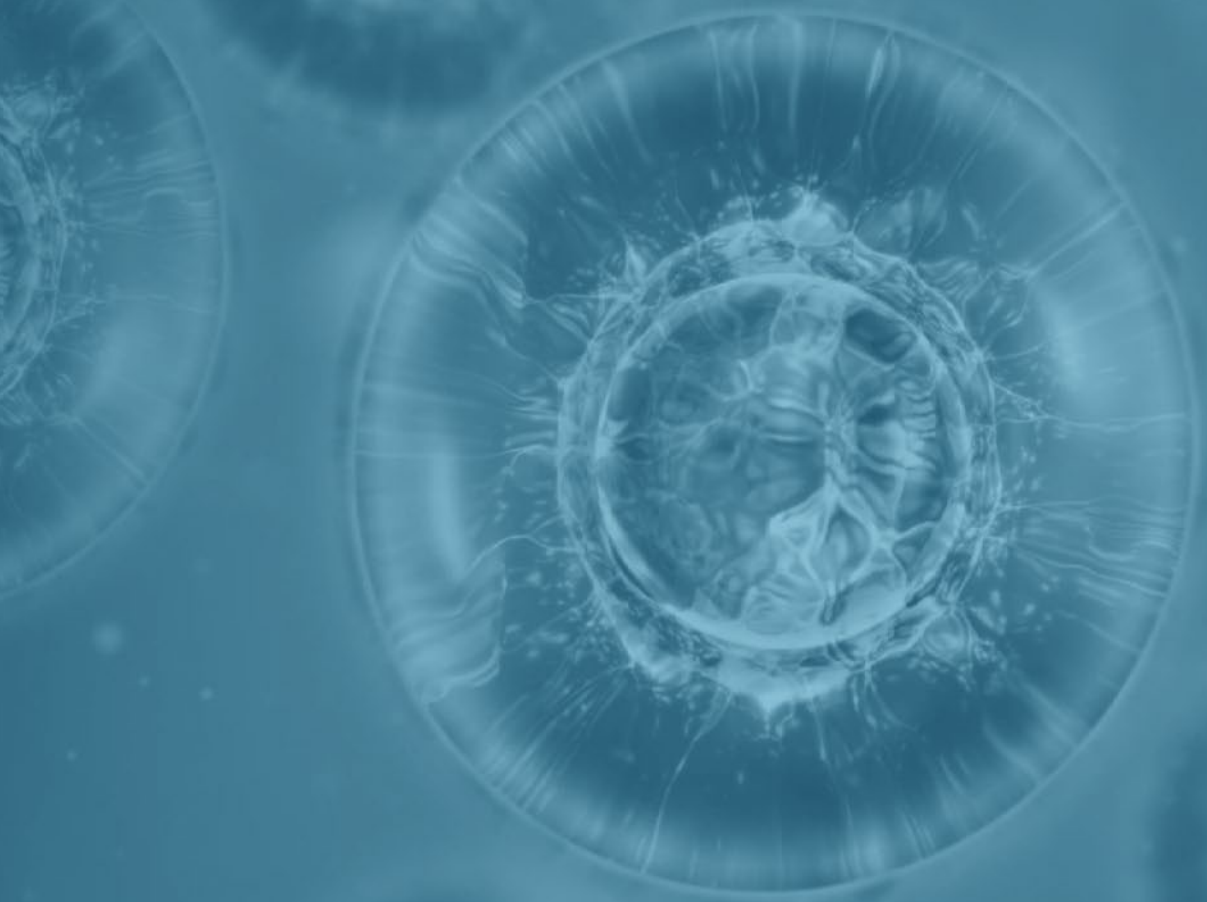
Year-End Report for the stem cell company

NextCell Pharma AB

September 2019 – August 2020



cellaviva

Cellaviva™ NextCell's stem cell bank, which offers family saving of stem cells for possible future medical needs - now the largest in Scandinavia.

nextcell pharma

ProTrans™ NextCell's proprietary stem cell product for the treatment of autoimmune and inflammatory diseases. Significant effect shown in

Innehållsförteckning

01.

Year-End Report

"NextCell", “NXTCL” or "Company" refers to NextCell Pharma AB, organization number 556965-8361. “First North" refers to the Nasdaq First North Growth Market. The amount in brackets refers 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 times to be seen as the leading document.

Twelve months (2019-09-01 until 2020-08-31)

- Operating income amounted to SEK 4 166 123 (1 964 132).
- Operating result amounted to SEK -17 680 697 (-17 997 787).
- Earnings per share* amounted to SEK -0,89 (-1,45).
- Cash and bank amounted to SEK 21 958 336 (20 128 185)
- Solidity** amounted to 88,1 (85,9) %.

