THE STEM CELL REVOLUTION

YEAR-END REPORT
2018-09-01 – 2019-08-31

NEXTCELL PHARMA AB
556965-8361

WWW.NEXTCELLPHARMA.COM

Year-end report

By "NextCell", "NXTCL" or "Company" is meant NextCell Pharma AB with organization number 556965-8361. "Spotlight" refers to the Spotlight Stock Market. Amount in brackets refer to the corresponding period in the previous year. Note that the Company's fiscal year is September 1 - August 31. This English version is a translation of the Swedish version. The Swedish version is at all time to be seen as the leading document.

Twelve months (2018-09-01 until 2019-08-31)

- Operating income amounted to SEK 1 964 132 (655 413).
- Operating result amounted to SEK -21 450 784 (-14 032 294).
- Earnings per share* amounted to SEK -1.36 (-0.61).
- Cash and bank amounted to SEK 20 128 185 (3 115 876).
- Solidity** amounted to 85.9 (59.2) %.

Fourth quarter (2019-06-01 until 2019-08-31)

- Operating income amounted to SEK 551 708 (127 868).
- Operating result amounted to SEK -7 973 582 (-3 422 828) SEK which includes issue costs of SEK 3.7 million.
- Earnings per share* amounted to SEK -0.51 (-0.40).

**Operating income per share: operating results divided by the average number of shares. Average number of shares for the fourth quarter of 2018/2019: 15 717 641 shares (8 505 425). Number of shares in NextCell as per August 31, 2019, 19 144 092 shares (8 505 425).*
*** Solidity/Equity ratio: shareholders' equity of the balance sheet total.*

Significant events during the fourth quarter 2018/2019

- Subscription period regarding the rights issue begins and an information memorandum is published. NXTCL receives guarantee commitments from an external guarantee consortium of about SEK 14.7 million and subscription commitments and letter of intent for about SEK 5.2 million, which means that the rights issue is secured at approximately 80 %. The company's two largest shareholders, Anders Essen-Möller and Diamyd Medical AB, both fully subscribe to their respective shares.

- The first patient in the ProTrans-Repeat Study, gets their treatment in mid-June.

- Via its biobanking business, Cellaviva, NXTCL is partnering with Bonzun Health Information AB to provide digital services, primarily apps, for expectant parents before and during pregnancy. The purpose is to increase the digital presence.

- The outcome of the rights issue is published. The issue was subscribed to 368 percent and NXTCL is thus given the full issue amount of approximately SEK 24.9 million before issue costs. The oversubscription means that no issue guarantees have been used.

- The last diabetic patient in the Phase II part of the ProTrans-1 trial is treated. This means that all patients included in the study have now been treated and are undergoing a 12-month follow-up period before efficacy and safety data will be available.

- In mid-August, NXTCL files a new patent application to the Swedish Patent and Registration Office. The patent relates to the company's proprietary selection algorithm, now with extended and tailored analyzes for diseases and conditions affecting the central nervous system. The current patent application is the third in order. Already, there are two existing patent applications, filed in February and July 2018.

Significant events during the first three quarter 2018/2019

- NXTCL announces that the Swedish Medical Product Agency has approved the amendment for treatment of patients in the ProTrans-1 trial with high dose of ProTrans.
- NXTCL announces that a new application to conduct a clinical trial with ProTrans has been submitted to the Swedish Medical Products Agency. The purpose of the study is to evaluate repeated treatment with ProTrans, including patients with type 1 diabetes who participated in the dose escalating part of the original NXTCL trial.
- NXTCL announces an update regarding the directed share issue to Nordic Tech House AB, which in the end of the quarter is registered at the Swedish Companies Registrations Office (Bolagsverket).
- NXTCL announces that the Cellaviva brand will expand its operations into Denmark.
- NXTCL announces at Nordic Life Science Days that no side effects have been reported during treatment with ProTrans in the low or medium dose cohorts. Also, no side effects have been reported in the two (out of three) treated patients in the high dose cohort.
- In early May, NXTCL is granted permission from the Swedish Medicines Agency (Läkemedelsverket) to start its second clinical trial, ProTrans Repeat, which will run in parallel with the first study ProTrans-1. In mid-May, an initiation meeting for ProTrans Repeat is held at Karolinska University Hospital in Huddinge.
- The outcome of the rights issue is published. The issue was subscribed to 368 percent and NXTCL is thus given the full issue amount of approximately SEK 24.9 million before issue costs. The oversubscription means that no issue guarantees have been used.

