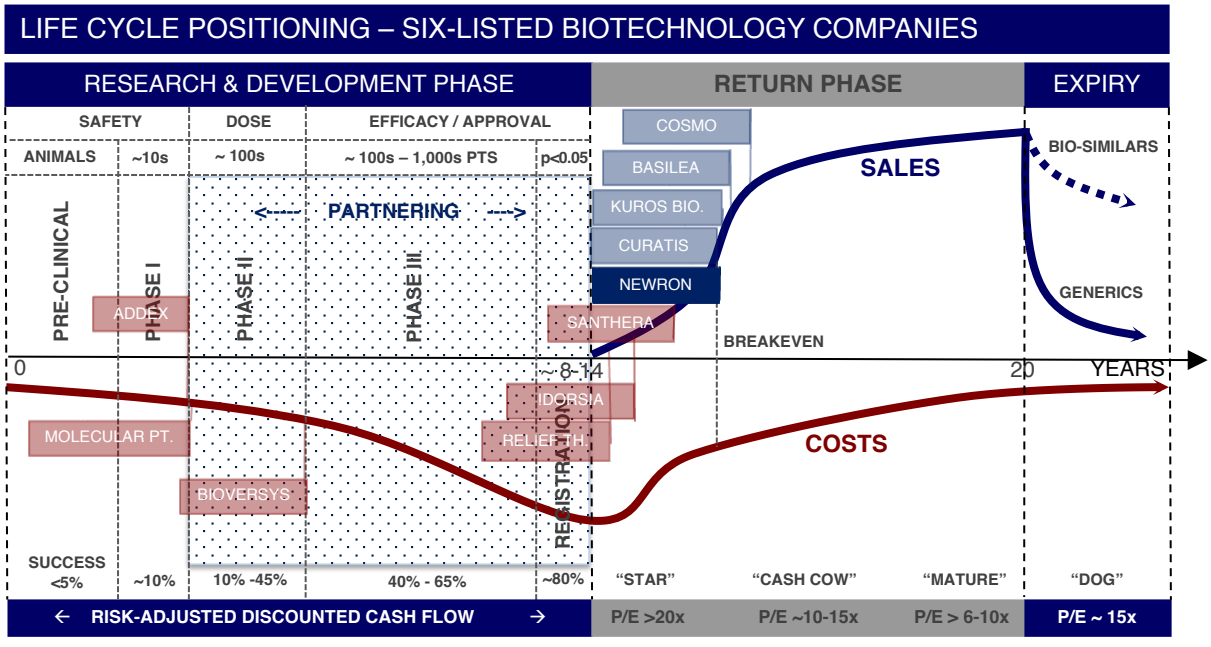
Investment case in a nutshell

Building on the compelling trial results seen in "Study 008A" and the unprecedented findings from "Study 014/015" of evenamide in schizophrenia, Newron will initiate two parallel phase III trials of evenamide in TRS patients, including the "ENIGMA-TRS 1" international trial, which is set to start imminently, followed by the "ENIGMA-TRS 2" US trial within the next three months. The pivotal "ENIGMA-TRS" development program will be funded by attractive co-development and commercialization agreements for evenamide in non-core territories outside the US. This includes EA Pharma for Japan and specific Asian markets, and Myung in Pharm for South Korea, marking the first partner validation of evenamide's sales potential in schizophrenia. To maximize evenamide's value, Newron will seek a US commercialization partner at substantially higher terms, following positive phase III "ENIGMA-TRS" 12-week topline results in Q4 2026. Extensive equity upside is expected to be unlocked upon positive pivotal trial results and the signing of a US sales partner.

Based on our detailed bottom-up forecasts for Newron's key drivers, which have ample patent life and market exclusivity and target blockbuster markets, we conservatively calculate a sum-of-the-parts risk-adjusted NPV of CHF 464 mn or CHF 23.2 per share, providing equity upside of more than 180% from the current share price.

Life Cycle Positioning – High Risk

We classify Newron's risk profile as High Risk because its product revenues depend entirely on low sales royalties from Xadago for treating Parkinson's disease. If evenamide successfully completes its clinical development in TRS and schizophrenia and the company secures a significant commercialization agreement in the US with substantial upfront and sales milestone payments, as well as royalties on net sales of evenamide, providing sustainable revenues and profits, this should lead to the classification of Newron's risk profile to Medium Risk. (See Important Disclosures for our Risk Qualification.)



SOURCE: VALUATIONLAB

Italian biopharmaceutical company specializing in CNS and rare diseases

Newron Pharmaceuticals S.p.A. is an Italian biopharmaceutical company that specializes in prescription drugs for treating central nervous system (CNS) disorders and rare, often referred to as orphan diseases, with a focus on ion channel blockers, a vital class of CNS drugs. Newron is headquartered in Bresso, near Milan, Italy, and was founded in December 1998 as a spin-off from Pharmacia & Upjohn (now part of Pfizer). In 2014, the company established a US office in Morristown, New Jersey, USA. Currently, the group employs 22 people. Newron was listed on the SIX Swiss Stock Exchange in 2006 under the ticker code "NWRN". In addition to its primary listing in Switzerland, Newron started trading in Germany on the Düsseldorf Stock Exchange and XETRA (ticker code "NP5") to enhance access for EU-based investors via local brokers in 2019. It is considering to uplist to NASDAQ in 2026.

