

Nuevolution AB (publ)

Presentation Q3 2015/16

Matters discussed in this presentation may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “may”, “plan”, “estimate”, “will”, “should”, “could”, “aim” or “might”, or, in each case, their negative, or similar expressions. The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialise or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The company does not guarantee that the assumptions underlying the forward-looking statements in this presentation are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this presentation or any obligation to update or revise the statements in this presentation to reflect subsequent events. Undue reliance should not be placed on the forward-looking statements in this document.

The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The company does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this presentation.

- Business & partnering
- Pipeline update
- Financials
- IR activities
- Other businesses
- Company outlook next 12-15 months

NOVARTIS

In 2014, Nuevolution and Novartis entered into a third successful collaboration agreement

In Feb. 2016, Nuevolution announced that further milestones had been met, triggering an USD 2.0m payment

JANSSEN BIOTECH (J&J)

In Oct. 2015, Nuevolution entered into a multi-target collaboration with Janssen Biotech Inc.*

- The collaboration includes an undisclosed number of targets (within oncology, inflammatory and infectious diseases)
- Nuevolution is entitled to *upfront payments, development and commercial milestones and royalties on net sales*

Already in April 2016, Janssen decided to expand the drug discovery collaboration with Nuevolution, thereby triggering a further payment of USD 0.6m

Nuevolution's Drug Discovery Platform has now realized nearly SEK 400m in total revenues
Recent payments of USD 2.6m (SEK 21m) represent continued testimonies to the value of our platform

OUT-LICENSING

Nuevolution's ROR_{yt} program offers an attractive opportunity for novel treatment of inflammatory diseases

Objective: Conventional out-licensing agreement comprising upfront, milestones and royalty payments

Status: Negotiation activities on-going with multiple potential partners

RISK-SHARING

Nuevolution seeks to focus its research investments in programs of high interest to the pharma industry

Objective: Establish risk-sharing collaborations with pharma companies to minimize business risk

Status: Negotiation activities on-going with several potential partners

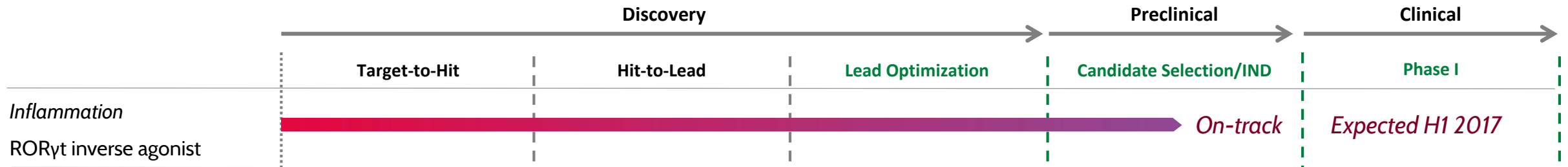
Nuevolution maintains its ambition to:
Enter into 1 or 2 Out-Licensing agreements and 1 or 2 Risk-Sharing collaborations during the next 12 months

Nuevolution's management and board carefully consider, if a given agreement serves the best interest of the company and its shareholders, and will terminate discussions that are considered unlikely to produce attractive agreements even if this delays deal-making.