Significant events after the reporting period

- For ProTrans-1, the dose escalating phase I-part, the last patient visit is completed at the end of September and the Phase 1 part of the study is thus completed.
- The last patient in ProTrans-Repeat's active treatment group will receive their treatment at the beginning of October. This means that all ProTrans treatments for the two ongoing studies now are completed. Regarding the patients included in the control group, four out of nine are included. The remaining five patients are expected to be included before year-end 2019.
- In October, Cellaviva's new office was opened in Copenhagen. The Copenhagen office is primarily intended to be a hub for the Danish Cellaviva business with the opportunity to host customers, hold training sessions etc. The purpose is also to enable increased exposure and presence for NextCell in the Öresund region.

CEO Mathias Svahn's comments

We have now completed our second year as a publicly traded company. We can look back on a productive year where we treated all the patients in our phase II-part of ProTrans-1 trial and filed the application, received approval, and subsequently started the ProTrans-Repeat phase-II clinical trial. Shortly after closing our fiscal-year all patients in ProTrans-Repeat were also treated.

ProTrans is our proprietary drug candidate. The starting materials is umbilical cord derived mesenchymal stem cells selected using the company's patent pending selection algorithm. The algorithm is specifically designed to select the most suitable stem cells and donors to counteract an overactive immune system, which is generally considered to be the cause of autoimmune diseases. Cell therapy treatment using ProTrans means that we boost the patient's body own potential for regeneration and self-healing, by adding a large number of specific stem cells. Every step of the development of cell therapies focuses on how to bring efficous treamtents all the way to patients. The production of ProTrans is robust, scalable and ensures that only potent stem cells are used. ProTrans is an allogeneic treatment that can be easily stored, shipped and administered. All in all, this means that we can offer cost-effective treatment, which is absolutely crucial to successful commercialization and treating as many patients as possible.

Our first two trials using ProTrans are focused on type-1 diabetes patients, under the guidance and supervision of principal investigator, Professor Per Ola Carlsson, based at Uppsala University Hospital and Uppsala University. Both trials are further supervised by a Data Safety Monitoring Board, consisting of Professors Anders Fasth, Åke Lernmark and Ulf Schmidt. Furthermore, are very excited see the results from our ProTrans-1 phase I/II trial which we expect to have available in the summer of 2020. Due to the excellent study team and our fantastic staff with their medical & scientific expertise our clinical trials have progressed according to plan. We have now also completed treatment of patients in the ProTrans-Repeat trial and only the inclusion of some control patients remains. Results for the ProTrans-Repeat trial can be expected by the end of 2020.

As a company we have increased our cost compared to the previous fiscal year, this mainly due to the fact that NextCell now is a thriving biotech company with a drug candidate in two phase II clinical trials. In Q4 of this fiscal year we also incurred additional costs related to our share issue which was oversubscribed by more than 300%. Most of the cost relating to our clinical trials have already been taken and our run-rate based on current activities is below SEK 1.5 million per month, which I believe is cost-efficient for a company with two ongoing phase II clinical trials. Cellaviva's operations, i.e. the family saving of stem cells, have steadily increased during the fiscal year. Cellaviva has exceeded its sales on a month-by-month basis compared to last year. Already after five months into the fiscal year, we passed last year's total annual sales of Cellaviva boxes and the positive trend seems to be continuing.

The increased number of customers, wanting to save stem cells, puts increased pressure on Cellaviva's organization. In order to meet demand, Cellaviva now has collection staff in our three Swedish metropolitan regions and throughout Denmark. Furthermore, in October 2019 we inaugurated a new office in Copenhagen which will primarily be used to receive Cellaviva customers and hold training courses. The Öresund region is an important cluster for the life sciences and I also see the opportunity to increase NextCell's presence and exposure in the region now that we have offices in both Stockholm and Copenhagen.

