



Dear Shareholder, Dear Reader,

Kicked-off by the annual JP Morgan meeting in San Francisco, the second week of January generally brings business activities back to full speed again. Nuevolution is also present this year, and will continue its on-going business discussions and explore upcoming opportunities.

It is also an appropriate point in time to look back at the past 12 months, which brought significant progress for Nuevolution.

Dec. 2015	IPO
Oct. 2016	Major agreement with Amgen
Dec. 2016	Major agreement with Almirall

In December 2015, Nuevolution was listed on NASDAQ First North Premium (Stockholm) and raised SEK 250 million, the highest IPO amount for a biotech company at the time in the First North market. Following the successful capital raise, we made the statement to the market, that Nuevolution's major pre-IPO and post-IPO shareholders SEB Venture Capital, SEB U-tvecklingsstiftelsen, Sunstone Capital and Industrifonden, management and board were all set to execute the strategy in accordance with our prospectus and with maximum efforts to realize the businesses projected.



On October 4, 2016, we were therefore most pleased to announce a significant research collaboration with Amgen. A multi target research collaboration, where Amgen has an exclusive option to obtain all rights to successfully developed programs, and where Nuevolution is eligible to receive a license fee payment upon Amgen's option exercise and milestone payments upon achievement of specified research, development and commercial milestones, amounting up to USD 410 million per target. Nuevolution will also be entitled to receive royalties on future sales. This agreement represents a key element in Nuevolution's strategy to reduce the business risk of the investments that Nuevolution undertakes in its research and development of new medicines, while at the same time offer a significant upside for successful programs.



We continued our hunt for partnerships, and executed in accordance with our guidance to the market, when we announced the out-licensing of Nuevolution's ROR γ t inhibitor program.

[On December 12, 2016](#), Nuevolution announced that it had entered a strategic collaboration with Almirall for the development and commercialization of Nuevolution's novel ROR γ t inverse agonist

(inhibitor) program for treatment of inflammatory skin diseases and disorders as well as for treatment of psoriatic arthritis. As part of the agreement, the parties will also establish a research collaboration for the identification of additional ROR γ t inhibitors. Almirall has the exclusive option to develop and commercialize within the dermatological field and for treatment of psoriatic arthritis, whereas Nuevolution maintains all rights outside the field of collaboration. Nuevolution received an upfront payment of EUR 11.2 million (approx. SEK 109.4 million), and is eligible to receive development and regulatory milestone payments and tiered commercial sales milestones of up to a total maximum of EUR 442 million (approx. SEK 4.3 billion) provided successful development and commercialization. Nuevolution will furthermore be entitled to receive tiered royalties on future net sales.

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| Dec. 2016 | <u>Research grant from Innovation Fund Denmark</u> |
| Apr. 2016 | <u>Expansion of the Janssen collaboration</u> |
| Feb. 2016 | <u>Milestone payment under the Novartis collaboration</u> |

Besides these major announcements, Nuevolution were also pleased to announce good progress in the Novartis and Janssen relationships by milestone achievement (USD 2 million) and collaboration expansion (USD 0.6 million), and to receive an up to DKK 5.2 million (approx. SEK 6.8 million) from the Innovation Fund Denmark as part of the total project research grant of DKK 24.4 million (approx. SEK 32.2 million) supporting Nuevolution's collaboration with professor Kristian Helin, Biotech Research and Innovation Center (BRIC) at University of Copenhagen, to pursue discovery and development of therapeutics directed towards specific cancer types for which there is no efficient treatment today.

The major agreement with Almirall is a direct outcome of Nuevolution's different approach to drug discovery, using the powerful platform that has been developed and refined over 15 years. We consider the agreements with Amgen and Almirall, and the progress in the Novartis and Janssen collaborations as a strong testimony to the platform that Nuevolution applies in its discovery of new medicines.

Through application of our platform and in other programs, Nuevolution was also pleased to see promising results from its selective bromodomain BET inhibitor program showing effect in an animal model of Lupus and showing better safety than for use of non-selective BET inhibitors. Our



Cytokine X (target undisclosed) program for treatment of inflammatory diseases also progressed according to our plan, by demonstration of proof-of-concept in an animal model for inflammation. The Cytokine X program seeks to offer tablet based replacement for currently available highly expensive injectable medicines.

With more than 15 programs running continuously in research, we also expect to present promising results from our pipeline during 2017. We remain committed to apply our unique high performance research platform for discovery of tablet based medicines in the discovery of new medicines for treatment of cancer and chronic inflammatory diseases, and to work adamantly for creation of shareholder value through development of our own programs, while we will also continue our strategy to capitalize on our research on a continuous basis and seek to mitigate risk.

We cherish the support from our shareholders, and wish to keep our shareholders well informed about our progress. During 2016, we have participated 14 investor [conferences/events](#) and following the release of our quarterly reports and major press releases, we have also hosted an audio conference allowing for Q/A. We will continue this close dialogue with our shareholders during 2017.

Nuevolution is covered by analysts from Jarl Securities, Remium and Edison (see [investor section](#)) with most recent reports from [Edison](#) and Jarl Securities (shortly) in January covering Nuevolution's agreement with Almirall. A further analyst will be added during first quarter of 2017.

We are all set, committed and looking forward to continue the execution of our strategy and secure value creation for Nuevolution also during 2017.

I would like to thank all our shareholders for your support and interest in Nuevolution during 2016, and I would like to express my gratitude and sincere thanks to Nuevolution's staff for the hard and innovative work delivered during the year, allowing the company to execute so successfully.



Happy New Year!

January 9, 2017

Alex Haahr Gouliaev
Chief Executive Officer
Nuevolution AB (publ.)

This message does not change the conclusion of any messages previously released by Nuevolution AB (publ.) including in connection with its previously released quarterly reports, annual report and press releases.