

# Nuevolution AB (publ)

Presentation Q4 2015/16

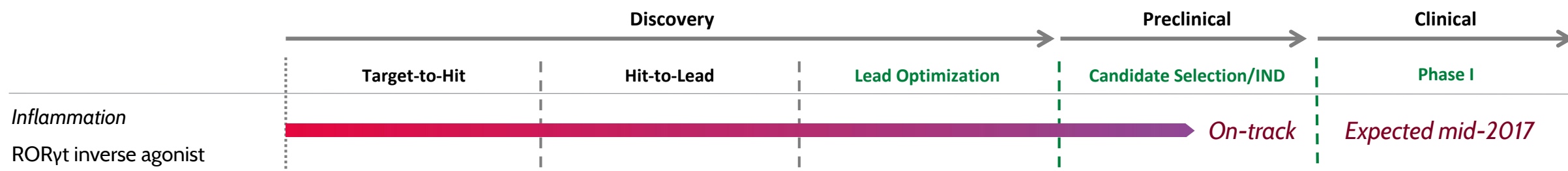
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- Pipeline update
- Business & partnering
- Patents
- Financials
- IR activities
- Company outlook

# LEAD PROGRAM

Two major milestones in RORyt inverse agonist program in Q4 2015/16



Preclinical studies	Results	Lead	Backup
In vivo efficacy (disease & biomarker PoC)	Positive	x	x
In vivo safety (non-GLP)	Clean	x	x
Synthetic route optimization	Completed	x	x