We at NextCell / Cellaviva look forward to our coming fiscal year and hope to remain of interest and joy to our shareholders, customers and patients. Thank you all for joining us on this journey!

Mathias Svahn, Ph.D.

Ongoing clinical trial with ProTrans

NXTCL is conducting two parallel clinical trials with the drug candidate ProTrans for treatment of patients with type 1-diabetes. The patients included in the studies are all between the ages of 18-40, have been diagnosed with type 1 diabetes no later than the past two or three years and still have insulin production

ProTrans-1 is a two-part phase I / II study, the first part being a dose escalation with 3 + 3 + 3 patients treated with; low, medium and high dosages of ProTrans. The second part of the trial is a randomized, double-blind, placebo-controlled trial in which 10 patients receive ProTrans and five patients receive placebo, a total of 15 patients. In total 24 patients, 19 patients will be treated with ProTrans, nine in the dose escalation part and another 15 in the placebo-controlled part. The primary safety endpoint is drug safety and the primary efficacy endpoint is the change in insulin production after 1 year.

ProTrans Repeat, which was started in May 2019, is a continuation study of ProTrans-1 with the aim of maximizing data collection on repeated treatment, i.e. to find out whether repeated treatment can increase or maintain the effect of ProTrans over a long period of time with retained safety. The study includes the nine patients treated in the ProTrans-1 study's dose escalating part as well as another nine that serve as a control group, a total of 18 patients. The efficacy is measured by comparing the patient's ability to produce insulin before treatment with 12 months after treatment with the repeated dose of ProTrans and patients are followed for five years after discontinuation of therapy. ProTrans-Repeat runs parallel to the phase II part ProTrans-1.

Both clinical trials are conducted by the Karolinska Trial Alliance and headed by Professor Per-Ola Carlsson from Uppsala University, who is the principal investigator for the trial. The Data Safety Monitoring Board for the trial consists of Professors Ulf Smith and Anders Fasth from the University of Gothenburg, and Åke Lernmark from Lund University.

Milestones:

2019-10-01 Last patient in ProTrans-Repeat's active treatment group receives treatment, which means that all ProTrans treatments for the two ongoing studies are completed.

2019-09-24 The last patient visit to ProTrans-1, the dose escalating part, will be completed at the end of September and the phase1 part of the study is thus completed.

2019-06-20 All ProTrans-1, phase II patients are now treated, and a 12-month follow-up period is initiated.

2019-06-19 First patient in ProTrans-Repeat is treated.

2019-05-17 Six out of nine patients in the dose escalating part section (phase I) of ProTrans-1 have been on 12-month follow-up visit and are now leaving the study.

2019-05-17 Initiation meeting for ProTrans Repeat is held at Karolinska Trial Alliance, Karolinska University Hospital in Huddinge.

2019-05-09 Approval for ProTrans Repeat is granted by the Swedish Medical Products Agency (Läkemedelsverket).

2019-02-22 A total of ten patients have been included, five were treated in the phase II part of ProTrans-1.

2019-01-30 The first patients in the phase II part of ProTrans-1 are treated.

2018-11-16 The Swedish Medical Product Agency approves the amendment for treatment of patients in the ProTrans-1 trial with high dose.

2018-10-25 Approval by the Data and Safety Monitoring Board to proceed with the second part of the trial.

2018-10-14 All three patients in the high-dose-cohort treated (nine patients have been treated in total).

2018-06-29 Approval by the Data and Safety Monitoring Board to proceed with the high-dose cohort.

2018-05-18 All three patients in the medium-dose-cohort treated (six patients have been treated in total).

2018-03-27 Approval by the Data and Safety Monitoring Board to proceed with the medium-dose cohort.

2018-02-22 All three patients in the low-dose-cohort treated.

2018-01-23 First patient treated.

2018-01-03 First patient included.

2017-12-15 First batch of ProTrans clinical grade released for usage in the clinical trial.

2017-11-28 Initiation meeting at Karolinska Trial Alliance, Huddinge.

