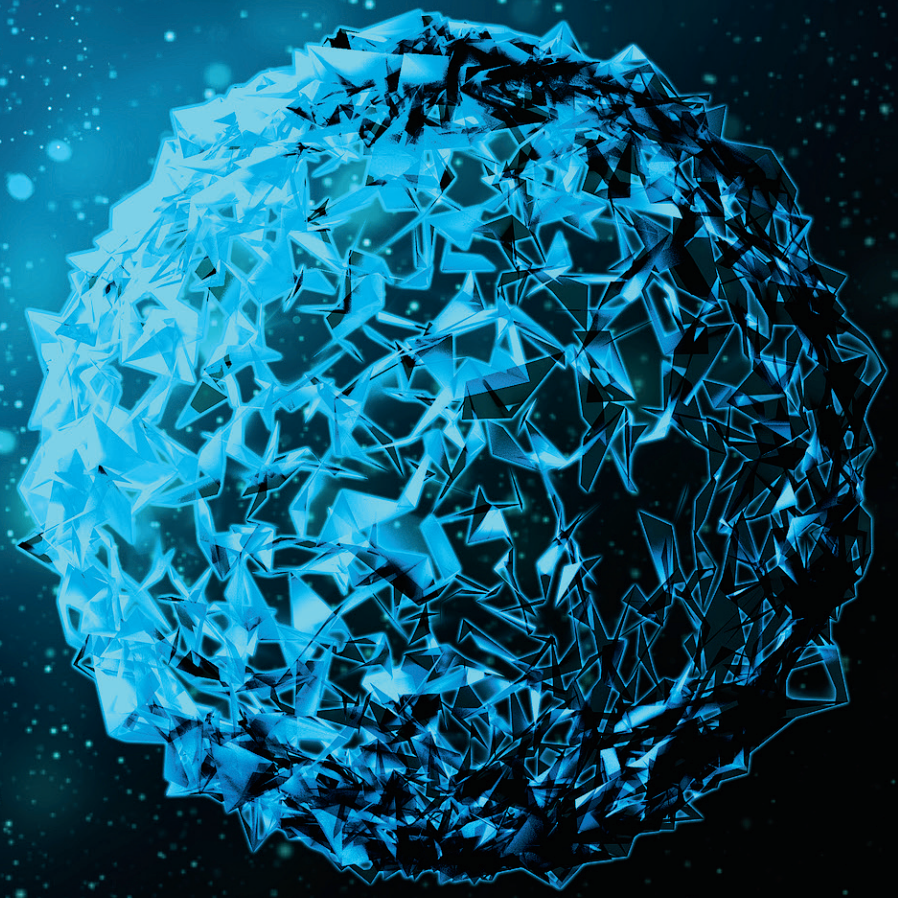
oncopeptides

INTERIM REPORT JANUARY-MARCH 2018

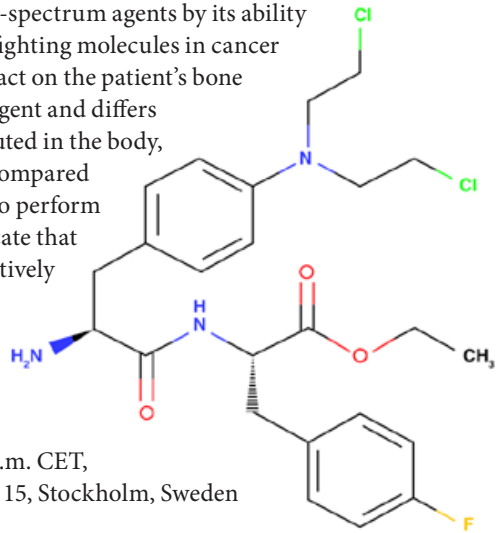
"Important milestones have been achieved in the first quarter"



Oncopeptides is a research and development stage pharmaceutical company developing drugs for the treatment of cancer. The company focus on the development of the lead product candidate Ygalo®, an innovative, Peptidase Enhanced Cytotoxic (PEnCs). Ygalo® is intended as an effective treatment of hematological cancers, and in particular multiple myeloma. The current clinical study program is intended to demonstrate better results from treatment with Ygalo® compared with established alternative drugs for patients with late-stage multiple myeloma. Ygalo® will potentially provide physicians with a new treatment option for patients suffering from this serious disease.