Strategy to develop CNS drug to an optimal value, then out-license major indications and preferably market orphan indications by an own small specialist salesforce

Newron's strategy involves developing drugs derived from previous discovery capabilities, acquiring or in-licensing CNS disease drugs, and developing them to their optimal value. In rare diseases, such as evenamide for clozapine treatment-resistant schizophrenia (CTRS), the company aims to commercialize them whenever possible to enhance long-term value. When advantageous, Newron seeks co-development and commercialization agreements to minimize research and development costs while generating revenue through R&D funding, upfront, regulatory and sales milestone payments, and royalties on future sales.

Newron's pipeline consists of a nice mix of major and rare disease indications

Newron's pipeline features a strong combination of major indications, including Xadago, which generates revenue through its partners for treating Parkinson's disease, and evenamide as an add-on to antipsychotics in schizophrenia. Additionally, there's an orphan-like indication for evenamide in clozapine treatment-resistant schizophrenia (CTRS), which shows a high unmet medical need. Significant value will be realized with the approval and launch of evenamide in schizophrenia, given its blockbuster sales potential. Newron's products include:

- **Evenamide – A new paradigm in schizophrenia, transformational potential**
  Evenamide is Newron's pipeline project with the highest peak sales potential, targeting a USD 12 bn schizophrenia market, and it will be transformational for Newron upon approval. The compound is being developed as an add-on treatment for 1) treatment-resistant schizophrenia (TRS) patients who do not respond adequately to any second-generation antipsychotics, including the orphan-like indication of clozapine treatment-resistant schizophrenia (CTRS), and 2) non-treatment-resistant schizophrenia (non-TRS) patients who experience inadequate responses to current atypical antipsychotic monotherapy, covering roughly 70% of schizophrenia patients. Approximately 30% of schizophrenia patients respond well to monotherapy. Based on the compelling clinical data from the open-label phase II trial "Study 014/015" in TRS patients and the potentially pivotal phase II/III trial "Study 008A", Newron will start two parallel phase III trials in TRS and CTRS patients, including the "ENIGMA-TRS 1" international trial involving at least 600 patients and the "ENIGMA-TRS 2" US trial with at least 400 patients, thanks to securing sufficient funding from agreements with EA Pharma, Myung in Pharm, and future partners in non-core territories outside the US. This substantially improves the probability of regulatory approval, provided both trials yield positive results, compared to the initially planned single pivotal "Study 023" phase III trial with fewer patients. A confirmatory phase III trial in chronic schizophrenia patients may be needed for full

approval for treating all schizophrenia patients. Evenamide will be commercialized through a series of partnerships worldwide, resulting in substantial upfront, regulatory, and sales milestones and sales royalties, including EA Pharma for Japan and specific Asian markets, and Myung in Pharm in South Korea.

- **Xadago – First product to reach market – sales uptake hampered by generics**
  Xadago (safinamide) is Newron's first approved drug for treating patients with mid-to-late-stage Parkinson's disease. It was launched by its partners in the EU in 2015, followed by the US in 2017, and in Canada (branded Onstryv) and Japan (branded Equfina) in 2019. Xadago stems from Newron's earlier ion channel discovery capabilities and is the first New Chemical Entity (NCE) approved and launched for treating Parkinson's disease in over a decade. The company receives sales royalties and milestone payments from its development and commercialization partners, Zambon (worldwide rights excluding Meiji Seika territories) and Meiji Seika (Japan and Asia). Uptake in the US market, marketed by Supernus Pharma, is hampered by widespread inexpensive generic versions of Teva's Azilect (rasagiline), which belongs to the same drug class as Xadago. In 2021, several generic manufacturers filed Paragraph IV ANDAs for Xadago in the US. Newron and its partners, Zambon and Supernus, have reached a settlement agreement with the generic manufacturers, permitting them to enter the US market no earlier than December 1, 2027. Supplementary Protection Certificates (SPCs) have been approved in most major markets, and Newron is confident that these will be granted in all key territories, providing protection until 2029.

Newron sufficiently funded well through 2026 beyond key value inflection points.
Newron expects to fund its planned development programs and operations well into 2026, with total available cash resources that include estimated cash and cash equivalents of EUR 45 mn (30 April 2025), proceeds from the EA Pharma, Myung in Pharm and future agreements in non-core territories outside the US, royalty revenues on Xadago sales, and the deferral of the repayment of the EUR 40 mn EIB loan by roughly 1 ½ years starting in November 2025.

Newron's key priorities in the next 12-18 months include:
- Initiate the "ENIGMA-TRS 1" international, 1-year, phase III trial in at least 600 patients set to start imminently, with 12-week topline results anticipated in Q4 2026.
- Initiated the "ENIGMA-TRS 2" US, 12-week, phase III trial in at least 400 patients within the next three months.
- Pursue further partnership agreements for evenamide in non-core territories outside the US.
- Find an attractive US commercialization partner after positive 12-week topline results of the "ENIGMA-TRS" phase III trials.
- The ongoing rollout of Xadago in Parkinson's disease by its partners in new countries and regions, along with the establishment of new commercialization and distribution partnerships for Xadago beyond the EU, US, Japan, and Asia.
- Pursue new CNS development projects to expand the company's development pipeline.