Fourth quarter (2020-06-01 until 2020-08-31)

- Operating income amounted to SEK 842 254 (551 708).
- Operating result amounted to SEK -4 877 349 (-4 720 587).
- Earnings per share* amounted to SEK -0,22 (-0,30).

***Result per share:** operating results divided by the average number of shares. Average number of shares for the fourth quarter of 2019/2020: 19 144 092 (11 486 456) shares and the average number of shares for the full year was 19 864 756 (12 378 913).Number of shares in NextCell as per August 31th, 2020: 23 398 334 (19 144 092) shares.

** **Equity ratio:** shareholders' equity of the balance sheet total.

Significant events during the fourth quarter of 2019/2020

- At the beginning of June, the AGM decided to proceed with a rights issue, a prospectus was published and a subscription period began.
- NextCell announced at the beginning of June that all patients now have left ProTrans-2, meaning the Company's Phase II study with the drug candidate ProTrans has been completed according to plan. Data will be compiled and analyzed by independent statisticians and will be presented during the third quarter of 2020.
- The outcome of the rights issue was published. The issue was subscribed at 373%, thus NextCell was given the full issue amount of SEK 25.1 million before issue costs. The oversubscription means that no issue guarantees have been used.
- NextCell changed trading place from Spotlight Stock Market to Nasdaq First North Growth Market. First day of trading on First North took place on July 22, 2020.
- NextCell announces that it, together with three other partners, had been awarded with a project grant from Eurostar at a total of approximately SEK 17 million, of which NextCell will receive approximately SEK 5 million (€ 470,000). The purpose of the project, Bioscale, is to develop and optimize automated bioreactors for cost-effective cell culture for drug candidates such as ProTrans™.

Significant events after the reporting period

- NextCell announced, in early September, a significant effect in the phase II study ProTrans-2. The patients treated with one dose of ProTrans™ did maintained a statistically significantly higher insulin production after a 12-months period compared with patients treated with placebo (p-value <0.05).
- NextCell announced at the end of October that the application for a clinical drug trial of COVID-19 patients with the drug candidate ProTrans™ has been approved by both the Ethics Committee and the Swedish Medical Products Agency. The study will be carried out at the University Hospital in Örebro in collaboration with the Department of Clinical Trials and the Karolinska Trial Alliance.

02.

NextCell Pharma – a part of the Stem Cell Revolution

NextCell is active within the area of stem cell research, a field that could revolutionize the way diseases are treated in the future. The company develops novel cell therapies based on mesenchymal stem/stromal cells (MSCs) derived from the umbilical cord. Recently, NextCell conducted a phase II study, utilizing their stem cell product, ProTrans™, for the treatment of type-1 diabetes, demonstrating a positive outcome. In the Company's clinical trials ProTrans™ has been shown to be both safe and efficacious in maintaining a patient's ability to produce their own insulin.

NextCell was founded in 2014 by researchers at Karolinska Institutet, initially under the name Cellaviva AB. NextCell's business concept is to develop and commercialize stem/stromal cell therapies based on the Company's novel selection algorithm (patent pending). Beside generating stromal cell therapies, NextCell operates Cellaviva, Sweden's first and the Nordic region's largest stem cell bank. Via Cellaviva, parents are offered the opportunity to save their new born baby´s hematopoietic and mesenchymal stem cells, extracted from the umbilical cord, for future medical needs. Cellaviva is the only stem cell bank in Sweden with a permit from the Swedish Inspection for Health and Care (IVO).

With the proprietary selection algorithm, advanced cell therapies for autoimmune and inflammatory diseases are evaluated. NextCell's drug candidate, ProTrans™, is based on mesenchymal umbilical cord stem/stromal cells, selected by the algorithm. Initial focus has been the treatment of type 1 diabetes.

In September 2020, positive results from NextCell's clinical phase II trial, ProTrans-2, were presented. The study showed that patients treated with one dose of ProTrans™ maintained a statistically significant elevated production of insulin after a twelve-month period compared with the patients treated with placebo, thus achieving the study's primary endpoint. Based on these successful results in phase II, NextCell's intention is to take ProTrans™ to market approval via a larger phase III study, ProTrans-3.

Type-1 diabetes has been selected as the first indication for ProTrans™. In the United States alone, more than 60,000 people are diagnosed with type 1 diabetes each year, and existing therapies focus only on treating the symptoms. **One of the Company's goals is for ProTrans™ to become the first treatment targeting the underlying disease in type 1 diabetes.**

03.

CEO comments

The fourth quarter, and the financial year for 2019/2020 accordingly, has ended and we can sum up a fantastic year. Our clinical trials have proceeded according to plan. ProTrans has shown excellent safety and efficacy in our diabetes studies, both in phase 1 and phase 2 trials. Cellaviva has doubled its income despite troubled times and now, after the end of the financial year, ProTrans has been approved for a first study in COVID-19.