About Ygalo®

Ygalo® is a targeted broad-spectrum agent – an innovative peptidase enhanced cytotoxic (PEnC). Its initial indication is the treatment of multiple myeloma. Ygalo® differentiates itself from other broad-spectrum agents by its ability to achieve higher concentrations of cancerfighting molecules in cancer cells, without a corresponding adverse impact on the patient's bone marrow. Ygalo® is an enhanced alkylating agent and differs significantly in how the molecule is distributed in the body, with a specific distribution to cancer cells compared with other alkylators and is thus expected to perform with greater efficacy. Preclinical trials indicate that Ygalo® kills cancer cells 50 times more effectively than similar drugs of the same class.



Financial calendar

Annual General Meeting: May 17, at 3.00 p.m. CET,
Tändstickspalatset, Västra Trädgårdsgatan 15, Stockholm, Sweden

Interim report Q2: July 13

Interim report Q3: October 26

Year-end report 2018: February 22, 2019

For further information

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This information is information that Oncopeptides is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 CET on May 17, 2018.

Summary of Q1

Financial overview January 1 – March 31 2018

- Net sales amounted to 0.0 (0.0) MSEK
- Loss for the period was 62.0 (loss: 62.1) MSEK
- Loss per share, before and after dilution, was 1.56 (loss: 1.89) SEK
- On March 31st cash and cash equivalents amounted to 664.9 (611.6) MSEK

Significant events during the period January 1 – March 31 2018

- In March, the company strengthened its management team with the appointment of Dr Christian Jacques as EVP Clinical Strategy and Chief Scientific Officer
- Ygalo® was granted additional patent protection in Japan in March, providing protection up until 2033
- Oncopeptides completed a directed share issue of approximately 314 MSEK before issue costs (USD 38M) in March

Significant events after the end of the reporting period

- First patient started treatment in the Phase I/II ANCHOR study with Ygalo®
- In April, the company appointed a Clinical Advisory Board consisting of internationally recognized researchers within the field of clinical development of hematology

Financial overview of the group

SEK thousand	2018 Jan - Mar	2017 Jan - Mar	2017 Jan - Dec
Net sales	–	–	–
Operating loss	-68,451	-62,083	-247,620
Loss before tax	-62,032	-62,083	-247,620
Loss for the period	-62,032	-62,083	-247,620
Earnings per share before and after dilution (SEK)	-1.56	-1.89	-6.44
Cash flow from operating activities	-40,547	-67,637	-271,497
Cash and cash equivalents at the end of the period	664,944	611,599	404,050
Research & development costs/operating expenses %	82%	76%	80%

We have achieved several important milestones during the quarter

The activity level increased significantly in the first quarter of the year and we achieved several important milestones. It has been a stimulating, rewarding and high-pressure environment in which we put the foundation for our commercial strategy in place, closed a directed share issue, planned and initiated new clinical studies, and grew the organization in multiple dimensions.

Commercial organization

As communicated previously, we spent the autumn putting the commercialization strategy in place. The objective is to conduct all pre-commercialization activities to enable a rapid launch of Ygalo® post a potential market authorization approval. It is key to be in a position of strength at the time of data reveal from OCEAN to be able to meet the planned launch date after that. In part this means to build up the basic organizations for both commercial operations and medical relations in Europe and the US – something we are now doing. In addition, it also means adding detail to the commercial plan in terms of market analytics as well as conducting label strengthening clinical trials to support the launch such as investigating the activity of Ygalo® in myeloma patients that are renally impaired.

Directed share issue

In conjunction with our initial public offering in February 2017, we communicated the need for additional financing. To maximize shareholder value, a biotechnology company should raise capital primarily when possible and not just when in need. I am pleased that we successfully raised additional capital after our data reveal at ASH in 2017. We now have additional resources to further our project portfolio as well as to initiate the buildup of our commercial footprint to take Oncopeptides to the next level of development.

Strengthen the organization

An important step in developing Oncopeptides was the appointment of Dr. Christian Jacques as EVP Clinical Strategy and Chief Scientific Officer. Christian is one of the most experienced drug developers globally within the area of hematology and multiple myeloma, and will lead our submission team to apply for market authorization for Ygalo®. He will also oversee our full clinical development strategy for Ygalo® as well as other pipeline candidates. During the quarter, we also established a Clinical Advisory Board consisting of internationally renowned experts within the area of hematology-oncology with in depth experience and knowledge about drug development for multiple myeloma. Taken together, this organizational strengthening represents an acknowledgement of Ygalo® as a clinically relevant drug candidate.

