THE STEM CELL REVOLUTION

INTERIM REPORT
2018-09-01 – 2019-05-31

NEXTCELL PHARMA AB
556965-8361

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Third quarter report

By "NextCell", "NXTCL" or "Company" is meant NextCell Pharma AB with organization number 556965-8361. "Spotlight" refers to the Spotlight Stock Market (previous AktieTorget). 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.

Nine months (2018-09-01 until 2019-05-31)

- Operating income amounted to SEK 1 410 055 (527 545).
- Operating result amounted to SEK -13 477 202 (-7 524 256).
- Earnings per share* amounted to SEK -1.17 (-1.25).
- Cash and bank amounted to SEK 2 249 092 (5 929 492). After the end of the period, in June 2019, the Company received an additional SEK 24.9 million (approximately SEK 21.2 million after deduction of issue costs) as a result of a rights issue.
- Solidity** amounted to 65.6 (83.8) %.

Third quarter (2019-03-01 until 2019-05-31)

- Operating income amounted to SEK 863 258 (136 341).
- Operating result amounted to SEK -4 600 360 (-3 085 716).
- Earnings per share* amounted to SEK -0.40 (-0.36).

**Operating income per share: operating results divided by the average number of shares. Average number of shares for the third quarter of 2018/2019: 11 486 456 shares (8 505 425). Number of shares in NextCell as per February 28th, 11 486 456 shares (8 505 425).*
** Solidity/*Equity ratio: shareholders' equity of the balance sheet total.*

Significant events during the third quarter 2018/2019

- At the beginning of April, NXTCL receives an order for stem cells selected using the Company's patent-pending selection algorithm. The customer is a foreign biotechnology company and the order value is approximately SEK 350 000.

- At the beginning of April, the NXTCL Biobank Cellaviva is licensed by the Inspectorate for Health and Care Services (IVO) to handle and collect adipose derived tissue stem cells. This decision makes it possible for the company to launch its new service, which involves private saving of stem cell for adults.

- At the end of April, the boards of NextCell Pharma AB and Idogen AB initiate discussions on a possible merger with an intended structure were NextCell Pharma AB will bid for all shares in Idogen AB and offer its own shares as reimbursement. Discussions are subsequently interrupted, and the companies' boards conclude that the businesses will continue to benefit best from being run in separate companies. Though both parties, remain open to potential future cooperation.

- 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.

- Six out of nine patients in the dose scaling section (Phase I) of ProTrans-1 have been on their 12-month follow-up and are thus leaving the study.

- On May 24, the Extraordinary General Meeting resolves to issue shares with preference to existing shareholders totalling SEK 24.9 million. The reason for the issue is to obtain working capital to extend the trial program with the drug candidate ProTrans with another study, ProTrans Repeat.

Furthermore, resources will be allocated for expansion of the company's biobanking business, Cellaviva.

- In mid-May, NXTCL is invited to attend and speak at the World Advanced Therapies & Regenerative Medicine Congress, the 14th in order, held in London.

Significant events after the reporting period

- 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 owners, Anders Essen-Möller and Diamyd Medical AB, both fully subscribe to their respective shares.

- The first patient in the new study, ProTrans Repeat, 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 trial of the ProTrans-1 study 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.

CEO Mathias Svahn's comments

NextCells third quarter has been an eventful one. During the period, we have worked intensively along with the Karolinska Trial Alliance and the principel investigators Professor Per-Ola Carlsson and Doctor Daniel Espes to be able to treat all patients in ProTrans-1.

Since the beginning of 2019, a total of 15 patients have been included in the second part of ProTrans-1. Ten patients are randomized to active treatment with ProTrans and five patients to placebo. Neither the patient, the doctor nor the study team know who gets what, which gives the highest level of evidence to demonstrate efficacy. The last patient was treated just before midsummer. This means analyzes, whether patients' insulin production can be positively affected by a dose of ProTrans, can be performed in a year.

The stem cells in ProTrans are carefully selected with our patent pending selection algorithm to influence patients' overactive immune systems through several mechanisms of action. However, the patient's immune system should "remember" and the effect should be considerably longer. In May, the Swedish Medical Products Agency (Läkemedelsverket) granted our second clinical trial, ProTrans-Repeat, which evaluates whether a further dose of ProTrans after one year can provide a sustained effect over a longer period.