Valuation Overview

Sum-of-parts risk-adjusted (r)NPV points to a fair value of CHF 23.2 per share
We derive a sum-of-parts rNPV of CHF 23.2 per share, with estimated cash and cash equivalents of CHF 2.3 per share (30 April 2025), overhead of CHF 5.9 per share (including the repayment of the EUR 40 mn EIB loan starting in November 2025), with a WACC of 10% (consisting of a market risk premium of 6%, a beta of 1.5, and a risk-free rate (10-year Swiss bond yield) of 1%).

SUM OF PARTS

PRODUCT NAME	INDICATION	PEAK SALES (EUR MN)	LAUNCH YEAR	UNADJUSTED NPV/SHARE	SUCCESS PROBABILITY	RISK-ADJUSTED NPV/SHARE (CHF)	PERCENTAGE OF TOTAL
XADAGO (SAFINAMIDE)	PARKINSON'S DISEASE	73	2015 (EU) I 2017 (US)	1.3	100%	1.3	5%
EVENAMIDE	SCHIZOPHRENIA (INADEQUATE RESPONDERS, TRS*)	883	2027/2028	30.3	65%	19.7	68%
EVENAMIDE	CLOZAPINE TREATMENT-RESISTANT SCHIZOPHRENIA (CTRS)	128	2027	9.0	65%	5.8	20%
RALFINAMIDE	NEUROPATHIC PAIN	NON CORE					
ESTIMATED CASH & CASH EQUIVALENTS (30 APRIL 2025)		45		2.3		2.3	8%
TOTAL ASSETS				**42.8**		**29.1**	**100%**
OVERHEAD EXPENSES (INCLUDING REPAYMENT OF THE EUR 40 MN EIB LOAN)				-5.9		-5.9	
NPV/SHARE (CHF)				**37.0**		**23.2**	
PRICE ON 12 MAY 2025						**8.2**	
PERCENTAGE UPSIDE / (DOWNSIDE)						184%	

* TRS = TREATMENT RESISTANT SCHIZOPHRENIA

ESTIMATES AS OF 12 MAY 2025

SOURCE: VALUATIONLAB ESTIMATES

Newron's key value drivers include:

Xadago (Parkinson's disease) - NPV of CHF 1.3 per share
Xadago is Newron's first drug to be marketed, marking the first new chemical entity (NCE) for Parkinson's disease in over a decade. The drug was launched in the EU (2015), in the US (2017), and in Japan (2019) to treat mid-to-late-stage Parkinson's disease. In the US market, sales uptake continues to be hindered by inexpensive generic versions of Teva's Azilect (rasagiline), which belongs to the same drug class as Xadago. Following an agreement with generic manufacturers, we anticipate that generic versions of Xadago will enter the US market as early as December 2027 (previously expected for 2031). We expect Newron to receive royalties on sales from its partners Zambon (and sub-licensors) and Meiji Seika (and partner Eisai), ranging between 10-12% in the EU/ROW, 7% in the US, and 2.5% in Japan. We calculate an NPV of CHF 1.3 per share with peak sales of around EUR 75 mn for Xadago in Parkinson's disease.

Evenamide (schizophrenia) – risk-adjusted NPV of CHF 19.7 per share
Evenamide targets a global market for antipsychotics worth USD 17 bn. Evenamide could become the first add-on antipsychotic approved for patients with poorly responding and treatment-resistant schizophrenia (TRS), as well as the first drug for TRS since clozapine's approval in 1989. Based on compelling phase III "Study 008A" trial results in chronic schizophrenia and exciting open-label phase II "Study 014/015" trial results in TRS, Newron will start the pivotal "ENIGMA-TRS" clinical development program of evenamide in TRS and CTRS patients. First, it will commence the "ENIGMA-TRS 1" international, one-year, phase III trial imminently with at least 600 patients, and 12-week topline results are expected in Q4 2026. Within the next three months, the second "ENIGMA-TRS 2" US, 12-week, phase III trial with at least 400 patients will be initiated. The "ENIGMA-TRS" program will be funded by the proceeds of the partnering agreements with EA Pharma, Myung in Pharm, and the current cash balance. Newron will continue to seek partners in non-core territories outside the US. To maximize the value of evenamide, the company will pursue an attractive US commercialization partner on much better terms following positive "ENIGMA-TRS" 12-week

topline results. We project peak sales for evenamide to reach approximately EUR 900 mn in schizophrenia and TRS (excluding CTRS), with the first launches anticipated in 2027/2028. We estimate an rNPV of CHF 19.7 per share, with a 65% (phase III) success rate, and expect Newron to receive up to EUR 432 mn in global upfront payments, development costs, regulatory milestones, and sales milestones, as well as 15% royalties on net sales.