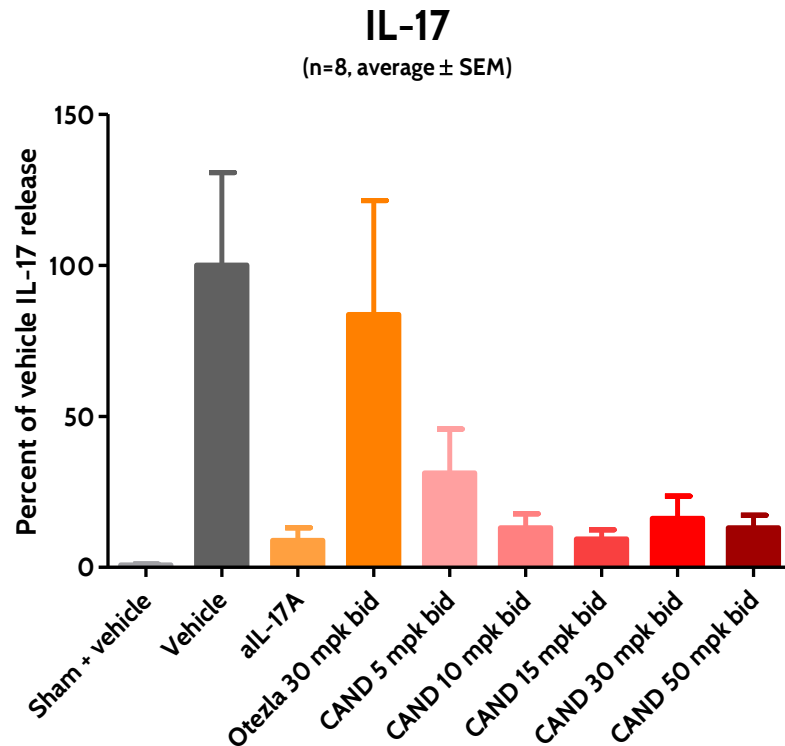
PIPELINE: LEAD PROGRAM



Solid progress for ROR γ t inverse agonist program in Q3



Lead candidate (CAND) in IL-23 induced psoriasis mouse model



Completion of data for commencement of IND enabling studies

- Successful completion of data required for start of IND enabling studies
- Positive outcome of two additional animal models in rheumatoid arthritis (CIA) and psoriasis (IL-23) obtained for lead and back-up candidates
- Lead candidate demonstrates significant reduction of IL-17A already at low doses (chart to the left)

Potential reduced risk with regards to efficacy of ROR γ t inhibition in psoriasis

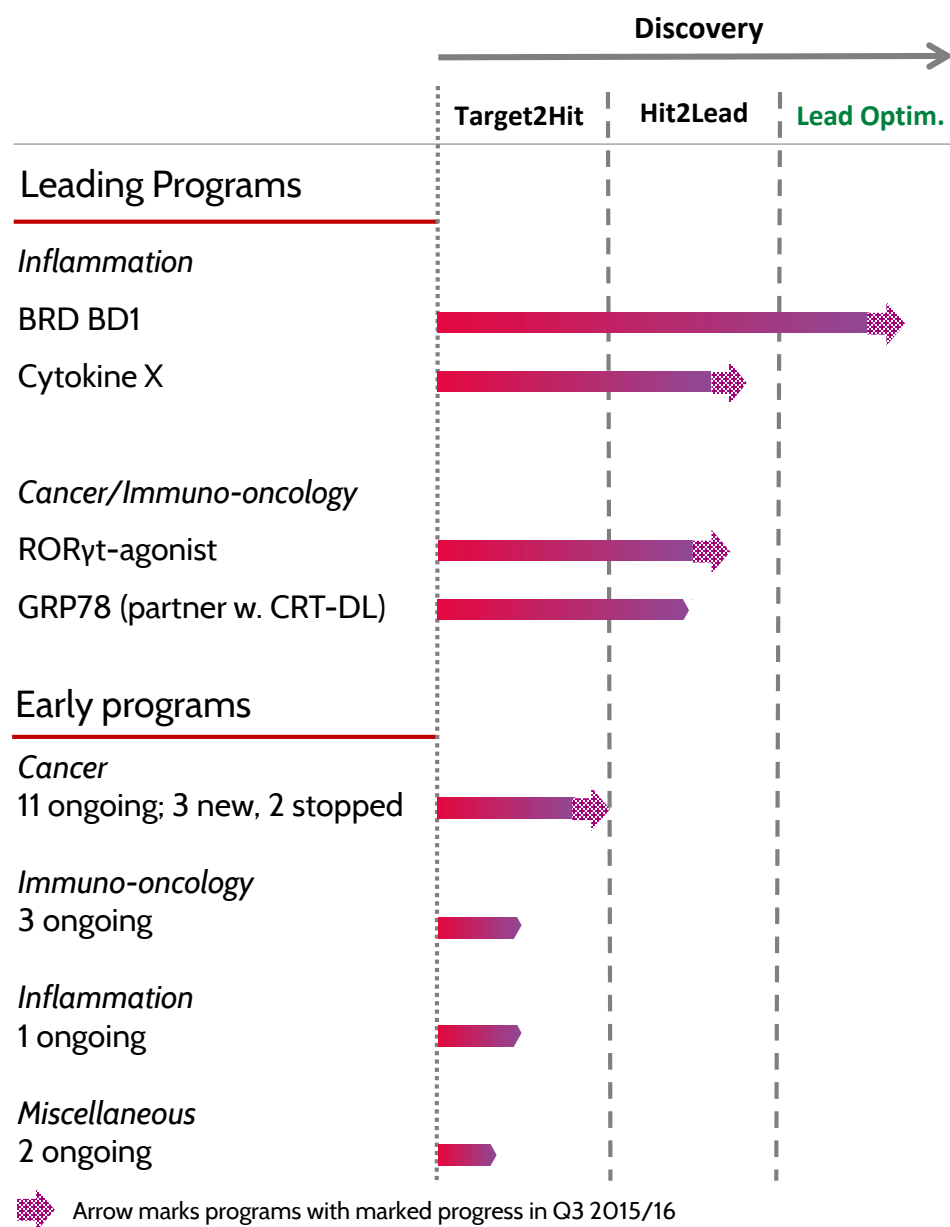
- Competitor shows marked reduction in PASI* scores after just four weeks