Last autumn, NextCell was invited to participate in a European delegation to Japan and South Korea funded by the EU. Alongside 12 other Life Science companies, NextCell travelled and made contacts, completely unaware of the impending shutdown. Due to the pandemic it has been difficult to continue working with the Asian contact network, however, the trip has resulted in a Eurostars project to develop and streamline the manufacturing process of ProTrans. NextCell has been granted SEK 5 million and the project includes companies from the Netherlands, Belgium and Switzerland. The kick-off meeting was held via a video conference in early October and we are now looking forward to starting the project, which will run over three years.

Cellaviva's operations, however, collection and saving of stem cells from the umbilical cord, are not possible to accomplish via Zoom or Teams. Visit restrictions covering the country's maternity clinics have been a challenge. This spring, we feared that the pandemic and financial uncertainty would lead to a reduced demand for the service, but the result for Cellaviva shows steady growth. This would never have been possible without our dedicated employees who have given more than 110%. Every child's stem cells are unique, and we do everything we can to secure the availability of stem cells for future medical needs.

Stem cells have many functions within the body, for instance the cells working as a biological back-up. Mesenchymal stem cells (MSC) have the ability to mature into cartilage, fat, bone etc., something that can be of a great value to an individual if an accident occurs. ProTrans™ is a cell therapy using other mechanical features of MSCs, namely the ability to affect and balance the body's immune system, which is useful in the treatment of autoimmune diseases and inflammatory conditions. When we suffer from autoimmune diseases, this balance is disturbed, and the body's immune system attacks its own cells. NextCell's strategy is to infuse a large amount of these potent stem cells, ProTrans™, into the patient to restore the balance.

Treatment with ProTrans™ is safe and easy. Unlike immunosuppressive treatment, the immune cells are not knocked out, instead we use the body's own regulatory system to normalize the immune system. This means that we give ProTrans™ treatment via an infusion in the arm and then the patient can go home after a few hours without any observed increased risk of infections or other side effects. Medium and high doses of ProTrans can safely prolong the treatment effect. In addition to the nine treated patients, six control patients who did not receive ProTrans have also been followed.

ProTrans™ has now been evaluated in the dose escalation study ProTrans-1 and in the randomized double-blinded placebo-controlled study ProTrans-2, without any safety risks identified. In addition, we have been able to show statistically significant positive data in both medium- and high-dose treatment with ProTrans™. Patients treated with one dose of the drug candidate ProTrans™ maintained a statistically significant higher ability to produce insulin after a 12-month period compared with patients treated with placebo (p-value <0.05).

We want to maintain our momentum and the plan is to, as soon as possible, apply for a Phase III study, a pivotal clinical trial, with ProTrans™ for the treatment of type-1 diabetes. However, the study must be designed in consultation with regulatory authorities and experts and therefore we need to adjust our schedule accordingly.

Recently, after the end of the period, we received approval to start a small, Phase I study to treat COVID-19 patients with ProTrans™. This is very exciting, as new clinical indications for ProTrans™ may now be opened in terms of treatments for various lung diseases such as virus-mediated acute respiratory distress syndrome (ARDS).

During the year, we have made several recruitments of experienced and competent employees and we are now a stable team, well equipped for future challenges and look forward to an eventful new financial year.

In conclusion, I would like to thank you all, for your support, and not least for your financial contributions. Together we can try to #beatdiabetes, defeat autoimmune diseases and find new treatments. What we do is important.

Mathias Svahn, Ph.D.
CEO NextCell Pharma AB

Company history

2014
The company was founded by scientists at Karolinska Institutet, Dr Mathias Svahn, CEO, and Professor Edvard Smith, CMO.

2015
First offering stem cell banking of cord blood and tissue derived stem cells.

2016
First batch of ProTrans produced according to GMP.

2017
Approval of first clinical trial with ProTrans, 2017ProTrans-1.

2018
ProTrans-1 was shown safe in all three evaluated doses.

2019
All patients in both ProTrans-1 and ProTrans-Repeat have been treated.

2020
Positive data with statistical significance is published for ProTrans-2.

04.

Product Portfolio

NextCell´s product portfolio is based on mesenchymal stem cells from Wharton's Jelly (WJMSCs), ie the gelly that is found around the blood vessels in the umbilical cord tissue. Mesenchymal stem cells have an immunomodulatory ability, a feature that can be useful in a variety of areas where there is today great potential for improvement, such as in treatment of autoimmune conditions and rejection in transplants.

