oncopeptides

ANNUAL REPORT 2022

Providing clinical benefit to patients

Bringing **hope** through **science**

This publication is a translation of the original Swedish text. In the event of inconsistency or discrepancy between the Swedish version and this publication, the Swedish language version shall prevail.

Melphalan flufenamide, also called melflufen, is registered under the trademark Pepaxti® in Europe and Pepaxto® in the US.

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ONCOPEPTIDES IN FOCUS.

Oncopeptides is a global biotech company focusing on research, development and commercialization of targeted therapies for difficult-to-treat hematological diseases.

Oncopeptides vision is to bring hope to patients through passionate people, innovative science and transformative medicines.

We are science driven, entrepreneurial, and committed to bringing innovation to patients with diseases where there is a clear unmet need.

Oncopeptides first drug Pepaxti has been granted full approval for treatment of adult patients with multiple myeloma in Europe.

Pepaxto has received an accelerated approval in the US, but is currently not marketed there.

Our innovative drug is based on the Peptide Drug Conjugate (PDC) platform, and offers patients robust efficacy, reduces treatment burden and maintains quality of life.

Our pipeline includes drug candidates built on the PDC platform and the Small Polypeptide based Killer Engagers (SPiKE) platform.

We have a values-driven culture and inclusive organization that welcomes people with diverse backgrounds and perspectives.

We are headquartered in Stockholm, have 55 coworkers and are listed on Nasdaq Stockholm with the ticker ONCO.

SCIENCE WILL PREVAIL.

Phase 3 OCEAN study published in the Lancet Haematology.

Voluntary withdrawal of Pepaxto rescinded in the US.

European Medicines Agency recommended full approval of Pepaxti in adult patients with multiple myeloma.

Directed share issue of SEK 435.6 M.

Pepaxti granted marketing authorization in the EU, and the EEA-countries Iceland, Lichtenstein and Norway.

Public hearing with Oncologic Drugs Advisory Committee on benefit/risk of Pepaxto in US indication.

Commercialization of Pepaxti initiated in Germany.

Clinical benefit of melflufen confirmed by LIGHTHOUSE study.

Market potential of Pepaxti in Europe estimated to SEK 1.5–2.0 bn annually.

Pepaxti granted marketing authorization in the UK.

Renewed loan agreement with European Investment Bank of up to 30 MEUR.

Update on Pepaxto US marketing authorization.

PROVIDING CLINICAL BENEFIT TO PATIENTS.

2022 was a landmark year for Oncopeptides. We received a full marketing authorization for Pepaxti in Europe. This enables us to bring hope to patients with multiple myeloma who despite the introduction of novel therapies need an accessible treatment option that offers robust efficacy, reduces treatment burden, and maintains quality of life.

CONFIRMATORY OCEAN STUDY

2022 kicked off with the publication of data from the confirmatory phase 3 OCEAN study in The Lancet Haematology. The study was a randomized head-to-head study which evaluated the efficacy and safety of melflufen and dexamethasone versus pomalidomide and dexamethasone in patients with relapsed refractory multiple myeloma (RRMM). Melflufen met the primary endpoint of superior Progression Free Survival (PFS) in the Intention to Treat (ITT) population.

The OCEAN study showed numerically shorter overall survival (OS) for Melflufen. We analyzed additional studies to understand the complexity of the results and shared the outcome with the regulatory agencies. The data demonstrated a true survival heterogeneity. Young transplanted patients in the comparator arm had a much larger clinical benefit than in the melflufen arm. Older, non-transplanted patients had a larger clinical benefit in the melflufen arm. The European Medicines Agency (EMA), who had an ongoing assessment of the marketing authorization application for Pepaxti based on the HORIZON study, decided to include OCEAN as a confirmatory study.

FULL MARKETING APPROVAL IN EUROPE

By the end of the second quarter 2022 the European Medicines Agency's (EMA) Committee for Medicinal Products for Human Use (CHMP), unanimously recommended the European Commission to grant a full marketing approval of Pepaxti in the EU with no post approval commitments. EMA emphasized that Pepaxti has a positive benefit risk profile in triple class refractory multiple myeloma patients and concluded that no safety signals were identified. This was excellent news for patients, shareholders, and employees.

Since I joined Oncopeptides I have been engaging with many doctors who tell me that Pepaxti addressess an unmet medical need for their patients.

Monica Shaw, CEO

On the heels of the positive opinion from CHMP, Oncopeptides successfully carried out a directed share issue, raising approximately SEK 435.6 M at market value. The full market approval in the EU for Pepaxti marked a turnaround and set the scene for a new and exciting phase as a commercial stage biotech company. We are now entering a European market with potential annual revenues of around SEK 1.5–2.0 bn for Pepaxti, based on a potential type 2 variation label in the EU, which may enable treatment in one earlier treatment line. During the autumn, we also received a full approval in the UK.

COMMERCIALIZATION OF PEPAXTI INITIATED
Pepaxti was granted marketing authorization on August 18, and in mid-October Germany became the first country in Europe to launch the drug. Pepaxti has been well received among those physicians that we have engaged with. We have managed to attract a patient focused team determined to bring new science to the benefit of patients. Our team has a strong network with key opinion leaders and specialists in multiple myeloma, excellent scientific knowledge and business acumen.

Within multiple myeloma, there is a clear unmet need that is not addressed by the current expensive treatment intensive products, that primarily are suitable for younger patients. Pepaxti represents a true innovation in drug design and is the first peptide drug conjugate PDC) with an alkylating payload. It offers an improved clinical experience and an option for patients who need additional treatment alternatives without detriment to their quality of life.

LIGHTHOUSE STUDY SUPPORTS CLINICAL BENEFIT
Later in October we presented encouraging data from the phase 3 LIGHTHOUSE study, a randomized combination study with daratumumab, that further supports the clinical benefit of melflufen in patients with relapsed refractory multiple myeloma, as well as the benefit in multiple myeloma patients with a treatment history with no or a successful stem cell transplant. This is in line with the recent marketing authorization in Europe.

During the fall the US Food and Drug Administration (FDA) arranged a public hearing with the Oncologic Drugs Advisory Committee, ODAC, to discuss the benefit-risk profile of Pepaxto in the current US indication. We have a dialogue with the FDA regarding the regulatory challenges in the US, however no formal decision has been made.

EARLY PIPELINE ADVANCING
We have continued to develop new drug candidates built on our proprietary technology platforms and have advanced our pre-clinical portfolio. One of the most exciting projects is SPiKE, a first in class Natural Killer (NK) cell engaging immunotherapy. It has superior immune cell activation. The project has been acknowledged by the Sweden's Innovation Agency, as one of the most innovative projects, all categories. The NK Engage project is led by Oncopeptides and driven by a research consortium of world-leading expertise on NK-cell engagers. The first pre-clinical data was presented at the Annual American Hematology Meeting in December.

Since starting as CEO, I have been impressed by the driven, experienced team that we have and excited about the opportunity we have with Pepaxti. As we move forward, we have clear corporate goals which are aligned to our value drivers. Completing our team in Germany to ensure that physicians will understand the benefits of the product and prescribe Pepaxti. Broaden our European footprint to deliver access across Europe. Progress our pipeline with the PDC and SPiKE platforms. Ensure that we have excellent financial discipline to target our investment and maximise our cash runway. I am excited about working toward the future as a sustainable business that delivers value both for patients and our shareholders.

Stockholm, April 18, 2023
Monica Shaw, CEO

OUR STRATEGY GOING FORWARD.

The full marketing authorization of Pepaxti in Europe sets the stage for the strategic direction of Oncopeptides and enables us to give patients with multiple myeloma access to an innovative drug, that may reduce treatment burden and improve quality of life.

A growing subset of the patients with multiple myeloma are triple class refractory. Their disease has become refractory to the three major drug classes. There is a clear unmet need, particular in elderly patients who need accessible treatments. Our strategy is supporting the company's vision "bringing hope through science", and is built on five pillars.

FINANCIAL DISCIPLINE
We aspire to ensure that the company has a sustainable cash and equity position by the end of 2023. We have a good cash position of SEK 345 M, and including the conditional credit facility from EIB, we do not see liquidity as an issue for 2023. When it comes to the development of equity it depends on the sales progress, how much we invest in commercialization, research and development.

GERMAN LAUNCH
We aspire to ensure that physicians and payors prefer Pepaxti in elderly patients with relapsed, refractory multiple myeloma. We are launching Pepaxti with a patient-focused team, determined to bring new science to the benefit of the right patients. The team is well networked, has in-depth scientific knowledge, strong business acumen and drives scientific share of voice and advocacy.

GEOGRAPHIC EXPANSION
We aspire to gain market access in key markets, and evaluate new opportunities based on their potential. We have initiated a market access review and are developing a pricing and market access strategy for key markets. This will enable a targeted geographic expansion in Europe. The review will also provide the basis for go/no go decisions regarding commercialization in other markets.

PIPELINE PROGRESSION
We aspire to progress the development of drug candidates for difficult to treat haematological diseases with significant unmet medical needs. We will evaluate potential indications based on the scientific and commercial probability of success, which may enable an expansion into new indications. The drug candidates are based on the proprietary Peptide Drug Conjugate platform and the SPiKEs platform (Small Polypeptide based Killer Engagers).

PEOPLE AND CULTURE
We aspire to build company engagement and attraction through our vision and values. We act with an enterprise spirit and believe that the journey to becoming a strong company brand starts internally. We strive to attract, retain and develop key talents in the industry.

Financial discipline
Sustainable cash and equity position.

German launch
Physicians and payers prefer Pepaxti in elderly RRMM patients.

Geographic expansion
Ensure market access in key markets and evaluate new opportunities based on potential.

Pipeline progression
Progress product development for unmet medical needs.

People and culture
Company engagement through our vision and values.

ENVIRONMENT, SOCIAL & GOVERNANCE.

For a biotech company with the mission to improve health and well-being for people with unmet medical needs, it is paramount to be a responsible and trusted member of the society. We have adopted an Environment, Social, and Governance (ESG) approach to sustainability.

ENVIRONMENT
We strive to minimize the environmental footprint and encourage partners and suppliers to do the same. This is the essence of our environmental policy, which guides decision making and operations. We strive to prevent pollution, reduce carbon emissions, and are working to minimize waste, energy, and usage of water.

The pre-clinical drug development laboratory in Solna is a closed system with limited impact on the local environment. Chemical handling and waste disposal are closely monitored to ensure that the safety of employees and that the environmental standards are upheld.

SOCIAL
Oncopeptides takes its role and responsibility in society seriously. Our overall approach aligns with the United Nation's Agenda 2030 and the Sustainable Development Goal; "To ensure healthy lives and promote well-being for all, at all ages".

In 2021 we launched an Early Access Program in Europe, to enable patients with relapsed refractory multiple myeloma, who cannot be adequately treated with commercially available medicines or drugs that are available through clinical trials, access to melflufen. We have received continued requests from prescribers which clearly demonstrates the unmet need.

PEOPLE AND CULTURE
We believe that diversity, inclusivity, and equality are key factors that determine the success of our business. We operate in a global environment, with customers, partners, and suppliers from a wide variety of backgrounds.

Our ability to attract, keep and develop talented people remains vitally important. We have a good gender balance and the organization includes people with different nationalities, backgrounds, and ages. In 2022, the Allbright Foundation acknowledged Oncopeptides as one of the most equal companies among the publicly listed enterprises in Sweden.

Hiking on the Kungsleden, Northern Sweden, with "Moving Mountains for Multiple Myeloma" in August 2022.

We are passionate to making a difference for patients. We engage in communities and issues close to our hearts. In 2022, we supported a hike on the King's Trail in Sweden, arranged by "Moving Mountains for Multiple Myeloma", a collaboration between the Multiple Myeloma Research Foundation and the CURE Media Group. The purpose was to raise awareness, research funds, and bring hope to patients with multiple myeloma.

GOVERNANCE
Oncopeptides has an established governance structure to facilitate decision making, meet legal obligations, and achieve operational goals. We operate ethically, responsibly and leverage our policy framework to build a sustainable organization. This benefits our shareholders and creates value for society at large.

Key policies include the Code of Conduct, Anti-Corruption Policy, Corporate Governance policy, Insider Policy and Information Policy. These policies are reviewed on a regular basis.

GREAT MINDS
MAKING A DIFFERENCE.

We continue to attract and develop talented people that share our passion to making a difference for patients. Below is a selection of talents that recently joined our team.

Kristina Witt Mulder
Senior Scientist in Biology

I am really excited to be part of Oncopeptides. The open culture, the passion and committment to science and patients are really appealing to me.

Being a tumor immunologist by training and having worked on NK cell based immunotherapies for more than 8 years, it was a natural choice to join Oncopeptides.

As I learned more about Oncopeptides' SPiKE platform and the company's ambition in the field of immunotherapy I became very excited.

I am really looking forward to dive deeper into the projects and develop the pre-clinical projects further while also supporting our clinical product Pepaxti.

Lina Rörby Franzén
Global Marketing and Business Excellence Director

With a background in big pharma I see a clear difference in how tasks are undertaken and how decisions are made at Oncopeptides – here we act with agility and have a clear sense of entrepreneurship when operating.

When interviewing for the job, I was inspired by the company's values, that are lived and breathed throughout the organization.

The willingness and energy to make a difference for multiple myeloma patients, providing an interesting product in a highly competitive field attracted me to Oncopeptides, and ever since I started at the company I have been working with the commercialization of Pepaxti in Europe, to make it available to more multiple myeloma patients.

Dirk Schneider
Medical Science Liaison (MSL) in Germany

I felt a warm welcome from all at Oncopeptides, supporting each other is not only a word, but also true. And everyone is devoted - to the company, the product, and the patients.

I have spent many years working with multiple myeloma and have established a large network of customers. I want to contribute in making Oncopeptides known and ensuring that melflufen becomes a particularly important drug for patients who need a new option that can provide tumor control and maintained quality of life. I will combine my scientific expertise with my account management experience in the interaction with physicians. Failure is not an option for me, when I am convinced that my drug is a good one, I cannot accept that customers and patients shouldn't benefit from it.

Bruno Bolognese
Head of European Medical Affairs

Joining Oncopeptides my ambition is to leverage my significant experience from multiple myeloma and extensive network to helping myeloma experts, supporting their patients and possibly improve disease management.

At Oncopeptides there is high level of respect for employees and their expertise. I was impressed by the attention to work-life balance. This allows us to be more focused and effective in achieving our goals.

For the future, my aspiration is to supporting the spread of Oncopeptides science and raising long lasting relationships with the scientific myeloma community.

AN UNMET MEDICAL NEED.

Multiple myeloma is an incurable cancer characterized by a proliferation of plasma cells in the bone marrow. The disease is associated with substantial morbidity and mortality, and predominantly affects older patients. There is an unmet need for more accessible treatments.

Multiple myeloma is an incurable malignant plasma cell disorder, characterized by clonal proliferation of plasma cells in the bone marrow and the production of excessive amounts of immunoglobulin. The disease predominantly affects older patients, with a median age for onset of disease of 72 years. These patients have often many comorbidities and consequently receive multiple concomitant medications.

Most patients with multiple myeloma have symptoms that reduce quality of life, including bone pain, fatigue, anemia, and infections. Patients may have symptom-free periods, but the disease always relapses, and become refractory to all available treatment options due to new mutations of the tumor cells.

INCIDENCE OF MULTIPLE MYELOMA

Multiple myeloma is the second most common hematologic disease, and accounts for approximately 1–2% of all new cancer cases, with a global incidence of 1.7 per 100,000 and an incidence of 2.1–3.4 per 100,000 in France, Germany, Italy, Spain and the UK. An estimated 40,000 patients were diagnosed in the EU in 2020, with an estimated 23,500 deaths due to the disease. Multiple myeloma is more common in men than in women.

UNMET MEDICAL NEED

The introduction of new drugs during the last decade has improved treatment outcomes. However, multiple myeloma is ultimately fatal, with a 5-year survival around 50 %. Patients with relapsed disease can respond to subsequent therapies, but the duration of response decreases with successive relapses until resistance is developed.

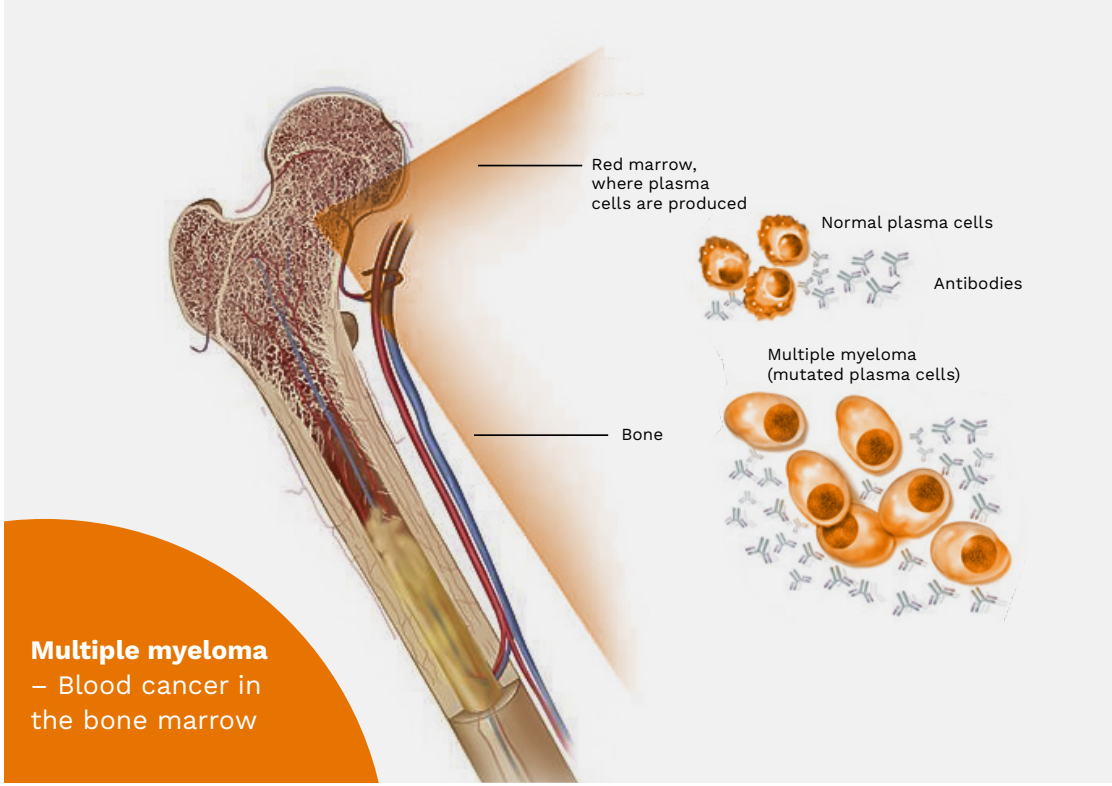
Treatment of relapsed, refractory multiple myeloma (RRMM) is challenging, since patients have continuing symptoms, complications, and decreased quality of life. The patients receive a therapy until the next relapse, progression or the development of intolerable toxicity and then move on to the next option.

TREATMENT OF MULTIPLE MYELOMA

The treatment goal is ultimately to control disease progression and prolong survival. The major drug classes include steroids, alkylators, proteasome inhibitors, immunomodulatory drugs, and monoclonal antibodies. Recently, three new classes have been approved for use in triple class refractory patients: a BCMA-targeted antibody, a selective inhibitor of nuclear export, and an anti-BCMA CAR-T cell therapy.

Triple-class refractory patients have a disease that is refractory to immunomodulatory drugs, proteasome inhibitors, and CD38-targeting monoclonal antibodies. The patients have often been exposed to all major drug classes. The patients have a poor prognosis with an expected overall survival of just a few months.

None of the newly approved medicinal products has provided a cure. Ultimately patients relapse and treatment options are exhausted. There is a continued unmet need, particularly in elderly patients who require accessible treatment options.



Multiple myeloma
– Blood cancer in the bone marrow

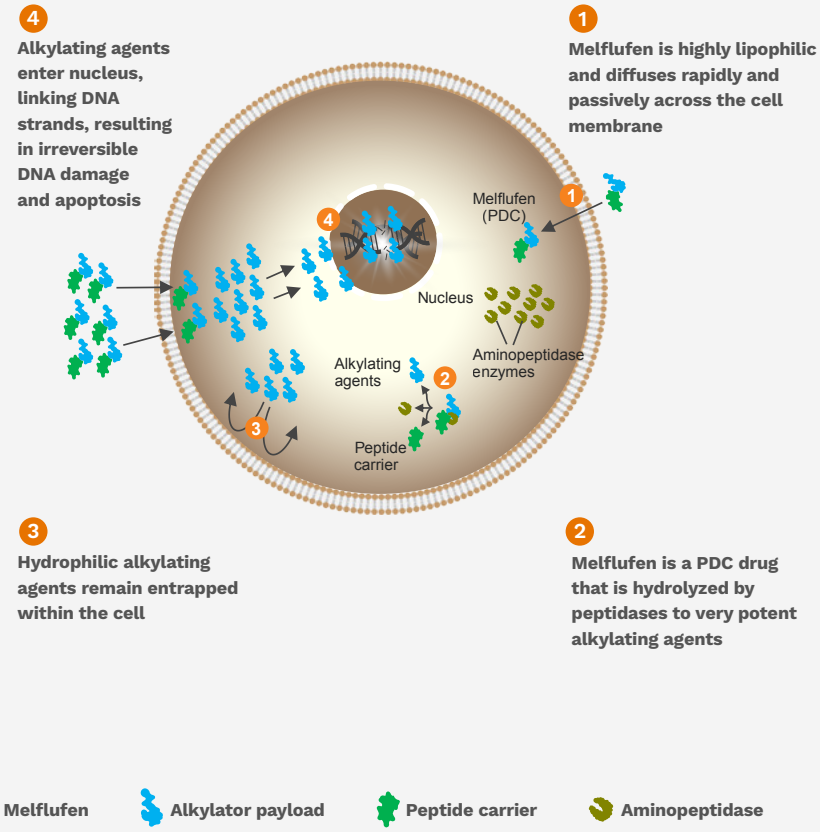
TWO UNIQUE TECHNOLOGY PLATFORMS.

Oncopeptides is developing innovative drug candidates for difficult to treat haematological diseases. The development is built on our platforms for Peptide Drug Conjugate (PDC), and Small Polypeptide based Killer Engagers (SPiKE), and allow us to build a robust pipeline, and potentially expand into new indications.

PDC – A TRUE INNOVATION
The PDC based compounds are composed to enable efficient distribution, a wide therapeutic window, and an optimized benefit risk profile. The PDCs are designed around two components: a peptide carrier and a cytotoxic payload. The PDCs are lipophilic which allows a rapid diffusion into the cells. The peptide carrier utilizes the altered metabolism of cancer cells to hydrolyze PDC into active hydrophilic metabolites, which lead to an enrichment in cancer cells.

MELFLUFEN – FIRST PDC WITH AN ALKYLATING PAYLOAD
Melflufen is the first PDC with an alkylating payload. The drug utilizes peptidases and esterases that are overexpressed in multiple myeloma cells, to release a toxic payload inside cells, and damage DNA and kill cancer cells.

Multiple myeloma cell



MECHANISM OF ACTION
Melflufen is rapidly taken up by myeloma cells due to its lipophilicity. The drug is hydrolyzed by peptidases and esterases and releases a hydrophilic cytotoxic payload that becomes entrapped in the cells. The enzymes are upregulated in cancer cells and play a key role in protein homeostasis, cell-cycle progression and programmed cell death. Increased aminopeptidase expression is associated with advanced disease and a poorer outcome in multiple myeloma.

In vitro, melflufen is 50-fold more potent in myeloma cells than the toxic payload, due to increased concentration of alkylators in the cells. Melflufen has cytotoxic activity against myeloma cell lines resistant to other treatments, including alkylators, it inhibits angiogenesis and metastatic processes in preclinical studies and overcomes p53-deficiency-mediated resistance, a common mechanism of resistance to antimyeloma therapies. Melflufen rapidly induces irreversible DNA damage leading to apoptosis of myeloma cells.

OPDC3 – NEXT GENERATION PDC
OPDC3 is now undergoing toxicology studies. The compound consists of a peptide carrier and cytotoxic payload. It has enhanced selectivity, and limited toxicity is escaping the cancer cell. This leads to rapid enrichment of the cytotoxic payload in cancer cell lines and may result in limited toxicity in healthy cells. These unique properties may translate into an effective and well tolerated therapeutic option. This warrants further evaluation in clinical studies.

THE SPiKE TECHNOLOGY PLATFORM.

Oncopeptides has developed a proprietary technology platform for Small Polypeptide based Killer Engagers (SPiKE). In September 2022, the Company received a research grant from Sweden's Innovation Agency, to develop pre-clinical proof of concept for a novel synthetic small polypeptide for the treatment of multiple myeloma, OP-X. The compound is a Natural Killer (NK) cell engaging immunotherapy, with superior tissue penetration and immune cell activation, and has a potential to boost NK cell engagement across multiple oncology target areas.

By completion of the NK ENGAGE project, the efficacy of the lead compound will be validated in a novel pre-clinical model. The data package generated, may warrant us to enter final pre-clinical studies including IND enabling studies, and subsequently start clinical development.

The project has received a financial grant from the Eurostars 3-program, it is co-financed by the EU's research and innovation program "Horizon Europe" and is driven by an international research consortium. This includes world-leading expertise from the department of Cancer Immunology at Oslo University Hospital, Norway, Pharmatest Services Ltd in Turku, Finland, and Oncopeptides, together with our collaborator the Royal Institute of Technology in Stockholm (KTH), where the technology originally stems from.

Co-funded by the European Union

> **Being a tumor immunologist** by training and having worked on NK cell based immunotherapies for more than 8 years, it was a natural choice to join Oncopeptides.
>
> **Kristina Witt Mulder**
> Senior Scientist in Biology

PATENTS AND INTELLECTUAL PROPERTY.

The ability to protect current and future intellectual property rights is critical for the continued success of Oncopeptides. The company's portfolio of registered intellectual property rights consists of patents which have been granted, patent applications in different stages, as well as trademarks. In addition, the company has important rights to clinical data and significant unregistered rights including trade secrets.

During 2022, 11 new patents were approved, six new priority patent applications were submitted, and two patent applications were taken forward as international patent applications under the Patent Cooperation Treaty (PCT).

Oncopeptides has an active patent strategy, spanning from protection of the early pre-clinical portfolio to the commercial product Pepaxti. Part of Oncopeptides' patent strategy encompasses protection in all major geographies, including the US, Europe, Canada, Japan, and China. The company has secured 17 patent families, consisting of granted patents and pending patent applications. The number has increased considerably over the last couple of years.

PROTECTION OF MELFLUFEN

Melflufen is protected by different families of granted patents, including formulations, manufacturing processes and methods for treatment. The patent portfolio of melflufen was expanded in 2022 with one yet unpublished application. The market authorizations in the EU and UK during the second half of 2022, enable us to extend the patent protection for five years via Supplementary Protection Certificates (SPCs), which have been filed.

Since the establishment of the drug development lab in 2020, pre-clinical R&D efforts have been intensified. Four new patent applications were submitted in 2022 based on work from the drug development lab. These yet unpublished applications provide protection of new innovations in the pre-clinical pipeline, including both the Peptide Drug Conjugate (PDC) platform and the Small Polypeptide based Killer Engagers (SPiKE) platform. To secure high quality IP protection, Oncopeptides has a long-lasting relationship with Abel & Imray patent and trademark attorneys and their international network of attorneys around the world.