Evenamide (CTRS) – risk-adjusted NPV of CHF 5.8 per share

Newron's development plans for evenamide include clozapine treatment-resistant schizophrenia (CTRS) alongside non- and poorly-responding schizophrenia, driven by the significant unmet medical need for new therapies, studies indicating the glutamate system's role in CTRS, and a US orphan disease designation, which provides seven years of market exclusivity in the US. CTRS presents a fast-to-market opportunity, with an anticipated US launch in 2027, based on accelerated approval in the US and conditional approval in the EU, following positive "ENIGMA-TRS" phase III trial results. We assume that Newron will commercialize evenamide for CTRS in the US through a small in-house commercial team of key account managers while seeking partners outside the US in exchange for EUR 30 mn upfront, along with development, regulatory, and sales milestone payments, plus 15% royalties on net sales. We forecast peak sales to reach approximately EUR 130 mn. Our rNPV is CHF 5.8 per share, factoring in a 65% (phase III) success rate.

NOTE: An additional upside to our forecasts may arise from higher pricing if the results of the phase III program suggest a new treatment paradigm where evenamide enhances quality of life and significantly alleviates the social burden. Patients with CTRS utilize the most resources among all schizophrenia patients, thereby warranting higher pricing if evenamide proves effective.

Sensitivities that can influence our valuation

Development risk: With Xadago approved in the major markets, Newron's primary risk is the development risk of evenamide as an add-on therapy for schizophrenia. We have a 65% (pivotal phase III) success rate for evenamide in TRS and CTRS, with the pivotal "ENIGMA-TRS" clinical development program to start imminently. The successful development and approval of evenamide in schizophrenia will be transformational for Newron. The company has secured the necessary funds to develop evenamide for schizophrenia. Additional funding is expected from a US partnering deal of evenamide and an uplisting to NASDAQ.

Pricing and reimbursement: Following EMA and FDA approval, evenamide must be priced and reimbursed by local healthcare providers. In the EU, pricing and reimbursement occur on a country-by-country base, leading to different pricing and reimbursement and potential market launch delays. Pricing and reimbursement have been established in the US.

Partnering: In 2012, Newron out-licensed Xadago to Zambon, which obtained worldwide rights, excluding Japan and Asia, which are held by Meiji Seika. Although Zambon lacks a strong CNS presence across all markets, it has secured robust commercialization partners in certain regions, with Supernus Pharmaceuticals managing the crucial US market. For evenamide, Newron has established exclusive development and commercialization agreements with EA Pharma (Japan, specific Asian countries) and Myung in Pharm (South Korea), confirming the potential of evenamide. Following positive 12-week topline results from the "ENIGMA-TRS" phase III trials (Q4 2026), Newron intends to sign a partner for the lucrative US market to maximize its value. Partnering will reduce development risk and cash burn while enhancing financial flexibility for Newron to acquire external CNS clinical compounds to strengthen its pipeline. Timing and terms may differ from our forecasts.

Commercialization: Newron's revenues and earnings from Xadago depend entirely on its commercialization partners to effectively position and market the drug against existing Parkinson's treatments, such as Teva's Azilect (rasagiline) and generic versions of rasagiline. Newron requires major CNS players to successfully commercialize evenamide for schizophrenia and other antipsychotic indications. Revenues and earnings from evenamide will rely solely on its commercialization partner's ability to effectively position and market evenamide against both existing and new treatments. Newron intends to sell evenamide in CTRS in the US using a small in-house commercial team of key account managers, which may necessitate additional funding.

Patent and market exclusivity: Xadago's composition of matter patent expired in 2010. Beyond this period, patent protection and market exclusivity depend significantly on the combination patent with levodopa that runs until 2024 (EU and 2026 (US, with possible extensions of up to 5 years. A synthesis patent offers additional protection until 2027. We anticipate patent protection for Xadago in the EU/ROW until 2029, following an agreement with several generic manufacturers who filed a Paragraph IV ANDA for Xadago in the US, lasting until December 2027. Evenamide's patent protection runs until 2028, with the possibility of additional five-year extensions. NCE (new chemical entity) exclusivity grants 5 years in the US, while orphan disease exclusivity adds 7 years upon US approval, and data protection ensures 10-year exclusivity in the EU.