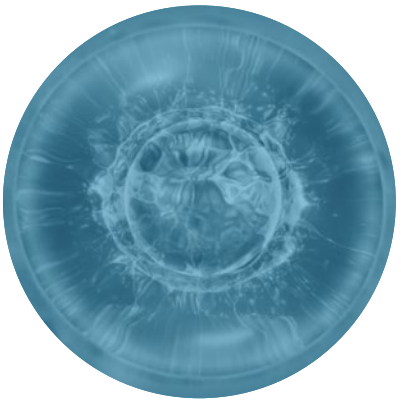
Currently, there are a number of approved treatments with mesenchymal stem cells from, for example, adipose and bone tissue, but no established method of treatment with mesenchymal stem cells from umbilical cord tissue. On the other hand, there are a large number of clinical trials in stem cells from umbilical cord tissue are ongoing globally.

The basis for NextCell's stem cell therapies is the Company's proprietary selection method - The Selection Algorithm.

The basis for NextCell's stem cell therapies is the Company's proprietary selection algorithm, a patent - pending method for selecting stem cells with the best efficiency and potency. The method is an overall assessment of multiple functional potency assays for identifying optimal donors and cells for the manufacturing of ProTrans. NextCell's advanced selection approach ensures higher potency and efficacy compared to other applications in stem cell therapy and has the ability to easily upscale. It also results in a strong safety profile with few adverse events.

The selection Algoritm is currently protected by three patent pending families.

Furthermore, NextCell's competitive strength also lies in the use of stem cells from umbilical cord tissue. It serves as a potent cell source, capable of rapid expansion and is also a cell source which otherwise would be discarded, making NextCell’s approach scalable yet with the ability to produce stem cells in greater numbers with consistently high quality.



05.

ProTrans™

ProTrans™ is NextCell´s lead candidate, based on the selection algorithm and developed for the treatment of type-1 diabetes. Type-1 diabetes is a chronic autoimmune condition in which the immune system is attacks the insulin producing cells in the pancreas. The causes of this autoimmune reaction are not known and are not linked to modifiable lifestyle factors.

Today, there is no cure and it cannot be prevented. About 5–10 percent of all the patients with diabetes have the type-1 form, with the disease usually diagnosed in children and young adults. About the same number have an adult form of autoimmune diabetes, LADA (Latent Autoimmune Diabetes in the Adult) and a total of about 80 million people live with some form of autoimmune diabetes.

ProTrans™ is manufactured from umbilical cord, donated for this specific purpose, and from these cords a large amounts of stem cells are grown. The expanded stem cells are frozen and can, when needed, be thawed, and given to the patient directly after diagnosis. ProTrans™ is manufactured by a contract manufacturing organization (CMO) accordingly to NextCell's criteria. The goal is to reprogram the immune system to accept the body's own insulin producing cells. ProTrans™ reduces the immune system attack, and thus insulin production is preserved. By restoring the patient's innate insulin producing ability, the need for insulin treatment is reduced.

Since safety and immunomodulatory effects have been shown in phase I and phase II of the diabetes study, it is likely that ProTrans can also be effective for other types of inflammatory and autoimmune diseases. Sales or out-licensing of the selection algorithm or ProTrans™ can take place per indication, i.e. a platform technology with a possibility to generate several transactions.

06.

Clinical trials with ProTrans™ stem cells

NextCell is conducting a clinical trial program with the drug candidate ProTrans™ for treatment of patients with type 1-diabetes. ProTrans-1 (phase I) and ProTrans-2 (phase II) have been completed with positive results. The patients included are all between the ages of 18-40, have been diagnosed with type 1 diabetes within the past two or three years, and still retain some of their own insulin production.

The clinical trails have been conducted at the Karolinska Trial Alliance Phase I unit under the direction of Professor Per-Ola Carlsson, from Uppsala University, as Principal Investigator. Professors Ulf Smith and Anders Fasth from Göteborg University, and Professor Åke Lernmark from Lund University, together form the Data Safety Monitoring Board.

ProTrans-1

ProTrans-1 was started in January 2018 as a phase I study, evaluating ProTrans™ safety and it´s impact on the patient's own insulin production. The study included a total of nine patients treated with low, medium and high dose. Results of the study were published on December 4, 2019 and showed a statistically significant difference in own insulin production between the different patient groups. The patients in the high and medium dose cohort had maintained a higher insulin production compared to the patients in the low dose cohort.

