

# Swedish biotech Nuevolution: Successful partnership hunt



NUEVOLUTION

## Company & Stock Information

**Company:** Nuevolution AB (publ)

**Established:** 2001

**Industry:** Health Care, Biotech

**Website:** [www.nuevolution.com](http://www.nuevolution.com)

**Market:** Nasdaq First North Premier, Stockholm

**Ticker:** NUE.ST

**Number of shares:** 42,858,236

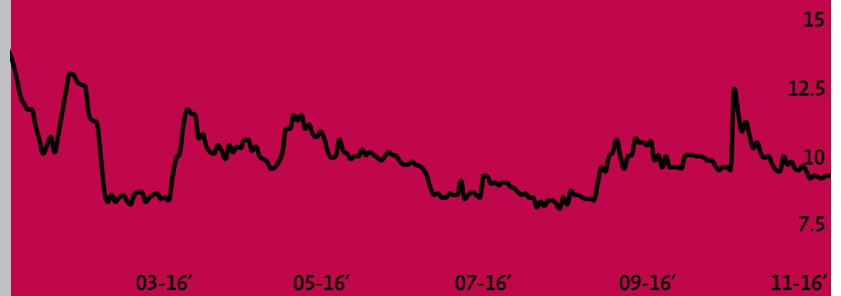
**Market value (11.11.2016):** SEK 439.3 million

**Share price range (YTD):** 8.45-15.80 SEK/share

**Share price (11.11.2016):** 10.25 SEK/Share

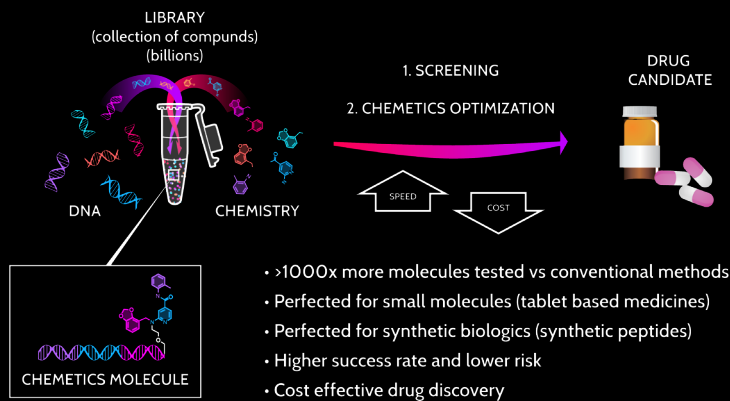
**Major shareholders:** SEB Venture Capital, Sunstone Capital, Industrifonden and SEB Utvecklingsstiftelse

## Stock Performance (YTD)



**Analysts:** Jarl Securities, Remium, Edison and more will follow

## Technology Platform



## Business Model

Focus on continuous revenue generation & risk mitigation

Multiple programs – Multiple partnering opportunities

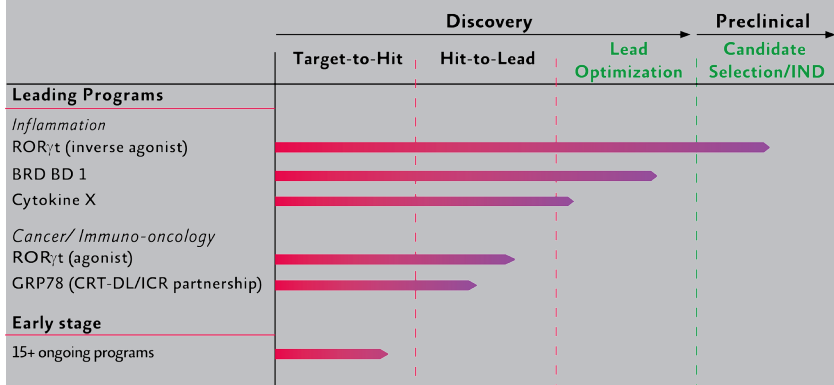
### Focus on Partnering of Drug Discovery Programs

- A. 100% Nuevolution owned and matured programs
- B. Risk sharing/Pre-sale = Partnering early and mitigate business risk

### Achievements to date

16 agreements with partners (incl. Merck, Novartis, GSK, Boehringer Ingelheim, Janssen, Amgen)  
Realized revenues: Approx. SEK 400 million

## Pipeline Strategy & Focus



### Multiple-Shots-at-Goal:

Constant pursuit of 15+ programs  
Optimizing chances for success with room for failures  
Mature programs up to late stage research to early clinical

### Severe Chronic Inflammatory Diseases:

Develop efficacious, safer, tablet based medicines

### Immuno-Oncology (Cancer):

Reactivate patients own immune system to fight cancers

### Cancer (Patient Specific):

Offer personalized medicines optimal for the individual patient

## Recent News

**Oct. 4,** Nuevolution enters into collaboration with Amgen

**Nov. 4,** Nuevolution appoints Redeye AB as Certified Adviser as of Dec. 1, 2016

## Meet Us

**Nov. 18,** Biotech and Money Investival Showcase, London

**Nov. 24,** ØU Biotech & Pharma Investor Conf, Copenhagen

**Nov. 29,** DK Aktionærforening's InvestorDagen, Odense

## Management & Contact

CEO Alex Gouliaev, Ph.D.

CFO Henrik Simonsen, M.Econ

CSO Thomas Franch, Ph.D.

CBO Ton Berkien, B.Econ.

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## Disclaimer

Photo series: "The successful partnership hunt" featuring Nuevolution's CBO Ton Berkien and CEO Alex Gouliaev.  
Photos by: Thomas Rønn, TR MEDIA

Photo scenes are fictitious, and solely intended as metaphors for Nuevolution's recent successful business development activities.

No animals were harmed during the photo shoot.

The photos are not intended to express any opinions about hunting.