When the patients treated in the first part of ProTrans-1 (dose escalation) leave the study, they are asked to join the next study, ProTrans-Repeat, and receive a second dose. ProTrans-Repeat is a follow-up study of ProTrans-1. They are two separate studies, run in parallel.

Type 1 diabetes is the first indication in which ProTrans is being evaluated. Discussions are held with partners to initiate clinical trials in yet another autoimmune diseases.

Previously, I have emphasized that Cellaviva is developing in a positive direction. It is gratifying that it now also is reflected in the revenues. The fact that hundreds of parents have stored stem cells in the Cellaviva name gives ripples on the water. Our fantastic staff is extremely dedicated and the parents feel well cared for. The number of repeat customers are increasing and more and more customers are indicating that they have been recommended Cellaviva by friends.

During the period, Cellaviva continued to enter into strategic collaborations with influencers with a large numberof followers in social media such as Michaela Forni and Pingis Hadenius. Although everyone does not have anyone in their near acquaintance who has saved stem cells, everyone should be aware of someone who has done so. By putting faces on stem cell saving, the question is raised for all pregnant women.

The rights issue strengthened the liquidity and was over-subscribed several times. Even tough it is in the middle of the Swedish summer, the Cellaviva and NextCell business have full speed. Children are born all year round and we are always prepared. Patients in both our studies are scheduled for follow-up visits and new clinical trials are planned.

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 some 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 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 processing, i.e. 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 scaling section 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 ProTrans-1.

The 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:

2019-06-20 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 scaling 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 Permit for ProTrans Repeat 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

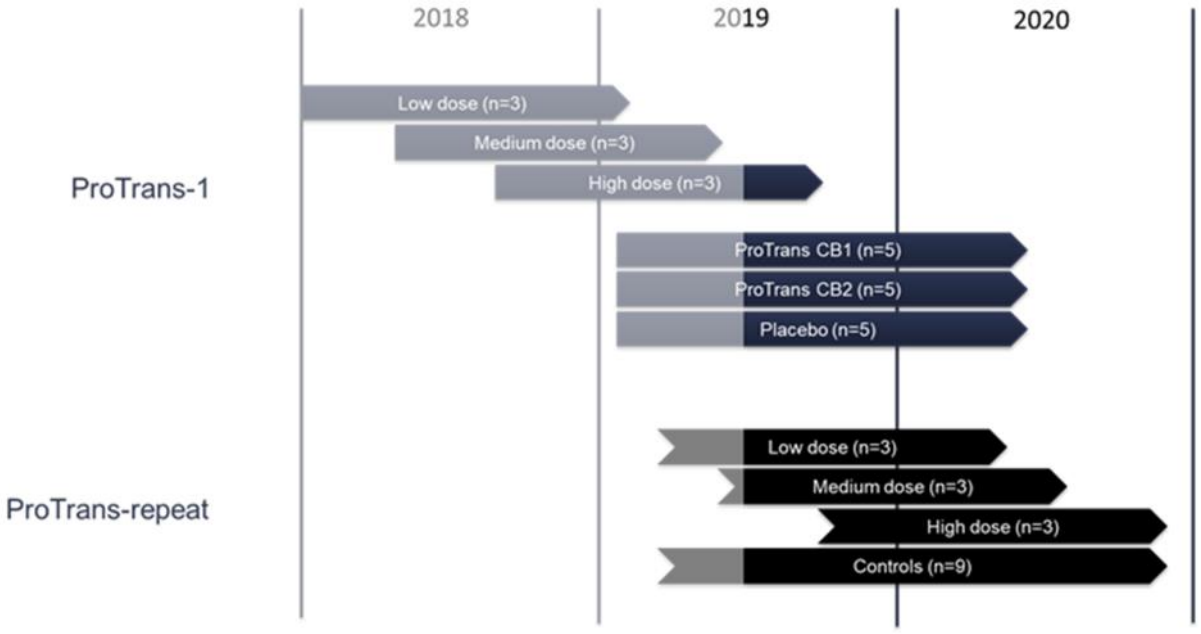
2017-11-20 Karolinska Center for Cell Therapy approves that the trial will be conducted at Karolinska

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

2017-09-04 Permission granted by the 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 during the first nine months of 2018/2019 amounted to SEK 1 410 055 (527 545) and operating income during the third quarter of 2018/2019 amounted to SEK 863 258 (136 341). Of this, SEK 75 000 refers to a contribution from Vinnova / RISE and SEK 2,314 to exchange rate gains. Adjusted for this net sales, ie revenues from sales of Cellaviva's services, increased by SEK 649 603, 476 %, during the third quarter. The increase for the first nine months amounts to SEK 745 656, 141 %. Cellaviva has had a strong influx of customers in recent quarters and we are pleased to see a continued positive trend.