Patents

Patent	Type	Patent life: filing (expiry) date	Region	Status
Melphalan derivatives and their use as cancer chemotherapeutic drugs	Substance	2000 (USA 2022[1]; RoW 2021)	USA, EP, CA and JP	Granted and in force: US Interim Patent Term Extension in force 2023; Expired: EP, CA, JP
Lyophilized preparation of cytotoxic dipeptides	Formulation	2011 (2032[1])	AU*, BR*, CA*, CN, EP*, HK*, IL*, IN*, JP*, KR*, MX*, NZ*, RU*, US* and ZA*	Pending / At least 1 granted patent*
Lyophilized preparation of melphalan flufenamide	Formulation	2012 (USA 2032; RoW 2033)	AU*, BR*, CA*, CN*, EP*, HK*, IL*, IN*, JP*, KR*, MX*, NZ*, RU*, US* and ZA*	At least 1 granted patent*
Process for preparation of nitrogen mustard derivatives	API Process	2015 (2036)	AU*, BR, CA, CN*, EP*, HK*, IL*, IN*, JP*, KR, MX*, NZ, RU*, SG*, US* and ZA*	Pending / At least 1 granted patent*
Melflufen dosage regimens for cancer	Dosage	2015 (2036)	AU*, BR, CA*, CN, EP*, HK*, IL, IN, JP*, KR*, MX*, NZ, RU*, SG*, US and ZA*	Pending / At least 1 granted patent*
Melflufen for use in treatment of amyloidosis	Method of treatment	2019 (2040)	CN, EP, JP, US	Pending
Deuterated melflufen	Substance	2018 (2039)	AU, BR, CA, CN, EA, EP*, HK, IL, IN, JP, KR, MX, NZ, SG, US, ZA	Pending/At least 1 granted patent* (february 2023)
Liquid formulation of melflufen	Formulation	2019 (2040)	AU, BR, CA, CN, EA, EP, HK, IL, IN, JP, KR, MX, NZ, SG, US and ZA	Pending
Melflufen for use in treatment of multiple myeloma	Method of treatment	2021 (2042)	PCT (national phase entry January 2024)	Pending
PDC analogues	Substance	2021 (2041)	PCT (national phase entry August 2023)	Pending
PDC analogues	Substance	2021 (2042)	PCT (national phase entry December 2023)	Pending
New invention #1	Confidential	2022 (2043)	Priority application in the UK is being processed	Pending
New invention #2	Confidential	2022 (2043)	Priority application in the UK is being processed	Pending
New invention #3	Confidential	2022 (2043)	Priority application in the UK is being processed	Pending
New invention #4	Confidential	2022 (2043)	Priority application in the UK is being processed	Pending
New invention #5	Confidential	2022 (2043)	Priority application in the UK is being processed	Pending
New invention #6	Confidential	2022 (2043)	Priority application in the UK is being processed	Pending

1) Without extensions of the patent time

CLINICAL BENEFIT OF MELFLUFEN.

Pepaxti (melphalan flufenamide, also called melflufen) has been granted a full approval from the European Medicines Agency (EMA), and from the Medicines and Healthcare Products Regulatory Agency (MHRA), in the UK. The approvals are based on data from the phase 2 HORIZON study and supported by data from the confirmatory phase 3 OCEAN study.

According to the European Public Assessment Overview by EMA, Pepaxti is a medicine used to treat adults with multiple myeloma when the cancer has not responded to previous treatments. It is used in combination with dexamethasone in adults who have received at least three prior therapies, and are refractory to an immunomodulatory agent, a proteasome inhibitor and an anti-CD38 antibody, and whose disease has worsened since the last treatment. For patients who have had an autologous stem cell transplantation, Pepaxti can be used if the time from transplantation to when the cancer comes back is at least three years.

The HORIZON study evaluated the efficacy of melflufen and dexamethasone in patients with relapsed and refractory multiple myeloma (RRMM), a population with an important unmet medical need. The OCEAN study compared melflufen in combination with dexamethasone versus pomalidomide and dexamethasone in patients with RRMM who had received two to four previous lines of therapy, including lenalidomide and a proteasome inhibitor, and whose disease was refractory to lenalidomide and the last line of therapy.

The European Public Assessment Overview by EMA, further states that melflufen together with dexamethasone was shown to be effective at clearing the cancer in the phase 2 HORIZON study. The trial involved 157 patients with multiple myeloma whose disease stopped responding and had been treated with two prior treatments including one immunomodulator and one proteasome inhibitor. In addition the patients were refractory to pomalidomide and/or daratumumab. Clinically relevant results were shown for the 52 patients who have either not had a transplant or who had a transplant and whose disease progressed more than 3 years after. For those patients, around 29% had an impact on the cancer with melflufen and dexamethasone lasting around 7.6 months.

In the phase 3 OCEAN study comparing melflufen and dexamethasone with pomalidomide and dexamethasone, a beneficial effect was also seen for patients who had no prior transplantation or had a transplant and whose disease progressed more than 3 years after. Patients receiving melflufen and dexamethasone lived for an average of 9.3 months without their disease getting worse, compared with 4.6 months for patients receiving pomalidomide and dexamethasone. Patients also lived overall with 23.6 months on Pepaxti and dexamethasone and 19.8 months with pomalidomide and dexamethasone.

> **The full approval of Pepaxti** in Europe is really good news for patients with triple class refractory disease, where the unmet medical need remains high and treatment options often are exhausted.
>
> **Klaas Bakker**
> CMO and Head of R&D

COMMERCIALIZATION OF PEPAXTI.

The commercialization of Pepaxti in Europe is ongoing. Pepaxti is an innovation and represents the first and only Peptide Drug Conjugate (PDC) with an alkylating payload. Pepaxti has been granted full approval from the European Medicines Agency (EMA) and the Medicines and Healthcare Products Regulatory Agency (MHRA) in the UK. The approvals are based on data from the phase 2 HORIZON study and supported by data from the confirmatory phase 3 OCEAN study.

GERMANY FIRST COUNTRY TO LAUNCH
Germany is the largest market in Europe and the first country in the region to launch Pepaxti. We are launching the drug with a specific customer activation model and a team with the right mindset, who is determined to bring new science to the benefit of patients and shareholders. Our team is well networked, has in-depth knowledge of science and strong business acumen. The drug has been well received by physicians that we have engaged with, and we are now expanding the team to increase our reach. In parallel, we are focusing our strategy to support a targeted geographic expansion. This enables us to bring a new and valuable treatment option to patients with relapsed refractory multiple myeloma (RRMM) across Europe.

INDICATION
Pepaxti is indicated in combination with dexamethasone, for the treatment of adult patients with multiple myeloma who have received at least three prior lines of therapies, whose disease is refractory to at least one proteasome inhibitor, one immunomodulatory agent, and one anti-CD38 monoclonal antibody, and who have demonstrated disease progression on or after the last therapy. For patients with a prior autologous stem cell transplantation, the time to progression should be at least 3 years from transplantation.

There is a clear unmet need in multiple myeloma, particularly in elderly patients who need accessible treatment options. A growing subset of patients with multiple myeloma are triple-class refractory. They eventually become refractory to the therapy and their treatment options become exhausted. The expected survival of these patients is short.

TARGET POPULATION AND POTENTIAL
Each year, approximately 40.000 patients are diagnosed with multiple myeloma in Europe.

The target population that could be eligible for treatment with Pepaxti amounts to around 17.000 patients. Oncopeptides estimates that the market potential in Europe will be about SEK 1.5–2.0 bn annually. This assumes an approval of the type 2 variation in Europe, which should enable patient access to Pepaxti in one earlier treatment line. The potential also assumes that pricing and reimbursement negotiations across Europe reflect the degree of innovation and the clinical benefit to patients.

I want to contribute in making Oncopeptides known and ensuring that melflufen becomes a particularly important drug for patients who need a new option that can provide tumor control and maintained quality of life.

Dirk Schneider
Medical Science Liaison (MSL) Germany

GROWING NUMBER OF SHAREHOLDERS.

Oncopeptides has been listed on Nasdaq Stockholm since February 2017. The company's market capitalization at the close of 2022 was SEK 1,098 M compared to SEK 632 M by the end of 2021. The number of shareholders has continued to grow during 2022 and amounted to 28,913 by year-end. The increase corresponds to a growth rate of 7 percent and was primarily driven by private investors. The average trading volume in 2022 was slightly below 3 million shares per day and peaked at around 36 million shares on January 24.

DIRECTED SHARE ISSUE ON THE HEELS OF CHMP RECOMMENDATION
On the heels of the positive CHMP opinion on June 24, recommending a full approval of Pepaxti in Europe the Company completed a directed share issue on July 14, raising SEK 435.6 M. This marked a turnaround for the Company and had a positive impact on the share price development during July and August.

HealthCap and Industrifonden remain our largest owners, representing 27.3 percent (24.9) of the share capital. Redmile Group is the third largest owner, with a share capital of 8.1 percent (0.0). At the end of 2022, Swedish institutional owners represented 35.5 percent of the share capital, foreign institutional owners represented 9.1 percent of the share capital and private individuals represented 39.4 percent of the share capital.

SHARE PRICE DEVELOPMENT
The closing price on the last day of trading in 2022 was SEK 12.15, corresponding to a market capitalization of SEK 1,098 M based on the number of outstanding shares. The share price peaked on August 18 at SEK 50.84 and bottomed out on May 9 at SEK 7.30.

SHARE DATA On December 31, 2022, Oncopeptides had 90,368,660 registered common shares, corresponding to 90,368,660 votes.

OWNERSHIP STRUCTURE
Oncopeptides had 28,913 shareholders at the year end 2022. 39.4 percent of the share capital was held by private individuals.

SHARE CAPITAL
At year-end, the share capital was in total SEK 10,479 thousand distributed between 90,368,660 common shares with a quotient value of SEK 0.11. As defined in the Articles of Association, the share capital may comprise a minimum of SEK 7,200,000 and a maximum of SEK 28,800,000, distributed between a minimum of 66,000,000 shares and a maximum of 264,000,000 shares. Oncopeptides' Articles of Association contains a record day provision, and the company's shares are registered with Euroclear Sweden AB, which means that Euroclear Sweden AB administers the company's share register and registers the shares of individuals and organizations. All shares are entitled to an equal share of the company's profits and a percentage of the surplus in the event of liquidation.

DIVIDEND POLICY AND PROPOSED DIVIDEND
Oncopeptides will continue to focus on further developing and expanding the company's assets and project portfolio. Available financial resources and recognized profit will therefore be reinvested in the operations to finance the company's long-term business. Any future dividends will be determined based on the company's long-term growth, earnings performance, and capital requirements. Insofar as dividends are proposed, they will be considered with respect to the company's objectives, scope, and risk. Consequently, the Board of Directors does not intend to propose any dividend to shareholders until such time as the company generates sustainable profitability. The Board of Directors proposes that the Annual General Meeting resolves that no dividend shall be paid for the financial year.

ANALYST COVERAGE
Five banks and their analysts have covered Oncopeptides throughout 2022:

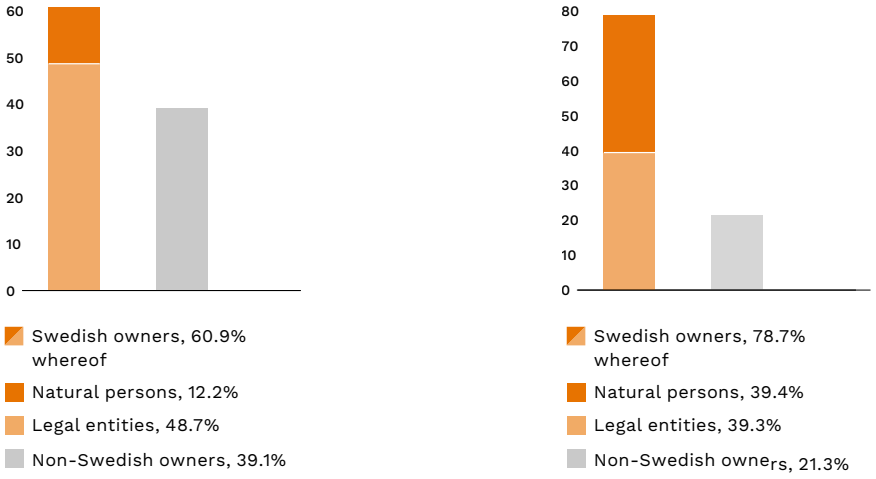
- ABG Sundal Collier, Adam Karlsson
- Carnegie, Erik Hultgård
- Cowen and Company, Boris Peaker
- DNB Bank ASA, Patrik Ling
- Kempen & Co, Suzanne van Voorthuizen

20 largest shareholders as of December 31, 2022	Votes
HealthCap	18.15%
Stiftelsen Industrifonden	9.17%
Redmile Group LLC	8.10%
Avanza Pension	3.30%
SEB Fonder	2.33%
Handelsbanken Fonder	1.98%
Swedbank Robur Fonder	1.97%
AS Clipper	1.15%
Jakob Lindberg	0.92%
Harri Salminen	0.74%
Adrigo Asset Management	0.63%
Handelsbanken Liv Försäkring AB	0.53%
Kjell Hasslert	0.46%
Swedbank Försäkring	0.46%
Per Wold-Olsen	0.43%
State Street Global Advisors	0.43%
Futur Pension	0.39%
Alan Hulme	0.36%
Linfan Zhang	0.34%
Hans Edvin Öhman	0.32%

2021, Dec 31

2022, Dec 31

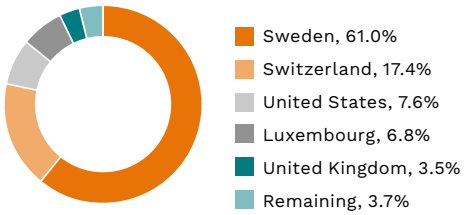
Ownership by category Holdings (%)

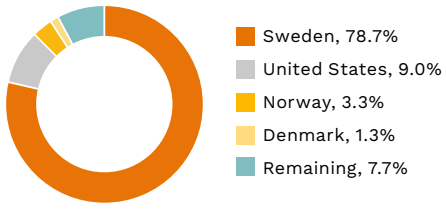


2021, Dec 31

2022, Dec 31

Ownership by country Holdings (%)





GLOSSARY.

Alkylator A broad spectrum cytotoxic therapy that is a corner stone in cancer treatment.

Aminopeptidases Enzymes that hydrolyze peptides. These are over-represented in cancer cells.

ASCT Autologous Stem Cell Transplantation. Stem cells are taken from the patient when the disease is in a calm stage, so-called remission. They are given back to the patient after i.e., chemotherapy.

CHMP European Medicines Agency's Committee for Medicinal Products for Human Use.

Clinical trials Studies to define doses and evaluate safety and efficacy on healthy volunteers and patients.

EEA European Economic Area, EU member countries including Iceland, Norway, and Lichtenstein.

EIB European Investment Bank

EMA European Medicines Agency.

FDA US Food and Drug Administration.

Hazard ratio (HR) A comparison between the probability of events in a treatment group, compared to a control group. A hazard ratio of 1 means that both groups are experiencing an equal number of events at any point in time.

Hematology The science of blood, blood-forming organs, and blood diseases. It includes the treatment of blood disorders and malignancies, including hemophilia, leukemia, lymphoma and multiple myeloma.

IMiDs Immunomodulating drugs.

IND Investigational New Drug.

IND-submission Application to enable clinical development of a drug candidate.

ITT Intent to Treat population, i.e. all randomized patients in a clinical trial. The population is assumed to reflect what might be seen if the treatment was used in clinical practice.

Late-stage RRMM Late-stage relapsed refractory multiple myeloma.

Lines of therapy After a cancer diagnosis and decision to treat the patient, the first treatment attempt is known as the first line of therapy, followed by a second line of therapy, etc.

Melflufen A colloquial name of melphalan flufenamide. Melflufen is the first anti-cancer PDC that utilizes peptidases and esterases, to rapidly release alkylating agents inside tumor cells.

Melphalan flufenamide INN (see above) name for melflufen.

MM Multiple myeloma, a rare blood cancer that forms in plasma cells. Cancerous plasma cells accumulate in the bone marrow and crowd out healthy blood cells.

Multiple myeloma A rare blood-based cancer (see above).

NDA New Drug Application.

NK-cell Natural Killer cell. NK cell engager compound can be used for immune cell activation in immunotherapy.

ODAC Oncologic Drugs Advisory Committee. Expert committee that reviews and evaluates benefit-risk profile of cancer drugs and makes recommendations to the US Food and Drug Administration.

OPDC3 A new generation of compounds based on Oncopeptides' proprietary PDC platform.

ORR Overall response rate Number of patients who have lost 50 percent or more of their tumor mass.

OS Overall survival. The length of time a patient survives from the start of the treatment.

PDC Peptide-drug conjugate. The class of agents that includes melflufen and OPDC3.

Pepaxti Registered trademark for melflufen in Europe.

Pepaxto Registered trademark for melflufen in the US.

Peptide A molecule compromising a chain of amino acids. A key attribute of melflufen.

Peptidases Peptidases and esterases are group of enzymes overexpressed in tumor cells, including multiple myeloma cells. The enzymes contribute to a break down of melflufen, which results in a rapid release of a toxic payload that damages DNA and kills cancer cells.

PFS Progression-free survival Surrogate endpoint that measures the length of time from the start of a patient's treatment until the tumor or tumor produced immunoglobulin has grown by at least 25 percent.

Phase 1, 2, 3 (studies) Various phases of clinical development.

Phase 1 A clinical study to identify appropriate doses of a drug candidate and evaluate safety in healthy volunteers.

Phase 2 A clinical study to evaluate efficacy and safety of a drug candidate in patients ahead of phase 3.

Phase 3 A clinical study that repeats phase 2 processes in larger patient groups and compares drug candidates with other treatments.

SPiKEs Small Polypeptide Based Killer Engagers. Proprietary technology platform for development of immunotherapy for treatment of cancer.

TCR Triple Class Refractory. Patients with TCR multiple myeloma are refractory to at least one proteasome inhibitor, one immunomodulatory agent and one anti-CD38 monoclonal antibody.

CONTENTS

Remuneration Report

INTRODUCTION

This Remuneration Report provides an overview of how Oncopeptides AB's guidelines for remuneration to senior executives, adopted by the Annual General Meeting (AGM) 2021 and 2022 respectively, have been applied during 2022. The report also includes information on the remuneration of the CEO as well as a summary of the company's share-based and share price-related incentive programs outstanding. The report was prepared in accordance with the Swedish Companies Act and the rules on remuneration issued by the he Stock Market Self-Regulation Committee.

More information on remuneration of members of senior management is available in Note 10 to the 2022 Annual Report, Employees and personnel costs. Information on the work of the Remuneration Committee in 2022 can be found in the Corporate Governance Report, pages 36–43 in the 2022 Annual Report.

Remuneration of the Board of Directors is not encompassed by this report. Such remuneration is resolved by the AGM yearly and published in Note 10 in the 2022 Annual Report.

Performance in 2022

The CEO provides a summary of the company's overall performance on page 5–6 of the 2022 Annual Report.

COMPANY'S REMUNERATION GUIDELINES: SCOPE, PURPOSE AND DEVIATIONS

Oncopeptides is a biotech company focused on the commercialization, research and development of treatments for difficult-to-treat hematological diseases. The company uses its proprietary PDC platform to develop peptide-linked drugs that rapidly and selectively deliver chemotherapy into cancer cells.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. Achieving this requires that the company offer competitive remuneration. The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. In addition, the AGM may, independently of the guidelines for remuneration of senior management, decide on, for example, share and share price related remuneration. The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may be individualized, quantitative or qualitative objectives.

The criteria shall be designed so as to promote the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or to promote the executive's long-term development.

These guidelines enable the company to offer the members of senior management a competitive total remuneration. Variable cash remuneration covered by the guidelines for remuneration of senior management shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

TOTAL REMUNERATION OF THE CEO, 2022 (SEK THOUSAND)[1]

2022	Basic salary	Invoiced fees	Variable remuneration	Pension expenses[2]	Share-based remuneration[3]	Total	Ratio of fixed/variable remuneration[4]
CEO, Jakob Lindberg	4,207	–	2,058	995	0	7,260	72%/28%
Total	**4,207**	**–**	**2,058**	**995**	**0**	**7,260**	**72%/28%**

1) With the exception of Multi-year variable remuneration (Share-based remuneration above), the table presents remuneration that accrues in 2022. Multi-year variable remuneration is presented to the extent it vested in 2022 pursuant to that stated in the following table presenting the CEO's Option programs. This applies irrespective of whether payment has, or has not, been made in the same year.

2) Pension expenses, which are defined contribution and pertain entirely to basic salary, have been fully recognized as fixed remuneration.

3) The value of the employee options vested during the year and thereby exercised, as shown below in the CEO's Option programs table. The employee options vested during the year have not been exercised, whereby share-based remuneration is calculated to SEK 0 thousand. At the vesting date, the market value of the underlying shares amounted to SEK 407 thousand. The exercise price for them was SEK 5,782 thousand.

4) Pension expenses (column 4), which are defined contribution and pertain entirely to basic salary, have been fully counted as fixed remuneration.

Long-term share-based incentive programs have been implemented in the company. Such programs have been resolved by the general meeting and are therefore excluded from these guidelines. The programs include senior management, Board members, founders and other personnel, and are reported under Note 26, Share-based remuneration, in the 2022 Annual Report. For more information about these programs, including the criteria determining outcomes, see *oncopeptides.com/sv/foretaget/bolagsstyrning/ersattning*.

The guidelines for remuneration of senior management are reported on pages 28-29 in the 2022 Annual Report. No deviations from the guidelines occurred during 2022.

No claim for repayment of remuneration has been made.

For information about the guidelines applicable until the 2023 AGM, refer to the Corporate Governance Report on pages 36–43 of the 2022 Annual Report.

SHARE-BASED REMUNERATION

Share price-related incentive programs outstanding

The objective of share-based incentive programs is to promote the company's long-term interests by motivating and rewarding the company's senior management, founders and other personnel in line with the shareholders' interests. Oncopeptides currently has nine active programs encompassing management, certain Board members, founders and employees.

"Employee Option Program 2016/2023" was introduced in 2016. "Co-worker LTIP 2017" was introduced in 2017. At the 2018 AGM, the incentive program "Co-worker LTIP 2018" was introduced and at the 2019 AGM it was resolved to introduce "Co-worker LTIP 2019". At the 2020 AGM, it was resolved to introduce the "Board LTIP 2020" incentive program. At the 2021 AGM, it was resolved to introduce two incentive programs: "Board LTIP 2021" and "Co-worker LTIP 2021". At the 2022 AGM, it was resolved to introduce two incentive programs: "Board LTIP 2022" and "Co-worker LTIP 2022".

The options shall be granted to the participants free of charge and have a three-year vesting period from the date of allotment, provided that, subject to customary exceptions, the participant is still employed by/still providing services to Oncopeptides.

The share awards will be allotted free of charge to participants. The share awards are vested over approximately three years and are also subject to performance-based vesting, based on the performance of Oncopeptides' share price during the period from the allotment date up to and including the final vesting date. For further information about these programs, refer to Note 26 in the 2022 Annual Report.

Full exercise of allotted options and share awards, including warrants set aside to hedge the company's social security contributions, as of December 31, 2022 corresponded to in total 3,970,011 shares and would result in a dilution of shareholders of 4.2 percent based on full dilution. The full utilization of all resolved options and share awards corresponding to a total of 7,815,639 shares (including unallotted employee options and share awards as well as warrants intended for hedging of social security contributions) would result in a dilution for shareholders of 8.0 percent based on full dilution.

CEO'S PERFORMANCE DURING THE REPORTED FISCAL YEAR VARIABLE CASH REMUNERATION

Description of criteria pertaining to variable remuneration	**a) Measured performance and b) actual remuneration**
Goals linked to launch - Applying for approval in Europe - Planning and implementing EU launch	a) 75% b) SEK 2,058 thousand
Goals linked to strategy - Develop a strategy for the future in the US - Reducing costs - Develop a funding strategy	

COMPARATIVE INFORMATION REGARDING CHANGES IN REMUNERATION AND COMPANY PERFORMANCE

CHANGES IN REMUNERATION AND COMPANY PERFORMANCE IN THE LAST TWO REPORTED FINANCIAL YEARS (SEK THOUSAND)

	Income statement vs Income statement-1	**Income statement 2022**
Total remuneration of the CEO[1]	-4,015 (-36%)	7,260
Consolidated operating result	+1,071,566	-349,350
Average remuneration based on the number of FTEs employed[1] in the company	-1,055 (-61%)	682

1) Excluding members of Group management

CEO INCENTIVE PROGRAM[1, 2]

									INFORMATION FOR THE REPORTED FISCAL YEAR				
CEO	Program title	Subtitle	Vesting period	Allotment date	Expiry date of exercise period	Last vesting date	Exercise period	Exercise price	Options Jan 1, 2022	Allotted 2022	Exercised 2022	Options Dec 31, 2022	Vested %
Jakob Lindberg	Co-worker LTIP	2017:1	2017-2020	May 18, 2017	May 18, 2020	May 18, 2020	May 18, 2020-May 18, 2024	44.48	181,000	–	–	181,000	–
Jakob Lindberg	Co-worker LTIP	2017:3	2018-2021	Feb 21, 2018	Feb 21, 2021	Feb 21, 2021	Feb 21, 2021-Feb 21, 2025	79.77	23,190	–	–	23,190	–
Jakob Lindberg	Co-worker LTIP	2018:2	2019-2022	May 3, 2019	May 3, 2022	May 3, 2022	May 3, 2022-May 3, 2026	126.09	45,860	–	–	45,860	100%
Jakob Lindberg	Co-worker LTIP	2019:3	2020-2023	Jan 2, 2020	Jan 2, 2023	Jan 2, 2023	Jan 2, 2023-Jan 2, 2027	128.68	65,373	–	–	65,373	–
Jakob Lindberg	Co-worker LTIP	2019:7	2021-2024	Jan 4, 2021	Jan 4, 2024	Jan 4, 2024	Jan 4, 2024-Jan 4, 2028	169.53	34,245	–	–	34,245	–
Jakob Lindberg	Co-worker LTIP	2019:9	2022-2025	Feb 18, 2022	Feb 18, 2025	Feb 18, 2025	Feb 18, 2025-Feb 18, 2029	8.93	–	255,413	–	255,413	–
Jakob Lindberg	Co-worker LTIP	2021:02	2022-2025	Feb 18, 2022	Feb 18, 2025	Feb 18, 2025	May 18, 2025	9.38	–	175,663	–	175,663	–
Total									**349,668**	**431,076**	**–**	**780,744**	**–**

1) The total market value of the underlying shares at the allotment date was SEK 33,971 thousand. The total exercise price was SEK 33,830 thousand. The total market value of the underlying shares according to the closing price on Nasdaq Stockholm on December 30, 2022 was SEK 9,532 thousand.

2) The total market value of the underlying shares at the vesting date in 2022 was SEK 407 thousand. The total exercise price for the underlying shares amounts to SEK 5,782 thousand. The total market value of the underlying shares according to the closing price on Nasdaq Stockholm on December 30, 2022 was SEK 560 thousand.

Directors' Report

Group and Parent Company
The Board of Directors and CEO of Oncopeptides, corporate registration number 556596-6438, with its registered office in Stockholm, Sweden, hereby present the Annual Report and consolidated financial statements for the 2022 fiscal year. Figures in parentheses pertain to the preceding year. All amounts are expressed in SEK thousand, unless otherwise indicated.

Oncopeptides' operations
Oncopeptides is a biotech company focused on the commercialization, research and development of treatments for difficult-to-treat hematological diseases. The company is listed on Nasdaq Stockholm, under the ticker symbol ONCO.

Multiple myeloma is an incurable form of blood cancer that develops in the bone marrow. The disease emanates from plasma cells, which are a type of white blood cell that makes antibodies to fight infections. The plasma cells are found primarily in the bone marrow. When they are converted to tumor cells and begin to divide uncontrollably, multiple myeloma occurs. Approximately 250,000 patients live with multiple myeloma in Europe and the US Some 80,000 patients are diagnosed with multiple myeloma every year and 44,000 patients die from the disease annually.

Today, patients are treated with a number of drugs early in the course of their disease. Although patients who are treated for multiple myeloma will have periods without symptoms, relapses will occur sooner or later since the disease develops a resistance to the drugs that are administered. When the disease has reached later stages, the patient suffers from fractures and infections due to insufficient bone marrow function and an impaired immune system. At this stage of the disease, care is focused on prolonging the symptom-free periods and improving the quality of life.