# Strong business progress

Summary of first quarter 2016/17 (July-September 2016)

- Net sales amounted to SEK 1.8 million (1.1).
- Operating costs amounted to SEK 29.5 million (26.7).
- Operating loss was SEK -27.7 million (-25.6).
- Net loss amounted to SEK -25.6 million (-23.9).
- Earnings per share (EPS) was SEK -0.60 (-0.83).
- Net cash amounted to SEK 170.6 million as per September 30, 2016 (21.5).
- Kilogram scale production of the active pharmaceutical ingredient (API) for the RORγt inverse agonist (inhibitor) candidate has been initiated.
- The lead compound in Nuevolution's selective BET inhibitor program demonstrated positive preliminary toxicology results and positive preliminary efficacy data in an animal mouse model for lupus disease (SLE).
- Three novel Chemetics® compound screening libraries have been completed, providing the company access to 400 million additional small molecule compounds for its drug discovery research.
- Nuevolution scientists presented data on the RORγt inverse agonist, BET BRD and GRP78 inhibitor programs at scientific conferences in Australia, the US and Europe.

## Events occurred after September 30, 2016:

On October 4, 2016 Nuevolution announced that Amgen and Nuevolution have entered into a multiple target research collaboration to discover, develop and commercialize novel therapeutics in the areas of oncology and neuroscience. Amgen has the exclusive option to obtain all rights to successfully developed programs. Nuevolution is eligible to receive up to USD 410 million in licensing upfront payment, development and sales milestone payment per development program and tiered royalties on future sales.

*"We are excited about entering into the broad collaboration with Amgen. This agreement supports Nuevolution's overall strategy of delivering five or six business opportunities (mature programs for partnering) during 2016-2018. The company maintains its overall outlook to place three or four of its programs with partners, and intend to keep one or two programs for further internal development. As such, the agreement with Amgen both augments our pipeline ambitions, while at the same time lowers the overall risk of Nuevolution's research investments" said Alex Haahr Gouliaev, CEO.*

# Message from the CEO

*Dear shareholder, Dear reader*

On October 4, 2016, few days after the close of the fiscal first quarter, we were very pleased to announce and welcome Amgen, one of the world leading companies within oncology, as our first partner under a collaborative multi-target research structure. Nuevolution will be responsible for the early research phase and Amgen will work collaboratively with Nuevolution during late-stage research. Amgen will then be fully responsible for preclinical development, clinical development and commercialization worldwide. Under the terms of the agreement, Amgen has an exclusive option to obtain all rights to successfully developed programs, and Nuevolution is eligible to receive payments up to USD 410 million for each successfully developed program. The agreement with Amgen marks the 16<sup>th</sup> deal for Nuevolution!

Nuevolution is ambitious and our agreement with Amgen represent one of the at least two agreements that Nuevolution had hoped to execute within 18 months from its IPO in December 2015.

Our hunt for the preferred partner for Nuevolution's RORyt inhibitor program has also been continued and progressed as expected during the fiscal first quarter. Due diligence processes and negotiations continue with multiple potential partners.

We maintain our outlook and plans for outlicensing the RORyt program within the coming six months, and we will continue our business discussions to potentially close one more risk sharing/pre-sale agreement in the next twelve months.

Despite the positive progress, we wish to state, that this should not be interpreted as a guarantee that agreements will happen. We will only enter into agreements, if such are considered attractive and valuable to the company and its shareholders.

Besides our business development activities, the company continue its promotion to investors with the aim to further expand and strengthen the shareholder base, and to ensure optimal information for all existing shareholders. In September, Nuevolution presented at the Rodman & Renshaw investor conference in New York, and in November, Nuevolution will present at Aktiespararna's Stora Aktiedag, Gothenburg; Biotech and Money – INV€STIVAL SHOWCASE, London, Økonomisk Ugebrev Biotech & Pharma Investor Conference, Copenhagen and Dansk Aktionærforening's InvestorDagen, Odense.

Nuevolution has also strengthened research analysis to now include Edison besides Jarl Securities and Remium; more will follow.

We hope to meet with you at one of the events during the quarter.

Stockholm, November 17, 2016

Alex Haahr Gouliaev  
Chief Executive Officer  
Nuevolution AB (publ)



## *CONTINUOUS HUNT FOR PARTNERSHIPS*



## *MULTIPLE-SHOTS-AT-GOAL*

Biotech companies in the life science industry generally offer the opportunity for significant return on investments, but are most often also associated with significant risk because drug discovery is challenging. On top of the research risk, each asset is associated with a business risk, i.e. can assets from the company's pipeline of programs be capitalized at attractive terms through partnerships, and if so, when?

Nuevolution is a biotech company which has significant focus on risk mitigation and continuous revenue generation, while at the same time having a major focus on shareholder value creation.

Nuevolution's Chemetics® technology platform offers the company a higher chance of success for the individual program, but also enables the company to cost effectively run multiple programs in parallel. This multiple-shots-at-goal research strategy, allows Nuevolution to reduce the overall research risk, while it at the same time offers more options for doing deals. Throughout all the years, we have had significant focus on the hunt for attractive and supportive deals for the company's strategy. This has led us to execute 16 deals, and we have realized around SEK 400 million in revenues to date.

Nuevolution applies its Chemetics® drug discovery in the search for new important medicines within the fields of oncology, immuno-oncology and inflammatory diseases with the aim to partner selected programs at late stage research, candidate stage or at an early clinical stage. Thereby reducing the cycle time of invested working capital. We aim to partner selected programs for realization of upfront payments, milestone payments associated with development and commercial goals, and royalties on future sales, whereas other programs will be kept for further internal development to support further shareholder value creation.

As a means to mitigate the business risk, Nuevolution introduced its innovative multi-target risk-sharing/pre-sale partnership model to pharmaceutical companies during second half of 2015, and our proposed structure has been welcomed by pharmaceutical and large biotech companies. Under this model, and as in the Amgen agreement, Nuevolution secures the partnership for successful research program already at initiation of research thereby ensuring that Nuevolution makes its investments in programs of partner interest and of high value.