Financial development

The net results for the first nine months of 2018/2019 amounted to SEK -13 477 202 (-10 625 153) and net results for the third quarter amounted to SEK -4 600 360 (-3 085 716). Total costs have increased with approximately 30 %, compared with the corresponding period last year. The reason is increased activities in the company, of which the clinical, which trial has entered an intensive phase with two parallel studies, and Cellaviva's expansion with launch in Denmark are significant cost drivers.

Liquidity

The company's cash and cash equivalents as of 31 May 2019 amounted to SEK 2 249 092 (5 929 492). Cash flow during the first 9 months of 2018/2019 amounted to SEK -866 784 (-10 761 445). The difference in cash flow compared to the same period previous year is explained by the redemption of the warrants of series TO 1, which were issued in connection with the listing issue. The redemption took place in September 2018 and provided the Company with approximately SEK 12.9 million after issue costs. Cash flow from the third quarter of 2018/2019 amounts to SEK -4 637 787. In order to obtain working capital, the Company has, after the end of the period, completed a rights issue which will bring the company SEK 24.9 million, about SEK 21.2 million after deduction of issue costs.

Solidity

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

Largest shareholders

The list below shows the ten largest shareholders in NextCell Pharma as per 2019-05-31.

Name	Shares	(%)
Diamyd Medical AB	1 472 091	12.82
Avanza Pension*	1 171 596	10.20
Anders Essen-Möller	547 033	4.76
Polski Bank Komorek Macierzystych S.A.	410 478	3.57
Mabtech Group AB	291 216	2.54
Nordnet Pensionsförsakring	289 992	2.52
Nordic Tech House AB	260 100	2.26
BioAll AB**	224 348	1.95
Konstruktions och Försäljningsaktiebolaget	200 000	1.74
Bertil Lindkvist	192 780	1.68

** Chairman Anders Essen-Möller holds shares corresponding to 4.98 percent (558 885 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*

Shares

The company's share is listed on Spotlight (formerly AktieTorget) under the ticker "NXTCL". As of May 31, 2019, the number of shares amounted to 11 486 456. Average number of shares during the third quarter 2018/2019 amounted to 11 486 456. 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 will amount to SEK 3 924 538.86 and the number of outstanding shares will amount to 19 144 092 shares.

Accounting principles for the preparation of this interim report

The interim 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 interim 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:

- Year-end report 2019-10-31

Publication of interim report

Huddinge, July, 312019
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)	2019-03-01 2019-05-31	2018-03-01 2018-05-31	2018-09-01 2019-05-31	2017-09-01 2018-05-31	2017-09-01 2018-08-31
Operating income					
Net income	785 944	136 341	1 273 201	527 545	655 413
Other operating income	77 314	0	136 854	0	0
Total operating income	863 258	136 341	1 410 055	527 545	655 413
Operating expenses					
Materials and goods	-1 912 247	-687 955	-3 552 960	-3 494 820	3 979 085
Other external costs	-1 677 617	-995 719	-5 432 761	-3 652 832	-4 849 857
Personnel costs	-1 786 729	-1 463 703	-5 627 458	-3 781 005	-5 574 465
Depreciation	-79 622	-74 680	-268 633	-224 041	-298 720
Other operating expenses	-6 933	0	-8 981	0	0
Total operating expenses	-5 463 148	-3 022 057	-14 890 793	-11 152 698	-14 702 128
Operating results	**-4 599 890**	**-3 085 716**	**-13 480 738**	**-10 625 153**	**-14 046 715**
Financial income and expenses					
Interest received	0	-0	4 354	15 606	30 637
Interest expenses and similar expenses	-470	-0	-818	-466	-16 216
Total	-470	0	3 536	15 140	14 421
Results before taxes	**-4 600 360**	**-3 085 716**	**-13 477 202**	**-10 610 013**	**-14 032 294**
Taxes					
Tax expenses for the period	0	0	0	0	0
Net result for the period	**-4 600 360**	**-3 085 716**	**-13 477 202**	**-10 610 013**	**-14 032 294**