During 2021, the company's clinical development was primarily focused on the phase 3 OCEAN study, which was a direct comparative study between melflufen and pomalidomide. The purpose was for it to be a confirmatory study for melflufen.

In February 2021, the US Food and Drug Administration (FDA) granted Pepaxto® (melphalan flufenamide, also known as melflufen) conditional approval for the treatment of adult patients with relapsed or refractory multiple myeloma. In October 2021, the company voluntarily withdrew Pepaxto from the US market as it was clear that the FDA considered that the OCEAN study did not meet the conditions for a confirmatory study. In January 2022, Oncopeptides decided to revoke the voluntary withdrawal of Pepaxto in the United States, based on further examination and analysis of heterogeneous survival data from OCEAN and other relevant studies. Pepaxto is again an approved drug in the US, but it will not be marketed until the company has reached a mutual agreement with the FDA on how to interpret the data.

Significant events in 2022
- 13th of January 2022; The Phase 3 OCEAN study was published in Lancet Haematology and data was shared with regulatory authorities.
- 21st of January 2022; The revocation of the withdrawal of Pepaxto in the US was communicated.
- 4th of May 2022; Information that the European Medicines Agency's (EMA) review process for melflufen in Europe proceeded according to plan and included data from both the HORIZON and OCEAN studies.
- 23rd of June 2022; The Committee for Medicinal Products for Human Use (CHMP) of EMA unanimously decided to recommend the European Commission to grant Pepaxti® a full marketing authorization in the EU.
- 14th of July 2022, A directed new share issue was carried out of approximately SEK 435.6 million (USD 41.1 million).
- 18th of August; The European Commission approved Pepaxti for the treatment of adult patients with RRMM in the EU and EEA countries.
- 7th of September 2022; The NK cell stimulation project in multiple myeloma received SEK 5 million in research funding from Vinnova.
- 23rd of September 2022; The Extraordinary General Meeting (EGM) authorized the Board of Directors to decide on a new issue of shares.
- 23rd of September 2022; The ODAC expert panel considered that OCEAN did not confirm a favorable risk-benefit profile in the US indication.
- 3rd of October 2022; The commercialization of Pepaxti in Europe starts in Germany.
- 26th of October 2022; Data from the phase-3 LIGHTHOUSE study confirmed the clinical benefit of melflufen.
- 11th of November 2022; Pepaxti received marketing authorization in the UK.
- 25th of November 2022; Renewed loan agreement with the European Investment Bank (EIB) for EUR 30 million.
- 28th of November 2022; A type II variation application for Pepaxti was submitted to EMA.
- 7th of December 2022; Update on the marketing authorization for Pepaxto in the US, according to which FDA requests that the market authorization is withdrawn.
- 12th of December 2022; New clinical and pre-clinical data were presented at the annual American Society of Hematology (ASH) meeting.

Events after the end of the reporting period
- Monica Shaw is appointed CEO with effect from January 4, 2023, and Jakob Lindberg assumes the role of Chief Scientific Officer.
- Holger Lembrér is appointed CFO with effect from January 18, 2023.

Sales and earnings
Revenue for 2022 of SEK 8.4 million is mainly attributable to the reserve of SEK 7.8 million (USD 0.8 million) reversed in the second quarter as a result of revaluations following agreements with distributors. The corresponding period last year reflected both the start of sales and the retreat from the US market.

The costs for 2022 was during the first half of the year affected by a higher cost level following the decision to shut down the commercial operations and to terminate all ongoing studies except OCEAN early. The costs in the second half of the

year largely reflect the pre-commercialization work following the approval by EMA.

Research and development costs for the year totaled SEK 217.7 million (679.9). The costs include shutdown costs for all projects except OCEAN as well as the resumption of investments in the company's unique PDC platform in the fall.

Marketing and distribution costs for the year totaled SEK 58.1 million (698.3). The costs in the first half of the year were mainly driven by the application process to the European Medicines Agency (EMA), while in the second half of the year they were driven by commercialization activities after the EU approval in August 2022.

Administrative costs amounted to SEK 84.1 million (175.5) for the full year.

Costs for social security contributions, related to share-based incentive programs, vary mostly as a result of changes in the underlying market price. Related provisions are recognized as current and non-current liabilities.

Costs for share-related incentive programs for the year amounted to SEK 19.1 million (-34.2). The difference compared to the previous year is partly due to the significantly lower number of employees included in the incentive program, but also to the fact that the share price has risen during the year, so the value of provisions, including tax benefits, has increased.

Profit/loss for the year amounted to SEK -338.0 million (-1,430.3). This corresponds to earnings per share before and after dilution of SEK -4.11 (-19.00) for the full year.

Cash flow and investments

Cash flow from operating activities amounted to SEK -420.5 million (-1,516.4) for the full year.

Cash flow from:

- Investment activities amounted to SEK -2.5 million (-0.3) for the full year.
- Financing activities amounted to SEK 392.4 million (1,034.0) for the full year and refers to the directed share issue that raised SEK 435.6 million before deduction of transaction costs, and amortization of the lease debt.

Cash flow for the year amounted to SEK -30.6 million (-482.7) for the full year.

Financial position

On December 31, 2022, the company's cash and cash equivalents amounted to SEK 344.5 M (362.2), and equity to SEK 294.3 M (210.9).

In Q4, Oncopeptides entered into a loan agreement with the European Investment Bank (EIB). This provides Oncopeptides with access to an unsecured loan facility of up to EUR 30 million. The loan agreement is divided into three tranches, each with a term of 5 years, which become available if the company meets certain conditions. If the company uses the loan facility, the EIB will be entitled to warrants corresponding to 2.8% after dilution, in addition to interest on the loan amount.

The loan can be used to support continued clinical development and the company's commercial initiatives. For more information refer to the segment Going concern status on pages 34–35.

MULTI-YEAR SUMMARY, GROUP

SEK thousand	2022	2021	2020	2019	2018
Net sales	8,355	118,295	–	–	–
Operating loss	-349,350	-1,420,917	-1,591,279	-739,392	-410,963
Loss before tax	-337,680	-1,421,371	-1,592,442	-739,920	-410,965
Loss after tax	-337,951	-1,430,317	-1,594,693	-740,705	-411,112
Earnings per share before and after dilution (SEK)	-4.11	-19.00	-25.57	-14.33	-9.58
Cash flow from operating activities	-420,509	-1,516,391	-1,296,509	-690,566	-333,727
Equity	294,293	210,868	576,897	797,013	265,004
Cash and cash equivalents at the end of the period	344,515	362,187	840,255	926,186	375,617

Share-based incentive programs

The objective of share-based incentive programs is to promote the company's long-term interests by motivating and rewarding the company's senior management, founders and other personnel in line with the shareholders' interests. Oncopeptides currently has nine programs encompassing management, certain Board members, founders and employees.

The company had the following active programs at the end of the period:

- 2016 Employee Option Program 2016/2023
- 2017 Co-worker LTIP 2017
- 2018 Co-worker LTIP 2018
- 2019 Co-worker LTIP 2019
- 2020 Board LTIP 2020
- 2021 Co-worker LTIP 2021 and Board LTIP 2021
- 2022 Co-worker LTIP 2022 and Board SHP 2022

For information about these programs, refer to Note 26 on pages 67–70.

In 2022, 532,110 options and 1,324,029 share awards were allotted. 291,087 options and 145,846 share awards were revoked. 11,700 options were exercised. Allotted options and share

awards at December 31, 2021 corresponded to a total of 3,970,011 shares.

The cost for share-based incentive programs during the year amounted to SEK 19.1 million (-34.2). Of these, provisions and payments of social security contributions amounted to SEK 4.3 million (-48.4) and costs for share-based payments to SEK 14.9 million (14.2). The cost had no cash-flow impact during the year.

Effects of COVID-19

COVID-19 had a decreasing impact on the company, as restrictions were relaxed in the countries where the company operates. The pandemic is thus deemed to have no material impact on the company's result and financial position.

Parent Company

The Group's Parent Company is Oncopeptides AB. Since the operations of the Parent Company are consistent with those of the Group in all material respects, the comments for the Group are also largely relevant for the Parent Company.

OTHER INFORMATION

Environment

Oncopeptides works proactively to reduce the company's negative environmental impact and to develop as a sustainable company. As the company has limited sales during the year, its products do not have a significant environmental impact.

Oncopeptides' areas of environmental impact pertain instead to the purchase of goods and services, energy consumption and transportation. The company's objective is to contribute to sustainable development, and it thus works proactively to improve its environmental performance insofar as this is economically feasible.

Share capital and ownership structure

Oncopeptides' share capital totaled SEK 10,478,808, distributed among 94,309,267 shares with a quotient value of about SEK 0.11. The total number of outstanding shares on December 31, 2022 amounted to 90,368,660 common shares with one vote each and 3,940,607 class-C shares related to the Company's LTI programs. On December 31, 2022, HealthCap was the largest shareholder with 16,405,387 shares, corresponding to 18.1% of the votes and 17.4% of the capital. The foundation Industrifonden was the second largest shareholder with 8,285,258 shares, representing 9.2% of the votes and 8.8% of the capital.

Co-workers

Oncopeptides' organization consists of people (employees and consultants) with key expertise in all areas from research and development to commercialization. At year-end, the total number of employees was 41 (162). The average number of employees during the year was 57 (229).

THE BOARD'S PROPOSAL ON GUIDELINES FOR REMUNERATION OF SENIOR MANAGEMENT

The CEO and the other members of senior management fall within the provisions of these guidelines. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the AGM 2022. The guidelines do not apply to any remuneration decided or approved by the general meeting. During 2022, no significant deviations were made from the applicable guidelines. For information about the guidelines applicable until the 2022 AGM, refer to the Corporate governance report on pages 36–43.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Oncopeptides is a biotech company focused on the commercialization and research and development of targeted therapies for difficult-to-treat hematological diseases. Oncopeptides primarily operates from its head office in Stockholm, Sweden.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the members of senior management a competitive total remuneration. Long-term share-based incentive programs have been implemented in the company. Such programs have been resolved by the general meeting and are therefore excluded from these guidelines. The programs encompass management, Board members, founders and other personnel.

For more information about these programs, including the criteria determining outcomes, refer to the Corporate governance report on pages 36–43. Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

Forms of remuneration etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration consists of a target-based variable remuneration corresponding to 25-50 percent of the fixed annual cash salary with a maximum level of 1.5 times the target-based remuneration for the CEO and other members of senior management.
For the CEO and other members of senior management, pension benefits, including health insurance, shall be defined contribution. Variable cash remuneration is not pensionable. The pension premiums for defined-contribution pensions shall amount to not more than 24 percent of the fixed annual cash salary

Other benefits may include, for example, life insurance, medical insurance, etc. Such benefits may amount to not more than two percent of the fixed annual cash salary.

Termination of employment
If notice is given by the company, the period of notice must not exceed nine months. Fixed cash salaries during the period of notice and severance pay may not collectively exceed an amount corresponding to the fixed cash salary during the period of notice for the CEO and six months for other members of senior management. If notice is given by the employee, the period of notice must not exceed six months, and there is no right to severance pay. Additionally, remuneration for potential non-competition clauses can be payable. Such remuneration is to compensate for potential loss of income and is only payable insofar as the former employee lacks any right to severance pay. Remuneration should be based on the fixed cash salary at the time of termination, unless mandatory collective provisions dictate otherwise, and is payable over the duration of the non-competition clause, which may not exceed 12 months after the termination of employment.

Criteria for awarding variable cash remuneration, etc.
The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may be individualized, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promoting the executive's long-term development.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation so far as it concerns variable remuneration of the CEO. For variable cash remuneration of other executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

Salary and employment conditions for employees
In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines
The Board of Directors has established a Remuneration Committee.

The committee's tasks include preparing the Board of Director's decision to propose guidelines for executive remuneration. The Remuneration Committee has, with the help of external consultants Deloitte and PWC, carried out a comparative analysis of levels of remuneration and components thereof for individuals who are a part of executive management.

The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the AGM. The guidelines shall be in force until new guidelines are adopted by the general meeting.

The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company.

The members of the Remuneration Committee are independent of the company and its executive management. The CEO and the other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines
The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters.

Description of material changes to the guidelines and how the shareholders' have been taken into consideration
Variable remuneration to the CEO, which previously amounted to 50 percent of the fixed cash remuneration with a maximum level of 200 percent, has been adjusted to a maximum of 1.5 times the target-based remuneration.

The notice period from the company is adjusted from 24 months to 9 months for the CEO. Severance pay may not exceed the equivalent of the fixed cash salary during the notice period.

Pension provision in the 401K is replaced by a defined contribution pension provision amounting to a maximum of 24% of fixed annual cash remuneration.

Events after the end of the financial year
- Monica Shaw is appointed CEO, effective January 4, 2023, with Jakob Lindberg assuming the role of Chief Scientific Officer.
- Holger Lembrér is appointed CFO with effect from January 18, 2023.

RISKS
Oncopeptides' operations are impacted by a number of factors whose effects on the company's earnings and financial position are, in certain respects, entirely or partly beyond the company's control. When evaluating the company's future performance, it is important to factor in these risks alongside its potential earnings growth.

The following is a description of significant risks and uncertainties (not in order of priority) deemed to be most critical to the company's fu-

ture development. The list below does not claim to be exhaustive and the company recognizes that even risks that are currently considered minor, or are not yet known, may affect the company in the same negative way as those identified. Such risks could lead to a number of negative effects for the company, including, but not limited to, reduced or, in the worst case, eliminated revenue potential, increased costs, reduced value of the product portfolio, or increased capital acquisition costs.

Should one or more of the currently known or unknown risks materialize, the company's operations, financial position, assets, or future value may directly or indirectly lead to Oncopeptides' ability to continue to operate in its current form being limited, or that the company is forced to cease its operations or is declared bankrupt.

Dependence on a specific product

There are several risks associated with the company's dependence on a specific product. For example, the company has received marketing authorization for Pepaxti in combination with dexamethasone, for the treatment of adult patients with multiple myeloma who have received at least three prior lines of therapy, whose disease is resistant to at least one proteasome inhibitor, an immunomodulatory drug and a monoclonal antibody directed against CD38, and who have experienced disease progression at or after the last treatment. For patients with previous autologous stem cell transplantation, the time to progression should be at least three years from transplantation. Pepaxti has received full marketing authorization in the EU and in countries within the European Economic Area (EEA), which includes Iceland, Lichtenstein and Norway. The product is also approved for sale in the UK. However, sale is subject to the approval of the authorities in each country regarding pricing, subsidy and discounting processes, which may take a long time. In that case, it could lead to a delay in potential future revenues, which could have an adverse effect on the company's operations and financial position.

In addition, barriers to entry in the pharmaceutical market are high, especially for new entrants. The company considers the healthcare sector to be a conservative and slow-moving sector. Extensive demands on pharmaceutical manufacturers and suppliers can mean that the time from the initial contact with relevant buyers or recipients of a product to the company being able to enter into a contract and receive remuneration can be very long. Even after a drug is approved, the risk remains that the drug will not be included in national treatment guidelines and will not achieve the desired level of market acceptance by prescribers, hospitals, patients and payers, which could prevent or make it difficult for the company to generate revenues or achieve profitability. The market acceptance of the company's product depends, among other things, on the acceptance of the drug as a safe and effective treatment, relative ease of use, the incidence and severity of side effects, the cost of the treatment in relation to alternative measures or treatments or warnings contained in the drug's approved summary of product characteristics. Lack of market acceptance would adversely affect demand for the company's products and may also impede the commercial success of current and future products, which could have a material adverse effect on the company's revenue potential.

There may be a risk that the psychological impact or perception among prescribers and investors remains negative following the FDA's decision as of July 8, 2021 to stop enrolling patients in ongoing studies with melflufen, the safety alert announced by the FDA on July 28, 2021, and the subsequent recall of the product in the US on October 22, 2021. The safety alert was based on the FDA's interpretation of the results of the Phase 3 OCEAN study.
Creating full access to the product for all indicated patients requires prescribers to embrace new data and not remain stuck in old treatment patterns. If so, there is a risk that revenues will not increase at the rate that could be expected given the population of the indication, which affects the company's revenue potential.

Increased market acceptance may also entail a risk of public blame or discrediting of the company and of competitors initiating legal proceedings to hinder Oncopeptides' activities. Facing such potential negative publicity/action could mean that revenues do not increase at the rate that could be expected given the population of the indication. In addition, the company has conducted a thorough analysis of the survival results from the OCEAN study and other relevant studies with so-called immunomodulatory drugs (IMiDs), in order to better interpret the results of the OCEAN study. Since Oncopeptides has made statements about the risk-benefit profile of IMiDs, which are marketed by companies other than Oncopeptides, there is a risk that the company will be publicly blamed and possibly involved in legal disputes that could potentially be costly for the company.

Each country (including within the EU and other countries covered by an EU approval) requires tailored documentation to be prepared in the local language and follow local rules. The processes involve requirements for product development, clinical studies, registration, approval, labeling and distribution. All regulatory processes have set timelines but can be delayed and thus make further development and commercialization of a product more expensive, for example as a result of authorities changing their assessments in the light of new scientific evidence. When authorities assess individual, and often changing, market-specific rules such as applications and procedures, there is a risk that required authorizations or registrations are not obtained or are delayed, resulting in significant costs or disruption.

A setback in the development of melflufen in the form of, for example, delayed regulatory decisions, rejections, unclear decisions, or lower than expected sales within the approved indication, could have a negative impact on the company's business, financial position and results.

Reliance on one market

There are several risks associated with the company's ability to obtain market authorization

outside the EU. For example, additional clinical studies, beyond those already conducted, may be required for the approval of Pepaxto/Pepaxti or other drug candidates. Furthermore, clinical studies that may be required for approval may be canceled or delayed due to circumstances beyond the company's control, and the results of the clinical studies may be unsatisfactory. Relevant studies could include, but are not limited to, dose defining studies through phase 3 trials. Such studies could lead to significantly increased costs, significantly delayed registration with regulatory authorities, result in the company being forced to focus on a more limited indication or cause Oncopeptides to refrain from commercializing Pepaxto/Pepaxti or other potential future drug candidates

There is also a risk that the FDA decides that the company's product Pepaxto, which has received conditional market approval in the US and is currently not marketed, may not be marketed in the US market in the future, which would significantly limit the company's total global revenue potential.

Product liability

There are several risks associated with the commercialization of the company's drug candidate melflufen and future potential products, including market acceptance. For example, the company's planned expansion into new markets may involve risks related to increased product liability and/or stricter liability for incorrect or inadequate personal data management or other information, which could lead to reduced sales of the company's products and a poorer revenue potential as a result. Thus, even after the company's product is approved, there is a risk that the company cannot demonstrate a sufficiently safe product and personal data processing capability, which could affect the desired level of market acceptance by prescribers, hospitals, patients and payers.

Clinical studies for not-yet-approved candidates on the PDC platform

Prior to launching a product candidate in the market, Oncopeptides must carry out pre-clinical and clinical studies to document and prove that the product gives rise to significant efficacy and has an acceptable safety profile. Oncopeptides is unable to predict with any certainty when planned clinical studies can be started or when ongoing studies can be completed since these are circumstances that are affected by numerous factors that are beyond Oncopeptides' direct control, for example, regulatory approval, ethical review, access to patients and clinical study units, and the implementation of the clinical study at the study unit. It is also difficult to accurately predict the costs associated with clinical trials, which means that the actual costs of conducting a study may significantly exceed estimated and budgeted costs.

Clinical trials may also produce results that do not support the intended treatment effect or an acceptable safety profile due to undesirable side effects or an unfavorable risk-benefit profile when assessing the product, which may result in the discontinuation of the clinical studies by potential partners, institutional review boards and/or regulatory authorities. If a clinical study is discontinued, it may lead to a decrease in the value of the company's project portfolio and a reduced revenue potential for the specific project, as well as an impairment of the company's assets.

Reliance on key individuals

Oncopeptides is reliant on several key individuals in a range of fields. The ability to recruit and retain qualified co-workers is of material importance to ensure the level of expertise in the company.

Regulatory approvals and acceptance of reimbursement and subsidy schemes

Oncopeptides is exposed to regulatory decisions such as the permits required to commercialize pharmaceuticals and regulatory changes with regard to pricing, reimbursement and discounting of pharmaceuticals, or altered conditions for prescribing a particular pharmaceutical product.

An important factor for successful commercialization is the reimbursement that can be obtained for the product from private insurance companies, governments and other payers of healthcare products and services. If healthcare payers do not offer physicians, hospitals and other healthcare facilities adequate reimbursement levels for treatments involving Oncopeptides' products, or if reimbursement from healthcare payers for such products is significantly reduced, or if the price of the product is considered too high, it may lead to a reluctance to use the company's products. There is also a risk that the product will not be reimbursed by private and publicly funded healthcare programs, or that reimbursement will be lower than expected. Oncopeptides' remuneration and current remuneration schemes may also be affected by the outcome of competitors' patents. When patents expire, the price of the drug usually drops, which means that competition in the market changes. Patent expiries for market-leading immunomodulatory drugs can thus lead to price pressure, with the implication that the company needs to reduce the price of its product in order to retain the subsidy. This means lower revenues and may lead the company to refrain from introducing the drug to the market. This could be the case if authorities consider that melflufen is no different from melphalan.

Even after a product has been approved, Oncopeptides must meet certain regulatory requirements to maintain the current market authorization. Medicines distributed or manufactured under an FDA or EMA approval are subject to extensive and continuously updated regulations. There is a risk that both the company's unapproved drug candidates and already approved drugs do not meet the regulatory requirements. In case of non-compliance with the regulatory requirements, or if there are patient safety related problems with the product on the market, the competent authority may take regulatory action including, but not limited to, suspension or withdrawal of the marketing authorization or other restrictions. The competent authority may also decide to withdraw the product (or specific batches) from the market if the company is

subject to such regulatory measures as a result of the competent authority finding that any of the company's product candidates do not meet the requirements or determining that a previously authorized medicinal product no longer meets the requirements.

Production and agreements with sub-suppliers and partners

Since Oncopeptides has no proprietary production facilities, the company is dependent on sub-suppliers for the production of pharmaceuticals. Substances and products must be produced in sufficient quantities and be of adequate quality. Although none of the company's current manufacturers are sufficiently important to be considered indispensable, the company is dependent on them, since switching manufacturers could be costly and time consuming. There is a risk the company may not find suitable manufacturers who offer the same quality and quantity at terms and conditions that are acceptable to the company.

In addition, the company has outsourced manufacturing, packaging, labeling and distribution as well as the conduct of clinical trials to sub-suppliers. It is therefore dependent on maintaining its subcontracting arrangements and would be further affected if the cost of such services were to increase significantly over time.

Oncopeptides also relies on its sub-suppliers to comply with the rules applicable to different product manufacturing steps such as sampling, quality control and documentation. Sub-suppliers are obliged to comply with existing laws and regulations, such as good manufacturing practice, good distribution practice, and good clinical practice. Production facilities must be approved by regulatory authorities and may be inspected on an ongoing basis and, if the sub-supplier does not comply with FDA or other relevant authority requirements, this may lead to complaints and new production requirements, which in turn may lead to production interruptions and disruptions that may affect product supply and distribution.

Competition and commercialization

Oncopeptides' competitors include international pharmaceutical companies and biotech companies. Some competitors have substantial financial, technical and staffing resources as well as considerable manufacturing, distribution, sales and marketing capacities. There are several risks associated with competition. One such risk is that competitors develop products faster and/or more efficiently and achieve broader market acceptance, which could cause the company to discontinue any sales, resulting in reduced, or no, revenue.

There is also a risk that Oncopeptides' products may be subject to competition from entirely new product concepts that provide greater added value to patients.

In addition, successful commercialization of pharmaceutical products depends on operational factors such as effective marketing. Thus, there is a risk that demand will not reach expected levels despite a competitive product profile

Intellectual property rights and patents

There are several risks associated with the intellectual property of other parties. For example, there is a risk that Oncopeptides will be involved in litigation or other legal proceedings for alleged infringement of rights, which could lead to the company being forced to pay damages or be prohibited from using its product, resulting in reduced revenue potential for the company or the specific drug candidate.

In addition, there are several risks associated with the company's patent protection. For example, there is a risk that the company's future products, uses and formulation methods cannot be protected by patents, that the company's granted patents do not provide adequate protection or are subject to invalidity proceedings.

There is a risk that any future improvements, compositions, drugs or methods developed by Oncopeptides will not be patentable, that Oncopeptides will be unable to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner, or that approved patents will not be sufficient to protect Oncopeptides' position in the market. Since patent applications are confidential for a certain period after filing and approved individual claims are confidential until the patent has been granted in full, there may be a risk that Oncopeptides becomes aware of third party positions at a late stage. In this context, Oncopeptides' potential future patent applications may not have priority over third party applications.

Furthermore, there is a risk that Oncopeptides' patent, even if granted, may be subject to invalidity proceedings, which may affect the validity of the patent and the possibility to enforce the patent against third parties. Oncopeptides has not been subject to any invalidity proceedings as of the balance-sheet date.

Currency risks

The company's reporting and functional currency is SEK. The company's development costs for melflufen are mainly in USD and EUR.

Therefore, the company is exposed to exchange-rate risks with respect to payment flows within and beyond Sweden and the eurozone, such as fluctuations where the exchange rate in effect when payment is due deviates from the contractually agreed amount at the time of agreement. In accordance with the company's policy for financial risk, the company exchanges cash into USD and EUR at a level of 70 to 100 percent of the expected cash flow in each currency.

Credit risks

Oncopeptides' credit risk is managed at the Group level and arises through cash and cash equivalents and deposits with banks and financial institutions, and through credit exposures to customers, including outstanding receivables and agreed transactions. Trade receivables arise once an item has been delivered and invoiced and are recognized in the amount expected to be received. The impairment requirements for trade receivables are continuously evaluated as they approach their due dates. For more information on credit risk, refer to Note 3 Financial risk management.

Financing
There are several risks associated with the company's negative operating results and financing needs. For example, there is a risk that the company's commercialization strategies and efforts will be unsuccessful or misdirected, with the result that the company's revenues may be insufficient to finance its operations or commitments. Disruption and uncertainty in credit and capital markets may also limit the availability of additional capital. If the company is unable to obtain new capital, it may have a negative impact on the company's financial position, which may force the company to limit its development or cease its activities.

Taxes
There are several risks associated with Oncopeptides' tax situation. For example, the handling of tax issues within Oncopeptides is based on interpretations of the applicable tax law in the countries concerned. If the company's current handling of tax issues is called into question, for example as a result of the company's incorrect interpretation of national regulations, this could lead to an increased tax cost, including penalties and interest.

IT security
The company's ability to effectively and securely manage its business depends on the security, reliability, functionality, maintenance and operation of its IT systems. The company has no proprietary systems but relies on large, widely used systems. With multiple suppliers, there is a greater risk of computer viruses, leaks and intrusions, among other things. The company is not aware of any IT-related incidents at the balance-sheet date.

There is also a risk that the company's backup system will not work. Problems with and disruptions to the company's IT system can lead to the business not being able to operate as planned for a certain period of time, for example as a result of production interruptions or because access to information is made more difficult or completely restricted. The extent of the damage that may occur depends mainly on the scale and duration of the disruption. In the event that the company would be exposed to such problems and disruptions in the company's IT system, the company assesses that it would constitute a risk for the company's drug development in the form of significant disruptions in operations, increased costs and a deterioration in the reputation and reliability of the company as a drug development company.

Oncopeptides is dependent on the ability of the sub-suppliers contracted to conduct clinical studies on behalf of the company to securely manage and store results, reports and other data from the studies through efficient and well-functioning IT systems and related processes. There is a risk that such systems, which are beyond the company's control, may be disrupted by, for example, software and hardware problems, computer viruses, hacker attacks or physical damage. In the event that the company would be exposed to such problems and disruptions in such IT systems, the company assesses that it would pose a risk to the company's drug development in the form of significantly reduced reputation, disruptions in the business and increased costs.