# Business & partnering activities

## HIGHLIGHTS

- Immediately after end of the quarter, on October 4, 2016, Nuevolution announced of a strategic collaboration with Amgen in oncology and neuroscience.
- After exploration of a number of potentially suitable partnerships during the fiscal first quarter of 2016/17, we have further progressed with the negotiation activities for partnering of our RORyt inverse agonist program. We are making the expected progress in the negotiations for finding a suitable partner for the program.

## AMGEN COLLABORATION

On October 4 and immediately after end of the fiscal first quarter of 2016/17, Nuevolution announced that it has entered into a multiple target research collaboration with Amgen to develop and commercialize novel therapeutics in the areas of oncology and neuroscience. Nuevolution will apply its Chemetics® drug discovery platform to discover and advance potential therapeutics of interest to Amgen.

The research collaboration brings together Nuevolution's proprietary drug discovery platform with Amgen's disease expertise and drug development capabilities. Nuevolution will be responsible for the early research phase and Amgen will work

collaboratively with Nuevolution during late-stage research. Amgen will be fully responsible for preclinical development, clinical development and commercialization worldwide.

Under the terms of the agreement, Amgen has an exclusive option to obtain all rights to successfully developed programs. Nuevolution is eligible to receive payments up to USD 410 million per target:



- *license fee payment* upon Amgen's option exercise,
- *milestone payments* upon achievement of specified R&D and commercial milestones, and
- *tiered royalties* on future sales

The agreement with Amgen marks the 16<sup>th</sup> deal in Nuevolution's history. We are excited to welcome Amgen, one of the world's leading companies within oncology, as our first partner under such a structure.

#### PROGRAM PARTNERING

Nuevolution maintains its position amongst the front runners in the development of novel (RORYt) small molecule treatments to fulfil a high unmet medical need for chronic inflammatory diseases. We continue on-going partnering discussions for the RORYt inverse agonist (inhibitor) program, and we are making the expected progress in the negotiations.

During upcoming partnering conference meetings, Nuevolution maintain the promotion of its pipeline of other programs towards the major players in the field of immunology and oncology.

The Company maintains its objective for completion of one or two program licensing deals over the next six months.

#### RISK-SHARING/PRE-SALE COLLABORATIONS

Nuevolution introduced its innovative multi-target risk-sharing partnership model to pharmaceutical companies during second half of 2015, and our proposed structure has been welcomed by pharma companies.

Following signing of the Amgen multi-target research collaboration, we will continue discussions around this type of business structure with a number of pharmaceutical companies, and plan to potentially close a similar collaboration in the next twelve months.



*"Nuevolution's CBO Mr. Berkien aims high for attractive partnerships"*

# Program activities

## HIGHLIGHTS

- Kilogram scale production of the active pharmaceutical ingredient (API) for the ROR $\gamma$ t inverse agonist candidate has been initiated.
- The lead compound in Nuevolution's selective BET inhibitor program demonstrated positive preliminary toxicology results and positive preliminary efficacy data in an animal mouse model for lupus disease (SLE).
- Three novel Chemetics® compound screening libraries have been completed offering the company access to further 400 million small molecule compounds for its drug discovery efforts.
- Nuevolution scientists presented data from its ROR $\gamma$ t inverse agonist (inhibitor), BET BRD inhibitor and GRP78 inhibitor programs at scientific conferences in Australia, the US and Europe.

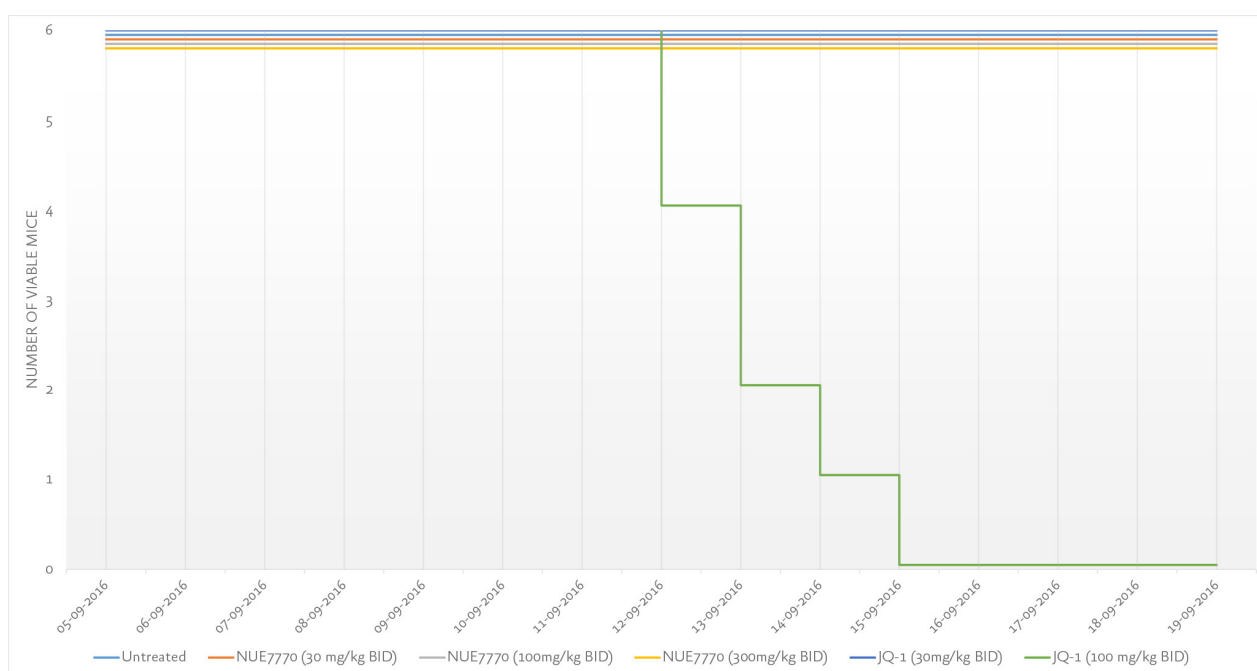
## ROR $\gamma$ T INVERSE AGONIST PROGRAM

Production of kilogram scale of the active pharmaceutical ingredient (API) for the ROR $\gamma$ t inverse agonist (inhibitor) candidate has been initiated. We expect completion of the multikilogram batch in the fiscal second quarter 2016/17, and subsequent completion of IND-enabling studies in mid 2017. If all steps proceed according to plan, the company will be ready to file the investigational new drug (IND) application with the aim to support initiation of Phase I clinical trials by late 2017.