Catalysts

CATALYST TIMELINES

TIME LINE	PRODUCT	INDICATION	MILESTONE	COMMENT	IMPACT ON RNPV/SHARE
2025					
9 JAN	EVENAMIDE	TREATMENT-RESISTANT SCHIZOPHRENIA (TRS)	MYUNG IN PHARM AGREEMENT	EXCLUSIVE DEVELOPMENT, MANUFACTURE, AND COMMERCIALIZATION AGREEMENT FOR EVENAMIDE IN SCHIZOPHRENIA WITH MYUNG IN PHARM FOR SOUTH KOREA; MYUNG IN PHARM WILL CONTRIBUTE 10% OF THE PATIENT POPULATION FOR THE UPCOMING GLOBAL PHASE III TRIAL OF EVENAMIDE IN TRS AND COVER THE COSTS RELATED TO THIS POPULATION; IN RETURN NEWRON RECEIVES AN UNDISCLOSED UPFRONT PAYMENT, DEVELOPMENT AND REGULATORY MILESTONES, AND ROYALTIES ON NET SALES	
24 MAR			BOARD CHANGE	RENOWNED BIOPHARMA COMPANY FOUNDER AND ENTREPRENEUR DR. CHRIS MARTIN PROPOSED FOR ELECTION AS INDEPENDENT CHAIRMAN OF THE BOARD AT THE UPCOMING AGM TO SUCCEED ULRICH KOESTLIN THE LONG-STANDING CHAIRMAN OF THE BOARD SINCE 2013	
1 APR			FY 2024 RESULTS	CASH: EUR 9.8 MN (31 DECEMBER 2024) WITH CASH RUNWAY WAY INTO 2026 (INCLUDING PROCEEDS FROM EA PHARMA AND MYUNG IN PHARM TO FUND THE PIVOTAL PHASE III TRS TRIAL); 2024 TOTAL REVENUES: EUR 51.4 MN (2023: 9.1 MN) LARGELY BOOSTED BY THE EUR 44.5 MN UPFRONT PAYMENT FROM EA PHARMA; XADAGO ROYALTIES WERE UP 2% TO EUR 6.9 MN; NEWRON REPORTED ITS FIRST-EVER PROFIT OF EUR 15.8 MN	
23 APR			AGM & EGM	CHRIS MARTIN ELECTED AS NEW CHAIRMAN OF THE BOARD AT THE ANNUAL GENERAL MEETING (AGM); THE MOTIONS ON THE AGENDA FOR THE EXTRAORDINARY PART OF THE MEETING WERE NOT PUT TO VOTE DUE TO THE REQUIRED QUORUM NOT BEING REACHED	
IMMINENTLY	EVENAMIDE	TREATMENT-RESISTANT SCHIZOPHRENIA (TRS)	START PHASE III "ENIGMA-TRS 1" TRIAL (INTERNATIONAL)	START OF THE INTERNATIONAL 1-YEAR, DOUBLE-BLIND, PLACEBO-CONTROLLED PHASE III TRIAL OF EVENAMIDE IN AT LEAST 600 TREATMENT-RESISTANT SCHIZOPHRENIA (TRS) PATIENTS INCLUDING CLOZAPINE TREATMENT-RESISTANT SCHIZOPHRENIA (CTRS) ON ONE OF THE LEADING 2ND GENERATION ANTIPSYCHOTICS (SGA'S) IN EUROPE, ASIA. LATIN AMERICA AND CANADA; 12-WEEK TOPLINE RESULTS EXPECTED IN Q4 2026; FIRST PATIENT IN (FPI) AND LAST PATIENT IN (LPI) TRIGGER EACH A EUR 5.5 MN MILESTONE FROM EA PHARMA	
Q3	EVENAMIDE	TREATMENT-RESISTANT SCHIZOPHRENIA (TRS)	START PHASE III "ENIGMA-TRS 2" TRIAL (US)	START OF THE US 12-WEEK, DOUBLE-BLIND, PLACEBO-CONTROLLED PHASE III TRIAL IN AT LEAST 400 TRS PATIENTS INCLUDING CTRS PATIENTS IN THE US AND SELECTED ADDITIONAL COUNTRIES; TRIAL ENROLMENT SHOULD START IN Q3 2025	
16 SEP			H1 2025 RESULTS	PUBLICATION OF THE H1 2025 RESULTS	
DURING 2025	EVENAMIDE	SCHIZOPHRENIA	POTENTIAL PARTNERING AGREEMENT(S)	NEWRON EXPECTS MORE AGREEMENTS WITH MAJOR CNS PLAYERS FOR EVENAMIDE OUTSIDE THE US (NON-CORE TERRITORIES) SUCH AS EUROPE, OTHER ASIAN COUNTRIES, OR LATIN AMERICA, TO ENHANCE ITS DEVELOPMENT AND COMMERCIAL REACH, REDUCE ITS CASH BURN AND STRENGTHEN ITS CASH POSITION	
DURING 2025			EXTERNAL CNS PIPELINE PRODUCTS	ONGOING SEARCH FOR STRATEGICALLY RELEVANT ASSETS TO ADD TO NEWRON'S CNS PIPELINE	