ProTrans-2

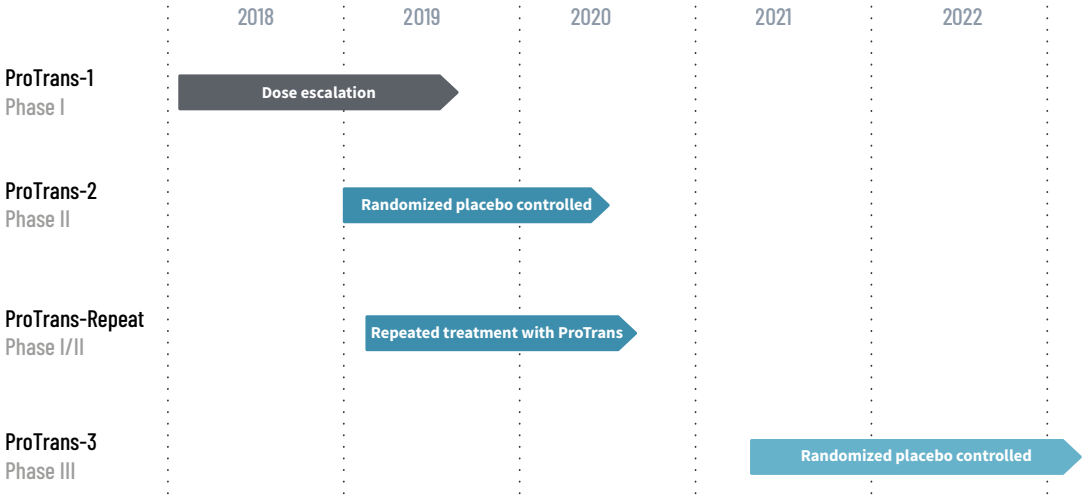
ProTrans-2 was a randomized, double-blinded, placebo-controlled phase II study with the effecacy as primary end point. Ten patients were treated with ProTrans ™ and five patients were treated with placebo. The last patient in ProTrans-2 was treated in June 2019 and results were published in September 2020. The fact that the study was double-blinded ensured that neither the doctors or patients knew if they had received active treatment or placebo during the 12-month follow-up period. The results showed that the patients treated with ProTrans™ had maintained a statistically significantly higher insulin production after a 12-month period compared with the patients treated with placebo (p-value <0.05).

ProTrans-3

Given positive results in ProTrans-2, NextCell is planning to submit an application for a phase III study, ProTrans-3, during the second half of 2020. ProTrans-3 will be a larger phase III clinical study, and the intention is that this study will form the basis for a conditional market approval.

ProTrans-Repeat

ProTrans-Repeat was started in May 2019 and is a continuation study of ProTrans-1/2 with the aim of obtaining data on repeated treatment, ie verifying whether repeated treatment can increase or maintain any potential 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 patients that serve as a control group. 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™. Patients are followed for five years after treatment is completed.The last patient in ProTrans-Repeat was treated in September 2019 and after a twelve months follow up period, results are expected to be available by the end of 2020 or early 2021.



Note: In order to simplify for the reader, the study titles' short names have been changed. Formally, ProTrans-1 and ProTrans-2 are a single phase I / II study with EudraCT No: 2017-002766-50. ProTrans-Repeat can be seen as a continuation study of ProTrans-1 where the patients in the dose scaling section have undergone another treatment with ProTrans, EudraCT no: 2018-004158-11

Milestones achieved

ProTrans-1

2019-12-04	Interim results published with positive effect
2019-09-24	All patients in the dose escalation phase have now completed the trial
2018-10-14	All three patients in the high-dose-cohort treated (nine patients have been treated in total)
2018-01-03	First patient treated
2017-11-28	Initiation meeting at Karolinska Trial Alliance, Huddinge
2017-10-17	Permission granted by the Medicinal Product Agency
2017-07-24	Clinical trial application submitted

ProTrans-2

2020-09-08	Positive data with statistical significance are published
2020-06-08	All patients have now completed the trial
2019-06-20	Final patient treated in ProTrans-2
2019-01-30	First two patients have been treated in ProTrans-2
2018-10-25	Approval by the Data and Safety Monitoring board to proceed with the second part of the trial

ProTrans Repeat

2019-10-01	Last patient in ProTrans-Repeat's active treatment group treated.
2019-06-19	First patient treated.
2019-05-09	Permission granted by the Swedish Medicinal Product Agency. (Läkemedelsverket).

ProTrans™ – carefully selected stem cells

The drug candidate ProTrans™ is a mesenchymal stromal/stem cell (MSC) product from umbilical cord cells. The cells are carefully selected using NextCell's selection algorithm (patent pending).

In the laboratory, a variety of advanced analyses are performed to evaluate the function of cells and how they affect the immune system. The results are entered into the selection algorithm that calculates the cells' combined ability to attenuate an overactive immune system through several mechanisms of action.

ProTrans™ – biological intelligence

The immune system consists of a variety of cell types that are activated or inactivated by a multitude of different signalling molecules. In auto-immune diseases, this delicate balance has been disrupted and the immune system attacks the body's own cells, resulting in inflammation. This progression varies between individuals and can change over time.

ProTrans utilizes the body's own way of restoring balance. Mesenchymal stem cells immediately respond to the pathological inflammatory signalling in the environment and secrete signalling molecules to counteract the inflammation.

ProTrans™ – industrially designed cell therapy

Based on experience from the pharmaceutical industry, NextCell has developed ProTrans to reach all the way to the patient. Umbilical cord stem cells can be grown in large quantities and as they are non-invasively harvested from dispensable material, the supply of raw materials is virtually unlimited.