## NEXT-IN-LINE PROGRAMS

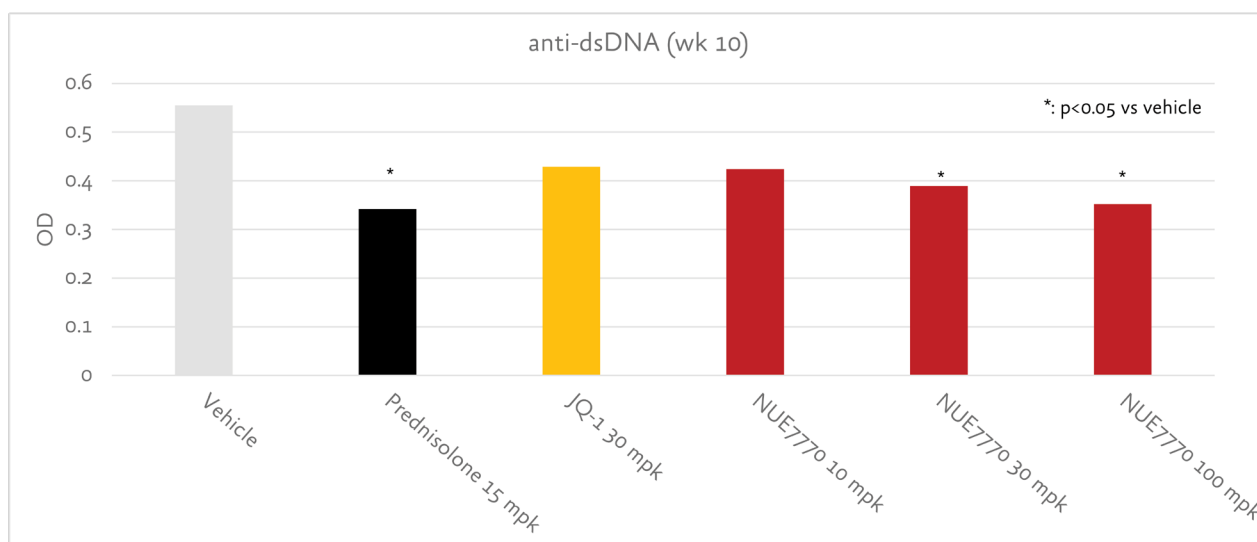
### BET BROMODOMAIN INHIBITOR PROGRAM

NUE7770, Nuevolution's selective BET-BRD1 compound, was tested in a two-week mouse toxicology study in head-to-head comparison with JQ-1, a non-selective BET inhibitor with known toxicity issues. In contrast to the non-selective control compound, Nuevolution's selective lead compound NUE7770 did not exhibit any significant observable clinical effects on mortality (see figure 1), growth rate, blood chemistry and hematology even at doses up to 600 mpk/day.



**Figure 1:** Non-GLP mouse toxicology study comparing NUE7770 and JQ-1 (Mortality).





**Figure 2:** Activity of NUE7770 on anti-dsDNA mAb levels in a pristane-induced mouse model of lupus nephritis.

In comparison, JQ-1 showed a very high mortality at 200 mpk/day consistent with its reported toxicology profile. Histology data from the study is still on-going, but is expected early in fiscal second quarter 2016/17 allowing final conclusions of the comparative toxicology study.

We believe the BET-BRD1 selective profile of our compounds may have a unique opportunity in systemic lupus erythematosus (SLE). We have tested NUE7770 in a chemically (pristine) induced ten-week mouse model of SLE. The in-life part of the study has been completed and preliminary data indicate that NUE7770 offers a dose-dependent reduction of accumulation of antibodies against dsDNA, a main biomarker in this disease model study (see figure 2). The complete data set from the study, including all other disease markers, await final reporting in the fiscal second quarter 2016/17. Although the full data set is yet unavailable, these early data support further investigation of NUE7770 for treatment of the human lupus disease, SLE.

A research study investigating the effect of NUE7770 in an idiopathic pulmonary fibrosis (IPF) failed to produce useful results due to high mortality in the control group and was therefore inconclusive. A new study will be initiated in the fiscal second quarter 2016/17 to conclude if BET inhibitors can be used to treat IPF. In this new study, Nuevolution will include recently implemented parameters for scoring of lung function.

#### ROR $\gamma$ t AGONIST (STIMULATORY)

We continue to evaluate our ROR $\gamma$ t agonist for candidates capable of stimulating IL17A production from mouse splenocytes. Prior to our reporting from on-going studies, the program will complete characterization of the relationship between affinity for binding to the target and cellular activity/efficacy.

#### EARLY PROJECTS

Several early drug discovery projects are progressing accor-

ding to plan with the expectation that Nuevolution can promote one to two projects into further optimization by year-end.

#### LIBRARY PRODUCTION

Three new Chemetics® libraries were completed in the fiscal first quarter 2016/17, comprising a novel high-complexity library for general screening of drug targets and two focused libraries designed for specific targets that we pursue in our pipeline. Furthermore, we are in the process of preparing two additional libraries with expected completion in the fiscal second quarter 2016/17. Collectively, the libraries produced during first half 2016/17 will contain more than one billion new compounds.

#### CONFERENCE PRESENTATIONS FROM THREE INTERNAL NUEVOLUTION PROGRAMS

Nuevolution presented recent program updates at major international conferences during the first quarter 2016/17.