COVID-19 and other potential global pandemics
COVID-19 had a decreasing impact on the company, as restrictions were relaxed in the countries where the company operates. The company's assessment is therefore that the COVID-19 pandemic no longer has a material impact on the company's accounts. However, if restrictions are reintroduced or further pandemics occur, the company may experience disruptions that could have a material adverse effect on the company's operations and clinical trials. Overall, however, pandemics can have several negative consequences for the company, such as a less successful launch of existing products in new markets and new products, which could ultimately lead to a reduced value of the company and a reduced revenue potential for the company's product candidate portfolio.

Global conflicts
Oncopeptides and its sub-suppliers depend on stable supplies of raw materials, packaging materials and other components needed to manufacture the company's products. Wars and conflicts between or within countries can lead to a risk of deterioration in the ability of the company, partners, or sub-suppliers to produce or deliver according to demand. Wars and conflicts between or within countries may also lead to difficulties in recruiting patients for possible future studies or in continuing ongoing clinical studies. As a result of price changes, inflation, other financial impacts or restrictions on the availability of markets as a result of wars and conflicts, there is a risk that the company will suffer increased costs in relation to the product, which may lead to reduced demand, or increased costs in relation to studies, or difficulties in gaining access to the market and thus loss of revenue.

Disputes and legal proceedings
As of the balance-sheet date, the company has not been a party to any governmental, legal or arbitration proceedings (including any pending matters or those that the Board of Directors of the company is aware may arise) during the past twelve months that could have a material effect on the company's financial position or profitability. There is a risk that the company may in the future be involved in such proceedings that are directly or indirectly related to its activities. Such proceedings may concern, among other things, alleged infringements of intellectual property rights, the validity of certain patents, alleged or actual personal injury or malpractice, and appeals against decisions of regulatory authorities or commercial issues. Should claims be brought against Oncopeptides, resulting in the establishment of significant legal liability or the loss of intellectual property rights, the claims could result in a significant financial loss for Oncopeptides or cause significant damage to Oncopeptides' brand and reputation, which could harm Oncopeptides' ability to raise new capital or continue its drug development.
Oncopeptides may be subject to litigation if it infringes intellectual property rights or if third parties, rightly or wrongly, consider that it is

infringing intellectual property rights. A third party may also attempt to exploit or infringe the company's intellectual property rights, which may require the company to defend its intellectual property rights through litigation. See section "Risks related to intellectual property rights of other parties" for more information on intellectual property rights. The company has also commented on other companies' drugs and the risk-benefit profile of such drugs in connection with the regulatory discussions with the FDA. There is therefore a risk that a company on which Oncopeptides has made statements will take legal action against Oncopeptides.

There is a risk that the regulatory discussions with the FDA in the US lead to a situation where Oncopeptides may have to defend its rights through a process in the US court system.

Legal proceedings can be costly and time-consuming for Oncopeptides. There is also a risk that Oncopeptides may have to pay legal costs, damages and/or other costs regardless of the outcome of such proceedings. There is a risk that such legal costs, damages and/or other costs are so large that it negatively affects Oncopeptides' ability to continue to operate in its current form or that the company is forced to cease its operations or is declared bankrupt. Legal processes can also lead to the company being forced to discontinue the commercialization of product candidates, which could lead to the company discontinuing any sales with reduced, or completely absent, revenues as a result, or a significantly reduced revenue potential for the company or the specific product candidate. Even if legal liability is not established, Oncopeptides' brand and reputation could be damaged, which could have a negative impact on Oncopeptides' ability to raise new capital or continue commercialization.

The company's share

The development of the company's share price depends on a number of factors. The transaction frequency and volume levels of trading in the company's ordinary shares fluctuate over time and there is a risk that the company's ordinary shares will become illiquid and that there will be no buyers if investors wish to sell shares in the company at any given time or that a sale will have to be made at a lower price than normal due to low liquidity. The price of Oncopeptides' shares could then become volatile and the share price could fall significantly without the company announcing any news, and investors could lose significant value. During the period from July 2018 to August 2022, the share price has varied from SEK 207 per share to SEK 3.72 per share.

If Oncopeptides issues new shares in a cash issue, the shareholders have, as a general rule, preferential rights to subscribe for new shares in proportion to the number of shares held before the issue. To the extent that Oncopeptides' shareholders in jurisdictions outside Sweden cannot exercise their rights to subscribe for new shares in any rights issues, their proportional ownership in the company will decrease.
If the company decides to raise additional capital, for example through a new issue of shares or other securities, this may lead to a dilution of ownership for shareholders who cannot participate in such an issue or who choose not to exercise their right to subscribe for shares. Furthermore, the company has issued options within the framework of incentive programs for the company's Board of Directors, management, employees and consultants, of which the delivery of shares to the participants and the cost of social security contributions have been secured with warrants and class-C shares. The exercise of these warrants and/or the issue of C shares, when and if it occurs, will be dilutive to other shareholders. There is also a risk that the number of warrants and C shares issued to ensure delivery of shares and the cost of social security contributions are insufficient, which could result in a significantly increased cost for the company.

Oncopeptides has a large number of shareholders based outside Sweden, including in the US. The company's share is listed in SEK and any future dividends will be paid in SEK. A weakening of the Swedish krona in relation to foreign currencies may therefore, when converted to local currency, mean that the value of foreign shareholders' shareholdings and dividends may be adversely affected.

Going concern status

As a result of the rapid and vigorous reduction of operating costs initiated in the last quarter of 2021 and continued in the spring of 2022, the group's cash flow and cash position improved significantly. With the European Commission's approval of Pepaxti for the treatment of adult patients with RRMM in the EU and EEA countries Oncopeptides was able to resume investments in next-generation drug candidates within the company's Peptide Drug Candidate (PDC) platform and start preparing for marketing in Europe. By investing again in future revenue-generating products, the company seeks to ensure long-term continuity of operations. The closest is OPDC3, where final pre-clinical studies are being conducted to prepare the drug candidate for phase-1 trials, but also the company's patented Spike platform for Small Polypeptide based Killer Engager, both of which indicate long-term revenue potential. However, the type of investment required can to some extent be adjusted in time to match the company's available capital. Oncopeptides has initiated commercialization in Europe and will launch Pepaxti with a small and focused organization, dedicated to making the drug available to patients in Germany, creating the conditions to ensure the fastest possible timeline to revenue. However, it should be noted that further roll-out will take time as each individual country has to approve the price and payment within its specific reimbursement system. Although the company operates on the basis of a mapping exercise that carefully weighs the timing of applications in each EU country against the ability to reach patients in need while generating revenue, the timing of when the company may achieve positive cash flows is uncertain.

The Board of Directors and the CEO continuously assess the Group's liquidity and financial resources in both the short and long term. The annual report has been prepared with the assumption that the company has the ability to

continue operations for the next 12 months, in line with the going concern assumption. Should crucial conditions not be fulfilled, for example by sales not developing at the rate assumed, there is a risk concerning the group's continued operation. Overall, this implies that there are circumstances that may give rise to significant doubts about the company's ability to continue to operate without additional financing. Oncopeptides will, most likely, need to acquire additional capital moving forward, depending on the amount of income that can be successfully generated in relation these costs. The company's ability to acquire additional capital, achieve partnerships or obtain other co-financing cannot be guaranteed. This could cause a temporary suspension of development or force Oncopeptides to conduct its operations at a less than optimal rate, which could result in delayed or failed commercialization and income.

PROPOSED APPROPRIATION OF PROFITS 2022 FISCAL YEAR

(SEK)	
Share premium reserve	5,277,417,424
Retained earnings	-4,670,696,256
Loss for the year	-324,799,192
	281,921,976
The Board of Directors proposes that	281,921,976

INTRODUCTION

Oncopeptides is a Swedish public limited liability company with its registered office in Stockholm, Sweden. The company's share has been listed on Nasdaq Stockholm since February 22, 2017 and is traded under the ticker symbol ONCO. In addition to the rules laid down by law or other regulations, Oncopeptides applies the Swedish Corporate Governance Code (the "Code") with no exceptions.

Oncopeptides' corporate governance

The purpose of Oncopeptides' corporate governance is to create a clear allocation of roles and responsibilities among the owners, the Board of Directors and management. Corporate governance, management and control of Oncopeptides are allotted among the general meeting, the Board of Directors, its elected committees and the CEO.

Examples of external regulations that affect corporate governance

- The Swedish Companies Act,
- Regulatory framework for external statements
- Nasdaq Stockholm's Rule Book for Issuers
- Swedish Corporate Governance Code
- Other applicable regulations and recommendations

Examples of internal regulations that are significant to corporate governance

- Articles of Association
- Board of Directors' rules of procedure, including instructions to Board committees
- Instructions for the CEO
- Guidelines for remuneration of senior management
- Code of Conduct
- Financial manual
- IT policy
- Information policy
- Insider policy
- Anti-corruption policy

Shareholders and the share

Oncopeptides had 28,913 shareholders at year-end 2022. The number of registered ordinary shares admitted to trading amounted to 90,368,660. The number of registered class-C shares for LTI programs amounted to 3,940,607 shares. The total number of registered shares thus amounts to 94,309,267 shares at the end of the period. Each ordinary share carries one vote at the AGM, while class-C shares carry one tenth of a vote. Ordinary shares and class-C shares have equal rights to share in the company's assets and profits. However, class-C shares do not entitle the holder to dividends. If the company is dissolved, class-C shares entitle the holder to an equal share of the company's assets as other shares, but not to an amount greater than the share's quotient value.

On December 31, 2022, HealthCap was the largest shareholder with 16,405,387 shares, corresponding to 18.1% of the votes and 17.4% of the capital. The foundation Industrifonden was the second largest shareholder with 8,285,258 shares, representing 9.2% of the votes and 8.8% of the capital. No shareholder other than HealthCap has a direct or indirect shareholding that represents more than one-tenth of the voting rights of all shares in the company. Further information about shareholders and the Oncopeptides share is presented under the heading "The share" in the 2022 Annual Report.

General meetings of shareholders

The company's highest decision-making body is the general meeting of shareholders. At the general meeting, shareholders can exercise their influence in the company. The AGM is to be held within six (6) months of the end of the financial year. The AGM resolves, for example, on the election of the Board of Directors and, where appropriate, the auditors as well as the principles for the appointment of the Nomination Committee, and discharge from liability for the Board of Directors and the CEO for the preceding year. Other issues to be resolved include the adoption of the Annual Report, the appropriation of profit or loss, directors' and auditors' fees, guidelines for remuneration of the CEO and other members of senior management, and incentive programs for co-workers and the Board of Directors.

The Articles of Association state that the AGM is to be held in Stockholm. Shareholders who wish to attend the general meeting, in person or by proxy, must notify the company in accordance with the invitation. Official notice of general meetings is to be made in the form of an announcement in Post- och Inrikes Tidningar and on the company's website (*www.oncopeptides.se*). Information regarding the notice shall also be advertised in Dagens Industri.

2022 AGM

The AGM for 2022 was held on June 28, 2022 in Stockholm. About 30 percent of the total votes were represented at the meeting. Attorney Johan Winnerblad was elected Chairman of the Meeting.

The AGM passed resolutions including the following:

- Per Wold-Olsen, Brian Stuglik, Cecilia Daun Wennborg, Jarl Ulf Jungnelius, Per Samuelsson and Jennifer Jackson were re-elected as Board members. Per Wold-Olsen was re-elected as Chairman of the Board.
- Ernst & Young AB was re-elected as the company's auditor, with Anna Svanberg as auditor in charge.
- Remuneration of the Chairman of the Board and Board members elected by the AGM, and the auditor was established.
- Guidelines for remuneration of senior management were approved.
- It was resolved to adopt new Articles of Association in accordance with the Board's proposal with changes to the Business Objectives, the possibility to issue shares in two series, ordinary shares and class-C shares, and the possibility for the Board to decide on conversion of class-C shares to ordinary shares.
- It was resolved to introduce a long-term shareholder program, Board SHP 2022, for board members.
- It was resolved to introduce a performance-based long-term incentive program, Co-worker LTIP 2022, for the company's employees and consultants.

- Authorization for the Board of Directors to resolve on new share issues, warrants and/or the issue of convertibles with or without preferential rights for shareholders. The authorization may be exercised on one or more occasions up until the 2023 AGM and the number of shares issued under the authorization may not, after full exercise of the authorization, correspond to a dilution of more than 20 percent of the total number of shares outstanding at the Annual General Meeting's resolution on the proposed authorization.
- Adoption of the income statement and balance sheet and of the consolidated income statement and consolidated balance sheet.
- Resolution on the appropriation of the company's profit/loss according to the adopted balance sheet.
- Discharge from liability for the Board of Directors and the CEO with regard to the 2021 fiscal year.

The minutes and information from the AGM are available at *oncopeptides.com*.

Extraordinary General Meeting

An Extraordinary General Meeting (EGM) was held on September 23, 2022 in Stockholm. About 42 percent of the total votes were represented at the meeting. Attorney Johan Winnerblad was elected Chairman of the Meeting.

The EGM made the following decisions:

- Authorization for the Board of Directors to resolve on new share issues with or without preferential rights for shareholders. The authorization may be exercised on one or more occasions up until the 2023 AGM and the number of shares issued under the authorization may not, after full exercise of the authorization, correspond to a dilution of more than 20 percent of the total number of shares outstanding at the Meeting's resolution on the proposed authorization.

The minutes and information from the EGM are available at *oncopeptides.com*.

Representatives	Shareholders
Staffan Lindstrand, Chairman	HealthCap VI L.P.
Patrik Sobocki	Stiftelsen Industrifonden
Caroline Mebius	Handelsbanken Fonder
Per Wold-Olsen	Styrelseordförande i Oncopeptides AB

2023 AGM

The 2023 Annual General Meeting will be held on Thursday, May 25. For the right to participate and more information, refer to page 81 of Oncopeptides' Annual Report for 2022 or *oncopeptides.com*.

The minutes of the AGM will be available at *oncopeptides.com*.

Nomination Committee

The Nomination Committee represents the company's shareholders and is charged with preparing the AGM's resolutions on election and remuneration matters. The Nomination Committee consists of four members, three of whom are to represent the three largest shareholders in the company on the last business day in September 2022, according to statistics from Euroclear Sweden AB. If any of the three largest shareholders chooses to waive their right to appoint a member of the Nomination Committee, this right passes to the shareholder with the next largest shareholding after these shareholders. The fourth person is to be the Chairman of the Board of Directors. The composition of the Nomination Committee is to be publicly announced no later than six months prior to the AGM.

The Nomination Committee observes the rules governing the independence of Board members according to the Corporate Governance Code.

The Nomination Committee jointly represents approximately 29 percent of the number of shares and votes in the company based on shareholder information at the time of appointment.

BOARD OF DIRECTORS

Composition and independence

According to Oncopeptides' Articles of Association, the Board of Directors is to consist of no fewer than three and no more than eight members elected by the AGM for the term until the end of the next AGM. Six Board members were elected at the 2022 AGM.

According to the Swedish Corporate Governance Code, the majority of the Board members elected by the general meeting are to be independent of the company and its management. All Board members are considered independent in relation to the company and its management. Five of the Board members, together with the Chairman of the Board, are also considered independent in relation to major shareholders. Accordingly, Oncopeptides fulfills the Code's requirement with regard to independence.

At the end of the fiscal year, Oncopeptides' Board of Directors comprised six Board members: Chairman of the Board Per Wold-Olsen and Board members Cecilia Daun Wennborg, Jarl Ulf Jungnelius, Per Samuelsson, Brian Stuglik and

Jennifer Jackson. For further information about the Board of Directors, see more under the heading "Board of Directors" or visit *oncopeptides.com*.

Responsibility and duties of the Board of Directors

After the general meeting, the Board of Directors is the company's highest decision-making body. The Board of Directors is to be responsible for the organization and management of the company's affairs, for example, by establishing targets and strategies, ensuring that procedures and systems are in place for monitoring set targets, continuously assessing the company's financial position and evaluating its operational management.

Furthermore, the Board of Directors is responsible for ensuring that correct information is given to the company's stakeholders, that the company complies with laws and regulations and that the company prepares and implements internal policies and ethical guidelines. The Board of Directors also appoints the company's CEO and determines his or her salary and other remuneration on the basis of the guidelines adopted by the general meeting.

The Board of Directors adheres to written rules of procedure which are reviewed annually and adopted at the statutory Board meeting. The rules of procedure govern, among other things, the practices and tasks of the Board of Directors, decision-making within the company, the Board's meeting agenda, the Chairman's duties and the allocation of responsibilities between the Board of Directors and the CEO.

Instructions for financial reporting and instructions for the CEO are also determined in connection with the statutory Board meeting.

The Board of Directors' work is also carried out based on a yearly meeting schedule that fulfills the Board's need for information. In addition to Board meetings, the Chairman and the CEO maintain an ongoing dialog regarding the management of the company.

The Board of Directors meets according to a predetermined annual schedule and at least five ordinary Board meetings are to be held between each AGM. In addition to these meetings, extra meetings can be arranged to address matters which cannot be deferred to any of the scheduled meetings.

For 2022, an evaluation of the Board's work was conducted in the form of individual interviews between the Chairman of the Board and the other Board members. The results will be taken into consideration for the Board's work in 2023.

Board of Directors' work and significant events in 2022

The Board met on 20 occasions during the year, six of which were held per capsulam.

The Board of Directors has mainly dealt with and made decisions in matters related to the company's strategic direction, the possibility of approval in Europe, organizational changes, and external reporting and cash flow forecasts.

Board committees

The company's Board of Directors has established three committees: the Audit Committee, the Remuneration Committee and the Scientific Committee, all of which work according to the Board's established procedures.

Audit Committee

The Audit Committee's role is primarily to monitor the company's financial position and the effectiveness of the company's internal control and risk management. The committee is to remain informed about the audit of the Annual Report and consolidated financial statements, and to review and monitor the auditor's impartiality and independence. The Audit Committee also assists the Nomination Committee in preparing proposals for resolution on the election and remuneration of the auditors. The Audit Committee continues to consist of the following members since the AGM on June 28, 2022:

- Cecilia Daun Wennborg (Chairperson)
- Per Samuelsson
- Per Wold-Olsen

The committee was convened 13 times in 2022. Oncopeptides' auditors participated in five of these meetings, at which the topics discussed included the auditors' planning of the audit, observations and examination of the company and its financial statements. Other meetings mainly concerned cash flow forecasts, cost savings and questions regarding capital acquisition.

Remuneration Committee

The Remuneration Committee's role is primarily to prepare matters for recommendation to the Board regarding remuneration and other terms of employment for the CEO and CFO and to review with the CEO the plans for remuneration for other members of senior management. The Remuneration Committee also formulates the CEO's bonus plan, monitors ongoing and completed variable remuneration for company management, and monitors and evaluates the application of the guidelines for remuneration to senior management adopted by the AGM. Following the AGM on June 28, 2022, the Remuneration Committee consists of the following members:

- Per Wold-Olsen (Chairman)
- Brian Stuglik
- Per Samuelsson

The Remuneration Committee was convened six times in 2022. At these meetings, the committee discussed the company's existing remuneration systems and proposed guidelines for the remuneration of the CEO and members of senior management as well as the aims, terms and conditions of the incentive programs adopted by the AGM on June 28, 2022.

Scientific Committee

The role of the Scientific Committee is to provide advice on scientific matters. As part of its responsibilities, the Committee evaluates research strategies, clinical development plans, regulatory pathways and strategies, and reviews and reports to the Board on new areas of science.

The Scientific Committee is composed of:

- Jennifer Jackson (Chair)
- Brian Stuglik
- Jarl Ulf Jungnelius

The Scientific Committee met informally twice in 2022. At these meetings the committee discussed the company's scientific development.

CEO AND MANAGEMENT

The role of the CEO is subordinate to the Board of Directors. The CEO's main task is to carry out the company's ongoing management and the daily activities of the company. The rules of procedure for the Board of Directors and the instructions for the CEO stipulate which matters the Board is to resolve upon, and which matters fall within the CEO's area of responsibility. Furthermore, the CEO is responsible for preparing reports and necessary information for decision-making prior to Board meetings and presenting the material at Board meetings.

Oncopeptides' management team consisted, as per December 31, 2022 of seven individuals. In addition to the CEO, management comprises the company's Chief Financial Officer, Chief Operating Officer, Chief Medical Officer & Head of R&D, Global Head of Corporate Communications, Chief Commercial Officer and Head of HR. For information on the management team, see more under the heading "Management" or *oncopeptides.com*.

REMUNERATION OF THE BOARD OF DIRECTORS AND MEMBERS OF SENIOR MANAGEMENT

Remuneration of Board members

The AGM on June 28, 2022 resolved that regular fixed fees to Board members for the period up to and including the end of the 2023 AGM should comprise SEK 1,500,000 to the Chairman of the Board and SEK 600,000 to each of the other Board members. It was further decided that 50 percent of the ordinary fixed fee consists of share awards in the shareholder program Board SHP 2022. In addition to fees for regular Board work, it was resolved that each Board member residing in the US should receive an extra fee of SEK 100,000 and that each Board member residing in Europe outside the Nordic region should receive an extra fee of SEK 50,000.

As remuneration for committee work, it was resolved that the Chairman of the Audit Committee would receive SEK 82,500 and other members of the Audit Committee SEK 27,500 each. It was also resolved that the Chairman of the Remuneration Committee would receive SEK 55,000 while the other members of the Remuneration Committee would receive SEK 27,500 each. It was also resolved that the Chairman of the Scientific Committee would receive SEK 55,000 while the other members of the Scientific Committee would receive SEK 27,500 each.

The fees determined in 2022 to Board members elected by the AGM are shown in the table on below.

		INDEPENDENT IN RELATION TO		REMUNERATION, SEK THOUSAND[3]					ATTENDANCE[1]			
Board member	Function	The company & its management	Larger shareholders	Board of Directors fees	Audit Committee	Remuneration Committee	Scientific Committee	Total	Board of Directors[2]	Audit Committee[2]	Remuneration Committee[2]	Scientific Committee[2]
Per Wold-Olsen	Chairman	Yes	Yes	1,550	27.5	55	–	1,632.5	14/14	13/13	6/6	–
Cecilia Daun-Wennborg	Board member	Yes	Yes	600	82.5	–	–	682.5	12/14	13/13	–	–
Per Samuelsson	Board member	Yes	No	300	27.5	27.5	–	355	14/14	13/13	6/6	–
Jarl Ulf Jungnelius	Board member	Yes	Yes	600	–	–	27.5	627.5	14/14	–	–	2/2
Brian Stuglik	Board member	Yes	Yes	700	–	27.5	27.5	755	14/14	–	6/6	2/2
Jennifer Jackson	Board member	Yes	Yes	700	–	–	55	755	14/14	–	–	2/2
Total				**4,450**	**137.5**	**110**	**110**	**4,807.5**				

1) Figures in table show the total number of meetings attended/total number of meetings.

2) Excluding per capsulam meetings.

3) Fees decided by the AGM, excluding social security contributions, for the financial year June 2022-May 2023, where the period for the financial year is a full year.

Guidelines for remuneration of senior management

Issues pertaining to remuneration of members of senior management are addressed by the Board's Remuneration Committee.

The Board decides on the CEO's remuneration based on the proposal presented by the Remuneration Committee. Remuneration and terms for members of senior management are to be based on market conditions and consist of a balanced mix of fixed salary, variable remuneration, pension benefits and terms upon termination. For the 2022 fiscal year, the CEO and other members of senior management received salary and other remuneration as set out in Note 10.

Guidelines were adopted at the 2022 AGM valid for the period up to the closing of the 2023 AGM. The main points were as follows:

Oncopeptides' starting point is that salary and other terms and conditions should always enable Oncopeptides to attract and retain qualified members of senior management at a reasonable cost for the company. Remuneration of members of senior management is to be decided in accordance with Oncopeptides' remuneration policy, which is adopted annually by the Board and comprises a supplement to the guidelines.

Remuneration of members of senior management consists of a fixed salary, variable remuneration, pension and other benefits. To avoid unnecessary risks being taken by members of Oncopeptides' senior management, there must be a fundamental balance between fixed and variable remuneration. Furthermore, Oncopeptides' AGM may, if so ordered, offer long-term incentive programs, such as share or share price-related incentive programs. Each member of senior management is to be offered a market-level fixed salary based on the degree of difficulty of the work and the individual's responsibilities, experience, expertise and performance. In addition, each member of senior management may, from time to time, be offered variable remuneration (bonus) to be paid in cash. The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may be individualized, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

These guidelines enable the company to offer the members of senior management a competitive total remuneration. Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability. Long-term share-based incentive programs have been implemented in the company. Such programs have been resolved by the general meeting and are therefore excluded from these guidelines. The programs include senior management, Board members, founders and other personnel, and are reported under Note 26, "Share-based remuneration" on pages 67-70 of the 2022 Annual Report.

The performance criteria for variable remuneration of the CEO were chosen to help realize the company's strategy and to encourage ownership aligned with the company's long-term interests. The strategic goals together with the short- and long-term business priorities for 2022 were considered when selecting the performance criteria. Moreover, the non-financial performance criteria contribute to sustainability adaptation and to the company's values.

The fixed salary during the notice period, together with severance pay, may not exceed nine months' fixed salary for senior management according to the guidelines.

The Board of Directors is entitled to deviate from the guidelines in individual cases should there be special reasons for doing so. Before every AGM, the Board of Directors is to consider whether or not additional share or share price-related incentive programs should be proposed to the general meeting.

It is the general meeting that resolves upon such incentive programs. Incentive programs are to promote long-term value growth and align the interests of participating members of with those of the shareholders.

New share issues and transfers of securities resolved upon by the general meeting in accordance with the rules of Chapter 16 of the Swedish Companies Act are not covered by the guidelines insofar as the AGM has taken, or will take, such decisions.

SHARE-BASED INCENTIVE PROGRAMS

Oncopeptides currently has nine active programs encompassing management, certain Board members, founders and employees. "Employee Option Program 2016/2023" was introduced in 2016. At the 2019 AGM, the incentive program "Co-worker LTIP 2018" was introduced. At the 2019 AGM, it was resolved to introduce the incentive program "Co-worker LTIP 2019". At the 2020 AGM, it was resolved to introduce the incentive program "Board LTIP 2020". At the general meeting in May 2021, it was resolved to introduce the programs "Board LTIP 2021" and "Co-worker LTIP 2021". At the June 2022 AGM, two incentive programs were established: "Co-worker LTIP 2022" and "Board SHP 2022".

All options have been transferred at market prices according to independently determined valuation and are subject to customary conversion terms. A brief description of the active programs follows below. See Note 26 for further information on the incentive programs.

Employee option program 2016/2023

Employee stock options have been granted to participants free of charge. Allotted employee options are vested gradually over a four-year period calculated from the starting date (aside from 60 options in the series that are vested and allotted over a period of 12 months).

Vesting requires that the holder remain employed by the company and that the employment is not terminated as per the day of vesting of each employee option. Each vested option entitles the holder to subscribe for 900 new shares in the company up to and including November 30, 2023 at the latest.

Co-worker LTIP 2017

The options were allotted free of charge to

participants of the program. The options have a three-year vesting period calculated from the allotment date, provided that, with customary exceptions, the participants remain as employees of, or continue to provide services to, Oncopeptides. Once the options are vested, they can be exercised within a four-year period.

Each vested option entitles the holder to acquire one share in the company at a predetermined price. The price per share is to be equivalent to the weighted average price that the company's shares were traded for on Nasdaq Stockholm during the five trading days preceding the allotment date.

Co-worker LTIP 2019

The options are allotted free of charge to participants. The options have a three-year vesting period calculated from the allotment date, provided that, with customary exceptions, the participants remain as employees of, or continue to provide services to, Oncopeptides. Once the options are vested, they can be exercised within a four-year period. Each vested option entitles the holder to acquire one share in the company at a predetermined price. The price per share is to be equivalent to the weighted average price that the company's shares were traded for on Nasdaq Stockholm during the five trading days preceding the allotment date.