ESTIMATES AS OF 12 MAY 2025

SOURCE: VALUATIONLAB ESTIMATES, NEWRON PHARMACEUTICALS

Income Statement

NEWRON PHARMACEUTICALS									SHARE PRICE (CHF)		8.20
IFRS											
INCOME STATEMENT (EUR MN)	**2024**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**
PRODUCT SALES (INCLUDING PARTNERS)	**67**	**69**	**71**	**248**	**536**	**720**	**819**	**889**	**956**	**1'016**	**774**
CHANGE (%)	4%	3%	3%	252%	116%	34%	14%	9%	8%	6%	-24%
PRODUCT SALES (BY NEWRON)	**0**	**0**	**0**	**25**	**41**	**54**	**65**	**74**	**81**	**82**	**42**
CHANGE (%)					62%	33%	21%	14%	9%	2%	-49%
ROYALTIES	**7**	**7**	**7**	**31**	**76**	**108**	**123**	**134**	**152**	**162**	**121**
CHANGE (%)	3%	3%	3%	326%	143%	43%	14%	9%	13%	7%	-25%
LICENCE, UPFRONT & MILESTONE INCOME	**44**	**26**	**100**	**73**	**67**	**48**	**12**	**37**	**40**	**47**	**6**
OTHER INCOME & GRANTS	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
REVENUES (EXCL. PARTNER SALES)	**51**	**33**	**107**	**129**	**183**	**210**	**201**	**246**	**273**	**291**	**169**
CHANGE (%)	467%	-36%	224%	21%	42%	15%	-5%	23%	11%	7%	-42%
COGS	**0**	**0**	**0**	**-4**	**-6**	**-8**	**-10**	**-11**	**-12**	**-12**	**-6**
GROSS PROFIT	**51**	**33**	**107**	**125**	**177**	**202**	**191**	**235**	**260**	**279**	**163**
CHANGE (%)	467%	-36%	224%	17%	41%	14%	-6%	23%	11%	7%	-42%
MARGIN	100%	100%	100%	97%	97%	96%	95%	95%	96%	96%	96%
R&D	**-14**	**-17**	**-27**	**-19**	**-10**	**-11**	**-11**	**-12**	**-12**	**-13**	**-13**
CHANGE (%)	4%	21%	64%	-30%	-47%	5%	5%	5%	5%	5%	5%
S,G&A	**-12**	**-10**	**-12**	**-15**	**-16**	**-17**	**-19**	**-21**	**-22**	**-22**	**-15**
CHANGE (%)	54%	-14%	16%	27%	9%	7%	11%	8%	5%	1%	-31%
OPERATING EXPENSES	**-25**	**-27**	**-39**	**-37**	**-32**	**-36**	**-40**	**-43**	**-46**	**-47**	**-35**
CHANGE (%)	22%	5%	46%	-3%	-14%	11%	12%	9%	6%	2%	-26%
AS % REVENUES	49%	80%	36%	29%	18%	17%	20%	18%	17%	16%	21%
EBITDA	**26**	**7**	**69**	**92**	**151**	**175**	**161**	**203**	**227**	**244**	**135**
CHANGE (%)	-331%	-74%	910%	34%	64%	16%	-8%	26%	12%	8%	-45%
MARGIN (%)	51%	21%	64%	71%	83%	83%	80%	82%	83%	84%	80%
DEPRECIATION & AMORTIZATION	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
AS % REVENUES	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%
EBIT	**26**	**7**	**69**	**92**	**151**	**174**	**161**	**203**	**227**	**244**	**134**
CHANGE (%)	-325%	-75%	937%	34%	65%	16%	-8%	26%	12%	8%	-45%
MARGIN (%)	51%	20%	64%	71%	82%	83%	80%	82%	83%	84%	79%
NET FINANCIAL INCOME/(EXPENSE)	**-5**	**-4**	**-1**	**1**	**2**	**3**	**4**	**6**	**8**	**10**	**13**
PROFIT BEFORE TAXES	**21**	**2**	**67**	**92**	**153**	**178**	**165**	**209**	**234**	**254**	**147**
MARGIN	42%	6%	63%	72%	84%	85%	82%	85%	86%	87%	87%
TAXES	**-6**	**0**	**-12**	**-18**	**-58**	**-68**	**-58**	**-72**	**-84**	**-83**	**-47**
TAX RATE (%)	26%	0%	17%	20%	38%	38%	35%	34%	36%	33%	32%
NET PROFIT/LOSS	**16**	**2**	**56**	**74**	**95**	**109**	**108**	**137**	**151**	**171**	**101**
CHANGE (%)	-198%	-87%	2530%	33%	28%	16%	-2%	27%	10%	14%	-41%
MARGIN (%)	31%	6%	52%	57%	52%	52%	54%	56%	55%	59%	60%
PROFIT/(LOSS) PER SHARE (IN EUR)	**0.85**	**0.11**	**2.79**	**3.71**	**4.74**	**5.48**	**5.40**	**6.86**	**7.55**	**8.58**	**5.04**
PROFIT/(LOSS) PER SHARE (IN CHF)	**0.82**	**0.10**	**2.66**	**3.53**	**4.51**	**5.21**	**5.13**	**6.53**	**7.18**	**8.16**	**4.79**
ESTIMATES AS OF 12 MAY 2025									SOURCE: VALUATIONLAB ESTIMATES		

NOTE: At the end of FY 2024, Newron had a total of EUR 299 mn tax loss carryforwards, which the company can use on current and future profits.