Søren Jensby Nielsen, Director of Biology, gave a presentation entitled: "A small-molecule preclinical candidate targeting ROR $\gamma$ t shows a benign safety profile and effectively reduces clinical scoring and biomarker levels in mouse disease models" at the International Conference in Inflammation (ICI) in Melbourne, Australia.

Jimmi Gerner Seitzberg, Project Manager, presented a talk entitled: "NUE7770 – A BET-BD1 selective chemical probe with potent cellular and in vivo anti-inflammatory activity" at the Discovery on Target (DoT) conference in Boston, USA.

Visnja Poljak, Research Scientist, and Gitte Husemoen, Head of Early Discovery, presented a poster entitled: "Novel inhibitors of GRP78: Screening a challenging target using the Chemetics® Screening technology" at EFMC-ISM 2016 (EFMC International Symposium on Medicinal Chemistry) in Manchester, UK.

# Investor activities

## HIGHLIGHTS

- In the first quarter of 2016/17, Nuevolution has participated in three investor events in Sweden and Denmark (organised by Aktiespararna, Remium and Dansk Aktionærforening) and given a presentation at the first US investor conference (18th Annual Rodman & Renshaw Global Investment Conference in New York).

We maintain high focus on communication with both existing and potential new investors, and hope to further strengthen the investor base in preparation of a future uplisting of the company.

Nuevolution has also strengthened research analysis to now include Edison besides Jarl Securities and Remium; more will follow.

## MEET US

The following events where Nuevolution's executive management will present have been scheduled for the remainder of 2016:

**November 18:** Biotech and Money – INVESTIVAL SHOWCASE, London

**November 24:** Økonomisk Ugebrev Biotech & Pharma Investor Conference, Copenhagen

**November 29:** Dansk Aktionærforening's InvestorDagen, Odense

**H1 2017:** Capital Markets Day (to be announced)

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# FINANCIAL REPORT

## Group - Key ratios

TSEK, if not stated otherwise	Q1 2016/17	Q1 2015/16	Year 2015/16
<b>INCOME STATEMENT</b>			
Revenues	1,797	1,089	21,314
Research and development expenses	-23,015	-22,257	-115,707
Sales, general and administration expenses	-6,516	-4,396	-57,493
Operating loss	-27,734	-25,564	-151,886
Net financial items	372	-53	-22
Net loss	-25,605	-23,855	-144,997
Comprehensive loss for the year	-25,484	-22,807	-144,087
<b>BALANCE SHEET</b>			
Non-current assets	16,732	13,226	14,079
Current assets	185,436	36,084	220,886
Total assets	202,168	49,310	234,965
Share capital	42,858	352,922	42,858
Equity	172,418	28,746	198,055
Non-current liabilities	3,899	1,319	3,482
Current liabilities	25,851	19,245	33,428
Net working capital (NWC)	-22,512	-7,176	-24,718
Investment in intangible and tangible assets	1,126	112	4,094
<b>CASH FLOW</b>			
Cash flow from operating activities	-29,794	-23,337	-81,450
Cash flow from investing activities	-437	-112	-555
Cash flow from financing activities	-248	-178	240,942
Total cash flow	-30,479	-23,627	158,937
<b>FINANCIAL RATIOS</b>			
Earnings per share (EPS basic and EPS diluted), SEK	-0.60	-0.83	-3.98
Shareholders' equity per share, SEK	4.02	1.01	4.62
Period-end share market price	10.00	N/A	9.00
Equity ratio (%)	85	58	84
Number of shares outstanding, average, million shares	42.9	28.6	36.5
Number of shares outstanding, end-period, million shares	42.9	28.6	42.9
Average number of employees (FTE)	45	43	43
Number of employees (FTE) at period-end	46	42	44

The number of shares for both first quarter 2016/17 and full year 2015/16 is the number of shares issued by the new parent company, Nuevolution AB. However, the number of shares for first quarter 2015/16 reflects the number of outstanding shares in the former parent company, Nuevolution A/S.

# Financial report

## GROUP REVENUES

Consolidated revenues for the first quarter of 2016/17 increased to SEK 1.8 million compared to SEK 1.1 million in the first quarter of 2015/16. Revenues in the first quarter of 2016/17 stem from the drug discovery collaboration with Janssen Biotech, whereas revenues in the same quarter last year primarily came from the technology transfer agreement with Novartis.

## EXPENSES

Total expenses amounted to SEK 29.5 million in the first quarter of 2016/17 against total expenses of SEK 26.7 million in the same quarter last year. This increase was led by a modest increase in research and development (R&D) expenses of SEK 0.8 million, primarily IT costs, increased personal costs and costs for Contract Research Organisations (CROs), and an increase in sales, general and administrative (SG&A) expenses of SEK 2.1 million, mainly led by costs of being a listed company.

## PROFIT & LOSS

During the first quarter of 2016/17, the group showed an operating loss of SEK 27.7 million against a loss of SEK 25.6 million in the first quarter of 2015/16. Net financial items amounted to an income of SEK 0.4 million in the first quarter of 2016/17, positively impacted by currency gains, against an expense of SEK 0.1 million in the same quarter last fiscal year. A net loss of SEK 25.6 million was recorded in the first quarter of 2016/17, against a net loss of SEK 23.9 million in the same quarter last fiscal year. Earnings per share (EPS) was SEK -0.60 in the first quarter of 2016/17 against an EPS of SEK -0.83 in the first quarter of 2015/16.

## CASH FLOW AND INVESTMENTS

The total cash flow for the first quarter of 2016/17 showed an outflow of SEK 30.5 million against an outflow of SEK 23.6 million in first quarter of 2015/16.

In the first quarter of 2016/17 cash flow from operating activities amounted to an outflow SEK 29.8 million against an outflow of SEK 23.3 million in the first quarter of 2015/16. The outflow in the quarter is mainly due to the loss before tax. Investments in equipment in the quarter amounted to SEK 0.4 million compared to SEK 0.1 million in the first quarter of 2015/16.