Co-worker LTIP 2021

The options were allotted free of charge to participants of the program. The options have a three-year vesting period calculated from the allotment date, provided that, with customary exceptions, the participants remain as employees of, or continue to provide services to, Oncopeptides. Once the options are vested, they can be exercised within a four-year period. Each vested option gives the holder the right to acquire one share in the company at a predetermined price. The price per share is to be equivalent to the weighted average price that the company's shares were traded for on Nasdaq Stockholm during the five trading days preceding the allotment date.

Co-worker LTIP 2022

The program is share-based and aimed at employees and consultants. Co-worker LTIP 2022 is a program under which the participants will be alloted, free of charge, performance share awards ("Share Awards") entitling to a maximum of 3,860,849 ordinary shares in Oncopeptides. The number of share awards to be granted to each participant shall correspond to the annual allotment (which is a percentage of the base salary) divided by the volume weighted average price of the Oncopeptides share on Nasdaq Stockholm during 10 trading days prior to the grant date. The Share Awards are subject to performance-based vesting based on the development of the share price of the company's share during the period from the date of allotment of the Share Awards (the "Allotment Date") up to and including the third anniversary of the Allotment Date (the "Vesting Date"). Each vested share award grants the right to obtain one share in Oncopeptides free of charge, provided that the holder is still employed at Oncopeptides on the final vesting date.

Board LTIP 2020

The program is share based and is aimed at the main shareholder-independent Board members of the company. In total, the program comprises a maximum of 37,150 share awards and the number of share awards to be alloted to each participant shall correspond to a certain amount (SEK 1,350,000 to the Chairman of the Board and SEK 540,000 to each of the other main shareholder-independent Board members) divided by the volume-weighted average price of the company's share on Nasdaq Stockholm for 10 trading days before the allotment date. The share awards are subject to performance-based vesting based on the development of the share price for the company's share during the period from the date of allotment until the earlier of (i) the 2023 AGM or (ii) June 1, 2023. Each vested share award entitles the holder to obtain one share in the company free of charge, provided that the holder is still a member of the Board of the company at the relevant vesting dates. In addition, it was resolved in accordance with the Nomination Committee's proposal to issue a maximum of 37,150 warrants to ensure the delivery of shares under Board LTIP 2020.

Board LTIP 2021

The program is share based and is aimed at the main shareholder-independent Board members of the company. In total, the program comprises a maximum of 35,000 share awards and the number of share awards to be alloted to each participant shall correspond to a certain amount (SEK 1,500,000 to the Chairman of the Board and SEK 600,000 to each of the other main shareholder-independent Board members) divided by the volume weighted average price of the company's share on Nasdaq Stockholm during 10 trading days prior to the allotment date. The share awards are subject to performance-based vesting based on the development of the share price for the company's share during the period from the date of allotment until the earlier of (i) 2024 AGM or (ii) June 1, 2024. Each vested share award entitles the holder to obtain one share in the company free of charge, provided that the holder is still a member of the Board of the company at the relevant vesting dates. For the issued share awards, it was decided not to issue any warrants.

Board SHP 2022

The program is share based and is aimed at the main shareholder-independent Board members of the company. Board SHP 2022 is a program under which the participants will be alloted share awards ("Share Awards") entitling to a maximum of 245,000 ordinary shares in Oncopeptides. The number of share awards to be allotted to each participant shall correspond to 50 percent of the fee for ordinary board work divided by the volume weighted average price of Oncopeptides' share on Nasdaq Stockholm during 10 trading days prior to the allotment date. The number of share awards shall correspond to a certain amount (SEK 750,000 to the chairman of the board and SEK 300,000 to each of the other main shareholder-independent Board members). Share awards shall be alloted to participants as soon as practicable after the Annual General Meeting (the "Allotment Date"). The share awards will vest after approximately one

year (corresponding to one mandate year as board member), corresponding to the earlier of the day before (i) the annual general meeting 2023 or (ii) July 1, 2023 (the "Vesting Date") provided that the participant is still a board member of Oncopeptides on that date. Each vested share right grants the right to receive one share in the company free of charge as soon as practicable three years after the Allotment Date.

The table is a summary of the total number of shares to which allotted employee options and share awards may entitle the holder at December 31, 2022.

NUMBER OF SHARES TO WHICH GRANTED INSTRUMENTS MAY ENTITLE THE HOLDER TO AS OF DECEMBER 31, 2022	
-Employee Option Program 2016/2023	54,000
-Co-worker LTIP 2017	1,228,582
-Co-worker LTIP 2018	119,594
-Co-worker LTIP 2019	979,523
Total number of shares to which granted employee options and options may entitle the holder	**2,381,699**
- Board LTIP 2020	26,931
- Board LTIP 2021	35,000
- Board LTIP 2022	44,758
- Co-worker LTIP 2021	1,132,693
- Co-worker LTIP 2022	15,221
Total number of shares to which allotted share awards may entitle the holder	**1,254,603**
Total number of shares to which granted employee options, options and share awards may entitle the holder	**3,636,302**

To ensure the delivery of shares to participants in the company's incentive programs as well as to cover social security contributions when options, share awards and employee options are exercised, the Parent Company has issued warrants to its subsidiary Oncopeptides Incentive AB, which entitle holders to subscribe for a total of 2,584,169 shares in the Parent Company, as well as class-C shares issued that are held by Oncopeptides AB.

The full utilization of granted options and share awards, including warrants for hedging of social security contributions, corresponding as of December 31, 2022 to 3,970,011 shares, would result in a dilution of 4.2 percent. The full utilization of all resolved options and share awards corresponding to a total of 7,815,639 shares (including unallotted employee options and share awards as well as warrants intended for hedging of social security contributions) would result in a dilution of 8.0 percent.

EXTERNAL AUDITOR

Oncopeptides' auditor is the accounting firm Ernst & Young AB (EY), with authorized public accountant Anna Svanberg as auditor in charge. At the 2022 AGM, EY was re-elected as auditors for Oncopeptides.

The auditor performs a review engagement of the quarterly report for the third quarter and audits the annual and consolidated financial statements. The auditor also comments on whether this Corporate Governance Report has been prepared and whether certain information herein is consistent with the annual and consolidated financial statements. The auditor reports on the results of its audit of the Annual Report and consolidated financial statements and review of the Corporate Governance Report via the Auditor's Report as well as a separate opinion on the compliance with guidelines for remuneration of senior management, which the auditor submits to the AGM. In addition, the auditor issues detailed statements on the audits performed to the Audit Committee two times per year as well as to the Board in its entirety once per year. The fees invoiced by the auditor in the last two fiscal years are disclosed in Note 8 of the 2022 Annual Report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board of Directors' responsibility for internal control is governed by the Swedish Companies Act and the Swedish Corporate Governance Code. Internal control mainly comprises the following five components: control environment, risk assessment, control activities, information and communication and follow-up.

Among other tasks, the Board is responsible for ensuring that Oncopeptides has sufficient internal control and formalized procedures to ensure that established principles for financial reporting and internal control are adhered to and that there are appropriate systems in place to monitor and control the company's operations and the risks associated with the company and its operations.

The overall purpose of the internal control is to ensure that the company's operating strategies and targets are monitored and that the owners' investments are protected, to a reasonable degree. Furthermore, the internal control is to ensure, with reasonable certainty, that the external financial reporting is reliable and prepared in accordance with generally accepted accounting principles, that applicable laws and regulations are followed, and that the requirements imposed on listed companies are complied with. In addition to the aforementioned internal control, there is also an internal, business-specific control of data as regards research and development as well as quality control including systematic monitoring and evaluation of the company's development and manufacturing operations and the company's products.

Control environment

In order to create and maintain a functioning control environment, the Board has adopted a number of policies and steering documents governing financial reporting. These documents primarily comprise the rules of procedure for the Board of Directors, instructions for the CEO and instructions for financial reporting.

The Board has also adopted special authorization procedures and a financial policy. The company also has a financial manual which contains principles, guidelines and process descriptions for accounting and financial reporting.

Furthermore, the Audit Committee's main task is to monitor the company's financial position and the effectiveness of the company's internal control, internal audit and risk management, to remain informed about the audit of the Annual Report and consolidated financial statements, and to review and monitor the auditor's impartiality

and independence. Responsibility for the ongoing work of the internal control over financial reporting has been delegated to the company's CEO. The CEO regularly reports to the Board of Directors in accordance with the established instructions for the CEO and the instructions for financial reporting. The Board also receives reports from the company's auditor.

Risk assessment
Risk assessment includes identifying risks that may arise if the basic requirements for the financial reporting of the company are not met. Oncopeptides' management team has, in a specific risk assessment document, identified and evaluated the risks that arise in the company's operations, and has assessed how these risks can be managed. Within the Board of Directors, the Audit Committee is primarily responsible for continuously assessing the company's risk situation as related to the company's financial reporting. The Board also conducts an annual review of risks.

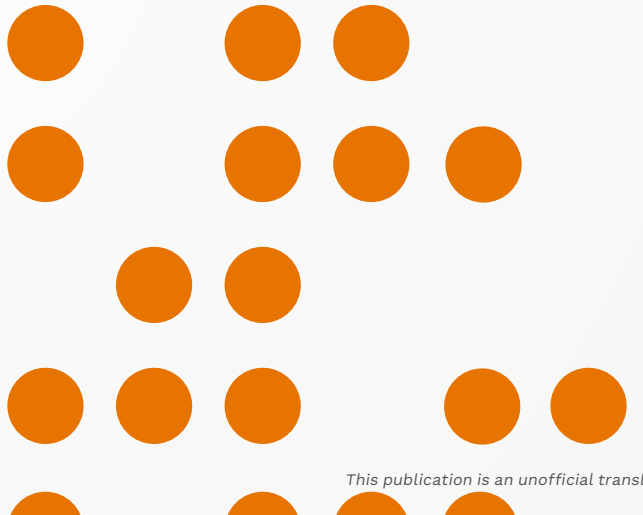
Control activities
Control activities limit identified risks and ensure accurate and reliable financial reporting. The Board of Directors is responsible for the internal control and monitoring of the company's management. This is done through both internal and external control activities, and through examination and monitoring of the company's steering documents related to risk management. The effectiveness of the control activities is assessed annually and the results from these assessments are reported to the Board of Directors and the Audit Committee. In agreements with sub-suppliers, the company has secured the right to audit each respective sub-supplier's fulfillment of relevant services, including quality aspects.

Information and communication
The company has information and communication channels to promote the accuracy of the financial reporting and to facilitate reporting and feedback from the operations to the Board and senior management, for example, by making corporate governance documents, such as internal policies, guidelines and instructions regarding the financial reporting, available to the co-workers concerned and ensuring the co-workers are familiar with them. The Board of Directors has also adopted an information policy governing Oncopeptides' disclosure of information.

Monitoring, evaluation and reporting
Compliance with and effectiveness of the internal controls are constantly monitored. The CEO ensures that the Board of Directors continuously receives reports on the development of the company's activities, including the development of the company's earnings and financial position, as well as information on important events, such as research results and important contracts. The CEO reports on these matters at each Board meeting. The company's compliance with all relevant steering documents and guidelines is assessed annually. The results from these assessments are compiled by the company's CFO and then reported to the Board of Directors and the Audit Committee.

The Board deems that the internal controls are effective in all material respects and, on this basis, has determined that there is no need to establish a special internal-audit function.

EXTERNAL AUDIT
The company's auditor is appointed by the AGM for the period until the end of the next AGM. The auditor examines the Annual Report and accounts as well as the Board of Directors' and the CEO's fulfillment of their fiduciary duties and responsibilities. Following each fiscal year, the auditor submits an Auditor's Report to the general meeting. Each year, the company's auditor reports his observations from the audit and his assessment of the company's internal control to the Board of Directors.



Consolidated statement of comprehensive income

SEK thousand	Note	2022	2021
Net sales	5	8,355	118,295
Cost of goods sold		-6	-53,121
Gross profit		**8,349**	**65,174**
Operating expenses			
Research and development costs	9, 10	-217,657	-679,926
Marketing and distribution costs	9, 10	-58,102	-698,346
Administrative expenses	8, 9, 10	-84,093	-175,459
Other operating income	6	6,035	71,536
Other operating expenses	6	-3,882	-3,896
Total operating expenses		**-357,699**	**-1,486,091**
Operating loss		**-349,350**	**-1,420,917**
Financial income	11	12,553	492
Financial expenses	11	-883	-948
Loss before tax		**-337,680**	**-1,421,372**
Income tax	12	-271	-8,946
Loss for the year		**-337,951**	**-1,430,317**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange-rate differences from restatement of foreign operations		-1,380	624
Other comprehensive income for the year after tax		**-1,380**	**624**
Comprehensive income for the year	**22**	**-339,331**	**-1,429,693**
The loss for the year is fully attributable to Parent Company shareholders.			
Earnings per share before and after dilution (SEK)	23	-4.11	-19.00

Consolidated statement of financial position

SEK thousand	Note	Dec 31, 2022	Dec 31, 2021
ASSETS			
Non-current assets	17		
Intangible fixed assets	13	–	1,408
Property, plant and equipment	14	10,501	10,348
Right-of-use assets	9	9,937	14,396
Deferred tax assets		–	–
Financial non-current assets	15	851	851
Total non-current assets		**21,289**	**27,003**
Current assets	**17**		
Inventory	18	–	–
Trade receivables	3	674	11,873
Other current receivables	19	16,594	26,125
Prepaid expenses	20	2,251	12,189
Cash and cash equivalents	21	344,515	362,187
Total current assets		**364,034**	**412,373**
TOTAL ASSETS		**385,323**	**439,376**

SEK thousand	Note	Dec 31, 2022	Dec 31, 2021
EQUITY AND LIABILITIES			
Equity	**22**		
Share capital		10,479	8,366
Additional paid-in capital		5,402,525	4,981,883
Translation reserve		-2,297	-918
Retained earnings (including loss for the year)		-5,116,414	-4,778,463
Total equity attributable to shareholders of the Parent Company		**294,293**	**210,868**
LIABILITIES			
Long-term liabilities	**17**		
Provision for social security contributions, incentive programs	26, 27	1,815	13
Long-term lease liabilities	9, 18	3,543	3,206
Total long-term liabilities		**5,358**	**3,219**
Current liabilities	**17**		
Provision for social security contributions, incentive programs	26, 27	2,494	45
Trade payables	3, 17	28,219	35,702
Other current liabilities	24	36,171	67,931
Accrued expenses and deferred income	25	18,788	121,611
Total current liabilities		**85,672**	**225,289**
Total liabilities		**91,030**	**228,508**
TOTAL EQUITY AND LIABILITIES		**385,323**	**439,376**

Consolidated statement of changes in equity

SEK thousand	Note	Share capital	Additional paid-in capital	Trans-lation reserves	Retained earnings (incl. loss for the period)	Total equity
Opening balance at Jan 1, 2021		**7,549**	**3,919,036**	**-1,542**	**-3,348,146**	**576,897**
Loss for the year		–	–		-1,430,317	-1,430,317
Other comprehensive income for the year		–	–	624	–	624
Comprehensive income for the year		**–**	**–**	**624**	**-1,430,317**	**-1,429,693**
Transactions with shareholders						
New issue of ordinary shares	22	778	1,105,222	–	–	1,106,000
Cost attributable to new share issue		–	-67,053	–	–	-67,053
Value of service by participants in the incentive programs	26	–	14,229	–	–	14,229
Exercise of warrants under the company's incentive program	26	39	10,449	–	–	10,488
Total transactions with shareholders		**817**	**1,062,847**	**-**	**,-**	**1,063,664**
Closing balance at Dec 31, 2021	**22**	**8,366**	**4,981,883**	**-918**	**-4,778,463**	**210,868**
Opening balance at Jan 1, 2022		**8,366**	**4,981,883**	**-918**	**-4,778,463**	**210,868**
Loss for the year		–	–	–	-337,951	-337,951
Other comprehensive income for the year		–	–	-1,380	–	-1,380
Comprehensive income for the year		**–**	**–**	**-1,380**	**-337,951**	**-339,331**
Transactions with shareholders						
New issue of shares	22	2,111	433,904	–	–	436,015
Repurchase of shares					-438	-438
Cost attributable to new share issue		–	-27,667	–	–	-27,667
Value of service by participants in the incentive programs	26	–	14,812	–	–	14,812
Exercise of warrants under the company's incentive program	26	2	32	–	–	34
Total transactions with shareholders		**2,113**	**421,081**	**–**	**-438**	**422,756**
Closing balance at Dec 31, 2022	**22**	**10,479**	**5,402,963**	**-2,297**	**-5,116,852**	**294,293**

Consolidated statement of cash flow

SEK thousand	Note	2022	2021
Operating activities			
Operating loss		-349,350	-1,420,917
Adjustment for non-cash items	21	36,379	-44,325
Interest received		2,616	96
Interest paid		-883	-948
Tax paid		-38	-12,216
Cash flow from operating activities before change in working capital		**-311,276**	**-1,478,309**
Increase/decrease in inventory		–	-319
Increase/decrease in operating receivables		53,174	24,657
Increase/decrease in trade payables		-22,887	-104,911
Increase/decrease in other current operating liabilities		-139,520	42,491
Total change in working capital		**-109,233**	**-38,082**
Cash flow from operating activities		**-420,509**	**-1,516,391**
Investments in property, plant and equipment	14	-2,507	-339
Repaid deposits	15	–	–
Investments in financial non-current assets	15	–	–
Cash flow from investing activities		**-2,507**	**-339**
New issue of shares	22	436,015	1,106,000
Exercise of warrants and repurchase of C-shares		-404	10,488
Cost attributable to new share issue		-27,667	-67,053
Repayment of lease liabilities		-15,542	-15,405
Cash flow from financing activities		**392,402**	**1,034,030**
Cash flow for the period		-30,614	-482,700
Cash and cash equivalents at beginning of period		362,187	840,255
Change in cash and cash equivalents		-30,614	-482,700
Foreign exchange difference in cash and cash equivalents		12,942	4,633
Cash and cash equivalents at end of year	**21**	**344,515**	**362,187**

Parent Company income statement

SEK thousand	Note	2022	2021
Net sales		559	97,577
Cost of goods sold		-6	-12,182
Gross profit		**553**	**85,395**
Operating expenses			
Research and development costs	9, 10	-217,164	-676,375
Marketing and distribution costs	9, 10	-58,919	-728,382
Administrative expenses	8, 9, 10	-77,328	-161,814
Other operating income	6	3,816	71,362
Other operating expenses	6	-3,882	–
Total operating expenses		**-353,477**	**-1,495,209**
Operating loss		**-352,924**	**-1,409,814**
Financial income	11	28,826	648
Financial expenses	11	-1	-19,373
Loss after financial items		**-324,099**	**-1,428,539**
Appropriations			
Group contributions paid		-700	–
Loss before tax		**-324,799**	**-1,428,539**
Income tax	12	–	–
Loss for the year		**-324,799**	**-1,428,539**

Parent Company statement of comprehensive income

SEK thousand	Note	2022	2021
Loss for the year		-324,799	-1,428,539
Other comprehensive income		–	–
Other comprehensive income for the year after tax		**-324,799**	**-1,428,539**
Comprehensive income for the year		**-324,799**	**-1,428,539**

Parent Company balance sheet

SEK thousand	Note	Dec 31, 2022	Dec 31, 2021
ASSETS			
Non-current assets			
Intangible assets	**13**		
Other intangible fixed assets		–	1,408
Total intangible fixed assets		**–**	**1,408**
Property, plant and equipment	**14**		
Machinery and equipment		10,491	10,348
Total property, plant and equipment		**10,491**	**10,348**
Financial non-current assets			
Interests in subsidiaries	16	329	304
Other non-current receivables	17	851	851
Total financial non-current assets		**1,180**	**1,155**
Total non-current assets		**11,671**	**12,910**
Current assets			
Inventory	18	–	–
Trade receivables	3	674	–
Other current receivables	19	12,739	14,503
Prepaid expenses	20	4,084	14,250
Cash and bank	21	328,537	321,832
Total current assets		**346,034**	**350,585**
TOTAL ASSETS		**357,705**	**363,495**

SEK thousand	Note	Dec 31, 2022	Dec 31, 2021
EQUITY AND LIABILITIES			
Equity	**22**		
Restricted equity			
Share capital		10,479	8,366
Statutory reserve		10,209	10,209
Total restricted equity		**20,688**	**18,575**
Non-restricted equity			
Share premium reserve		5,277,417	4,871,586
Retained earnings		-4,670,696	-3,256,968
Loss for the year		-324,799	-1,428,539
Total non-restricted equity		**281,922**	**186,079**
Total equity		**302,610**	**204,653**
LIABILITIES			
Provisions			
Provision for social security contributions, incentive programs	26, 27	1,815	13
Total provisions		**1,815**	**13**
Current liabilities			
Provision for social security contributions, incentive programs	26, 27	2,494	45
Trade payables		26,277	34,875
Liabilities to Group companies		2,185	634
Other current liabilities	24	6,536	6,688
Accrued expenses and deferred income	25	15,788	116,586
Total current liabilities		**53,280**	**158,829**
Total liabilities and provisions		**55,095**	**158,841**
TOTAL EQUITY AND LIABILITIES		**357,705**	**363,495**

Parent Company statement of changes in equity

SEK thousand	Restricted equity		Non-restricted equity			
	Share capital	**Statutory reserve**	**Share premium reserve**	**Retained earnings**	**Profit/ loss for the year**	**Total equity**
Opening balance at Jan 1, 2021	**7,549**	**10,209**	**3,822,968**	**-1,671,578**	**-1,599,620**	**569,528**
Appropriation in accordance with AGM				-1,599,620	1,599,620	
Loss for the year					-1,428,539	-1,428,539
Other comprehensive income for the year	–	–	–	–	–	-
Comprehensive income for the year	–	–	–	–	**-1,428,539**	**-1,428,539**
Transactions with shareholders						
New issue of ordinary shares	778	–	1,105,222	–	–	1,106,000
Cost attributable to new share issue	–	–	-67,053	–	–	-67,053
Value of service by participants in the incentive programs	–	–	–	14,229	–	14,229
Exercise of warrants under the company's incentive program	39	–	10,449	–	–	10,488
Total transactions with shareholders	**817**	**–**	**1,048,618**	**14,229**	**–**	**1,063,664**
Closing balance at Dec 31, 2021	**8,366**	**10,209**	**4,871,586**	**-3,256,969**	**-1,428,539**	**204,653**
Opening balance at Jan 1, 2022	**8,366**	**10,209**	**4,871,586**	**-3,256,969**	**-1,428,539**	**204,653**
Appropriation in accordance with AGM	–	–	–	-1,428,539	1,428,539	
Loss for the year	–	–	–	–	-324,799	-324,799
Other comprehensive income for the year	–	–	–	–	–	–
Comprehensive income for the year	**–**	**–**	**–**	**–**	**-324,799**	**-324,799**
Transactions with shareholders						
New issue of shares	2,111	–	433,903	–	–	436,014
Repurchase of shares				-438		-438
Cost attributable to new share issue	–	–	-27,667	–	–	-27,667
Value of service by participants in the incentive programs	–	–	–	14,812	–	14,812
Exercise of warrants under the company's incentive program	2	–	33	–	–	35
Total transactions with shareholders	**2,113**	**–**	**406,269**	**14,374**	**–**	**422,756**
Closing balance at Dec 31, 2022	**10,479**	**10,209**	**5,277,855**	**-4,671,134**	**-324,799**	**302,610**

Parent Company statement of cash flow

SEK thousand	**Note**	**2022**	**2021**
Cash flow from operating activities			
Operating loss		-352,924	-1,409,814
Adjustment for non-cash items	21	23,075	-64,174
Interest received		2,620	95
Interest paid		-1	-10
Cash flow from operating activities before change in working capital		**-327,230**	**-1,473,902**
Increase/decrease in inventory		–	426
Increase/decrease in operating receivables		45,334	-1,898
Increase/decrease in trade payables		-24,002	-85,177
Increase/decrease in other current operating liabilities		-99,390	47,889
Total change in working capital		**-78,058**	**-38,761**
Cash flow from operating activities		**-405,288**	**-1,512,663**
Investing activities			
Investments in property, plant and equipment	14	-2,498	-339
Investments in financial non-current assets	15	-1,138	-254
Cash flow from investing activities		**-3,636**	**-593**
Financing activities			
New issue of shares	22	436,015	1,106,000
Exercise of warrants and repurchase of C-shares		-404	10,488
Cost attributable to new share issue		-27,667	-67,053
Cash flow from financing activities		**407,944**	**1,049,435**
Cash flow for the period		**-980**	**-463,820**
Cash and cash equivalents at beginning of period		321,832	785,972
Change in cash and cash equivalents		-980	-463,820
Foreign exchange difference in cash and cash equivalents		7,685	-320
Cash and cash equivalents at end of year	**21**	**328,537**	**321,832**

NOTE 1
GENERAL INFORMATION

Oncopeptides AB (publ), corporate registration number 556596-6438, is the Parent Company of the Oncopeptides Group ("Oncopeptides"). Oncopeptides AB (publ) has its registered office in Stockholm at Västra Trädgårdsgatan 15, SE-111 53 Stockholm, Sweden. The company's share has been listed on Nasdaq Stockholm since February 22, 2017. The Group's principal operation is the development of pharmaceutical drugs.

On April 18, 2023, the Board approved this Annual Report and consolidated financial statements, which will be proposed for adoption at the AGM on May 25, 2023.

NOTE 2
SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The most significant accounting policies applied in the preparation of this year's consolidated financial statements are described below. Unless otherwise stated, these policies were applied consistently for all years presented.

All amounts are reported in SEK and rounded to the nearest thousand (SEK thousand), unless otherwise stated. Figures in parentheses refer to the preceding year. All notes refer to both the Parent Company and the Group, unless otherwise specified.

2.1 Basis of presentation of financial statements
The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. Management is also required to make certain judgments in applying the Group's accounting policies. Areas that involve a high degree of judgment, are complex or where assumptions and estimates have a material impact on the consolidated financial statements are described in Note 4.

The Parent Company applies the Swedish Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board.

Amendments to accounting policies and disclosures

No changes during the year have had any significant impact on the financial reporting for the Group or the Parent Company. No new or amended IFRS have been applied early.

Future standards and new interpretations

None of the changes that have been published are assessed to have any significant impact on the financial reporting for the Group or the Parent Company.

Other new or altered standards or interpretations that the IASB has published are not expected to have any significant impact on the financial statements for the Group or the Parent Company.

2.2 Consolidation
Subsidiaries

All companies over which the Group exercises a controlling influence are classified as subsidiaries. The Group controls a company when it is exposed to or has the right to a variable return on its interest in the company and is able to influence the return through its interest in the company.

Subsidiaries are included in the consolidated financial statements as of the date on which the controlling interest is transferred to the Group. They are excluded from the consolidated financial statements as of the date on which the controlling interest ceases to exist.

Intercompany transactions, balance-sheet items, income and expenses from transactions between Group companies are eliminated. Gains and losses resulting from intercompany transactions which have been recognized in assets are also eliminated. Where applicable, the accounting policies for subsidiaries have been amended to guarantee a consistent application of the Group's policies.

2.3 Translation of foreign currency
Functional and presentation currency

The parent company's functional currency is Swedish krona, which is also the presentation currency for the group. This means that the financial statements are presented in SEK. All amounts, unless otherwise specified, are stated and rounded to the nearest thousand (SEK thousand).

Transactions and balance-sheet items

Transactions in foreign currencies are translated to the functional currency at the exchange rate prevailing on the transaction date. Exchange gains and losses arising from such transactions and upon translation of assets and liabilities in foreign currency at closing rates are recognized in the income statement. Exchange rate gains or losses in operating receivables, cash and cash equivalents, and operating liabilities are recognized in operating profit/loss, while exchange rate gains or losses on financial receivables and liabilities are recognized as financial items.