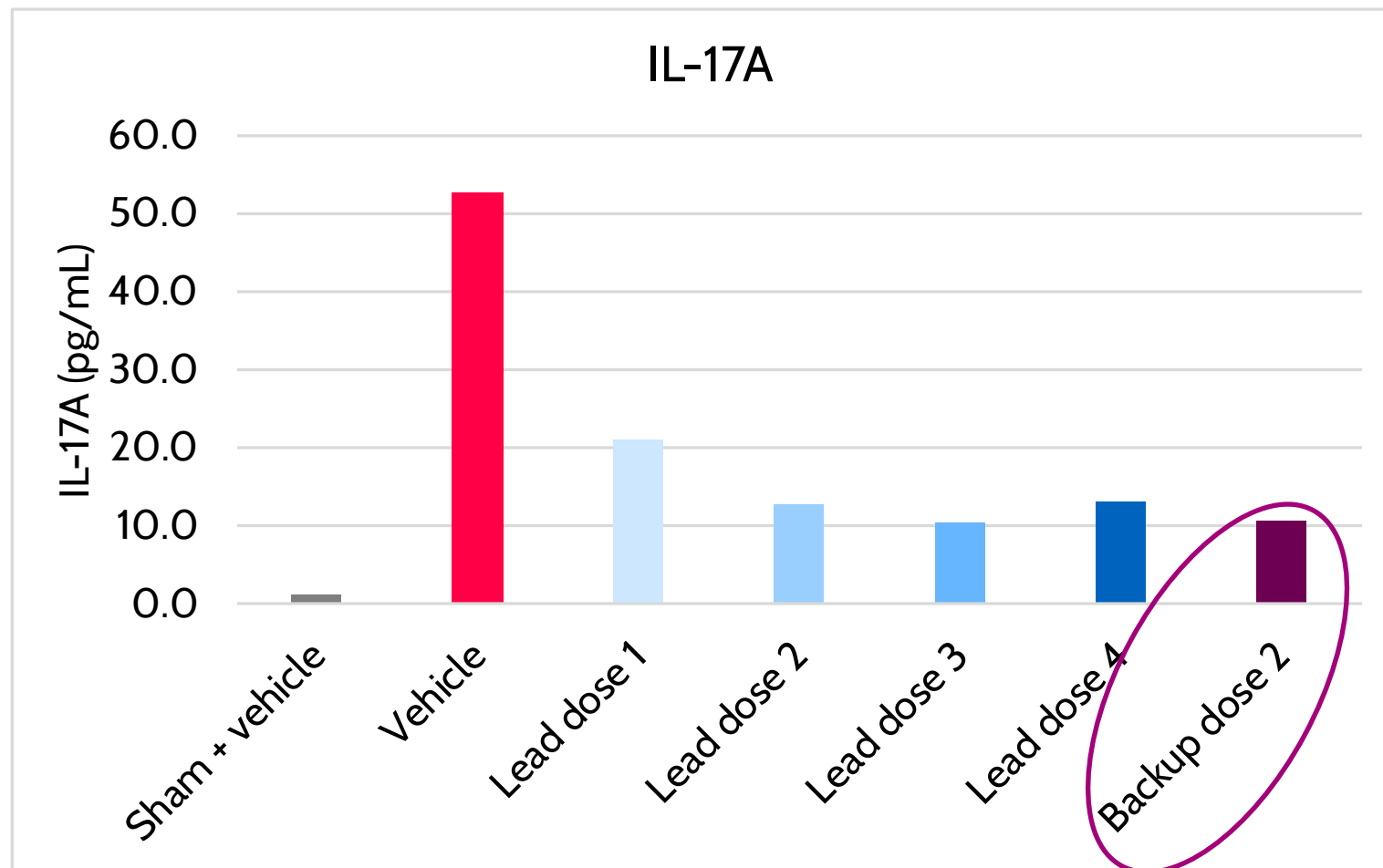
## Two major milestones reached

- RORyt inverse agonist backup candidate successfully completed efficacy and safety studies
- Synthetic route optimization for lead and backup candidate

## Next steps

- September: API production to commence
- H1 2017: IND enabling studies
- H1 2017: IND filing
- Mid-2017: Phase I clinical trial start

Oral presentation at ICI 2016 in August



The chart demonstrates the suppression of IL-17A release (the key biomarker) in a mouse model of psoriasis (IL-23 induced psoriasis model). Four doses of the lead candidate (dose 1 < dose 2 < dose 3 < dose 4), one dose of the backup candidate and vehicle (placebo or no active drug) are shown above.

### Biomarker (IL-17A) proof-of-concept

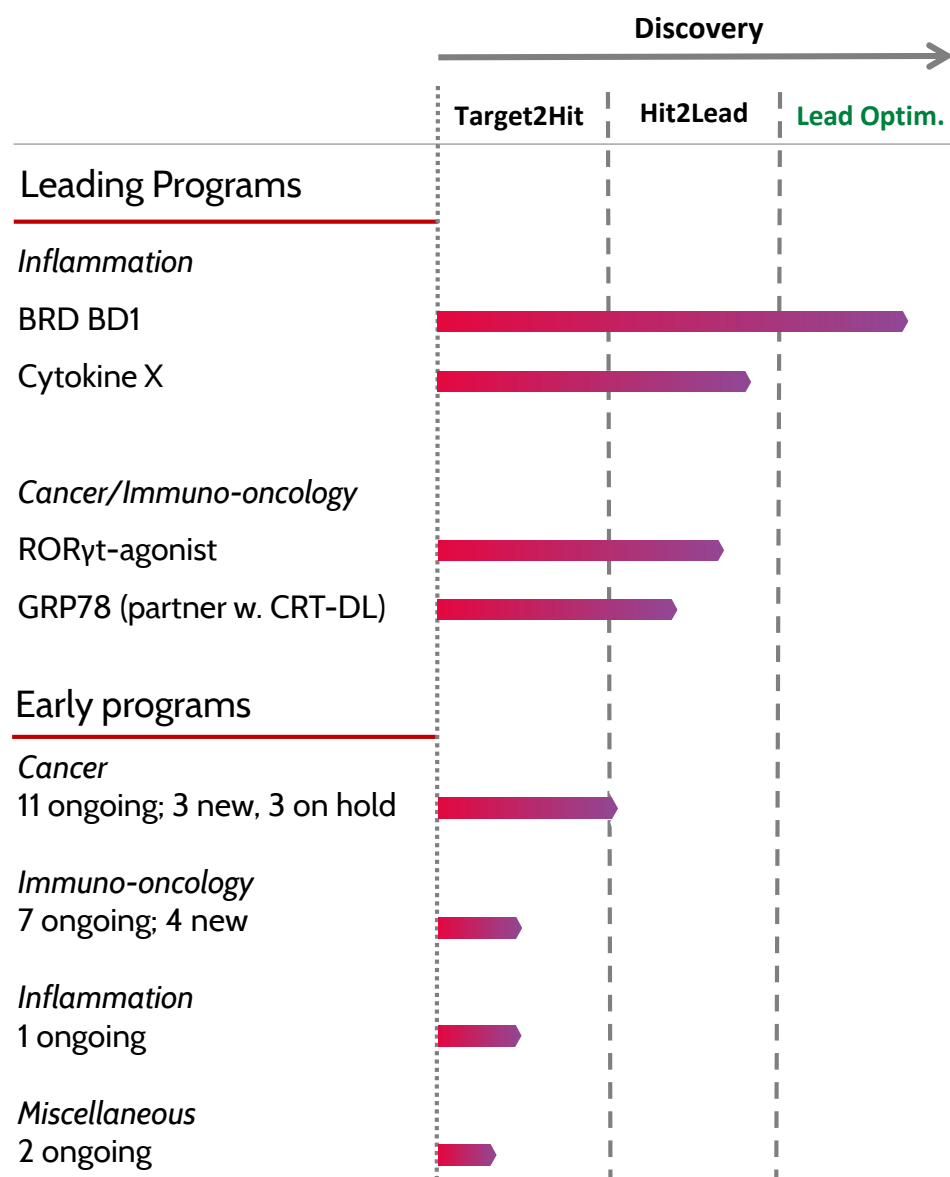
- Previously announced, full suppression of IL-17A release at doses 2, 3 and 4 of the lead candidate
- NEW: Also full suppression of IL-17A release at dose 2 of the backup candidate