ProTrans therapy is simple and safe and can be performed at the health center (vårdcentralen). ProTrans is delivered as frozen cells in a small bag. ProTrans is thawed, and the bag of cells is then paired with a standard infusion bag. The stem cells are gently mixed with a saline solution before being given as an infusion into the arm fold. The treatment is cost-effective as NextCell can produce large production batches, can stably store frozen ProTrans for extended periods, and treatment is uncomplicated and non-invasive.

07.

Cellaviva – from birth to life

NextCell operates, in addition to its research, Sweden's first and Nordic region's largest biobank for stem cells, Cellaviva. Cellaviva offers parents the service to store stem cells, hematopoietic from umbilical cord blood and mesenchymal from the umbilical cord, at the time of birth.

After the expansion to Denmark, and with a customer base throughout Scandinavia, the business has grown to become a market leader in stem cell banking throughout Scandinavia, and the only stem cell bank with permission from the Swedish Inspectorate for Health and Care (IVO).

Cellaviva launched its product in September 2015 and today, the Swedish market still can be regarded as relatively immature. However, abroad stem cell banking has been around for decades and is an established and widespread service globally. The market penetration for stem cell savings differs a lot between different countries. Singapore is at the top with tissue saved for over 20 percent of the births, while European countries are usually below 5 percent. NextCells assessment is that Sweden is far behind and that awareness of the presence of stem cells in the unbilical cord is low.

In 1988, the first stem cell transplant with umbilical cord blood cells was performed. Previously, the only stem cell source was bone marrow. Collecting stem cells from bone marrow is an extensive and invasive procedure and must be done close to the time that the transplant will be performed. Birth is a unique opportunity to collect stem cells from the umbilical cord using a non-invasive procedure from dispensable tissue. In addition, the stem cells are both unaffected by environmental factors and are most effective at birth.

Extensive research with stem cells is being conducted. Currently, globally more than 2 300* clinical trials are ongoing with experimental treatments for diseases as cancer, diabetes, cerebralpalsy, Alzheimer´s, multiple sclerosis, ALS and more. The goal is to develop new ways of treating today incurable diseases.

Today, stem cells are used to treat a variety of severe diseases, such as blood cancers and immune system disorders. If needed, banked stem cells from the newborn baby can make treatment of severe illnesses easier, and shorten the waiting times for therapy, because matching stem cells are already available. In some cases, family members can also be treated with the stem cells from the newborn baby.

*www.clinicaltrials.com

08.

Development in numbers during the period

CFO Sofia Fredrikson comments on the financial development

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

Operating income

Operating income for the fiscal year 2019/2020 amounted to SEK 4,2 million, compared to SEK 2,0 million in 2018/2019. Sales revenues from Cellaviva's operations amounted to SEK 3,6 million and SEK 1,8 million for respective year. This means that revenue from Cellaviva´s operation increased by SEK 1,8 million, corresponding to approximately 97% between the fiscal years. Operating income for the third quarter of 2019/2020 amounted to SEK 0,8 (0,6) million, of which SEK 0,8 (0,5) million relates to sales of Cellaviva's operation, corresponding by an increase of 43%. The result for Cellaviva is gratifyingly showing a steady growth without any major impact on the current pandemic. Other operating income for the full year 2019/2020 amounts to SEK 601 thousand. The item includes i.a. sale of cells, selected with the Selection Algorithm to the British Company Evox of SEK 394 thousand, project grants from SweLife and Vinnova of a total of SEK 168 thousand and a capital gain of SEK 28 thousand after sale of equipment.

Financial development

The result for the fiscal year 2019/2020 amounted to SEK -17,7 (-18,0) million. The result for the fourth quarter amounted to SEK -4,9 (-4,7) million. The total cost base for the fiscal year amounts to SEK -21,9 (-20,8) million. It is a slightly increase of SEK 1,1 million (5,2%). This is in line with the budget and can mainly be explained by increased costs related to Materials and Goods and Personnel. Costs are expected to increase in the coming years as a result of the planned expansion in operations related to the planned Phase III trial.

Solidity

The solidity ratio as per August 31, 2020 amounted to 88,1 (85,9)%.

Liquidity

NextCell's cash and cash equivalents as of August 31, 2020 amounted to SEK 22,0 (20,1) million. Total cash flow for the financial year 2019/2020 amounted to SEK -1,8 (17,0) million. Cash flow from operating activities amounted to SEK -19,0 (-18,7) million. Cash flow from operating activities is i between the years. Cash flow from operating activities during the fourth quarter amounted to SEK -5,5 (-3,8) million and cash flow from investing activities amounted to SEK 21,6 (21,7) million. In June 2020, a rights issue was carried, providing the Company with SEK 25,1 million, approximately SEK 21.5 million after deduction of issue costs. With the existing operation level, the Company has sufficient cash and cash equivalents for financing for at least the next 12 months ahead.