Translation of foreign operations

Assets and liabilities in foreign operations are translated from the foreign operation's functional currency to the Group's presentation currency, SEK, at the exchange rate prevailing on the balance-sheet date. Income and expenses in foreign operations are translated to SEK using an average exchange rate that is an approximation of the exchange rates prevailing on each individual transaction date. Translation differences that arise in currency translations of foreign operations are recognized in "Other comprehensive income" and accrued in a separate equity component, called the translation reserve

2.4 Intangible assets Other
Intangible assets

The Group's intangible assets comprise computer software and licenses for computer software. Intangible assets with a determinable useful life are recognized at cost less accumulated depreciation and any impairment losses.

Intangible assets are amortized systematically over the asset's assessed useful life. The useful life is reviewed at the end of each fiscal year and adjusted if necessary. When the amortization for the asset is determined, the asset's residual value is taken into account if applicable.

Development costs
The Group conducts the research and development of pharmaceutical drugs. The overall risk associated with ongoing development projects is high. Risks include technical and production-related risks, safety and effect-based risks that could arise in clinical studies, regulatory risks relating to applications for approval of clinical studies and marketing authorization as well as intellectual property risks related to approval of patent applications and the maintenance of patents. All development work is deemed to be research (as the work does not meet the criteria listed below) until the product has received marketing authorization. Expenditure for research is expensed as incurred.

Expenses directly attributable to the development and testing of identifiable and unique products that are controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the product so that it will be available for use,
- the company intends to complete the product for use or sale,
- there is reason to expect that the company will be able to use or sell the product,
- it can be shown that the product will generate probable future economic benefits,
- adequate technical, financial and other resources are available for completing the development and for using or selling the product, and the costs attributable to the product during its development can be reliably measured.

Capitalized assets that have met the above capitalization criteria have a limited useful life and are recognized at cost less accumulated amortization. Assets are amortized from the day when they are ready for use. Straight-line amortization is used to distribute the cost of the in-house developed intangible assets over their estimated useful life, which is the same as the remaining patent term for the product. Directly attributable expenditure that is capitalized includes development expenditure as well as expenditure for employees plus a reasonable portion of indirect costs. Other development expenditure that does not meet the above criteria is expensed as incurred. Previously expensed development expenditure is not capitalized in later periods.

Oncopeptides' expenditure for drug development was not deemed to meet the criteria for capitalization and has therefore been charged to expenses.

Amortization methods
Intangible fixed assets are amortized from the day when they are ready for use. Depreciation is applied on a straight-line basis as follows: Other intangible assets – 5 years.

2.5 Property, plant and equipment
Property, plant and equipment are recognized at cost less accumulated depreciation and any impairment losses. Assets are depreciated on a straight-line basis over their expected useful lives.

Depreciation is applied on a straight-line basis as follows: Research equipment and computers - 5 years, Machinery - 10 years.

Gains and losses on the disposal of property, plant and equipment are determined by comparing the sales proceeds with the carrying amount of the asset value and are recognized under other operating income and other operating expenses in the income statement.

2.6 Impairment of non-financial non-current assets
Assets which are depreciated or amortized are tested for impairment when an event or change of circumstance indicates that the carrying amount is not recoverable. The difference between the carrying amount and recoverable amount is recognized as an impairment loss. The recoverable amount is the higher of the fair value of the asset less selling expenses and its value in use. In testing for impairment, assets are grouped to the lowest levels at which there are separate identifiable cash flows (cash-generating units). For previously impaired assets, impairment testing is conducted at each balance-sheet date to determine if a reversal is required.

2.7 Financial instruments
Financial instruments are recognized in the balance sheet when the Group becomes party to the contractual terms and conditions of the instrument. A receivable is reported when the company has performed its obligations and there is a contractual obligation for the counterparty to pay. A liability is reported when the counterparty has performed its obligations and there is a contractual obligation to pay. The business model for which the financial asset or liability was acquired or entered into as well as the nature of the related contractual cash flows are decisive for classification.

The Group classifies its financial instruments into the following categories:

- Financial assets recognized at amortized cost
- Financial liabilities recognized at amortized cost.

The Group does not conduct active trading with financial instruments that are not related to the Group's commercial operations. As a result of this, the financial assets and liabilities recognized in the balance sheet are primarily cash and cash equivalents, trade payables and accrued expenses pertaining to the Group's suppliers. During the fiscal year or the comparable year, the Group has not held any financial instruments measured at fair value, whether it be through profit or loss or other comprehensive income.

Financial assets classified at amortized cost are initially valued at fair value less transaction costs. After initial recognition, the assets are valued in accordance with the effective interest method. Assets classified at amortized cost are held in accordance with the business model to collect contractual cash flows, which consist solely of payments of principal and interest on the principal amount outstanding. Expected credit losses are assessed as negligible, since the company's financial assets essentially consist of bank deposits at banks with high credit ratings.

Financial liabilities recognized at amortized cost are initially measured at fair value including transaction costs. After initial recognition, they are measured at amortized cost in accordance with the effective interest method.

2.8 Inventory
Inventory is recognized as the lower of the acquisition cost and the estimated net realizable value. The acquisition cost for completed goods and goods being manufactured comprises raw materials and other direct costs and applicable indirect manufacturing costs (based on normal manufacturing capacity). The net realizable value is the estimated sale price in operating activities. By continuously monitoring inventory, we ensure that it is dispatched based on its shelf life. When necessary, impairment of inventory is performed within the frame of normal business operations and is recognized in costs of goods sold.

2.9 Trade receivables
Trade receivables arise once an item has been delivered and invoiced and are recognized in the amount expected to be received. The need for impairment is continuously tested by assessing the likelihood that the customer fulfills its obligation to the company.

2.10 Revenue recognition
Revenue is recognized at the transaction price for goods sold, excluding value added tax, discounts and returns. Revenue is recognized at the time of delivery, when Oncopeptides has fulfilled its performance commitment and the control of the products are transferred to the customer. Customers are defined as hospitals and/or clinics and resellers who sell the products, at an intermediate stage, to the final user of the products. Since the final price is related to the discount which is valid on each local market and which is paid to the patients' insurance companies, the transaction price is not known upon delivery. This is regulated by booking a provision for the estimated discount in the Group, based on the framework for discounts which is valid on each market, together with calculation models, taking into account statistical sales data in relation to the discount agreements entered into in various discount programs. The provision for estimated discounts is reported under the headline accrued expenses.

2.11 Costs classified by function
Research and development costs consist of costs related to the development projects performed within the Group, including the development of product candidates. Costs related to research and development are booked as cost as they occur. Costs include salary and other related costs, fees for external services and depreciation and amortization related to the operations within research and development.

Marketing and distribution costs consist of costs related to commercialization, sales and Medical Affairs. Costs include salary and other related costs, fees for external services and depreciation and amortization related to the commercial operations.

Administrative expenses consist of costs related to governance, finance, Investor Relations, communication and HR. Costs include salary and other related costs, fees for external services and depreciation and amortization related to governance and administration of the company.

2.12 Cash and cash equivalents
Cash and cash equivalents comprise available bank deposits.

2.13 Equity
Ordinary shares are classified as equity. Transaction costs which are directly attributable to the issue of new ordinary shares or warrants are recognized, net of tax, in equity as a deduction from the proceeds of the issue. When warrants are exercised, the company issues new shares. Payments received are credited to share capital (based on quotient value) and additional paid-in capital.

2.14 Trade payables
Trade payables are financial instruments and refer to obligations to pay for goods and services purchased from suppliers in the ordinary course of business. Trade payables are classified as current liabilities if they fall due within one year. If not, they are recognized as long-term liabilities. Trade payables are initially stated at fair value and subsequently at amortized cost by applying the effective interest method.

2.15 Current and deferred tax
The tax expense for the period comprises current and deferred tax. The current tax expense is calculated based on the tax rules that have been enacted by the balance-sheet date.

Deferred tax is recognized, in accordance with the balance sheet liability method, for all temporary differences between the carrying amounts and tax bases of assets and liabilities in the consolidated financial statements. Deferred income tax is calculated by applying tax rates that have been enacted or announced at the balance-sheet date and that are expected to apply when the deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets arising from tax losses are recognized to the extent that it is probable that future taxable profits will be available against which the tax losses can be used.

Deferred tax assets and liabilities are offset when there is a legally enforceable right of set-off for the tax assets and tax liabilities concerned, the deferred tax assets and tax liabilities relate to income taxes levied by the same taxation authority and refer to either the same taxable entity or different taxable entities and there is an intention to settle the balances on a net basis.

2.16 Employee benefits
Retirement benefit obligations
The Group has defined-contribution pension plans. Defined-contribution pension plans are post-employment benefit plans under which the Group pays fixed contributions to a separate legal entity. The Group has no legal or informal obligations to pay additional contributions if this legal entity does not have sufficient assets to pay all the benefits to employees related to the employees' services during the present or previous periods.

2.17 Share-based remuneration
The Group has a number of share-based remuneration plans. The cost for the remuneration that is recognized in a period is dependent on the original valuation that was made on the date on which the contracts with the participants in the incentive programs were concluded, the number of months of service required for vesting of their options (accruals are made over this period), the number of options that are expected to be vested under the terms of the plans and a continuous

reassessment of the value of the tax benefits for the participants under the plans (for determining provisions for social security expenses). The estimates which affect the cost and the corresponding increase in equity are primarily inputs to the valuation of the options.

Vested options are settled in newly issued shares. This means that the company issues new shares when the options are exercised. Payments received, after deduction for any directly attributable transaction costs, are credited to the share capital and additional paid-in capital.

2.18 Interest income

Interest income is recognized by applying the effective interest method. When the value of a receivable in the financial assets at cost category has been impaired, the Group writes down the carrying amount to the recoverable amount, which is defined as the estimated future cash flow discounted by the original effective interest rate for the instrument and continues to eliminate the effect of discounting as interest income.

2.19 Leases

Leases in the Group recognized as assets and liabilities in the balance sheet comprise rented premises. Other leases are classified as short-term agreements or low-value leases.

When entering an agreement, the Group determines whether the agreement comprises, or contains, a lease, that is to say if the agreement includes the right to control the use of an identified asset for a fixed time in exchange for compensation.

The Group recognizes lease liabilities for future remaining lease payments and right-of-use assets that represent the right to use underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets on the commencement date of the lease, at the time that the underlying asset is available for use. Right-of-use assets are valued at cost less accumulated depreciation and any impairment losses and are adjusted for any revaluation of lease liabilities. The cost of right-of-use assets includes an amount for recognized lease liabilities, initial direct expenses and lease payments that are paid at or before the commencement date, after deductions for any benefits that are received in conjunction with signing the lease.

Right-of-use assets are depreciated on a straight-line basis over the asset's expected lease period.

Lease liabilities

The Group recognizes lease liabilities as the expected present value of all remaining lease payments over the expected leasing period. Lease payments comprise fixed fees minus any lease incentives that can be received and variable lease payments linked to an index or an interest rate. When calculating the present value of all remaining lease payments, the Group uses its incremental borrowing rate. The recognized value of lease liabilities is remeasured upon any changes to the lease period or lease payments (including indexation).

Short-term and low-value leases

The Group applies an exception for leases with a lease period less than 12 months (short-term leases) and low-value leases. Low-value leases in the Group are essentially those concerning office equipment. Short-term and low-value leases are recognized as a straight-line cost over the lease period.

2.20 Statement of cash flows

The statement of cash flows has been prepared using the indirect method. The recognized cash flow only includes transactions involving incoming or outgoing payments.

2.21 Segment information

The financial information that is reported to the chief operating decision maker and used as a basis for the distribution of resources and the assessment of the Group's results, is not broken down by operating segment. The Group thus constitutes a single operating segment.

2.22 Accounting policies of the Parent Company

The Parent Company applies other accounting policies than the Group in the cases indicated below. The annual accounts for the Parent Company have been prepared in accordance with RFR 2 Financial Reporting for Legal Entities and the Swedish Annual Accounts Act. This Annual Report has been prepared in accordance with the cost method.

Preparing financial statements in compliance with RFR 2 requires the use of critical accounting estimates. Management is also required to make certain judgments in applying the Parent Company's accounting policies. Areas which involve a high degree of assessment, are complex or where assumptions and estimates have a material impact on the annual accounts are described in Note 4 of the consolidated financial statements.

Through its operations, the Parent Company is exposed to various types of financial risk: market risk (currency risk), credit risk and liquidity risk. The Parent Company's overall risk management policy is focused on the unpredictability of financial markets and strives to minimize potential adverse effects on the Group's financial results. For more information about financial risks, see Note 3 of the consolidated financial statements.

The Parent Company applies other accounting policies than the Group in the cases indicated below:

Presentation formats

The format of the income statement and balance sheet are compliant with the Swedish Annual Accounts Act. While the statement of changes in equity is compliant with the Group's format, it also includes the columns stipulated by the Swedish Annual Accounts Act. This also entails a difference in terminology, compared with the consolidated financial statements, mainly with respect to financial income and expense, and equity.

Interests in subsidiaries

Interests in subsidiaries are recognized at cost less any impairment. When there is an indication that interests in subsidiaries are impaired, an estimate is made of the recoverable amount. If the recoverable amount is less than the carrying amount, an impairment loss is recognized. Impairment losses are recognized in the item "Financial expenses".

Shareholder contributions and Group contributions
Group contributions from the Parent Company to subsidiaries and Group contributions received by the Parent Company from subsidiaries are recognized as appropriations. Shareholder contributions paid are recognized as an increase in the carrying amount of the interest in the Parent Company.

Leases
The Parent Company applies the exemption that exists in RFR 2 for Legal Entities and reports all leases as a linear cost over the lease period.

Financial instruments
IFRS 9 is not applied in the Parent Company and financial instruments are measured at cost. In subsequent periods, financial assets that have been acquired with the intention of being held for the short term are recognized at the lower of cost or net realizable value.

In the calculation of net realizable value of receivables that are recognized as current assets, the principles for impairment testing and loss risk provisions in IFRS 9 are applied. When assessing and calculating impairment requirements for financial assets recognized as non-current assets, the principles for impairment testing and loss risk provisions in IFRS 9 are applied.

NOTE 3
FINANCIAL RISK MANAGEMENT

Since its inception, Oncopeptides has reported negative results. The company's commercialization strategies may prove to be fruitless or misdirected, which may result in the Company's revenue being insufficient to finance commitments. Even if the Company were to report an operating profit in the future, there is a risk that this will happen after a long time.

3.1 Financial risk factors
Through its operations, the Group is exposed to various types of financial risk: market risk (currency risk), credit risk and liquidity risk. The Group has decided not to manage its risks actively through the use of derivatives or by other means.

All three risk categories are monitored on an ongoing basis in the Group. The dominant risk for the Group is liquidity risk, which is managed in dialog among management, the Board and the owners.

(a) Market risk
The most significant risk for the Group with respect to market risk is currency risk, which is addressed in a separate section below. The interest rate risk is limited within the Group, since the Group has no long-term borrowing or long-term interest-bearing investments.

(b) Currency risk
Transaction exposure
Currency risks arise when future business transactions are expressed in a currency that is not the functional currency of the company. The company is impacted by currency risk due to payments for development and commercialization expenses largely being made in EUR and USD. Transaction exposure shall be minimized in the first instance by internal measures such as the matching of flows and the choice of billing currency. Currency clauses can be used if it is contractually transparent and possible to follow up to ensure that the Group is not exposed to any hidden currency risks. Secondly, financial instruments are to be used to reduce currency risks. No currency hedging is necessary if the net exposure to any single currency is less than the equivalent of SEK 5 million on an annual basis. The Group's policy is to hedge 70-100% of such transaction exposure in each currency.

Translation exposure
The Group does not hedge translation exposure.

(c) Credit risk
Credit risk arises through cash and cash equivalents and deposits with banks and financial institutions, and through credit exposures to customers, including outstanding receivables and agreed transactions. The credit risk is deemed to be low, as only banks and financial institutions which have been assigned a credit rating of "AA-" by Standard & Poor are accepted. For further information about the company's cash and cash equivalents, refer to Note 21.

Credit risk in trade receivables
The terms of payment amount to 30-150 days depending on the counterparty. The age analysis for past due, but unimpaired receivables on the balance-sheet date is presented in the table above. The credit quality of receivables that are not past due or impaired is deemed to be good. Also refer to Note 5 "Group revenue".

	Group	
Trade receivables	**Dec 31, 2022**	**Dec 31, 2022**
Gross trade receivables	674	13,107
Reserve for expected credit losses	–	-1,234
Net trade receivables	**674**	**11,873**
Maturity structure of accounts receivable		
Trade receivables not past due	674	11,873
Carrying amount	**674**	**11,873**
Provisions, trade receivables		
Opening carrying amount	-1,234	–
Reversal of previously made provisions	1,234	-1,234
Closing provisions, trade receivables	**0**	**-1,234**

(d) Financing risk
If the Company's commercialization strategies fail or are delayed, or the Company does not succeed in renegotiating the credit facility with EIB, the Company may be forced to enter into new financing arrangements to continue operating in accordance with the growth rate and the objectives set by the Company. Such financing arrangements may concern new share issues, the raising of loans from banks or existing shareholders, and other public or private financing options. In addition, market conditions, the general availability of credit, the Company's credit ratings, and uncer-

tainty and/or disturbances in the capital and credit markets may affect the Company's ability to receive, and the availability of, such funding.

There is a risk that new capital cannot be raised when necessary, that new capital can only be raised at terms and conditions unsatisfactory for the Company, or that available capital is not sufficient for the Company's development plans and objectives. In the event of one or more risks occurring, it may have significant negative effects on the Company's financial position in the form of, for example, a significantly increased debt/equity ratio, increased expenses for loans and other financing.

(e) Liquidity risk

Liquidity risk refers to the risk that it will be impossible to fulfill payment obligations due to insufficient liquidity.

Cash flow forecasts are prepared by the Group's operating companies. The Group finance function carefully monitors rolling forecasts for the Group's liquidity reserve to ensure that the Group has sufficient cash assets to meet its operational requirements.

The following table shows an analysis of the Group's financial liabilities by remaining maturity on the balance-sheet date. The amounts indicated in the table are the contractual, undiscounted cash flows.

At December 31, 2022	Less than 3 months	Between 3 months and 1 year
Trade payables	28,219	–
Other current liabilities	31,672	4,499
Accrued expenses	18,788	–

At December 31, 2021	Less than 3 months	Between 3 months and 1 year
Trade payables	35,702	–
Other current liabilities	12,564	5,493
Accrued expenses	141,630	29,855

3.2 Management of capital

The Group's goal in respect of capital structure is to secure the Group's ability to continue its operations with a view to generating a return for the shareholders and benefits for other stakeholders, and to maintain an optimal capital structure in order to keep the costs for capital down.

Financial measures cannot be used to assess shareholder return. The company's ability to generate a return is dependent on the quality and value of generated research results. The value and quality of the company's R&D activities are evaluated on an ongoing basis by management and the Board of Directors.

NOTE 4

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are evaluated continuously and based on historical experiences and other factors, including expectations of future events that are deemed reasonable under existing circumstances.

Group management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are addressed below.

Timing for the capitalization of immaterial assets

The Group capitalizes expenditure for the development of drugs to the extent that such expenditure is deemed to meet the criteria of IAS 38 on page 57. Up until December 31, 2022, Oncopeptides' expenditure for drug development was not deemed to meet the criteria for capitalization and has therefore been charged to expenses. Drug development expenditure is capitalized at the earliest in connection with marketing approval being obtained from the authorities. The reason is that prior to this it is much too uncertain whether the expenditure will generate future economic benefits and because the financing for the completion of the asset has not been secured.

Incentive programs

KThe Group has a number of share-based remuneration plans. The applicable accounting policies are described in Note 2.16. The cost for the remuneration that is recognized in a period is dependent on the original valuation that was made on the date on which the contract with the option holders was concluded, the number of months of service required for vesting of their options (accruals are made over this period), the number of options that are expected to be vested under the terms of the plans and a continuous reassessment of the value of the tax benefits for the participants under the plans (for determining provisions for social security expenses). Those estimates which affect the cost in a period and the corresponding increase in equity are primarily inputs for the valuation of the options. The Black & Scholes model and Monte Carlo simulation are used in valuations and calculations. Significant assumptions in these valuations are described in Note 26. Apart from the valuations, the cost in a period is affected by an estimate of the number of individuals whose options are expected to vest. Through the human resources activities that are described in other parts of the Annual Report and historical staff turnover rates, management has a very good basis for estimating the number of participants that will complete the programs.

Going concern status

The Board of Directors and the CEO continuously assess the Group's liquidity and financial ability in both the short and long term. At year-end, the assessment was made that the company's restructuring is proceeding according to plan, and that the company retains the flexibility to adapt its strategy and operating activities to expected regulatory approvals, so the Group will have the necessary liquidity to continue operations at least for 2023. Should crucial conditions not be met, there is a risk regarding the Group's continued operation. Overall, this implies that there are circumstances that may give rise to significant

doubts about the company's ability to continue to operate. For further information on the going concern status, refer to Note 31.

Tax loss carry-forwards
The Group's tax loss carry-forwards have not been valued and have not been recognized as a deferred tax asset. These tax loss carry-forwards will be valued only when the Group has established a level of earnings which management is confident will lead to taxable profits. For more information, refer to note 12.

Inventory valuation
The valuation of the inventory and assessment of the risk for potential impairment based on continually updated sales forecasts and known and expected data concerning the durability of semi-completed and completed products. The durability of semi-completed and completed products is based on documented stability studies.

All completed inventory is valued continually taking into regard the limitations of the products' shelf life. The shelf life of the products in the inventory can vary over time. This can lead to an increased risk of obsolescence when a sharp change in demand for a product or a changed shelf life leads to impairment. Products that do not pass a quality control check are expensed immediately. Since it is a great uncertainty regarding the turnover of the Group's products in relation to the shelf life of the products, the inventory does not hold any value as per the closing date, see note 18 "Inventory".

Revenue recognition and returns
Revenues are reported in accordance with note 2.10 Revenue recognition. The price of the products is defined in contracts for the US market and in country specific price lists for the European market. Provisions for discounts are calculated in accordance with note 2.10 Revenue recognition. Where returns cannot be determined with certainty, an assessment is made and a corresponding amount is reserved for in the balance sheet, in relation to the right to returns following contractual agreements. A returned product is reported in inventory and is valued as the lower of the acquisition cost and the estimated net realizable value, in accordance with note 2.8 Inventory.

NOTE 5
GROUP REVENUE

At the end of 2021, the company calculated a provision for product returns due to the withdrawal of Pepaxto from the US market, at a total value of SEK 48.6 million. This reserve was reduced with SEK 7.8 million (USD 0.8 million) during the second quarter of 2022, since a usage of the products by patients was ascertained. Reported revenue of SEK 7.8 million for 2022 on the US market is thus related to sales preformed during 2021, which was not reported as revenue in 2021. The remaining provision at the closing date is SEK 22.9 million, and was during the period affected by actual returns and currency effects, in addition to the reduction described above. The provision for returns is reported under Other liabilities in the consolidated balance sheet.

	Group		Parent Company	
SEK thousand	**2022**	**2021**	**2022**	**2021**
Revenue from contracts with customers				
Goods	8,355	118,295	560	97,577
Total net sales	**8,355**	**118,295**	**560**	**97,577**
Geographic market				
USA	7,795	118,295	–	97,577
Germany	560	–	560	–

NOTE 6
OTHER OPERATING INCOME AND EXPENSES

Other operating income totaling SEK 6,035 thousand (71,536) for the Group and SEK 3,816 thousand (71,362) for the Parent Company pertain primarily to rent revenues, and government grants. The previous year mainly related to transalation differences related to translation of operating items to the closing rates, see note 2.3.

Other operating expenses totaling SEK 3,882 thousand (3,896) for the Group and SEK 3,882 thousand (0) for the Parent Company pertain primarily to translation differences and losses from equipment disposal. The previous year mainly related to impairment losses, capital gains/losses and translation differences.

NOTE 7
CONSOLIDATED OPERATING EXPENSES BY TYPE OF COST

Operating expenses are presented in the statement of comprehensive income with a classification based on the functions of "Research and development costs," "Marketing and distribution costs" and "Administrative expenses." The total expenses classified by function are distributed in the following cost categories.

	Group		Parent Company	
	2022	**2021**	**2022**	**2021**
Cost of materials	-6	-53,121	-6	-12,182
Other external expenses	-233,849	-1,031,497	-247,385	-1,387,115
Personnel costs	-108,824	-500,869	-103,703	-176,946
Depreciation and amortization	-17,182	-21,365	-2,323	-2,511
Other operating expenses	-3,879	-3,896	-3,882	–
Total	**-363,740**	**-1,610,748**	**-357,299**	**-1,578,754**

NOTE 8
AUDIT FEES

	Group		Parent Company	
	2022	**2021**	**2022**	**2021**
Audit engagement	1,003	1,342	1,003	1,342
Audit activities beyond audit engagement	142	150	142	150
Tax advisory services	17	303	17	303
Total	**1,162**	**1,795**	**1,162**	**1,795**

NOTE 9
LEASES

	Group	
Right-of-use assets	**Dec 31, 2022**	**Dec 31, 2021**
Opening balance	**44,018**	**35,252**
New contracts	–	–
Revaluation agreement	11,293	10,602
Completed contracts	-13,672	-3,090
Translation differences	1,763	1,254
Closing accumulated cost	**43,402**	**44,018**
Opening depreciation/amortization	-29,622	-14,195
Depreciation/amortization for the year	-14,838	-17,542
Completed contracts	12,599	3,090
Translation differences	-1,604	-975
Closing accumulated depreciation/amortization	**-33,465**	**-29,622**
Closing carrying amount	**9,937**	**14,396**

Depreciation of right-of-use assets is included in the income statement in the sub-items Research and development costs of SEK 5,272 thousand (SEK 8,280 thousand), Marketing and distribution costs of SEK 5,464 thousand (SEK 7,213 thousand) and Administrative expenses of SEK 4,102 thousand (SEK 2,049 thousand).

The Group's leases that comprise right-of-use assets pertain to office premises. Leases are normally contracted for between 2 to 3 years in the Group, with the possibility of extension in the Parent Company. Rental agreements in the Parent Company can be extended by 3 years unless any of the parties gives notice on the lease at least nine months beforehand. Oncopeptides is not able to, with reasonable certainty, determine if the extension will occur taking into light the company's development, and has therefore not counted on utilization after the contract period. Rent levels in leases increase according to an index or with a fixed annual rental increase specified in the lease. Indexation is included in lease liabilities when it enters force and is adjusted at that time against right-of-use assets.

Lease liabilities	Dec 31, 2022	Dec 31, 2021
Long-term	3,543	3,206
Current	5,999	10,987
Total	**9,542**	**14,193**

Lease liabilities are included in the balance sheet under other long-term liabilities and other current liabilities. Changes to Lease liabilities, refer to Note 21 concerning reconciliation of liabilities from financing activities.

	Group	
Maturity analysis, future lease payments	**Dec 31, 2022**	**Dec 31, 2021**
<12 months	5,600	11,446
1–2 years	3,543	3,726
>2 years	–	1,758
	9,143	**16,930**

Future lease payments in accordance with the above are undiscounted and include variable fees.

	2022	2021
Interest expenses attributable to lease liabilities	882	938
Expenses attributable to short-term leases	–	49
Expenses attributable to leases where the underlying asset is of a low value	64	140
Expenses attributable to variable lease payments that are not included in lease liabilities	1,301	1,369
The year's lease payments in the Group	16,424	17,642

Parent Company Leases

Future total minimum lease payments for interminable leases are as follows in the Parent Company. Rental agreements in the Parent Company pertain essentially to office premises and a laboratory.