### Background

High levels of IL-17A are associated with psoriasis, rheumatoid arthritis, ankylosing spondylitis and inflammatory bowel disease

# LEADING AND EARLY PROGRAMS

Good progress across the line in Q4 2015/16; awaiting results in Q1 and Q2 2016/17



## Bromodomain (BET) inhibitor

- **Efficacy:** Mouse models of IPF and SLE ongoing; results expected in Q1 2016/17
- **Safety:** Non-GLP toxicology studies ongoing; results expected in Q1 2016/17

## Inflammation/Oncology

## GRP78 inhibitor

- Cell-based PoC (proof-of-concept) in relevant cancer cell-lines expected in late 2016
- Poster presented at EFMC-ICMS 2016 in August

## Oncology

## Cytokine X

- **Efficacy:** PoC (proof-of-concept) in mouse model, showing cytokine inhibition

## Inflammation

## RORyt agonist

- **Efficacy:** Compounds showed partial effect on IL17A inhibition
- **Efficacy:** Ten compounds testing for IL17A induction; results expected in Q2 2016/17

## Immuno-oncology

## Early programs

- Immuno-oncology programs expanded significantly in the Q4 2015/16

## Janssen Biotech

- April 2016: Collaboration with Janssen Biotech expanded; triggered USD 0.6m payment
- Next six months: Initiation of one additional project

### Background

- October 2015: Nuevolution entered into a multi-target collaboration with Janssen Biotech Inc.

## CRT-DL, ICR

- Mid-2016: Collaboration re. GRP78 inhibitors expanded
  - Biological assays for proof-of-concept in optimization
  - New three-dimensional crystal structure obtained

### Background

- January 2014: Cancer drug discovery collaboration with CRT-DL and ICR



Outlicensing of RORyt inverse agonist progress according to plan; risk-sharing deal talks continuing

## Outlicensing of RORyt inverse agonist

- Negotiation activities for partnering progressing according to plan
- Multiple parties, including several global pharmaceutical companies, in process

## Risk-sharing collaborations

- Continuing negotiations for risk-sharing collaborations with a number of pharmaceutical companies with positive progress

- **One or two out-licensing deals within next nine months**
- **One or two risk-sharing collaborations within next nine 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.