The share and the largest share holders

During the past quarter, in July 2020, NextCell changed trading place from Spotlight Stock Market to Nasdaq First North. First day of trading on First North took place on July 22, 2020. The Share is traded under the ticker "NXTCL".

During the past quarter, in June 2020, NextCell carried out a rights issue and as a result the share capital increased by SEK 872 119,61 by issuing 4 254 242 shares. As of August 31, 2020, the number of shares amounted to SEK 23 398 334 and the share capital to SEK 4 796 658,47. The average number of shares during the fourth quarter was 22 011 081 (15 717 641). All shares are of the same type and denominated in Swedish kronor (SEK).

As of August 31, 2020, the number of shareholders was approximately 3 816 (2,695). The ten largest owners held shares corresponding to 45.8% of the total number.

The list below shows the ten largest shareholders in NextCell Pharma as per 2020-08-31

NAME	SHARES	VOTES AND CAPITAL (%)
Diamyd Medical AB	2 998 703	12,82
Anders Essen-Möller*	2 253 824	9,63
Avanza Pension	1 787 705	7,64
Ålandsbanken	760 819	3,25
Robert Joki	603 665	2,58
Pabros AB	593 217	2,54
Nordnet Pensionsförsäkring	471 740	2,02
BioAll AB**	467 931	2,00
Konstruktions och försäljningsaktiebolaget	438 888	1,88
Christer Jansson	337 292	1,44
Total	**10 739 784**	**45,8**

*In addition to Chairman of the Board, Anders Essen-Möller´s directly registered holdings, this item includes holdings of 4,87 percent managed by Avanza Pension.

**BioAll AB is controlled by CEO Mathias Svahn and his relatives. This item also includes Mathias Svahn´s directly registered holdings of 0,29 percent managed through Nordnet Pensionsförsäkring of 0,11 percent.

Accounting principles for the preparation of this Year-End 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:

Year end report	2020-10-30
Annual report	2020-11-03

Publication of interim report

Huddinge, July 31, 2020
NextCell Pharma AB

Board of Directors

Anders Essen-Möller
CHAIRMAN OF THE BOARD

Pingis Hadenius
BOARD MEMBER

Hans-Peter Ekre
BOARD MEMBER

Edvard Smith
BOARD MEMBER

Camilla Sandberg
BOARD MEMBER

Mathias Svahn
CHIEF EXECUTIVE OFFICER

09.

Income statement

(SEK)	2020-06-01 2020-08-31	2019-06-01 2019-08-31	2019-09-01 2020-08-31	2018-09-01 2019-08-31
Operating income				
Net income	767 498	536 601	3 564 701	1 812 171
Other operating income	74 756	15 107	601 422	151 961
Total operating income	**842 254**	**551 708**	**4 166 123**	**1 964 132**
Operating expense				
Materials and goods	-1 995 702	-2 060 535	-6 765 340	-5 613 495
Other external costs	-1 662 080	-1 520 975	-7 172 686	-6 756 102
Personnel costs	-1 957 817	-1 604 170	-7 506 910	-7 231 628
Depreciation	-105 762	-79 623	-397 102	-348 256
Other operating expenses	-6 133	-6 303	-26 453	-15 284
Total operating expenses	**-5 727 495**	**-5 271 602**	**-21 868 490**	**-19 964 764**
Operating results	**-4 885 241**	**-4 719 894**	**-17 702 367**	**-18 000 633**
Financial income and expenses				
Interest received	14 341	6 276	30 508	10 630
Interest expenses and similar expenses	-6 449	-6 969	-8 838	-7 787
Total	**7 892**	**-693**	**-21 670**	**-2 843**
Result before taxes	**-4 877 349**	**-4 720 587**	**-17 680 697**	**-17 997 789**
Taxes				
Tax expenses for the period	0	0	0	0
Net result for the period	**-4 877 349**	**-4 720 587**	**-17 680 697**	**-17 997 789**

10.