	Parent Company	
Future costs for leases (basic rent)	**2022**	**2021**
<12 months	5,891	7,877
1–2 years	5,090	3,231
>2 years	–	2,402
Total	**10,981**	**13,510**
Lease expenses for the year for leases in the Parent Company amount to:	10,652	11,828

NOTE 10
EMPLOYEES AND PERSONNEL COSTS

	Group		Parent Company	
Salaries and other remuneration	**2022**	**2021**	**2022**	**2021**
Board of Directors and members of senior management	44,880	57,431	44,880	44,164
Other employees	34,090	387,655	29,466	111,102
Total	**78,970**	**445,086**	**74,346**	**155,266**

	Group		Parent Company	
Social security expenses and pension expenses	**2022**	**2021**	**2022**	**2021**
Pension expenses for the Board of Directors and members of senior management	3,497	3,766	3,497	3,460
Pension expenses for other employees	8,888	27,357	8,888	19,697
Social security expenses	19,465	508	18,998	-13,455
Total	**31,849**	**31,631**	**31,383**	**9,703**

Recognized payroll expenses and social security contributions pertaining to share-based remuneration are included in amounts presented above. These costs amounted to SEK 19,146 thousand (SEK -34,198 thousand) in the Group, where SEK 4,282 thousand (SEK -48,427 thousand) is attributable to social security contributions. Social security contributions include both provisions and actual payments for the utilization of granted options.

Average number of employees	2022 Total	2022 of whom, men	2021 Total	2021 of whom, men
Parent Company				
Sweden	55	16	118	48
Subsidiaries				
Germany	2	1	2	1
USA	–	–	109	47
Group total	**57**	**17**	**229**	**96**

At the balance-sheet date, the number of employees was 41 (162).

Gender distribution in the Group (including subsidiaries) for Board members and members of senior management

	2022 Total	2022 of whom, men	2021 Total	2021 of whom, men
Board members	6	4	6	4
Other members of senior management	6	2	7	4
CEO	1	1	1	1
Group total	**13**	**7**	**14**	**9**

Salaries, remuneration and fees to the CEO, Board of Directors and members of senior management

2022	Basic salary Board fee[1]	Variable remuneration	Pension expenses	Share-based remuneration	Total
Chairman of the Board					
Per Wold-Olsen	862	–	–	678	1,539
Board members					
Brian Stuglik	438	–	–	271	709
Cecilia Daun Wennborg	374	–	–	271	645
Jennifer Jackson	428	–	–	275	703
Per Samuelsson	347	–	–	–	347
Jarl Ulf Jungnelius	310	–	–	271	581
CEO, Jakob Lindberg	4,207	2,058	995	3,856	11,115
Other members of senior management	18,188	4,280	2,502	7,767	32,738
Of which, subsidiaries	–	–	–	–	–
Total	**25,153**	**6,339**	**3,497**	**13,388**	**48,377**

1) AGM resolved Board fees excluding social security contributions for the period until the next AGM.

Remuneration of members of senior management

Remuneration of the CEO and members of senior management consists of a basic salary, pension benefits, variable remuneration and participation in incentive programs. Some of the Group's senior managers invoice their remuneration. In these cases, social security expenses are included in the recognized salary amount, which is why total remuneration reported in Note 10 exceeds personnel costs for employees in the income statement. Such remuneration is recognized under "Basic salary" in the table above. The agreements are based on customary costs and commercial terms. On the balance-sheet date, other members of senior management are the seven (7) persons who, together with the CEO, comprise Group management (Chief Financial Officer, Chief Operating Officer, Head of Research and CMC, General Counsel, Chief Medical Officer, Global Head of Communications and Global Head of Medical Affairs).

2021	Basic salary Board fee[1]	Variable remuneration	Pension expenses	Share-based remuneration	Total
Chairman of the Board					
Per Wold-Olsen	783	–	–	82	865
Board members					
Brian Stuglik	371	–	–	33	404
Cecilia Daun Wennborg	341	–	–	33	374
Jennifer Jackson	358	–	–	274	632
Jonas Brambeck	150	–	–	–	150
Per Samuelsson	315	–	–	–	315
Jarl Ulf Jungnelius	263	–	–	33	295
CEO, Jakob Lindberg (from November 14, 2021)	475	–	57	460	992
CEO, Marty J Duvall (until November 14, 2021)	10,652[2]	–	92	-3,190	7,553
Other members of senior management (8)	32,495[3]	–	3,617	13,504	49,616
Of which, subsidiaries	18,075[4]	–	*2,651*	*-4,809*	*15,917*
Total	**46,202**	**–**	**3,766**	**11,229**	**61,196**

1) AGM resolved Board fees excluding social security contributions for the period until the next AGM.

2) The reported amount includes severance pay of 15 months' salary, which is less than the company's maximum policy of two years' salary.

3) Reported amounts include severance pay for other members of senior management in the Group, who left the company due to the restructuring, of SEK 9,170 thousand.

4) Reported amounts include severance pay issued by the subsidiary Inc. for the CEO and other members of senior management, who left the company due to the restructuring, of SEK 7,348 thousand.

All pension undertakings are defined contribution plans. The age of retirement for the CEO is 65. The pension premium amounts to 19 percent of the former CEO's pensionable salary (Jakob Lindberg). The pension commitments for other members of senior management are in accordance with the company's pension policy, and for foreign members of senior management, with the market-based terms of their respective countries. The age of retirement is 65 for other members of senior management. Pensionable salary refers to basic salary.

Variable remuneration

Variable remuneration refers to variable bonuses based on the fixed portion of basic salary. The outcome is based on a vesting period of one year and is subject to a combination of predetermined personal targets and the company's targets. The maximum outcome for the CEO and other members of senior management amounts to a maximum of 25-50% of the basic salary with a maximum level of 1.5 times the target-based remuneration.

Share-based remuneration

The Group's incentive programs are aimed at creating a long-term commitment to Oncopeptides, creating opportunities to attract and retain expertise, and delivering long-term shareholder value. Participants are allotted warrants that will only be earned on condition that specific performance requirements are fulfilled. Participation in a program is decided by the Board of Directors and no individual is contractually entitled to participate in the plan or receive any guaranteed benefits. At year-end 2022, Oncopeptides had nine active programs covering the company's management, certain Board members, founders and other employees. For a description of the programs, refer to Note 26.

Severance pay

If notice is given by the company, the period of notice must not exceed nine months. Fixed cash salaries during the period of notice and severance pay may not collectively exceed an amount corresponding to the fixed cash salary during nine months for the CEO and six months for other members of senior management. If notice is given by the employee, the period of notice must not exceed six months, and there is no right to severance pay.

Additionally, remuneration for potential non-competition clauses can be payable. Such remuneration is to compensate for potential loss of income and is only payable insofar as the former employee lacks any right to severance pay. Remuneration should be based on the fixed cash salary at the time of termination, unless mandatory collective provisions dictate otherwise, and is payable over the duration of the non-competition clause, which may not exceed 12 months after the termination of employment.

NOTE 11
FINANCIAL INCOME AND EXPENSES

	Group		Parent Company	
	2022	**2021**	**2022**	**2021**
Reversal of impairment of participations and receivables from Group companies	–	–	16,269	–
Exchange-rate differences	9,937	–	9,937	–
Interest income	2,616	492	2,620	648
Total financial income	**12,553**	**492**	**28,826**	**648**
Of which, interest income from Group companies	–	–	*6*	*155*
Impairment of participations and receivables from Group companies	–	–	–	-19,363
Interest expenses for lease liabilities	-882	-938	–	–
Other interest expenses	-1	-10	-1	-10
Total financial expenses	**-883**	**-948**	**-1**	**-19,373**

NOTE 12
TAX ON PROFIT FOR THE YEAR

	Group		Parent Company	
	2022	**2021**	**2022**	**2021**
Current tax	-271	-339	–	–
Deferred tax	-	-8,607	–	–
Recognized tax	**-271**	**-8,946**	**–**	**–**
Reconciliation of effective tax rate				
Loss before tax	-337,680	-1,421,371	-324,799	-1,428,539
Tax according to applicable tax rate for the Parent Company 20.6 percent (20.6)	69,562	292,803	66,909	294,279
Tax on deferred tax receivables not charged to profit or loss	-75,842	-289,004	-75,843	-277,778
Non-taxable income	8,762	–	11,814	–
Non-deductible expenses	-2,787	-13,208	-2,880	-16,501
Effect of other tax rates on foreign subsidiaries	34	463	–	–
Tax attributable to previous years	–	–	–	–
Total	**-271**	**-8,946**	**–**	**–**

The Group has tax items pertaining to costs attributable to new share issues that are recognized directly in equity; the tax effect amounted to SEK 5,699 thousand (SEK 13,813 thousand). These have not led to the capitalization of deferred tax assets as the conditions for capitalization were not met.

There are tax loss carryforwards for which no deferred tax assets have been recognized in the balance sheet, totaling SEK 5,267,770 thousand (SEK 4,873,469 thousand), and which are not subject to time limits. Deferred tax assets have not been recognized for these items, since the Group does not have taxable profits. The recognized tax expense is fully attributable to foreign subsidiaries.

NOTE 13
INTANGIBLE FIXED ASSETS

	Group		Parent Company	
Other intangible assets	**Dec 31, 2022**	**Dec 31, 2021**	**Dec 31, 2022**	**Dec 31, 2021**
Cost at beginning of year	2,111	2,111	2,111	2,111
Sales/disposals for the year	-2,111	–	-2,111	–
Closing accumulated cost	**–**	**2,111**	**–**	**2,111**
Opening depreciation/amortization	-703	-281	-703	-281
Sales/disposals for the year	1,020	–	1,020	–
Depreciation/amortization for the year	-317	-422	-317	-422
Closing accumulated depreciation/amortization	**–**	**-703**	**–**	**-703**
Closing carrying amount	**–**	**1,408**	**–**	**1,408**

Other intangible assets pertain to software and licenses.

NOTE 14

PROPERTY, PLANT AND EQUIPMENT

	Group		Parent Company	
Equipment	**Dec 31, 2022**	**Dec 31, 2021**	**Dec 31, 2022**	**2021-12-31**
Cost at beginning of year	6,940	12,760	6,940	6,896
Purchases over the year	2,446	43	2,413	43
Sales/disposals	-874	-6,511	-874	–
Currency effect	–	647	–	–
Closing accumulated cost	**8,512**	**6,940**	**8,479**	**6,940**
Opening depreciation/amortization	-2,085	-1,426	-2,085	-738
Depreciation/amortization for the year	-1,278	-2,659	-1,257	-1,347
Sales/disposals	609	2,148	610	–
Currency effect	-1	-148	–	–
Closing accumulated depreciation/amortization	**-2,755**	**-2,085**	**-2,732**	**-2,085**
Opening impairment losses	–	–	–	–
Impairment losses for the year	–	-4,130	–	–
Sales/ disposals	–	4,130	–	–
Closing accumulated depreciation/Impairment	–	-	–	–
Machinery				
Cost at beginning of year	7,475	7,175	7,475	7,175
Purchases over the year	–	301	–	301
Closing accumulated cost	**7,475**	**7,475**	**7,475**	**7,475**
Opening depreciation/amortization	-1,982	-1,236	-1,982	-1,236
Depreciation for the year	-749	-746	-749	-746
Closing accumulated depreciation	**-2,731**	**-1,982**	**-2,731**	**-1,982**
Closing carrying amount	**10,501**	**10,348**	**10,491**	**10,348**

Depreciation of intangible assets and property, plant and equipment is included in the consolidated income statement in the sub-items Research and development costs SEK 1,447 thousand (SEK 1,742 thousand), Marketing and distribution costs SEK 388 thousand (SEK 116 thousand) and Administrative expenses SEK 509 thousand (SEK 1,965 thousand). Property, plant and equipment are attributable to Swedish companies in an amount of SEK 10,491 thousand (SEK 10,348 thousand) and companies in Germany in an amount of SEK 10 thousand (0).

NOTE 15
FINANCIAL NON-CURRENT ASSETS

	Group		Parent Company	
Non-current receivables	**Dec 31, 2022**	**Dec 31, 2021**	**Dec 31, 2022**	**Dec 31, 2021**
Opening cost	851	3,622	851	851
Deposits made	–	–	–	–
Repaid deposits	–	–	–	–
Reclassification	–	-3,077	–	–
Currency effect	–	306	–	–
Total non-current receivables	**851**	**851**	**851**	**851**

Financial non-current assets pertain to restricted bank deposits SEK (SEK 800 thousand), Euroclear SEK 50 thousand (SEK 50 thousand), and SEK 1 thousand (SEK 1 thousand) relating to 1,000 shares in LFF Service AB (556197-9211).

The share in LFF Service AB is pledged and gives Läkemedelsföreningens Service AB an option to acquire the share at its quotient value (TSEK 1) if Oncopeptides AB (publ) withdraws from the share agreement.

NOTE 16
INTERESTS IN SUBSIDIARIES, PARENT COMPANY

	Dec 31, 2022	**Dec 31, 2021**
Cost at beginning of year	304	7,813
Purchases	25	254
Paid additions[1]	–	3,094
Reversed additions[1]	–	-7,763
Impairment of additions in subsidiaries[1]	–	-3,094
Closing accumulated cost	**329**	**304**
Closing carrying amount	**329**	**304**

1) Paid additions correspond to share-based remuneration recognized in the subsidiary Oncopeptides Inc.

Name	**Registered office**	**Corp. reg. no.**	**No. of shares**	**Percentage of ordinary shares owned by the Parent Company**	**Share of the votes**	**Carrying amount 2022**	**Carrying amount 2021**
Directly owned							
Oncopeptides Incentive AB	Stockholm, Sweden	555931-5491	50,000	100%	100%	50	50
Oncopeptides Innovation AB	Stockholm, Sweden	559379-8795	25,000	100%	100%	25	–
Oncopeptides GmbH	Munich, Germany	HRB 263916	25,000	100%	100%	254	254
Oncopeptides, Inc	Delaware, USA	82-5207809	1,000	100%	100%	–	–
						329	**304**

NOTE 17

FINANCIAL INSTRUMENTS BY CATEGORY, GROUP

For all financial assets and liabilities, the fair value is deemed to be substantially the same as the carrying amount.

Financial assets at December 31, 2022	Financial assets recognized at amortized cost	Non-financial assets	Total carrying amount
Other non-current assets	–	20,438	20,438
Financial non-current assets	851	–	851
Trade receivables	674	–	674
Other current receivables	348	16,246	16,594
Prepaid expenses	–	2,251	2,251
Cash and cash equivalents	344,515	–	344,515
Total	**346,389**	**38,935**	**385,323**

Financial liabilities at December 31, 2022	Financial liabilities recognized at amortized cost	Non-financial liabilities	Total carrying amount
Non-current provision for social security contributions, incentive programs	–	1,815	1,815
Long-term lease liabilities	3,543	–	3,543
Current provision for social security contributions, incentive programs	–	2,494	2,494
Trade payables	28,219	–	28,219
Other current liabilities	5,999	30,172	36,171
Accrued expenses and deferred income	12,445	6,343	18,788
Total	**50,206**	**40,824**	**91,030**

Financial assets at December 31, 2021	Financial assets recognized at amortized cost	Non-financial assets	Total carrying amount
Other non-current assets	–	26,152	26,152
Financial non-current assets	851	–	851
Trade receivables	11,910	–	11,910
Other current receivables	2,368	23,719	26,087
Prepaid expenses	–	12,189	12,189
Cash and cash equivalents	362,187	–	362,187
Total	**377,316**	**62,060**	**439,376**

Financial liabilities at December 31, 2021	Financial liabilities recognized at amortized cost	Non-financial liabilities	Total carrying amount
Non-current provision for social security contributions, incentive programs	–	13	13
Long-term lease liabilities	3,206	–	3,206
Current provision for social security contributions, incentive programs	–	45	45
Trade payables	35,702	–	35,702
Other current liabilities	10,987	7,070	18,057
Accrued expenses and deferred income	60,355	111,130	171,485
Total	**110,250**	**118,258**	**228,508**

NOTE 18

INVENTORY

As a result of the voluntary withdrawal of Pepaxto on the US market, the inventory was written down in its entirety in 2021. There are still products in inventory, but as per the end of 2022 the inventory is deemed to be of insignificant value.

NOTE 19

OTHER CURRENT RECEIVABLES

	Group		Parent Company	
	Dec 31, 2022	**Dec 31, 2021**	**Dec 31, 2022**	**Dec 31, 2021**
Current tax assets	10,612	14,839	–	5,647
VAT receivables	3,971	5,699	3,014	5,699
Short-term deposits	348	2,112	–	–
Receivables from group companies	–	–	8,910	
Other receivables	1,663	3,475	815	3,157
Total	**16,594**	**26,125**	**12,739**	**14,503**

NOTE 20
PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent Company	
	Dec 31, 2022	**Dec 31, 2021**	**Dec 31, 2022**	**Dec 31, 2021**
Prepaid expenses for research and development	537	4,765	537	4,765
Prepaid marketing and distribution expenses	1,703	5,950	1,426	5,950
Other prepaid expenses	11	1,474	2,121	3,535
Total	**2,251**	**12,189**	**4,084**	**14,250**

NOTE 21
CASH AND CASH EQUIVALENTS

Cash and cash equivalents, in the balance sheet and in the statement of cash flows, consist of the following:

	Group		Parent Company	
	Dec 31, 2022	**Dec 31, 2021**	**Dec 31, 2022**	**Dec 31, 2021**
Bank balances	344,515	362,187	328,537	321,832
Total	**344,515**	**362,187**	**328,537**	**321,832**

Cash and cash equivalents pertain to bank deposits in USD amounting to SEK 67,134 thousand and in EUR amounting to SEK 68,071 thousand as well as the rest in SEK.

	Group		Parent Company	
Cash flow, non-cash items	**Dec 31, 2022**	**Dec 31, 2021**	**Dec 31, 2022**	**Dec 31, 2021**
Depreciation and amortization	17,161	14,994	2,323	2,511
Reversal of impairment losses	-1,456	16,590	–	8,240
Exchange-rate differences	250	-38,553	250	-38,478
Value of service by participants in the incentive programs	14,811	14,538	14,811	18,897
Provision for social security contributions, incentive programs	4,251	-55,692	4,251	-55,344
Other items	1,362	3,798	1,440	–
Total	**36,379**	**-44,325**	**23,075**	**-64,174**

			Non-cash items		
Reconciliation of liabilities from financing activities	**Jan 1, 2022**	**Cash flow**	**Change in leases**	**Currency effect**	**Dec 31, 2022**
Lease liabilities	14,193	-15,542	11,293	-402	9,542
Total	**14,193**	**-15,542**	**11,293**	**-402**	**9,542**

			Non-cash items		
Reconciliation of liabilities from financing activities	**Jan 1, 2021**	**Cash flow**	**Change in leases**	**Currency effect**	**Dec 31, 2021**
Lease liabilities	19,355	-15,405	9,583	660	14,193
Total	**19,355**	**-15,405**	**9,583**	**660**	**14,193**

NOTE 22
SHARE CAPITAL AND ADDITIONAL PAID-IN CAPITAL

	No. of shares	**Share capital**	**Additional paid-in capital**	**Total**
At Jan 1, 2021	**67,939,715**	**7,549**	**3,919,036**	**3,926,585**
New share issue resolution passed in March 2021	7,000,000	778	1,038,169	1,038,947
Value of service by participants in the incentive programs	–	–	14,229	14,229
Exercise of warrants under the company's incentive program	352,126	39	10,449	10,488
At December 31, 2021	**75,291,841**	**8,366**	**4,981,883**	**4,990,249**
New share issue resolution passed in June 2022	15,061,443	1,673	406,237	407,910
New share issue of C-shares passed in Oct 2022	3,940,607	438		438
Value of service by participants in the incentive programs	–	–	14,812	14,812
Exercise of warrants under the company's incentive program	15,376	2	32	34
At December 31, 2022	**94,309,267**	**10,479**	**5,402,963**	**5 413 442**

Equity is in its entirety attributable to Parent Company´s shareholders

Share capital and share class
The share capital comprises 90,368,660 shares with a quotient value of approximately SEK 0.11. Each share carries one vote. All shares issued by the Parent Company are fully paid up.

Warrants and class-C shares
To ensure delivery of the company's and Group's incentive programs, warrants and class-C shares have been issued to the wholly owned subsidiary Oncopeptides Incentive AB. At December 31, 2022, there were 3,970,011 warrants entitling the holders to a total of 3,970,011 shares. Of these, instruments corresponding to 3,636,302 warrants entitling the holders to a total of 3,636,302 shares were allotted and 333,709 warrants entitling the holders to 333,709 shares were allotted as a hedge to cover social security contributions.

Unallotted class-C shares, as of 31 December 2022, amount to a total of 3,845,628 shares entitling to a total of 3,845,628 share awards.

Translation reserve
Reserves refer in their entirety to translation reserves. The translation reserve includes all exchange-rate differences arising from the translation of the financial statements of the Group's foreign operations.

	Dec 31, 2022	Dec 31, 2021
Opening carrying amount	-918	-1,542
Change for the year	-1,380	624
Closing carrying amount	**-2,297**	**-918**

Dividend
At the AGM in May 2023, it will be proposed that no dividend be distributed with respect to the 2022 fiscal year.

NOTE 23
EARNINGS PER SHARE

Earnings per share before dilution are calculated by dividing earnings attributable to Parent Company shareholders by the weighted average number of outstanding shares during the period. There is no dilution effect for the employee stock option program, as earnings for the periods have been negative.

Earnings per share before and after dilution	2022	2021
Profit/loss for the year (SEK thousand) attributable to the Parent Company's shareholders.	-337,951	-1,430,317
Average number of ordinary shares outstanding (thousand)	82,320	75,292
Earnings per share (SEK)	**-4.11**	**-19.00**

NOTE 24
OTHER CURRENT LIABILITIES

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Current lease liabilities	5,999	10,987	–	–
Current tax liabilities	302	47	110	–
Employee-related taxes and levies	6,476	6,978	6,285	6,661
Expected returns	22,887	49,874	–	–
Other current liabilities	507	45	141	27
Total	**36,171**	**67,931**	**6,536**	**6,688**

NOTE 25
ACCRUED EXPENSES

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Employee-related accrued expenses	6,343	18,631	6,251	18,459
Prepaid expenses for research and development	8,026	92,022	8,026	92,022
Accrued expenses to suppliers, other	3,744	5,968	1,511	1,206
Other accrued expenses	675	4,990	–	4,899
Total	**18,788**	**121,611**	**15,788**	**116,586**

NOTE 26

SHARE-BASED REMUNERATION

The Group's incentive programs are aimed at creating a long-term commitment to Oncopeptides, creating opportunities to attract and retain expertise, and delivering long-term shareholder value. Participants are allotted warrants that will only be earned on condition that specific performance requirements are fulfilled. Participation in a program is decided by the Board of Directors and no individual is contractually entitled to participate in the plan or receive any guaranteed benefits. Oncopeptides currently has nine active programs encompassing management, certain Board members, founders and employees. "Employee Option Program 2016/2023" was introduced in 2016. The incentive program "Co-worker LTIP 2017" was introduced in 2017. At the 2018 AGM, the incentive program "Co-worker LTIP 2018" was introduced. At the 2019 AGM, it was resolved to introduce the incentive program "Co-worker LTIP 2019". At the 2020 AGM, it was resolved to introduce the "Board LTIP 2020" incentive program. At the 2021 AGM, two incentive programs were established: "Co-worker LTIP 2021" and "Board LTIP 2021". At the 2022 AGM, two incentive programs were established: "Co-worker LTIP 2022" and "Board LTIP 2022".

- **Employee Option Program 2016/2023**
  Employee options were allotted free of charge to participants. Allotted employee options are vested gradually over a four-year period calculated from the starting date (aside from 60 options in the series that are vested and allotted over a period of 12 months). Vesting requires that the holder remain employed by the company and that the employment is not terminated as per the day of vesting of each employee option. Each vested option entitles the holder to subscribe for 900 new shares in the company up to and including November 30, 2023 at the latest.
- **Co-worker LTIP 2017**
- **Co-worker LTIP 2018**
- **Co-worker LTIP 2019**

All options were allotted free of charge to participants of the program. The options have a three-year vesting period calculated from the allotment date, provided that, with customary exceptions, the participants remain as employees of, or continue to provide services to, Oncopeptides. Once the options are vested, they can be exercised within a four-year period.

Each vested option entitles the holder to acquire one share in the company at a predetermined price. The price per share is to be equivalent to the weighted average price that the company's shares were traded for on Nasdaq Stockholm during the five trading days preceding the allotment date.

- **Board LTIP 2020**
  Share awards are vested over approximately three years until either the 2023 AGM or June 1, 2023 (whichever occurs first) with one-third per year during the period from one AGM to the date immediately before the next AGM or the final vesting date.
- **Board LTIP 2021**
  Share awards are vested over approximately three years until either the 2023 AGM or June 1, 2023 (whichever occurs first) with one-third per year during the period from one AGM to the date immediately before the next AGM or the final vesting date. For the issued share awards, it was decided not to issue any warrants.
- **Board SHP 2022**
  The share awards were allotted to participants free of charge. The share awards vest after approximately one year until the earlier of either the day before the AGM 2023, or July 1, 2022, provided that the participant is still a board member of Oncopeptides on that day. The share awards are also subject to performance-based vesting, based on the performance of Oncopeptides' share price during the period from the allotment date up to and including the day before the final vesting date. The share price's performance will be measured as the volume-weighted average price of the company's share 10 trading days immediately after the allotment date and 10 trading days immediately before the final vesting date. Vested share awards are automatically exercised the day after the vesting period.
- **Co-worker LTIP 2021**
  The share awards were allotted to participants free of charge and entitle the holder to shares in Oncopeptides. All share awards were allotted to participants free of charge and are also subject to performance-based vesting, based on the performance of Oncopeptides' share price during the period from the allotment date up to and including the day before the final vesting date. The share price's performance will be measured as the volume-weighted average price of the company's share 10 trading days immediately after the allotment date and 10 trading days immediately before the final vesting date. If Oncopeptides' share price has then increased by over 60 percent, 100 percent of the share awards will be vested, and if the share price has increased by 20 percent, 33 percent of the share awards will be vested. In the event of an increase in the share price by 20 to 60 percent, the share awards will be vested in a linear manner. If the share price increases by less than 20 percent, there will be no vesting. Each time-based and performance-based vested share award entitles the holder to obtain one share in Oncopeptides free of charge. In certain customary exceptional cases, vesting is possible even if the participant is no

longer employed at Oncopeptides on the final vesting date.Vested share awards are automatically exercised the day after the final vesting date.

- **Co-worker LTIP 2022**
  The share awards were allotted to participants free of charge and entitle the holder to shares in Oncopeptides. The share awards are subject to performance-based vesting, based on the performance of Oncopeptides' share price during the period from the allotment date up to and including the third anniversary day calculated from the allotment date. The share price's performance will be measured as the volume-weighted average price of the company's share 10 trading days immediately after the allotment date and 10 trading days immediately before the final vesting date. If Oncopeptides' share price has then increased by over 60 percent, 100 percent of the share awards will be vested, and if the share price has increased by 20 percent, 33 percent of the share awards will be vested. In the event of an increase in the share price by 20 to 60 percent, the share awards will be vested in a linear manner. If the share price increases by less than 20 percent, there will be no vesting. Each vested share award entitles the holder to obtain one share in Oncopeptides free of charge, provided that the holder, is still employed at Oncopeptides on the final vesting date. In certain customary exceptional cases, vesting is possible even if the participant is no longer employed at Oncopeptides on the final vesting date.