Next steps in 2016 & H1 2017

- Finalize data package for back-up candidate
- Completion of synthetic route optimization (API production)
- IND enabling studies
- IND filing

PIPELINE: LEADING AND EARLY PROGRAMS

BET and ROR γ t agonist made good progress in Q3



ROR γ t agonist (Immuno-oncology)

- Improvement of compound properties obtained
- Compounds have entered testing for splenocyte differentiation and proliferation
- If positive, tests of *ex-vivo* stimulation of T cells and adoptive T cell transfer in mouse tumors to be started; results expected in H2 2016

BD1 selective Bromodomain (BET) inhibitor program (Inflammation/Cancer)

- IPF* and SLE* chosen as lead indications for compounds
- Mouse models of IPF and SLE to start in Q2 2016; results expected in Q3 2016
- Non-GLP toxicology results of lead compound available in Q3 2016

GRP78 (Cancer)

- Compound optimization in progress
- Joint CRT-DL and ICR work plan in execution
- Cell-based proof-of-concept in relevant cancer cell-lines expected in late 2016

Milestones in 2016:

Two research programs ready for start of Lead-to-Candidate optimization

Patent portfolio strengthened further

- Four new patents for Chemetics® platform issued by European Patent Office
 - Covers DNA-encoded libraries comprising structural classes, e.g. small molecules
 - Methods for library synthesis and encoding methods covered by previous patents

Patent dispute – Litigation update

- In February, the Danish Maritime and Commercial High Court decided Nuevolution cannot seek correction of inventorship and assignment of ownership in the pending litigation against Henrik Pedersen and Chemgene
- Nuevolution has obtained an independent third party expert evaluation, concluding support for Nuevolution's position that it under Danish law should be allowed to seek correction of inventorship and assignment of ownership
- Nuevolution sought appeal at Eastern High Court and this appeal has been allowed
- Nuevolution expect the court case to continue for an extended period of time

- **Dominant platform patent position**
 - 11 patent families
 - More than 100 granted patents
 - Multiple pending patent applications
- **Continued aggressive solidification**
 - New patent filings
 - Patent grant and broad validation
 - Filing of patent oppositions against potential competitors and
 - Instigation of litigation procedures as we see optimal in support of our business strategy
- **Patent dispute - Litigation background**
 - Relate to one patent family
 - Request Nuevolution's right to file patent continuation applications
 - Further, Nuevolution believes it can now prove that it is the rightful owner of the patent family
 - The outcome of the proceedings is not expected to adversely impact Nuevolution's use of its Chemetics® platform as it is practised today

FINANCIALS: PROFIT & LOSS



Q3 revenues boosted by Novartis and Janssen Biotech; Q3 costs up to support pipeline progression

Not audited or reviewed SEKm	Q3 2015/16	Q3 2014/15	Q1-Q3 2015/16	Q1-Q3 2014/15	Year 2014/15
Revenue	6.0	4.3	18.2	24.2	29.8
Cost of sales	-3.8	-4.8	-23.3	-19.1	-31.7
Other external expenses	-13.5	-9.4	-40.5	-21.9	-26.1
Gross profit	-11.3	-9.9	-45.5	-16.8	-28.0
Staff costs	-10.0	-8.5	-28.7	-25.4	-35.8
Amortization/depreciation and impairment	-0.4	-0.3	-1.0	-0.8	-1.1
Operating profit/loss	-21.7	-18.7	-75.2	-43.1	-64.9
Financial income	0.1	0.3	1.4	3.4	3.6
Financial expenses	-1.0	-0.2	-1.8	-0.6	-0.8
Profit/loss before tax	-22.6	-18.6	-75.5	-40.2	-62.1
Tax	1.7	1.8	5.2	5.5	7.3
Net profit/loss for the period	-20.9	-16.8	-70.3	-34.7	-54.7
Earnings per share (EPS basic and EPS diluted), SEK	-0.49	-0.72	-2.05	-1.52	-2.26
No. of shares outstanding, average, m	42.9	23.2	34.4	22.8	24.2
No. of shares outstanding, end-period, m	42.9	28.6	42.9	28.6	28.6