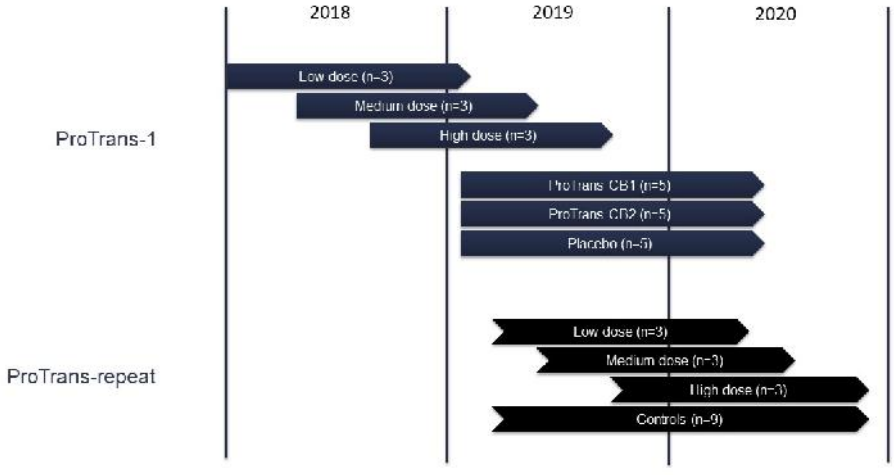
2017-11-20 Karolinska Center for Cell Therapy approves that the trial will be conducted at Karolinska.

2017-10-17 Permission granted by the Medicinal Product Agency.

2017-09-04 Permission granted by theSwedish Ethics Committee.

2017-07-24 Clinical trial application submitted.

The schematic picture below provides an overview of NXTCL's ongoing clinical trials and shows the timetable.



Development in numbers during the period

Amounts in brackets refer to the corresponding period of the previous year.

CFO Sofia Fredrikson comments on the financial development

Operating income

Operating income for the fiscal year 2018/2019 amounted to SEK 1 964 132 (655 413). Of this, SEK 151 961 relates to other operating income, where SEK 148 800 is a contribution from Vinnova / RISE and SEK 3 161 is exchange rate gains. Adjusted for this, net sales, i.e. revenues from the sale of Cellaviva's services, increased by SEK 1 156 758, corresponding to 176 %, compared with the previous fiscal year. Operating income for the fourth quarter of 2018/2019 amounted to SEK 551 708 (127 868), representing an increase of 331 % compared to the corresponding period last year. During the past fiscal year, Cellaviva has experienced strong a sales growth and it seems that the positive trend is continuing.

Financial development

Net result for the fiscal year 2018/2019 amounts to SEK -21 417 760 (-14 032 294). The total cost base for the fiscal year increased by approximately SEK 9.4 million (66 %), compared with previous year, where of SEK 3.7 million is non-recurring costs, directly connected to the rights issue in June 2019. The residual increase, amounting to SEK 5.7 million is according to plan and is explained by extensive activities within the company where the clinical trial, which passed an intensive phase with two parallel studies during the fiscal year, and Cellaviva's expansion with launch in Denmark are significant components. Net result for the fourth quarter of 2018/2019 amounts to SEK -7,973,582 (-3,422,282). The increased deficit compared to the corresponding period previous year can mainly be explained by the issue costs mentioned above.

Liquidity

The company's cash and cash equivalents as of August 31, 2019 amounted to SEK 20 128 185 (3 115 876). Cashflow for the fiscal year 2018/2019 amounted to SEK -17 012 309 (-13 485 061). In order to finance the ongoing operations, the Company received two major cash contributions during the year, the redemption of warrants of series TO 1, issued in connection with the listing, and a rights issue. The redemption took place in September 2018 and provided the Company with approximately SEK 12.9 million after issue costs. A rights issue of SEK 24.9 million, completed in July 2019, brought the company a net SEK 21.2 million after deduction of issue costs. The existing liquidity are estimated to meet the financing needs of the business in the coming fiscal year.

Solidity

The solidity ratio as per August 31, 2019 amounted to 65.6 (83.8) %.