Summary of the Group's total cost for incentive programs

	2022	2021
IFRS 2-related salary costs	14,864	14,229
Provision for social security contributions, incentive programs	4,248	-55,695
Social security contributions for the utilization of allotted options.	34	7,268
Total	**19,146**	**-34,198**

Summary of provisions for social security contributions for share-based remuneration

	Group		Parent Company	
Non-current provisions	**Dec 31, 2022**	**Dec 31, 2021**	**Dec 31, 2022**	**Dec 31, 2021**
Social security contributions concerning share-based remuneration				
Amount at the start of the year	13	8,530	13	8,404
Provisions for the year	1,813	–	1,813	–
Reversals over the year	-3	-3,090	-3	-3,005
Reclassification of current provisions	-8	-5,427	-8	-5,387
Total non-current provisions	**1,815**	**13**	**1,815**	**13**

	Group		Parent Company	
Non-current provisions	**Dec 31, 2022**	**Dec 31, 2021**	**Dec 31, 2022**	**Dec 31, 2021**
Social security contributions concerning share-based remuneration				
Amount at the start of the year	45	47,202	45	46,997
Reclassification from non-current provisions	8	5,427	8	5,387
Provisions for the year	2,479	–	2,479	–
Amounts claimed for the year	-34	-139	-34	-139
Reversals over the year	-4	-52,445	-4	-52,199
Total current provisions	**2,494**	**45**	**2,494**	**46**
Total provisions	**4,309**	**58**	**4,309**	**58**

Costs for social security contributions vary as a result of changes in the underlying market price. Related provisions are recognized as current and non-current liabilities. Instruments allotted to employees who have been terminated will be revoked and forfeited.

Summary of allotted options and share awards according to plan

Employee Option Programs	2022 No. of shares covered by the option programs	2021 No. of shares covered by the option programs
At Jan 1	2,152,376	2,684,001
Allotted	532,110	726,301
Forfeited	-291,087	-957,675
Exercised	-11,700	-300,251
At December 31	**2,381,699**	**2,152,376**

Share award program (Co-worker LTIP)	2022 No. of shares covered by the option programs	2021 No. of shares covered by the option programs
At Jan 1	14,489	639,010
Allotted	1,279,271	133,452
Forfeited	-145,846	-757,973
Exercised	–	–
At December 31	**1,147,914**	**14,489**

Class-C shares for share awards programs (unallocated)	2022 No. of shares covered by the share award programs	2021 No. of shares covered by the share award programs
At Jan 1	–	–
Unallocated	3,860,849	
Allotted	-15,221	–
Reversed	–	
At December 31	**3,845,628**	**–**

Share awards program (Board LTIP)	2022 No. of shares covered by the option programs	2021 No. of shares covered by the option programs
At Jan 1	87,592	83,043
Allotted	44,758	35,000
Forfeited	–	-30,451
Exercised	–	–
Expired	-25,661	–
At December 31	**106,689**	**87,592**

Calculation of fair value of employee option programs

The fair value on the allotment date was calculated using an adapted version of the Black & Scholes valuation model, which takes into consideration the exercise price, the term of the options, share price on the allotment date and expected volatility in the share price, and risk-free interest for the term of the options. Since no listed prices were available for the underlying share prior to the IPO in February 2017, the value up until that date is based on the most recently completed business transaction with the company's preference share with an external party.

Employee Option Programs	Allotment date/ start date	Maturity date	Fair value upon issue of the option program, SEK	Exercise price, SEK	Volatility	No. of shares covered by option programs at December 31, 2022	Vested
Employee Option Program 2016/2023:1	November 22, 2016	November 30, 2023	8.82	0.11	20.72%	54,000	100.00%
Co-worker LTIP 2017:1	May 18, 2017	May 18, 2024	9.32	44.48	20.72%	481,000	100.00%
Co-worker LTIP 2017:2	October 5, 2017	October 5, 2024	14.17	63.95	20.72%	116,000	100.00%
Co-worker LTIP 2017:3	February 21, 2018	February 21, 2025	33.37	79.77	41.40%	104,687	100.00%
Co-worker LTIP 2017:4	July 12, 2018	July 12, 2025	94.63	197.48	47.00%	271,895	100.00%
Co-worker LTIP 2017:5	August 30, 2018	August 30, 2025	70.83	149.47	48.40%	20,000	100.00%
Co-worker LTIP 2017:6	October 1, 2018	October 1, 2025	83.3	155.15	50.20%	235,000	100.00%
Co-worker LTIP 2018:2	May 3, 2019	May 3, 2026	71.51	126.09	56.10%	119,594	100.00%
Co-worker LTIP 2019:1	August 12, 2019	August 12, 2026	73.5	142.64	55.20%	58,190	100.00%
Co-worker LTIP 2019:3	January 2, 2020	January 2, 2027	59.66	128.68	47.50%	151,970	99.82%
Co-worker LTIP 2019:4	April 2, 2020	April 2, 2027	61.28	107.58	63.70%	31,394	91.61%
Co-worker LTIP 2019:7	January 4, 2021	January 4, 2028	111.20	169.53	71.80%	197,359	66.33%
Co-worker LTIP 2019:8	January 4, 2021	March 17, 2028	83.34	161.54	58.39%	8,500	59.71%
Co-worker LTIP 2019:9	February 18, 2022	February 18, 2029	7.08	8.93	114.27%	532,110	28.90%
						2,381,699	

Calculation of fair value of share awards programs (Board LTIP 2020, 2021, and Board SHP 2022)
The fair value on the allotment date was calculated using Monte Carlo simulation of future share price development. The simulated share price development has then been used to calculate the outcome of the program and the value of each share at the acquisition date (present value adjusted to the allotment date).

	Allotment date	Maturity date	Fair value upon issue of the option program, SEK	No. of shares covered by option programs at December 31, 2022	Vested
Board LTIP 2020	July 15, 2020	July 16, 2023	75.21	26,931	95.18%
Board LTIP 2021	September 2, 2021	June 30, 2024	34.64	35,000	74.56%
Board LTIP 2022	August 25, 2022	August 25, 2025	35.31	44,758	41.48%
				106,689	

Calculation of fair value of share awards programs (Co-worker LTIP 2021 and Co-worker LTIP 2022)
The fair value on the allotment date was calculated using Monte Carlo simulation of future share price development. The simulated share price development has then been used to calculate the outcome of the program and the value of each share at the acquisition date (present value adjusted to the allotment date).

	Allotment date	Maturity date	Fair value upon issue of the option program, SEK	No. of shares covered by option programs at December 31, 2022	Vested
Co-worker LTIP 2021:1	September 2, 2021	September 2, 2024	33.84	5,133	44.30%
Co-worker LTIP 2021:2	February 18, 2022	February 19, 2025	7.87	1,127,560	28.90%
Co-worker LTIP 2022	December 9, 2022	December 31, 2025	9.65	15,221	2.10%
				1,147,914	

NOTE 27

RELATED-PARTY TRANSACTIONS

Information about transactions between the Group and other related parties is presented below. For remuneration of members of senior management and the Board of Directors, refer to Note 10.

	Parent Company	
Purchase of services:	**2022**	**2021**
Purchase of services from subsidiaries	25,866	615,655
Total	**25,866**	**615,655**
Sale of goods	**2022**	**2021**
Sale of goods to subsidiaries	838	97,577
Total	**838**	**97,577**

Recognition of allotted options issued through the company's incentive programs to related parties at December 31, 2022

	Co-worker LTIP 2017:1		Co-worker LTIP 2017:3		Co-worker LTIP 2017:4		Co-worker LTIP 2018:2		Co-worker LTIP 2019:1		Co-worker LTIP 2019:3		Co-worker LTIP 2019:4		Co-worker LTIP 2019:7		Co-worker LTIP 2019:9		Co-worker LTIP 2021:2	
	Number of shares that the option programs		Number of shares that the option programs		Number of shares that the option programs		Number of shares that the option programs		Number of shares that the option programs		Number of shares that the option programs		Number of shares that the option programs		Number of shares that the option programs		Number of shares that the option programs		Number of shares that the option programs	
	Correspond to	**Vested**	**Correspond to**	**Vested**	**Correspond to**	**Vested**	**Correspond to**	**Vested**	**Correspond to**	**Vested**	**Correspond to**	**Vested**	**Correspond to**	**Vested**	**Correspond to**	**Vested**	**Correspond to**	**Vested**	**Correspond to**	**Vested**
CEO, Jakob Lindberg	181,000	100,0%	23,190	100,0%	–	–	45,860	100.00%	–	–	65,373	99.80%	–	–	34,245	66.30%	255,413	28.90%	175,663	28.90%
Other members of senior management	91,000	100,0%	11,595	100,0%	5,000	100.00%	16,008	100.00%	58,190	100.00%	45,660	99.80%	24,478	91.60%	88,967	66.30%	234,128	28.90%	312,190	28.90%
	272,000		**34,785**		**5,000**		**61,868**		**58,190**		**111,033**		**24,478**		**123,212**		**489,541**		**487,853**	

Recognition of granted share awards issued through the company's performance-based incentive programs to related parties at December 31, 2022

	Board LTIP 2020		Board LTIP 2021		Board SHP 2022	
	No. of shares covered by the share award program	**Vested**	**No. of shares covered by the share award program**	**Vested**	**No. of shares covered by the share award program**	**Vested**
Chairman of the Board, Per Wold-Olsen	10,359	95.2%	13,460	74.9%	17,214	41,5%
Board member, Cecilia Daun Wennborg	4,143	95.2%	5,385	74.9%	6,886	41,5%
Board member, Jarl Ulf Jungnelius	4,143	95.2%	5,385	74.9%	6,886	41,5%
Board member, Brian Stuglik	4,143	95.2%	5,385	74.9%	6,886	41,5%
Board member, Jennifer Jackson	4,143	95.2%	5,385	74.9%	6,886	41,5%
Total	**26,931**		**35,000**		**44,758**	

NOTE 28

PLEDGED ASSETS

	Group		Parent Company	
	Dec 31, 2022	**Dec 31, 2021**	**Dec 31, 2022**	**Dec 31, 2021**
Shares of LFF Service AB	1	1	1	1
Bank guarantees paid	850	850	850	850
Total	**851**	**851**	**851**	**851**

The share in LFF Service AB is pledged and gives Läkemedelsföreningens Service AB an option to acquire the share at its quotient value (SEK 1,000) if Oncopeptides AB (publ) withdraws from the share agreement. Bank guarantees paid, refer to Note 15 "Financial non-current assets".

NOTE 29

CONTINGENT LIABILITIES

The Group and Parent Company had no contingent liabilities at December 31, 2022.

NOTE 30

EVENTS AFTER THE END OF THE REPORTING PERIOD

- Monica Shaw is appointed CEO effective January 4, 2023, with Jakob Lindberg assuming the role of Chief Scientific Officer
- Holger Lembrér is appointed CFO effective January 18, 2023.

NOTE 31

GOING CONCERN STATUS

As a result of the rapid and vigorous reduction of operational costs initiated in the last quarter of 2021 and continued in the spring of 2022, the Group's cash flow and cash balance improved dramatically.

With the approval, Oncopeptides was able to resume investments in next-generation drug candidates within the company's Peptide Drug Candidate (PDC) platform and start preparing for marketing across Europe, by:

- Once again investing in future revenue-generating products, the company seeks to ensure long-term continuity of operations. The closest is OPDC3, which is entering Phase 3, but also the Company's patented Spike platform for Small Polypeptide based Killer Engagers, both of which indicate long-term revenue potential. However, the type of investment required can to some extent be adjusted in time to match the company's available capital.
- Establishing an agile, tailored European team and entering Europe with Germany as the first market, Oncopeptides has managed to make Pepaxti available to patients in need in Germany in record time - which in turn bodes well for ensuring the fastest possible timeline to revenue. However, it should be noted that further roll-out will take time as each individual country has to approve the price and payment within its specific reimbursement system. Although the Company acts on the basis of a mapping, where the timing of applications in each EU country is carefully weighed against the possibility of reaching patients in need while generating revenue, the timing of when the Company may achieve positive cash flows is uncertain.

The Board of Directors and the CEO continuously assess the Group's liquidity and financial resources in both the short and long term. The annual report has been prepared with the assumption that the company has the ability to continue operations for the next 12 months, in line with the going concern assumption.

Should crucial conditions not be fulfilled, for example by sales not developing at the rate assumed, there is a risk concerning the group's continued operation. Overall, this implies that there are circumstances that may give rise to significant doubts about the company's ability to continue to operate without additional financing.

Oncopeptides will, most likely, need to acquire additional capital moving forward, depending on the amount of income that can be successfully generated in relation these costs. The company's ability to acquire additional capital, achieve partnerships or obtain other co-financing cannot be guaranteed. This could cause a temporary suspension of development or force Oncopeptides to conduct its operations at a less than optimal rate, which could result in delayed or failed commercialization and income.

Certification

The undersigned affirm that the annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden, and that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU. The annual accounts and the consolidated financial statements provide a true and fair view of the Parent Company's and the Group's financial position and results. The Directors' Report for the Parent Company and the Group gives a true and fair overview of the development of the Parent Company's and the Group's activities, financial position and results, and describes the significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm, April 18, 2023

Per Wold-Olsen
Chairman of the Board

Jennifer Jackson
Board member

Brian Stuglik
Board member

Jarl Ulf Jungnelius
Board member

Monica Shaw
CEO

Per Samuelsson
Board member

Cecilia Daun Wennborg
Board member

Our Auditor's Report was submitted on April 25, 2023

Ernst & Young AB

Anna Svanberg
Authorized Public Accountant

Auditor's Report

To the general meeting of the shareholders of Oncopeptides AB (Publ), corporate identity number 556596-6438

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Oncopeptides AB (publ) except for the corporate governance statement on pages 36–43 for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 26–73 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 36-43. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Material Uncertainty Related to Going Concern

We draw attention to the Director's report, Note 4 and Note 31 in the financial statements, which indicates that the Company has resumed investments in Pepaxti and future revenue-generating products based on the approval from the European Commission. The Board of Directors and the Managing Director has concluded that, assuming the company's development continues according to plan, the group will have sufficient liquidity to continue operations for at the least the upcoming twelve-month period. Should these assumptions not be realized, there is a risk that the group cannot continue operations. These events or conditions, along with other matters as set forth in the report, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Except for the matters described in the Material Uncertainty Related to Going Concern section, we have determined that there are no key audit matters to communicate in our report.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–25 and 78–80. The Board of Directors and the Managing Director are responsible for this other information. Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also respon-

sible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

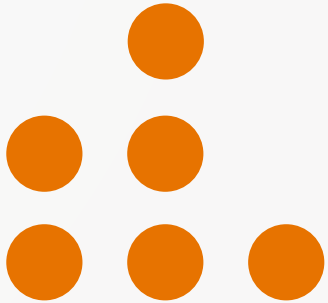
We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Oncopeptides AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Oncopeptides AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Oncopeptides AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 36–43 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevR 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

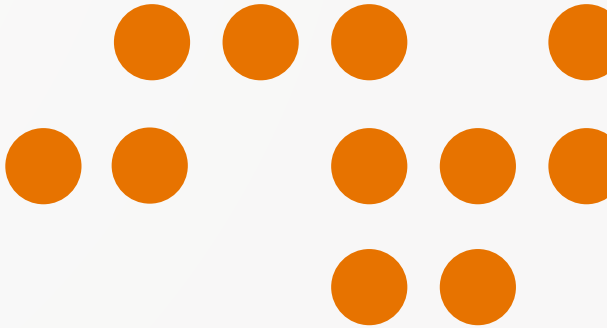
A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Ernst & Young AB, Hamngatan 26, 111 47 Stockholm, was appointed auditor of Oncopeptides AB by the general meeting of the shareholders on the 28 June 2022 and has been the company's auditor since the 21 May 2019.

Stockholm 25 April, 2023

Ernst & Young AB

Anna Svanberg
Authorized Public Accountant



Board of Directors

Per Wold-Olsen, MBA

Chairman of the Board | Elected as Chairman of the Board in 2018.

Per has an extensive experience in the pharmaceutical industry and has held many different positions within Merck & Co Inc. He served on Merck's management team between 1994-2006. Since 2006 he has served on several boards in the life science sector including Lundbeck, Pharmaset, Royal Dutch Numico, Amarin, Gilead Sciences and GN Store Nord.

Education: Per holds an MBA in finance and administration from Handelshøyskolen BI and an MBA in Management and Marketing from the University of Wisconsin.

Born: 1947.

Board committees: Chairman of the Remuneration Committee, member of the Audit Committee and the Nomination Committee.

Holdings in Oncopeptides:
389,385 shares and 32,854 share awards.

Other current positions:
Board member of Forepont Capital Partners.

Independent in relation to the company and its management and in relation to major shareholders.

Brian Stuglik, B.Pharm

Member of the Board | Elected in 2018.

Brian has a long and broad experience from the pharmaceutical industry. He has spent 30 years in different positions within Eli Lilly, including American as well as global roles and responsibilities. Over the past 25 years, his work has been focused on product strategy and commercialization for oncology products.

Education: Brian har en Bachelor of Pharmacy från Purdue University, USA.

Born: 1959.

Board committees: Member of the Remuneration Committee and the Scientific Committee.

Holdings in Oncopeptides:
13,142 share awards

Other current positions:
CEO of Verastem Inc., Board Member of Puma Biotechnology; Founder of Proventus Health Solutions LLC. Member of the American Society of Clinical Oncology, the American Association for Cancer Research and the International Association for Lung Cancer Studies.

Independent in relation to the company and its management and in relation to major shareholders.

Cecilia Daun Wennborg, BSc

Member of the Board | Elected in 2017.

Cecilia has 20 years of experience from board positions in listed companies and from operational positions in the insurance, bank, care and healthcare sectors, inter alia as CFO and CEO of Skandia Link, Head of Skandia Sverige, CFO of Carema Vård & Omsorg AB and Ambea AB, CEO of Carema Vård & Omsorg AB and deputy CEO of Ambea AB.

Education: Cecilia holds a Bachelor in Economics from Stockholm University.

Born: 1963.

Board committees: Chairman of the Audit Committee.

Holdings in Oncopeptides:
11,800 shares and 13,142 share awards.

Other current positions:
Board Member of Getinge AB, Bravida Holding AB, Loomis AB, Atvexa AB, Insamlingsstiftelsen Oxfam Sverige, Hotel Diplomat AB and CDW Konsult AB. Member of the Swedish Securities Council.

Independent in relation to the company and its management and in relation to major shareholders.

Jarl Ulf Jungnelius, MD, PhD

Member of the Board | Elected in 2011.

Ulf is a licensed medical practitioner and a specialist in several areas, including oncology. He has published several scientific articles and has more than 25 years of experience from leadership positions in both large academic and corporate institutions. He has been instrumental in the development and registration of gemcitabine (Gemzar), premetrexed (Alimta), Sunitinib (Sutent), lenalidomide (Revlimid) and the albumin bound nanoparticle paclitaxel (Abraxane).

Education: Doctor of Medicine, Karolinska Institutet, Stockholm.

Born: 1951.

Board committees: Member of the Scientific Committee.

Holdings in Oncopeptides:
57,750 shares and 13,142 share awards.

Other current positions:
CEO of CarpoNovum Clinics AB. Senior oncology advisor for NOXXON Pharma. Board member of Biovica International AB, Ryvu Therapeutics, HealthCom GmbH and CarpoNovum Clinics AB.

Independent in relation to the company and its management and in relation to major shareholders

Jennifer Jackson, PhD

Member of the Board | Elected in 2018.

Jennifer has more than thirty years of experience in global clinical development and market registration of small molecules and biologics across multiple therapeutic areas including oncology. Most recently she was Senior Vice President of Regulatory Affairs and Quality Assurance and a member of the executive leadership team at Tesaro. Prior to that Jennifer has had several senior roles at Cubist Pharmaceuticals, Biogen, Vertex and Bristol-Myers Squibb.

Education: Jennifer earned her PhD in Genetics at Cornell University and did her postdoctoral work at Massachusetts Institute of Technology. She is a member of the American Society of Clinical Oncology.

Born: 1953.

Board committees: Chair of the Scientific Committee.

Holdings in Oncopeptides:
13,142 share awards.

Other current positions: -

Independent in relation to the company and its management and in relation to major shareholders.

Per Samuelsson, MSc

Member of the Board | Elected in 2012.

Per is a partner at HealthCap, a life sciences venture capital business. Per has 22 years of experience from investing venture capital in the life science sector. Per has also gained over 15 years of investment banking experience, mainly with Aros Securities as Director in the corporate finance department where he specialized in merger transactions, initial public offerings and equity incentive programs. Per also held the role of Head of Research at Aros Securities.

Education: MSc in engineering from the Institute of Technology at Linköping University.

Born: 1961.

Board committees: Member of the Audit Committee and the Remuneration Committee.

Holdings in Oncopeptides: –

Other current positions: Board Member of Ariceum Therapeutics GmbH, Cantando AB, Cantando Holding AB, HealthCap AB, HealthCap Annex Fund I-II GP AB, Pretzel Therapeutics, Inc., Skipjack AB.

Independent in relation to the company and its senior management, but not in relation to major shareholders. Partner in HealthCap and holder of directorships in several companies within the HealthCap Group.

Management

Monica Shaw, MD

CEO | 2023–

Monica was appointed CEO in January 2023. Monica is a Medical Doctor with breadth of leadership experience. She was Executive Vice President, Head Europe/Canada and Global Marketing Psoriasis, LEO Pharma 2020-2022. She was VP and Head of Asia Pacific Region for GSK/ViiV Healthcare Singapore 2018-2020, General Manager GSK Panama, 2016-2018 and VP Global Franchise Head for Specialty, GSK 2014-2016. Prior to that she held managerial roles in Medical Affairs and Clinical Development for several pharmaceutical companies and worked as a Medical Doctor.

Education: MBBS MA, Medical Degree at Oxford University in 2002, and became a Member of the Royal College of Physicians in UK in 2005.

Born: 1978.

Holdings in Oncopeptides:
882,448 share awards.

Other current positions:
Board member AC Immune.

Eva Nordström, MSc Pharm, MBA

Vice President | 2021–
Chief Operating Officer | 2020–

Eva Nordström was appointed as Head of Clinical Development in 2012, Chief Operating Officer 2020 and Deputy Managing Director 2021. Eva is responsible for strategic and operational deliveries in Biometrics, CMC, Clinical Operations, Global Drug Supply and Pre-clinical Operations.

Previous positions Eva has held include Global Product Director and Vice President roles at Pharmacia and AstraZeneca based both in Sweden and the USA. She has led international cross-functional teams through all phases of drug development, including phase 3 and product launches. Eva has been responsible for individual project strategies including their implementation as well as disease area strategies, portfolio management and in-licensing.

Education: MSc Pharm from Uppsala University, Executive MBA from Stockholm School of Economics.

Born: 1970.

Holdings in Oncopeptides:
120,200 shares, 158,369 share awards and 284,113 options.

Other current positions:
Board member in Oxcia AB, Deputy Board member in Utilica AB.

Holger Lembrér, MSc

Chief Financial Officer | 2023–

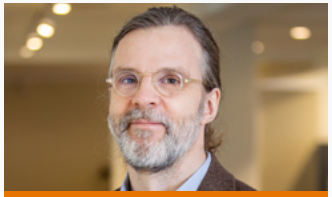
Holger was appointed CFO in January 2023 and is responsible for Finance, Legal, IT and administration. Holger has a wide range of experience from several different positions in finance and before he assumed his role at Oncopeptides, he was CFO for a global business area within the ASSA ABLOY Group 2021-2022. Previously, Holger held several other positions within the ASSA ABLOY Group during 2011-2021, such as Investor Relations Officer and Financial Controller. He has also worked as an auditor at Ernst & Young.

Education: Master of Science in Business and Economics from Uppsala University.

Born: 1984.

Holdings in Oncopeptides:
58,504 share awards.

Other current positions: –



Jakob Lindberg, Lic Phys.

Chief Scientific Officer | 2023–

Jakob was appointed Chief Scientific Officer in January 2023. Jakob Lindberg was the CEO of Oncopeptides from the restart of the company in 2011, until June 2020, as well as from November 2021 until January 2023. During July 2020 until November 2021, he was Chief Scientific Officer. His previous roles include being an analyst at Merrill Lynch & Co and a consultant at McKinsey & Co. Jakob was co-founder of Cellectricon, a provider of cell-based screening services to accelerate drug discovery, where he also served as CEO.

Education: Medical studies at Karolinska Institutet, Degree of Med Lic in Molecular Immunology, MSc in Pre-clinical Medicine, BA in Finance and Administration from Stockholm University.

Born: 1972.

Holdings in Oncopeptides:
868,331 (853,031 directly owned, 15,300 indirectly owned through Lindberg Life-Science AB), 391,922 share awards and 605,081 options.

Other current positions:
CEO of Oncopeptides, Inc, chairman of Oncopeptides Incentive AB, director of Affibody Medical AB, Camurus AB and Lindberg Life-Science AB. CEO of Lindberg Life-Science AB.

Klaas Bakker, MD, PhD

Head of R&D | 2022–
Chief Medical Officer | 2019–

Klaas Bakker was appointed as Chief Medical Officer in 2019 and Head of Research and Development in 2022. In this role he is accountable for the Research and Clinical Development Strategy, Regulatory Affairs, Pharmacovigilance and Medical Affairs.

Klaas has previously held various roles at AstraZeneca within their global Oncology Business Unit, including Vice President Medical Affairs of the Global TAGRISSO-TDR Franchise in Oncology, where he was responsible for several drugs, including AstraZeneca's drug Osimertinib.

Education: Klaas holds an MD and is a board-certified neurosurgeon from the university of Groningen, the Netherlands, where he was clinically active until 2015. In addition, he holds a PhD in Immuno-Hematology and has authored over 40 publications in international peer-reviewed journals.

Born: 1982.

Holdings in Oncopeptides:
100,000 shares, 140,252 share awards and 179,384 options.

Other current positions:
Director of Trust office foundation (STAK) AI-InfraSolutions.

Sofia Heigis, MSc

Chief Commercial Officer | 2022-
Managing Director Tyskland | 2022-

Sofia was appointed Senior Vice President and Global Head Medical Affairs in 2020, and Chief Commercial Officer and Managing Director Germany in 2022. Sofia was engaged in the preparedness and launch of Pepaxto in the US, and has led the preparations of the commercialization of Pepaxti in Europe.

Sofia brings broad experience from leading international roles in Medical Affairs, Regulatory Affairs, Market Ethics, Pharmacovigilance, Real World Evidence, Marketing and Sales roles at Astra Zeneca, and has been engaged in both global and local product launches.

Education: Sofia holds a Master of Pharmacology from the University of Gothenburg, including a Master Thesis in Pharmacology from Bond University. She has an Executive Master in Strategy and is a member of the business network for female leaders, Ruter Dam.

Born: 1980.

Holdings in Oncopeptides:
20,104 shares, 236,223 share awards and 96,532 options.

Other current positions: -

Sara Svärdgren

Head of Human Resources | 2018–

Sara joined Oncopeptides in May 2018 as Head of Human Resources. Since May 2022, she is a member of the company's leadership team.

Sara has a broad experience of HR and has held managerial positions in HR during the past 10 years. Before joining Oncopeptides, she worked in the financial industry at Neonet Securities.

Education: Sara has studied the Human Resources program with a major in psychology at Örebro University and Stockholm University.

Born: 1979.

Holdings in Oncopeptides:
85 shares, 36,476 share awards and 9,498 options.

Other current positions: –

Rolf Gulliksen

Global Head of Corporate Communications | 2020–

Rolf Gulliksen was appointed as Global Head of Corporate Communications in 2020. Rolf has an extensive background in strategic communication for the life science industry and consultancy. Previous positions include Head of Corporate Communications at Hansa Biopharma, SVP Corporate Communications Biovitrum, Corporate Affairs Director Pfizer, VP Public Affairs and Communications Pharmacia in EMEA, and External Affairs Manager at MSD. He has also headed the life science business at leading communication agencies; Hallvarsson and Halvarsson Group, Springtime, InVivo, and Edelman Worldwide in Europe.

Education: Studies in chemistry, biology, physics, geology, pedagogy and methodology at Uppsala University.

Born: 1959.

Holdings in Oncopeptides:
78,293 share awards and 5,499 options.

Other current positions:
CEO and Senior Advisor, Gulliksen Strategic Relations AB.

2023 AGM

Oncopeptides' annual genereal meeting will be held on Thursday, May 25, 2023. For more information regarding the annual general meeting, please see the company website: *oncopeptides.com*.

Calendar

May 4, 2023 Q1 interim report

May 25, 2023 AGM

August 10, 2023 Q2 interim report

November 9, 2023 Q3 interim report

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