Ratios & Balance Sheet

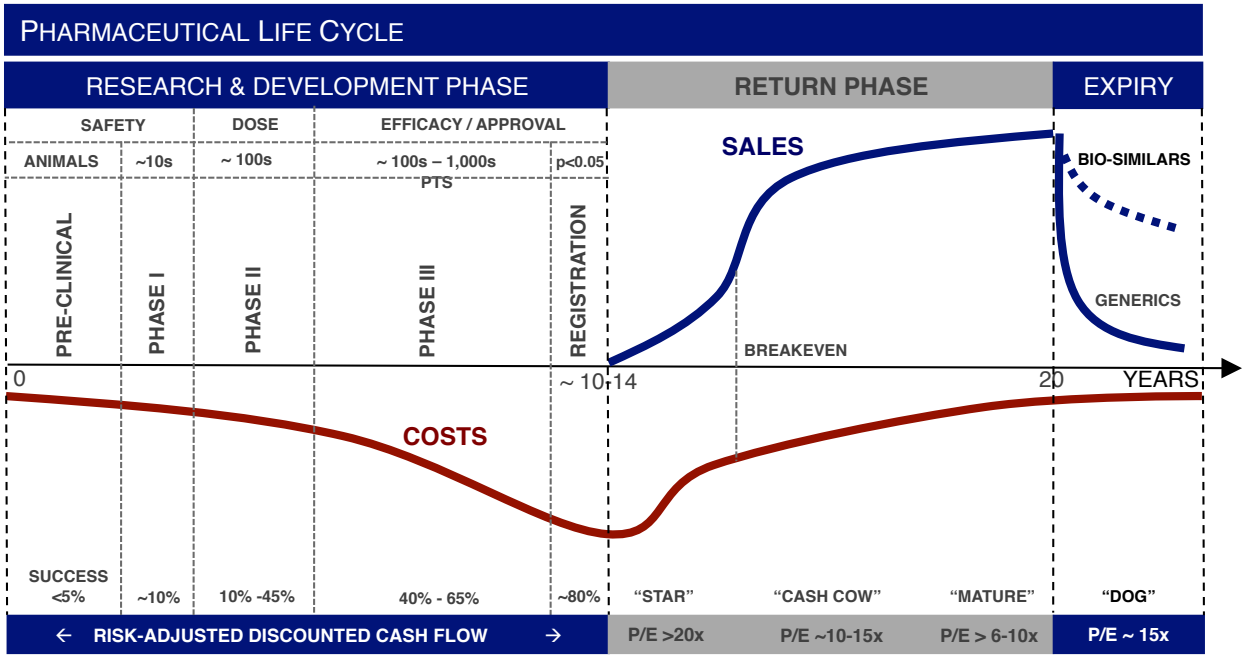
NEWRON PHARMACEUTICALS									SHARE PRICE (CHF)	8.20
RATIOS	**2024**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**
P/E		**81.1x**	**3.1x**	**2.3x**	**1.8x**	**1.6x**	**1.6x**	**1.3x**	**1.1x**	**1.0x**	**1.7x**
P/S		**5.2x**	**1.6x**	**1.3x**	**0.9x**	**0.8x**	**0.9x**	**0.7x**	**0.6x**	**0.6x**	**1.0x**
P/NAV		**48.1x**	**2.9x**	**1.3x**	**0.8x**	**0.5x**	**0.4x**	**0.3x**	**0.2x**	**0.2x**	**0.2x**
EV/EBITDA		**18.6x**	**1.8x**	**1.4x**	**0.8x**	**0.7x**	**0.8x**	**0.6x**	**0.6x**	**0.5x**	**0.9x**
PER SHARE DATA (CHF)	**2024**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**
EARNINGS	**0.82**	**0.10**	**2.66**	**3.53**	**4.51**	**5.21**	**5.13**	**6.53**	**7.18**	**8.16**	**4.79**
CHANGE (%)	-193%	-88%	2530%	33%	28%	16%	-2%	27%	10%	14%	-41%
CASH	**0.51**	**2.30**	**4.02**	**8.74**	**16.37**	**25.20**	**33.45**	**43.78**	**55.36**	**67.92**	**75.45**
CHANGE (%)	-25%	351%	75%	118%	87%	54%	33%	31%	26%	23%	11%
DIVIDENDS	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
PAYOUT RATIO (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
NET ASSET VALUE	**0.08**	**0.17**	**2.83**	**6.36**	**10.88**	**16.09**	**21.22**	**27.75**	**34.93**	**43.09**	**47.89**
CHANGE (%)	-105%	126%	1558%	125%	71%	48%	32%	31%	26%	23%	11%
BALANCE SHEET (EUR MN)	**2024**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**
NET LIQUID FUNDS	**10**	**48**	**84**	**183**	**343**	**528**	**701**	**918**	**1'161**	**1'424**	**1'582**
TOTAL ASSETS	**64**	**102**	**138**	**237**	**397**	**582**	**756**	**972**	**1'215**	**1'478**	**1'636**
SHAREHOLDERS' EQUITY	**1**	**4**	**59**	**133**	**228**	**337**	**445**	**582**	**733**	**904**	**1'004**
CHANGE (%)	-105%	145%	1558%	125%	71%	48%	32%	31%	26%	23%	11%
RETURN ON EQUITY (%)	1087%	59%	94%	56%	41%	32%	24%	24%	21%	19%	10%
FINANCIAL DEBT	**50**	**49**	**36**	**-2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
FINANCIAL DEBT AS % OF TOTAL ASSETS	78%	48%	26%	-1%	0%	0%	0%	0%	0%	0%	0%
EMPLOYEES	**22**	**22**	**23**	**24**	**25**	**26**	**27**	**28**	**29**	**30**	**31**
CHANGE (%)	0%	0%	4%	4%	4%	4%	4%	4%	4%	4%	4%
CASH FLOW STATEMENT (EUR MN)	**2024**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**
NET PROFIT / (LOSS) BEFORE TAX	**21**	**2**	**67**	**92**	**153**	**178**	**165**	**209**	**234**	**254**	**147**
DEPRECIATION & AMORTIZATION	0	0	0	0	0	0	0	0	0	0	0
OTHER NON-CASH ITEMS	-1	0	0	0	0	0	0	0	0	0	0
CASH FLOW	**20**	**3**	**68**	**93**	**154**	**178**	**166**	**209**	**235**	**255**	**148**
NET INCREASE/(DECREASE) IN WORKING CAPITAL	-38	49	6	6	6	7	7	7	8	8	9
OPERATING FREE CASH FLOW	**-18**	**52**	**74**	**99**	**160**	**185**	**173**	**217**	**243**	**263**	**158**
NET CASH FLOWS FROM INVESTING ACTIVITIES	3	0	0	0	0	0	0	0	0	0	0
NET CASH USED IN OPERATING ACTIVITIES	**-14**	**52**	**74**	**99**	**160**	**185**	**173**	**217**	**243**	**263**	**158**
NET CASH FLOWS FROM FINANCING ACTIVITIES	15	-13	-38	0	0	0	0	0	0	0	0
NET INCREASE/(DECREASE) CASH & CASH EQUIVALENTS	**1**	**38**	**36**	**99**	**160**	**185**	**173**	**217**	**243**	**263**	**158**