Shares

The company's share is listed on Spotlight under the ticker "NXTCL". As of August 31, 2019, the number of shares amounted to 19 144 092. Average number of shares during the fourth quarter 2018/2019 amounted to 15 717 641. As a result of a rights issue, in June 2019, the Company's share capital increases by SEK 1 569 815.38 by issuing 7 657 636 shares. After registration, the share capital amounts to SEK 3 924 538.86 and the number of outstanding shares amounts to 19 144 092 shares.

Largest shareholders

The list below shows the ten largest shareholders in NextCell Pharma as per 2019-08-31.

Name	Shares	(%)
Diamyd Medical AB	2 453 485	12.82
Avanza Pension*	2 328 016	12.16
Anders Essen-Möller	911 721	4.76
Polski Bank Komorek Macierzystych S.A.	580 483	3.03
Nordnet Pensionsförsäkring AB	506 622	2.65
Robert Joki	487 000	2.54
MabTech Group AB	485 360	2.54
BioAll AB**	360 578	1.88
Konstruktions och Försäljningsaktiebolaget	333 332	1.74
Niclas Löwgren	301 721	1.58

** Chairman Anders Essen-Möller holds shares corresponding to 4.98* percent (953 375 shares) of *votes and capital in NextCell which is managed through Avanza Pension. This is in addition to his directly registered share holdings.*
*** CEO Mathias Svahn holds both directly registered shares and shares via his company BioAll AB. In this overview the holdings are combined*

Accounting principles for the preparation of this interim report

The year-end report has been prepared in accordance with the Annual Accounts Act and BFNAR 2012:1 Annual Report and Consolidated Financial Statements ("K3") and according to BFNAR 2007: 1 ("voluntary Interim Reporting"). For further information on accounting principles, consult NextCell's Annual Report.

Auditor's review

The year-end report has not been reviewed by the company's auditor.

Financial calendar

The company prepares and publishes a financial report each quarter. Upcoming reports are planned as follows:

- First quarter report 2020-01-31
- Mid-year report 2020-04-30
- Third quarter report 2020-07-31
- Year-end report 2020-10-30

Publication of interim report

Huddinge, October 31, 2019
NextCell Pharma AB
Board of Directors

Anders Essen-Möller
Chairman of the board

Hans-Peter Ekre
Board member

Niclas Löwgren
Board member

Camilla Sandberg
Board member

Edvard Smith
Board member

Mathias Svahn
Chief Executive Officer

Income statement

(SEK)	2019-06-01 2019-08-31	2018-06-01 2018-08-31	2018-09-01 2019-08-31	2017-09-01 2018-08-31
Operating income				
Net income	536 601	127 868	1 812 171	655 413
Other operating income	15 107	0	151 691	0
Total operating income	551 708	127 868	1 964 132	655 413
Operating expenses				
Materials and goods	-2 060 535	-484 265	-5 613 495	3 979 085
Other external costs	-4 773 967	-1 197 025	-10 209 097	-4 849 857
Personnel costs	-1 604 170	-1 793 460	-7 231 628	-5 574 465
Depreciation	-79 623	-74 680	-348 256	-298 720
Other operating expenses	-6 303	0	-15 284	0
Total operating expenses	-8 524 598	-3 549 430	-23 417 759	-14 702 128
Operating results	**-7 972 889**	**-3 421 563**	**-21 453 628**	**-14 046 715**
Financial income and expenses				
Interest received	6 276	-15 031	10 630	30 637
Interest expenses and similar expenses	-6 969	-15 750	-7 787	-16 216
Total	-693	-719	-2 843	14 421
Results before taxes	**-7 973 582**	**-3 422 282**	**-21 450 784**	**-14 032 294**
Taxes				
Tax expenses for the period	0	0	0	0
Net result for the period	**-7 973 582**	**-3 422 282**	**-21 450 784**	**-14 032 294**

Balance sheet

(SEK)	2019-08-31	2018-08-31
Assets		
Non-current assets		
Tangible non-current assets		
Property, plant and equipment	773 509	902 117
Inventories, tools and installations	1 702 129	1 525 277
	2 475 638	2 427 394
Financial assets		
Other long-term receivables	1 045 293	1 040 293
	1 045 293	1 040 293
Total non-current assets	**3 520 931**	**3 467 687**
Current assets		
Current receivables		
Trade receivables	360 030	56 590
Other receivables	839 374	288 248
Prepaid expenses and accrued income	1 869 077	1 581 842
	3 068 481	1 926 680
Liquid assets	20 128 185	3 115 876
Total current assets	**23 196 666**	**5 042 556**
Total assets	**26 717 596**	**8 510 243**