Cash flow from financing activities in the first quarter of 2016/17 amounted to an outflow of SEK 0.2 million against an outflow SEK 0.2 million in the first quarter of 2015/16.

## EQUITY AND NET CASH

As of September 30, 2016, the group equity amounted to SEK 172.4 million against SEK 28.7 million at September 30, 2015. This increase mainly relates to the proceeds from the initial public offering of shares in connection with the listing on Nasdaq First North Premier in December 2015, partly offset by the loss for the period.

On September 30, 2016, cash and cash equivalents amounted to SEK 175.8 million compared to SEK 23.5 million at September 30, 2015. Net cash amounted to SEK 170.6 million as per September 30, 2016, against SEK 21.5 million at September 30, 2015.

## NUMBER OF SHARES

At September 30, 2016, the total number of outstanding shares in Nuevolution AB (publ) was 42,858,236, unchanged from June 30, 2016.

## PARENT COMPANY

The parent company, Nuevolution AB (publ), was founded on 28 August 2015 by a deposit of share capital amounting to SEK 50,000. The parent company had inter-company revenues in the first quarter 2016/17 of SEK 0.3 million and no revenues in Q1 2015/16. The parent company incurred total costs of SEK 1.6 million in the first quarter of 2016/17 and had no costs in the first quarter of 2015/16. The operating result amounted to SEK -1.3 million for the first quarter of 2016/17 against zero in the first quarter of 2015/16. The net profit was SEK -1.2 million in the first quarter of 2016/17 against zero in the first quarter of 2015/16.

The parent company's cash and net cash amounted to SEK 116.8 million at September 30, 2016 against SEK 50 thousand as per September 30, 2015. Shareholders' equity amounted to SEK 727.2 million at September 30, 2016 against SEK 50 thousand as per September 30, 2015.

The group consists of Nuevolution AB (publ) (reg. no. 559026-4304), Nuevolution A/S (reg. no. 26029708) and Oveun AB (reg. no. 556923-7273). Nuevolution A/S is the operating company within in the group.

Nuevolution AB (publ) incorporated Nuevolution A/S through a non-cash issue on November 13, 2015.

# Other information

## LARGEST SHAREHOLDERS AS OF 30 SEPTEMBER 2016

Shareholder	Number of shares	Percent of capital
SEB Venture Capital	10,084,942	23.5
Sunstone Capital	8,930,580	20.8
Industrifonden	8,573,666	20.0
SEB Utvecklingsstiftelse	3,329,658	7.8
LMK Forward	1,318,000	3.1
SEB Pensionsstiftelse	1,142,858	2.7
Avanza Pensionförsäkrings AB	1,038,142	2.4
Midroc Finans AB	400,000	0.9
Nordnet Pensionförsäkrings AB	372,474	0.9
Nordica Life	352,459	0.8
Henry Dunkers Förvaltning	300,000	0.7
Claus Resen Steenstrup and family	266,262	0.6
Stig Løkke Pedersen	212,334	0.5
SSE	201,025	0.5
SEB Life Intl.	144,529	0.3
Hans Engblom and family	137,468	0.3
Peter Ragnarsson	125,000	0.3
TIBIA Konsult AB	120,000	0.3
Granit Småbolag	100,000	0.2
Fynske Bank	96,090	0.2
Others	5,612,749	13.1
<b>Total no. shares outstanding</b>	<b>42,858,236</b>	<b>100.0</b>

Nuevolution's CEO, Alex Haahr Gouliaev, holds 70,778 shares in the company as per September 30, 2016, unchanged from June 30, 2016.

## FINANCIAL CALENDAR

REPORT	DATE
Q2 2016/17 (September-December 2016)	8 February 2017
Q3 2016/17 (January-March 2017)	17 May 2017
Q4 2016/17 (April-June 2017)	6 September 2017
Annual report (2016/17)	September 2017

## CERTIFIED ADVISOR

Nuevolution's Certified Adviser is Västra Hamnen Corporate Finance AB until and including November 30, 2016.

Events occurred after September 30, 2016: Nuevolution has appointed Redeye AB as Certified Adviser as of December 1, 2016.

## For more information, please contact:

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Email: hs@nuevolution.com

This information is information that Nuevolution AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was sent for publication, through the agency of the contact persons set out above, on Thursday 17 November, 10:00 (CET).

**Group - Condensed interim consolidated income statement**

1 July 2016 - 30 September 2016

	Q1 2016/17 TSEK	Q1 2015/16 TSEK	Year 2015/16 TSEK
Revenue	1,797	1,089	21,314
Research and development expenses	-23,015	-22,257	-115,707
Sales, general and administration expenses	-6,516	-4,396	-57,493
<b>Operating loss</b>	<b>-27,734</b>	<b>-25,564</b>	<b>-151,886</b>
Financial income	973	119	1,925
Financial expenses	-601	-172	-1,947
<b>Loss before tax</b>	<b>-27,362</b>	<b>-25,617</b>	<b>-151,908</b>
Tax	1,757	1,762	6,911
<b>Net loss for the period</b>	<b>-25,605</b>	<b>-23,855</b>	<b>-144,997</b>
<b>Net income attributable to stockholders of the parent company</b>	<b>-25,605</b>	<b>-23,855</b>	<b>-144,997</b>
Earnings per share (EPS basic and EPS diluted), SEK	-0.60	-0.83	-3.98

**Group - Condensed interim consolidated statement of comprehensive income**

<b>Net loss for the period</b>	<b>-25,605</b>	<b>-23,855</b>	<b>-144,997</b>
Other comprehensive income			
Foreign exchange differences	121	1,048	910
<b>Total net comprehensive income for the period</b>	<b>-25,484</b>	<b>-22,807</b>	<b>-144,087</b>