ESTIMATES AS OF 12 MAY 2025 SOURCE: VALUATIONLAB ESTIMATES

NOTE: Newron expects to fund its planned development programs and operations well into 2026, beyond key value inflection points, with total available cash resources that include estimated cash and cash equivalents of EUR 45 mn (30 April 2025), proceeds from the EA Pharma and Myung in Pharm agreements, royalty revenues on Xadago sales, and the deferral of the repayment of the EUR 40 mn EIB loan by roughly 1 ½ years starting in November 2025.

APPENDIX

Pharmaceutical life cycle



SOURCE: VALUATIONLAB

To determine the value of a prescription (bio)pharmaceutical compound, it is critical to understand its life cycle. Fortunately, all compounds follow the same life cycle. The clock starts ticking after the compound is patented, providing 20 years of protection from generic competition. Market exclusivities can extend this protection period. The average Research & Development Phase takes 10-14 years, leading to an effective Return Phase of 6-10 years. The Development Phase has 3 distinct Phases, focused on safety (Phase I), dose (Phase II) and efficacy/clinical benefit (Phase III). The compound is filed for registration/approval at the FDA (US) or EMA (EU). The Return Phase is characterized by a star, cash cow, and mature phase. After patent expiry (or loss of market exclusivity) generic manufacturers may copycat the branded prescription drug, at significantly lower costs, leading to a sales and earnings implosion of the branded drug.

Success probabilities and royalties

In our risk-adjusted NPV calculations, we use standardized success probabilities based on historical clinical success rates. The success rate increases as the project progresses through development. Sales and earnings forecasts are based on the clinical and competitive profile of the compound. The more advanced the compound is, the more accurate the forecasts become as the target market can be defined. We conservatively exclude projects that lack Phase IIa proof-of-concept data in our valuations.

SUCCESS PROBABILITIES & ROYALTIES

DEVELOPMENT STAGE	AIM	WHAT / WHO	SUCCESS PROBABILITY (%)	COSTS (USD MN)	ROYALTIES (%)
PRE-CLINICAL	SAFETY & PHARMACOLOGY DATA	LAB TESTS / ANIMALS - NO HUMANS!	< 5	3	
PHASE I	SCREENING FOR SAFETY	HEALTHY VOLUNTEERS (10'S)	5-15	3	< 5
PHASE IIA	PROOF-OF-CONCEPT	PATIENTS WITH DISEASE (10'S)	10-20		
PHASE II	ESTABLISH THE TESTING PROTOCOL	PATIENTS WITH DISEASE (100'S)	15-35	5	5-15
PHASE IIB	OPTIMAL DOSAGE	PATIENTS WITH DISEASE (100'S)	20-45	5-10	
PHASE III	EVALUATE OVERALL BENEFIT/RISK	PATIENTS WITH DISEASE (1,000'S)	40-65	> 20-1,000	10-25
REGULATORY FILING	DETERMINE PHYSICIAN LABELING	CLINICAL BENEFIT ASSESSMENT	80-90		
APPROVAL	MARKETING AUTHORIZATION	PHYSICIANS FREE TO PRESCRIBE	100		15-30

SOURCE: VALUATIONLAB, TUFTS, FDA, EMA, CLINICALTRIALS.GOV

Important Research Disclosures

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Our financial analyses are based on the "Directives on the Independence of Financial Research" issued by the Swiss Bankers Association in January 2008.

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Risk Qualification

Speculative	less than 1 year cash and breakeven beyond 1 year
High Risk	profitable within 2 years and 1 approved product/key indication (patent expiry > 5 years)
Medium Risk	profitable and/or sales from at least 2 marketed products/key indications (patent expiry > 5 years)
Low Risk	profitable and sales from >2 marketed products/key indications (patent expiry > 5 years)

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