Balance sheet

(SEK)	2019-08-31	2018-08-31
Equity and liabilities		
Restricted equity		
Share capital	3 924 539	1 743 612
Non-restricted equity		
Profit or loss brought forward	7 104 819	6 927 475
Shareholders surplus	47 591 393	10 402 559
Result for the period	-21 450 784	-14 032 294
Total equity	**22 960 329**	**5 041 353**
Liabilities		
Long-term liabilities		
Other long-term liabilities	939 586	760 988
Current liabilities		
Trade payable	1 421 834	651 776
Other liabilities	185 522	289 676
Prepaid income accrued expenses	1 210 325	1 766 450
	2 817 681	2 707 902
Total liabilities	**3 757 267**	**3 468 890**
Total equity and liabilities	**26 717 596**	**8 510 243**

Cash flow statement

(SEK)	2019-06-01 2019-08-31	2018-06-01 2019-08-31	2017-09-01 2018-08-31	2017-09-01 2018-08-31
Operating activities				
Operating profit/loss	-7 972 890	-3 421 562	-21 453 628	-14 046 715
Non-cash flow items				
Depreciation	79 623	-74 680	348 256	298 720
Interest received	6 276	15 031	10 630	30 637
Interest paid	-6 969	-15 750	-7 787	-16 216
Cash flow from operating activities before changes in working capital	**-7 893 959**	**-3 347 602**	**-21 102 529**	**-13 733 574**
Changes in working capital				
Increase / decrease in receivables	-303 074	-15 148	-1 141 801	-666 914
Increase / decrease in payables	374 980	444 960	770 058	-226 341
Increase / decrease in other long-term payables	0	0	0	0
Increase / decrease in other short-term payables	154 483	-86 400	449 707	1 077 050
Total of working capital	**832 537**	**- 516 212**	**77 964**	**183 795**
Net cash flow from operating activities	**-7 061 422**	**-2 813 616**	**-21 024 565**	**-13 549 779**
Investing activities				
Investments in material assets	0	0	0	0
Investments in immaterial assets	0	0	-5 000	0
Net cash flow from investing activities	**0**	**0**	**-5 000**	**0**
Financing activities				
Long-term liabilities	53 197	17 773	178 598	64 717
Amortization	0	0	0	0
New issue / emission	24 934 748	0	37 910 706	0
Shareholder contributions	-47 430	0	-47 430	0
Net cash flow from financing activities	**24 940 515**	**17 773**	**38 041 874**	**64 717**
Cash flow for the period				
Cash and cash equivalents at beginning of period	2 249 092	5 929 492	3 115 876	16 600 937
Change in cash and cash equivalents	17 879 093	-2 831 616	17 012 309	-13 485 062
Cash and cash equivalents at end of period	**20 128 185**	**3 115 876**	**20 128 093**	**3 115 876**

Statement of changes in equity

2018-08-31

	Share Capital	Shareholders contribution	Share premiums	Balanced results	Net result
Opening balance 2017-09-01	1 743 612	13 955 800	24 358 359	-7 738 919	-13 245 206
Disposition from AGM			-13 955 800	710 594	13 245 206
Result					-14 032 294
Closing balance 2018-08-31	1 743 612	13 955 800	10 402 559	-7 028 325	-14 032 294
Total equity					**5 041 353**

2019-08-31

	Share Capital	Shareholders contribution	Share premiums	Balanced results	Net result
Opening balance 2018-09-01	1 743 612	13 955 800	10 402 559	-7 028 325	-14 032 294
Disposition from AGM			-13 955 800	-76 494	14 032 294
New issue	2 180 927		37 188 834		
Result					-21 450 764
Closing balance 2019-08-31	3 924 539	13 955 800	33 635 593	-7 104 819	-21 450 784
Total equity					**22 960 329**

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