## Patent portfolio expanded

- 200 patents issued for Chemetics® at 30 June 2016, +99 patents since IPO prospectus (Nov. 2015)
- Three product patent applications\*: cover RORyt inverse agonists and selective BET inhibitors

Patent type	Brief description	Patents issued		Patent applications	
		Nov. 2015	June 2016	Nov. 2015	June 2016
<b>Technology patents</b>					
Families 1-11	Method of synthesis of compound library Method of synthesis of encoded Method of screening compound library Compound library Encoded compound	101	200	26	22
<b>Product patents</b>					
Families 12-14	Pharmaceutical product patents	0	0	3	3

# FINANCIALS: P&L ADJUSTED



Q4 revenues from Janssen Biotech; Q4 costs up due investments in lead programs

Not audited or reviewed	Adjusted	Q4	Adjusted	Year
	Q4	2014/15	Year	2014/15
	2015/16	2014/15	2015/16	2014/15
	MSEK	MSEK	MSEK	MSEK
Revenues	3.1	5.6	21.3	29.8
Cost of sales	-15.3	-12.6	-45.1	-31.7
Other external expenses	-5.5	-4.2	-24.6	-26.1
<b>Gross profit</b>	<b>-17.7</b>	<b>-11.2</b>	<b>-48.4</b>	<b>-28.0</b>
Staff costs	-13.1	-10.4	-41.8	-35.8
Amortization/depreciation	-0.4	-0.3	-1.3	-1.1
<b>Operating profit/loss</b>	<b>-31.2</b>	<b>-21.8</b>	<b>-91.5</b>	<b>-64.9</b>
Financial income	0.5	0.2	1.9	3.6
Financial expenses	-0.1	-0.2	-1.9	-0.8
<b>Profit/loss before tax</b>	<b>-30.8</b>	<b>-21.9</b>	<b>-91.5</b>	<b>-62.1</b>
Tax	1.7	1.8	6.9	7.3
<b>Net profit/loss for the period</b>	<b>-29.1</b>	<b>-20.0</b>	<b>-84.6</b>	<b>-54.7</b>
<b>EPS (basic and diluted), SEK</b>	<b>-0.68</b>	<b>-0.70</b>	<b>-2.32</b>	<b>-2.26</b>
No. of shares outstanding, avg., m	42.9	28.6	36.5	24.2
No. of shares outstanding, end-period, m	42.9	28.6	42.9	28.6

- Q4 revenues mainly from Janssen Biotech upfront payments
- Q4 operating costs\* adjusted of SEK 33.9m, up from SEK 27.2m
- Q4 net loss of SEK 29.1m, up from SEK 20.0m.
  - High activity in RORyt inverse agonist program in preparation for API production and GLP-toxicology study\*\*
- Q4 EPS of SEK -0.68 against SEK -0.70, due to higher number of shares

# FINANCIALS: P&L ADJUSTED VERSUS REPORTED



Major non-recurring and non-cash items in Q4

Not audited or reviewed	Reported	Adjusted	Reported	Adjusted
	Q4	Q4	Year	Year
	2015/16	2015/16	2015/16	2015/16
	MSEK	MSEK	MSEK	MSEK
Revenues	3.1	3.1	21.3	21.3
Cost of sales	-15.3	-15.3	-45.1	-45.1
Other external expenses	-2.6	-5.5	-36.6	-24.6
<b>Gross profit</b>	<b>-14.8</b>	<b>-17.7</b>	<b>-60.3</b>	<b>-48.4</b>
Staff costs	-61.6	-13.1	-90.3	-41.8
Amortization/depreciation	-0.4	-0.4	-1.3	-1.3
<b>Operating profit/loss</b>	<b>-76.7</b>	<b>-31.2</b>	<b>-151.9</b>	<b>-91.5</b>
Financial income	0.5	0.5	1.9	1.9
Financial expenses	-0.1	-0.1	-1.9	-1.9
<b>Profit/loss before tax</b>	<b>-76.4</b>	<b>-30.8</b>	<b>-151.9</b>	<b>-91.5</b>
Tax	1.7	1.7	6.9	6.9
<b>Net profit/loss for the period</b>	<b>-74.7</b>	<b>-29.1</b>	<b>-145.0</b>	<b>-84.6</b>
<b>EPS (basic and diluted), SEK</b>	<b>-1.74</b>	<b>-0.68</b>	<b>-3.98</b>	<b>-2.32</b>
No. of shares outstanding, avg., m	42.9	42.9	36.5	36.5
No. of shares outstanding, end-period, m	42.9	42.9	42.9	42.9
<b>Non-recurring items</b>				
IPO expenses			-11.9	
2015/21 warrant expenses		-48.5	-48.5	
VAT reimbursement		2.9		