- Q2 revenues boosted by Novartis milestone/upfront and Janssen Biotech upfront
- Q3 operating costs of SEK 27.3m, up from SEK 22.7m, led by increase in employees and CRO chemists to support program progression. In line with our business strategy of realizing 5 or 6 business opportunities over three years
- Q3 net loss of SEK 20.9m, up from SEK 16.8m
- Q3 EPS of SEK -0.49 against SEK -0.72, due to higher number of shares

FINANCIALS: BALANCE SHEET

Well funded for execution of current business strategy



Not audited or reviewed SEKm	31 Mar. 2016	31 Mar. 2015	30 June 2015
ASSETS			
Fixed assets	6.9	4.1	4.2
Current receivables, non-interest bearing	36.1	14.4	21.2
Cash and cash equivalents	215.7	69.6	46.3
Current assets	251.8	84.0	67.4
TOTAL ASSETS	258.7	88.1	71.7
EQUITY AND LIABILITIES			
Shareholders' equity	221.6	72.1	51.6
Long term liabilities interest bearing	3.7	1.2	1.5
Current liabilities, interest bearing	1.2	0.7	0.8
Current liabilities, non-interest bearing	16.8	9.8	4.8
Accrued expenses and deferred income	15.4	4.3	13.1
Current liabilities	33.4	14.9	18.7
TOTAL EQUITY AND LIABILITIES	258.7	88.1	71.7
Net cash	210.8	67.8	44.0
Equity ratio (%)	86	82	72

- Cash as per 31 March of SEK 215.7m (69.6), boosted by IPO proceeds
- Net cash as per 31 March of SEK 210.8m (67.8)
- Milestone payment of USD 2.0m (SEK 16.2m) from Novartis received in April
- Upfront payment of USD 0.6m (SEK 4.9m) from Janssen Biotech to be received in May
- The Company is well funded for execution of its current business strategy

IR activities

- Meetings with investors
 - Q1 2016:
 - 4 venues
 - Met with Swedish & US investors
 - Q2 2016: 6 venues
- Live session web chat in March
- 3 analysts covering NUE.ST
 - Aktiespararna/Jarl Securities
 - Remium Nordic (in May)
 - Økonomisk Ugebrev

Come meet us

- 17 May: Remium Nordic, Stockholm
- 18 May: Azanza Bank's Börsdag, Stockholm
- 18 May: Aktiespararna's Aktiedag, Gothenburg
- Late May: Live web chat session, Sweden
- 7 June: Dansk Aktionærforening's InvestorDagen, Aarhus
- 13 June: Aktiespararna's Småbolagsdag, Stockholm
- H2 2016: Capital Markets Day under consideration

New website

- New and more investor friendly website to be launched in May

Nuevolution continues to invest in IR activities to support the company's ambition to uplist its shares to a main (regulated) stock market

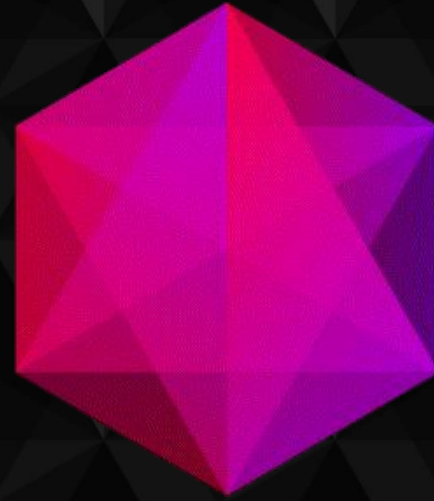
Anticipated milestones during next 12 months

Business Development

- Execution of one or two program out-licensing agreements
 - Execution of one or two risk-sharing collaborations
-

Research and Development

- ROR_γt inverse agonist program: Production scale-up (API*) and IND* enabling studies
- *In vivo* proof-of-concept in two additional research programs (ready for Lead-to-Candidate optimization)



NUEVOLUTION

TRANSFORMING CHALLENGES
INTO MEDICINE