**Group - Condensed interim consolidated statement of financial position**

	30 Sep. 2016 TSEK	30 Sep. 2015 TSEK	30 June 2016 TSEK
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible fixed assets	6,206	2,482	5,494
Financial fixed assets	10,526	10,744	8,585
<b>Total non-current assets</b>	<b>16,732</b>	<b>13,226</b>	<b>14,079</b>
<b>Current assets</b>			
Current receivables, non-interest bearing	9,679	12,559	14,931
Cash and cash equivalents	175,757	23,525	205,955
<b>Total current assets</b>	<b>185,436</b>	<b>36,084</b>	<b>220,886</b>
<b>TOTAL ASSETS</b>	<b>202,168</b>	<b>49,310</b>	<b>234,965</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>	<b>172,418</b>	<b>28,746</b>	<b>198,055</b>
<b>Non-current interest bearing liabilities</b>	<b>3,899</b>	<b>1,319</b>	<b>3,482</b>
<b>Current liabilities</b>			
Current liabilities, interest bearing	1,246	737	1,222
Current liabilities, non-interest bearing	13,455	15,293	19,484
Accrued expenses and deferred income	11,150	3,215	12,722
<b>Total current liabilities</b>	<b>25,851</b>	<b>19,245</b>	<b>33,428</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>202,168</b>	<b>49,310</b>	<b>234,965</b>



**Group - Condensed interim consolidated statement of cash flows**

1 July 2016 - 30 September 2016

	Q1 2016/17 TSEK	Q1 2015/16 TSEK	Year 2015/16 TSEK
<b>Operating activities</b>			
Loss before tax	-27,362	-25,617	-151,908
Adjustment for amortization and depreciation of plant and equipment	414	257	1,328
Adjustment for non-cash effect of the share-based payments	-153	0	48,528
Financial income	-973	-119	-1,925
Financial expenses	601	172	1,947
<b>Cash flow before change in working capital</b>	<b>-27,473</b>	<b>-25,307</b>	<b>-102,030</b>
Change in working capital	-2,206	2,051	19,594
<b>Cash flow from operations</b>	<b>-29,679</b>	<b>-23,256</b>	<b>-82,436</b>
Interest received	58	0	134
Interest paid	-173	-81	-358
Income taxes received	0	0	1,210
<b>Cash flow from operating activities</b>	<b>-29,794</b>	<b>-23,337</b>	<b>-81,450</b>
<b>Investing activities</b>			
Investments in tangible fixed assets	-437	-112	-504
Investments/divestments of financial assets	0	0	-51
<b>Cash flow from investing activities</b>	<b>-437</b>	<b>-112</b>	<b>-555</b>
<b>Financing activities</b>			
New share issue	0	0	250,050
Issue expenses	0	0	-7,989
Repayments of lease liabilities	-248	-178	-1,119
<b>Cash flow from financing activities</b>	<b>-248</b>	<b>-178</b>	<b>240,942</b>
<b>Net change in cash</b>	<b>-30,479</b>	<b>-23,627</b>	<b>158,937</b>
Currency translation differences	281	902	768
Cash and cash equivalents, beginning of period	205,955	46,250	46,250
<b>Cash and cash equivalents, end of period</b>	<b>175,757</b>	<b>23,525</b>	<b>205,955</b>

**Group - Condensed interim consolidated statement of changes in equity**

1 July 2016 - 30 September 2016

TSEK	Share capital	Share premium	Retained earnings	Currency translation reserve	Total equity
<b>Equity at 1 July 2016</b>	<b>42,858</b>	<b>699,203</b>	<b>-544,854</b>	<b>848</b>	<b>198,055</b>
Loss for the period	0	0	-25,605	0	-25,605
Other comprehensive income	0	0	0	121	121
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-25,605</b>	<b>121</b>	<b>-25,484</b>
<b>Transactions with owners</b>					
Share based payments	0	0	-153	0	-153
<b>Total transaction with owners</b>	<b>0</b>	<b>0</b>	<b>-153</b>	<b>0</b>	<b>-153</b>
<b>Total changes in equity</b>	<b>0</b>	<b>0</b>	<b>-25,758</b>	<b>121</b>	<b>-25,637</b>
<b>Equity at 30 September 2016</b>	<b>42,858</b>	<b>699,203</b>	<b>-570,612</b>	<b>969</b>	<b>172,418</b>

1 July 2015 - 30 September 2015

TSEK	Share capital	Share premium	Retained earnings	Currency translation reserve	Total equity
<b>Equity at 1 July 2015</b>	<b>352,922</b>	<b>0</b>	<b>-301,307</b>	<b>-62</b>	<b>51,553</b>
Loss for the period	0	0	-23,855	0	-23,855
Other comprehensive income	0	0	0	1,048	1,048
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-23,855</b>	<b>1,048</b>	<b>-22,807</b>
<b>Total changes in equity</b>	<b>0</b>	<b>0</b>	<b>-23,855</b>	<b>1,048</b>	<b>-22,807</b>
<b>Equity at 30 September 2015</b>	<b>352,922</b>	<b>0</b>	<b>-325,162</b>	<b>986</b>	<b>28,746</b>

## Parent - Condensed interim income statement\*

1 July 2016 - 30 September 2016

	Q1 2016/17 TSEK	Q1 2015/16 TSEK	Year 2015/16 TSEK
Revenue	323	0	645
Research and development expenses	0	0	0
Sales, general and administration expenses	-1,632	0	-62,753
<b>Operating loss</b>	<b>-1,309</b>	<b>0</b>	<b>-62,108</b>
Financial income	119	0	47
Financial expenses	-14	0	-56
<b>Loss before tax</b>	<b>-1,204</b>	<b>0</b>	<b>-62,117</b>
Tax	0	0	0
<b>Net loss for the period</b>	<b>-1,204</b>	<b>0</b>	<b>-62,117</b>

\* No comparative figures available, since Nuevolution AB was formed on 28 August 2015.