Balance sheet

(SEK)	2019-05-31	2018-05-31	2018-08-31
Assets			
Non-current assets			
Tangible non-current assets			
Property, plant and equipment	805 661	934 268	902 117
Inventories, tools and installations	1 749 600	1 567 806	1 525 277
	2 555 261	2 502 074	2 427 394
Financial assets			
Other long-term receivables	1 045 293	1 040 293	1 040 293
	1 045 293	1 040 293	1 040 293
Total non-current assets	**3 600 554**	**3 542 367**	**3 467 687**
Current assets			
Current receivables			
Trade receivables	310 851	84 404	56 590
Other receivables	736 241	360 982	288 248
Prepaid expenses and accrued income	2 324 463	178 707	1 581 842
	3 371 555	624 093	1 926 680
Liquid assets	2 249 092	5 929 492	3 115 876
Total current assets	**5 620 647**	**6 555 585**	**5 042 556**
Total assets	**9 221 201**	**10 095 953**	**8 510 243**

Balance sheet

(SEK)	2019-05-31	2018-05-31	2018-08-31
Equity and liabilities			
Restricted equity			
Share capital	2 354 723	1 743 612	1 743 612
Non-restricted equity			
Profit or loss brought forward	3 213 272	3 374 234	6 927 475
Shareholders surplus	13 955 800	13 955 800	10 402 559
Result for the period	-13 477 202	-10 610 012	-14 032 294
Total equity	**6 046 593**	**8 463 635**	**5 041 353**
Liabilities			
Long-term liabilities			
Other long-term liabilities	886 389	743 215	760 988
Current liabilities			
Trade payable	1 046 854	206 816	651 776
Other liabilities	237 912	263 811	289 676
Prepaid income accrued expenses	1 003 452	418 476	1 766 450
	2 288 219	889 103	2 707 902
Total liabilities	**3 174 608**	**1 632 218**	**3 468 890**
Total equity and liabilities	**9 221 201**	**10 095 953**	**8 510 243**

Cash flow statement

(SEK)	2019-03-01 2019-05-31	2018-09-01 2019-05-31	2017-09-01 2018-05-31	2017-09-01 2018-08-31
Operating activities				
Operating profit/loss	-4 599 890	-13 477 202	-10 625 153	-14 046 715
Non-cash flow items				
Depreciation	79 622	-268 633	244 040	298 720
Interest received	0	4 353	15 606	30 637
Interest paid	-470	-818	-466	-16 216
Cash flow from operating activities before changes in working capital	**-4 520 738**	**-13 742 299**	**-10 385 971**	**-13 733 574**
Changes in working capital				
Increase / decrease in receivables	-1 470 028	-1 444 875	635 672	-666 914
Increase / decrease in payables	980 463	395 078	-671 301	-226 341
Increase / decrease in other long-term payables	0	0	0	0
Increase / decrease in other short-term payables	330 478	-677 535	-276 815	1 077 050
Total of working capital	**-159 087**	**- 1 727 332**	**-312 444**	**183 795**
Net cash flow from operating activities	**-4 679 825**	**-15 469 631**	**-8346 107**	**-13 549 779**
Investing activities	0	0	0	0
Investments in material assets				
Investments in immaterial assets	0	-5000	j0	0
Net cash flow from investing activities	**0**	**-5000**	**-401 500**	**0**
Financing activities				
Long-term liabilities	42 038	125 401	26 970	64 717
Amortization	0	0	0	0
New issue / emission	0	14 482 446	0	0
Shareholder contributions	0	0	0	0
Net cash flow from financing activities	**42 038**	**14 607 847**	**26 970**	**64 717**
Cash flow for the period				
Cash and cash equivalents at beginning of period	6 886 879	3 115 876	16 600 937	16 600 937
Change in cash and cash equivalents	-4 637 787	-866 784	-10 671 445	-13 485 062
Cash and cash equivalents at end of period	**2 249 092**	**2 249 092**	**5 929 492**	**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**

2019-05-31

	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	611 111		13 871 331		
Result					-13 477 202
Closing balance 2018-11-30	2 354 723	13 955 800	10 318 091	-7 104 819	-13 477 202
Total equity					**6 046 593**

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