Balance sheet

(SEK)	2020-08-31	2019-08-31
ASSETS		
Non current assets		
Tangible non-current assets		
Property, plant and equipment	1 340 186	773 509
Inventories, tools andinstallations	1 274 346	1 702 129
	2 614 532	**2 475 638**
Financial assets		
Other long-term receivables	1 128 193	1 045 293
	1 128 193	**1 045 293**
Current assets	**3 742 725**	**3 520 931**
Omsättningstillgångar		
Current receivables		
Trade receivables	820 235	360 030
Other receivables	454 011	839 374
Prepaid expenses and accrued income	2 798 783	1 869 077
	4 073 028	**3 068 481**
Liquid assets	**21 958 336**	**20 128 185**
Total current assets	**26 031 364**	**23 196 666**
TOTAL ASSETS	**29 774 089**	**26 717 596**

Balance sheet

(SEK)	2020-08-31	2019-08-31
EQUITY AND LIABILITIES		
Equity		
Restricted equit		
Share capital	4 796 658	3 924 539
Non-restricted equity		
Profit or loss brought forward	-14 599 803	6 850 981
Shareholders surplus	53 702 295	30 182 598
Result for the period	17 680 697	-17 997 789
	21 421 795	**19 035 790**
Total equity	**26 218 453**	**22 960 329**
Liabilities		
Long-term liabilities		
Other long-term liabilities	1 380 802	939 586
Current liabilitie		
Trade payable	477 603	1 046 854
Other liabilities	176 569	185 522
Prepaid income accrued expenses	1 520 662	1 210 325
	2 174 834	**3 757 267**
Total liabilities	**3 555 636**	**3 757 267**
TOTAL EQUITY AND LIABILITIES	**29 774 089**	**26 717 596**

11.

Cash flow statement

(SEK)	2020-06-01 2020-08-31	2019-06-01 2019-08-31	2019-09-01 2020-08-31	2018-09-01 2019-08-31
	3 Months	3 Months	12 Months	12 Months
Operating activities				
Operating profit/loss	-4 885 241	-4 719 894	-17 702 367	-18 000 633
Non-cash flow items				
Depreciation	105 762	79 623	397 102	348 256
Revenue from disposal of assets	-28 883	0	-28 883	0
Interest received	14 341	6 276	30 508	10 630
Interest paid	-6 449	-6 969	-8 838	-7 787
Cashflow from operating activities before changes in working capital	**-4 800 470**	**-4 640 964**	**-17 312 478**	**-21 102 529**
Changes in working capital				
Increase / decrease in receivables	-640 210	303 074	-1 004 547	-1 141 801
Increase / decrease in payables	-293 544	374 980	-944 231	770 058
Increase / decrease in other short-term payables	213 670	154 483	301 384	-660 281
Total of working capital	**-720 084**	**832 537**	**-1 647 394**	**-1 032 024**
Net cash flow from operating activities	**-5 520 554**	**-3 808 427**	**-18 959 872**	**-18 681 557**
Investing activities				
Investments in material and immaterial assets	0	0	-787 113	-396 500
Sale of fixed assets	280 000	0	280 000	0
Investments in financial assets	0	0	-82 900	-5 000
Net cash flow from investing activities	**280 000**	**0**	**-590 013**	**-401 500**
Financing activities				
Long-term liabilities	280 116	53 197	441 216	178 598
New issue	25 100 028	24 887 317	25 100 028	39 991 970
Cost related to the new issue	-3 794 206	-3 252 995	-4 161 206	-4 075 204
Net cash flow from financing activities	**21 585 938**	**21 687 520**	**21 380 038**	**36 095 336**
Cash flow for the period				
Cash and cash equivalents at beginning of period	5 612 952	2 249 092	20 128 185	3 115 876
Change in cash and cash equivalents	16 345 384	17 879 093	-1 830 151	17 012 309
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**21 958 336**	**20 128 285**	**21 958 336**	**20 128 185**

12.

Statement of changes in equity

2019-08-31

	SHARE CAPITAL	SHAREHOLDERS CONTRIBUTION	SHARE PREMIUMS	BALANCED RESULTS	NET RESULT	TOTAL EQUITY
Opening balance 2018-09-01	**1 743 612**	**13 955 800**	**10 402 559**	**-7 028 325**	**-14 032 294**	**5 041 352**
Disposition from AGM			-13 955 800	-76 494	14 032 294	0
New issue	2 180 927		37 811 043			39 369 761
Cost related to the new issue			-4 075 204			
Result					-17 997 789	-17 997 789
Closing balance 2019-08-31	**3 924 539**	**13 955 800**	**30 182 598**	**-7 104 819**	**-17 997 789**	**22 960 329**

2020-08-31

	SHARE CAPITAL	SHAREHOLDERS CONTRIBUTION	SHARE PREMIUMS	BALANCED RESULTS	NET RESULT	TOTAL EQUITY
Opening balance 2019-09-01	**3 924 539**	**13 955 800**	**30 182 598**	**-7 104 819**	**-17 997 789**	**22 960 329**
Disposition from AGM				-21 450 784	21 450 784	0
New issue	872 120		24 227 908			25 100 028
Cost related to the new issue			-4 161 206			-4 161 206
Result					-17 680 697	-17 680 697
Closing balance 2020-08-31	**4 796 658**	**13 955 800**	**53 702 295**	**28 555 603**	**-17 680 697**	**-26 218 453**

COMPANY INFORMATION

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