## Parent - Condensed interim statement of financial position\*

	30 Sep. 2016 TSEK	30 Sep. 2015 TSEK	30 June 2016 TSEK
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible fixed assets	0	0	0
Financial fixed assets	550,052	0	550,052
<b>Total non-current assets</b>	<b>550,052</b>	<b>0</b>	<b>550,052</b>
<b>Current assets</b>			
Current receivables, Group Company, interest bearing	61,048	0	0
Current receivables, non-interest bearing	299	0	5,253
Cash and cash equivalents	116,829	50	173,983
<b>Total current assets</b>	<b>178,176</b>	<b>50</b>	<b>179,236</b>
<b>TOTAL ASSETS</b>	<b>728,228</b>	<b>50</b>	<b>729,288</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>	<b>727,203</b>	<b>50</b>	<b>728,407</b>
<b>Long term liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Current liabilities</b>			
Current liabilities, interest bearing	0	0	0
Current liabilities, non-interest bearing	1,025	0	881
Accrued expenses and deferred income	0	0	0
<b>Total current liabilities</b>	<b>1,025</b>	<b>0</b>	<b>881</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>728,228</b>	<b>50</b>	<b>729,288</b>

\* No comparative figures available, since Nuevolution AB was formed on 28 August 2015.

# Notes to the interim condensed consolidated financial statements

## Note 1: Accounting policies

### **BASIS OF PREPARATION**

The Interim Report comprises summary consolidated financial statements of Nuevolution AB (publ). The interim consolidated financial statement include the Company's wholly-owned Danish and Swedish subsidiaries, Nuevolution A/S and Oveun AB, respectively.

### **ACCOUNTING POLICIES**

The Interim Condensed Report has been prepared in accordance with the International Financial Reporting Standard IAS 34 "Interim Financial Reporting" as adopted by EU and additional Swedish disclosure requirements for the financial statements of listed companies. The Interim Report has not been reviewed or audited by Nuevolution's external auditors.

With the purpose of bringing the presentation of the income statement in line with and be more comparable with companies in the peer group, the presentation of the condensed consolidated income statement has been changed from presentation by nature to presentation by function. This change have no impact on the financial performance, financial position or cash flow. The comparative figures have been restated retrospectively.

Except of the change in presentation of the income statement, the accounting policies are consistent with those applied to the Annual Report for 2015/16, prepared in accordance with the International Financial Reporting Standards (IFRS) except the change in the presentation of the condensed income statement. For a full description of accounting policies, see Annual Report for 2015/16 page 64-66 and notes to the income statement and statement of financial position.

### **FINANCIAL INSTRUMENTS**

For financial instruments there are no material differences between fair value and carrying amounts of the financial assets and liabilities.

### **NEW STANDARDS AND INTERPRETATIONS**

The Group applied in first quarter 2016/17 for the first time standards and interpretations, which are effective for the financial year 2016/17. These standard and interpretations have no significant impact on the Group.

## Note 2: Critical choices and judgements in the accounting policies and critical accounting estimates

In preparing interim report, certain provision under IFRS require management to make judgments which may significantly impact the group's financial statements. The most significant judgments include, among other things, revenue recognition. For additional descriptions of significant judgments and estimates, refer to note 2, 4 and 9 in the 2015/16 annual report.

## Note 3: Risk

All business operations in Nuevolution involve risk. Risk management is essential and integral part of the company's operation and strategy. Please refer to the annual report for 2015/16, page 29-30, 49-51 and note 3 page 66-67 for detailed description of risks and risk management.

## Note 4: Warrant program

Nuevolution AB (publ) established warrant programs as an incentive for members of the Executive Management, Board of Directors, other members of group managements and the group's employees.

The warrant activity in the first quarter of 2016/17 and 2015/16, respectively, is outlined below.

	Warrant program 2011*		Warrant program 2015/21	
	Q1 2016/17	Q1 2015/16	Q1 2016/17	Q1 2015/16
Outstanding warrants 1 July	3,644,269	3,644,269	5,087,837	0
Granted	0	0	0	0
Exercised	0	0	0	0
Expired/lapsed/cancelled	-3,644,269	0	-17,319	0
Outstanding warrants 30 September	0	3,644,269	5,070,518	0

\*The warrant program 2011 is related to Nuevolution A/S

A detailed description of the warrant programs can be found in the annual report for 2015/16, page 76-78.

## Note 5: Related parties

Information on trading with subsidiaries and members of the Board of Directors during the period is provided below:

	Q1 2016/17 TSEK	Q1 2015/16 TSEK
<b>Consultancy fee etc. to member of Board of Directors:</b>		
Stig Løkke Pedersen (extraordinary board remuneration and consultancy fee)*	200	0
Jeanette Wood (consultancy fee)	16	11
Jutta Heim (consultancy fee)	16	16
<b>Related parties with significant influence:</b>		
SEB (paid interest and fees)	27	4
SEB (deposit)	169,291	18,606

\*As approved on the ordinary shareholder meeting 5 October 2016.

Transactions with subsidiaries have been eliminated in the consolidated financial statements in accordance with the accounting policies.

Except as set out above, no transactions were made during the period with members of the Board of Directors, Executive Management, senior officers, significant shareholders or any other related parties.

## Note 6: Contingent liabilities

Nuevolution A/S is currently involved in one pending commercial litigation arising out of the normal conduct of its business (case against Henrik Pedersen). Nuevolution AB (publ) does not expect the pending commercial litigation to have a material impact on Nuevolution AB (publ)'s financial position, operating profit or cash flow in addition to the amounts accrued.

# Statement of assurance

The Board of Directors and the CEO of Nuevolution AB (publ) provide their assurance that the interim report provides a fair and true overview of the Parent Company's and the Group's operations, financial position and results, and describes material risks and uncertainties faced by the parent Company and the companies in the Group.

Stockholm, November 17, 2016

## EXECUTIVE MANAGEMENT

Alex Haahr Gouliaev  
CEO

## BOARD OF DIRECTORS

Stig Løkke Pedersen  
Chairman of the Board

Lars Henriksson  
Board member

Søren Lemonius  
Board member

Jutta Heim  
Board member

Jeanette Wood  
Board member

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This Interim Report has not been audited or reviewed by the company's auditors