## Q4 2015/16

- **Staff costs**, as reported, include non-recurring and non-cash expenses for 2015/21 warrant program of SEK 48.5m
- **Other external expenses**, as reported, include VAT reimbursement income of SEK 2.9m

## Full-year 2015/16

- **Staff costs**, as reported, include non-recurring and non-cash expenses for 2015/21 warrant program of SEK 48.5m
- **Other external expenses**, as reported, include IPO costs of SEK 11.9m\*

# FINANCIALS: BALANCE SHEET

Well funded for execution of current business strategy



Not audited or reviewed	30 June 2016 MSEK	31 Mar. 2016 MSEK	30 June 2015 MSEK
<b>ASSETS</b>			
<b>Fixed assets</b>	7.1	6.9	4.2
Current receivables, non-interest bearing	21.9	36.1	21.2
Cash and cash equivalents	206.0	215.7	46.3
<b>Current assets</b>	<b>227.9</b>	<b>251.8</b>	<b>67.4</b>
<b>TOTAL ASSETS</b>	<b>235.0</b>	<b>258.7</b>	<b>71.7</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>	<b>198.1</b>	<b>221.6</b>	<b>51.6</b>
<b>Long term liabilities interest bearing</b>	<b>3.5</b>	<b>3.7</b>	<b>1.5</b>
Current liabilities, interest bearing	1.2	1.2	0.8
Current liabilities, non-interest bearing	19.5	16.8	4.8
Accrued expenses and deferred income	12.7	15.4	13.1
<b>Total current liabilities</b>	<b>33.4</b>	<b>33.4</b>	<b>18.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>235.0</b>	<b>258.7</b>	<b>71.7</b>

- Cash as per 30 June of SEK 206.0m (46.3), boosted by IPO proceeds
- Net cash as per 30 June of SEK 201.3m (44.0), down SEK 9.5m since 31 March
  - Upfront and milestone payments Novartis and Janssen Biotech in Q4
- Swedish VAT reimbursement of SEK 4.1m received in August

• With net cash of SEK 201 million, Nuevolution is well funded for execution of its current business strategy

## IR activities

- Investor meetings in Q4 2015/16
  - 6 venues
  - Met with Swedish & US investors
  - Live session web chat with "Aktier-Småbolagsjakten"
- Three analysts covering NUE.ST
  - Aktiespararna/Jarl Securities
  - Remium Nordic (in May)
  - Økonomisk Ugebrev
  - ...more to come

## Come meet us

- 13 Sep.: Rodman & Renshaw 18th annual investor conf.
- 20 Sep.: Dansk Aktionærforening's InvestorDagen, Cph.
- 21 Sep.: Remium Nordic, Stockholm
- 28 Sep.: Aktiespararna's Aktiedag, Malmoe
- 5 October: Annual General Meeting, Stockholm
- 14 Nov.: Aktiespararna's Stora Aktiedag, Gothenburg
- Nov./Dec.: Capital Markets Day planned

## New IR manager

- External IR manager on consultancy basis hired to support access to international investors

- **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

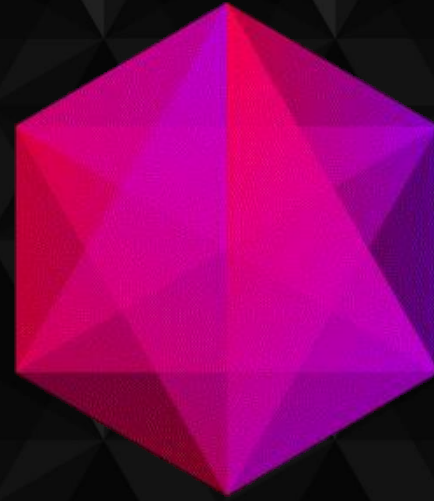
### Business & partnering, next nine months

- One or two out-licensing agreements
  - One or two risk-sharing collaborations
- 

### Research & Development, next 12 months

- ROR $\gamma$ t inverse agonist program in the next 12 months
  - Production scale-up (API\*)
  - IND\* enabling studies
  - IND\* filing
- Two programs into for lead optimization by end 2016
- Expect start of additional program in Janssen Biotech collaboration within six months





# NUEVOLUTION

TRANSFORMING CHALLENGES  
INTO MEDICINE