Under the assumption that today's General Meeting will vote in favor of the proposal from the Nominations Committee regarding Board composition, also the Board will be strengthened in terms of commercialization and international network depth.

Our clinical studies

We initiated ANCHOR in April. This is a phase I/II study with the purpose of showing how Ygalo® should be dosed in combination with daratumumab and bortezomib. This will enable various combination treatments as well as pave the way for new registration studies in myeloma patients in an earlier stage of the disease than those being investigated in OCEAN to broaden the label and consequently the addressable market in myeloma.

During the quarter, we also took the decision to initiate an additional clinical phase II-study in Q3 2018 called BRIDGE. In BRIDGE, we will study safety, efficacy and pharmacokinetics of Ygalo® in myeloma patients with impaired renal function. A significant portion of late-stage myeloma patients have impaired renal function. Since pomalidomide (our comparator drug in the OCEAN study) requires dose reduction in these patients, BRIDGE is a positioning study to show that Ygalo® has a better treatment profile for these patients. This differentiation is of particular importance in the event OCEAN were to show a so called non-inferiority result.

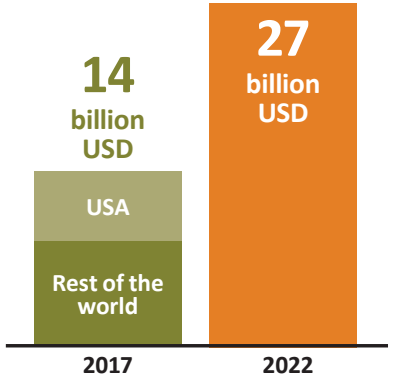
The OCEAN and HORIZON studies continue to develop in accordance to plan. We will present additional interim data from HORIZON at the European Hematology meeting in June.

Stockholm May 17, 2018

Jakob Lindberg
CEO, Oncopeptides

The market for treatment of multiple myeloma

The market for multiple myeloma continues to grow rapidly. In 2017, approximately **14 billion USD** worth of pharmaceuticals were sold. Sales and through that the market value, are growing rapidly. The value of the market is expected to be approximately **27 billion USD** in five years time.



Source: Annual reports and EvaluatePharma

Broad-spectrum agents dominate the treatment landscape

Despite the launch of several new drugs, the market continues to be dominated by broad-spectrum agents (alkylators, IMiDs and proteasome inhibitors) and the trend is expected to continue. The reason for this is that the disease is highly heterogeneous, and modern antibody agents cannot treat the entire disease due to a lack of any target proteins common to all myeloma tumor cells. Consequently, increased usage of antibody drugs is primarily linked to their combination with broad-spectrum agents to ensure the targeting of all tumor cells. This is demonstrated in the graph on the right.

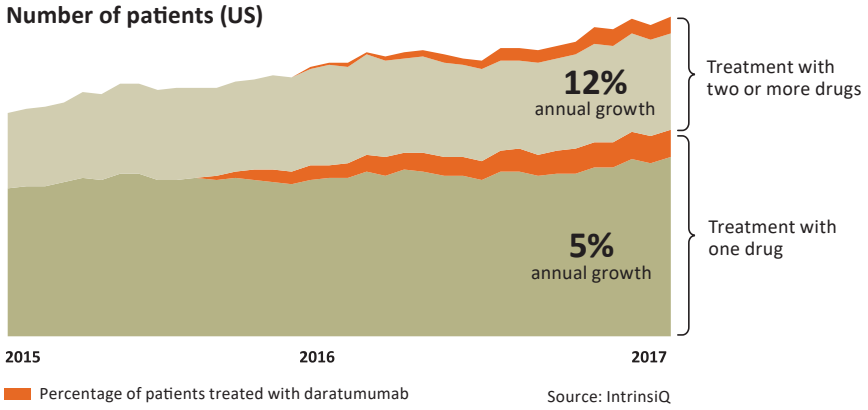
Ygalo® addresses a market segment with sales of 8.2 billion USD in 2017

The treatment landscape and market segments for multiple myeloma in the US and Europe – and how Ygalo® and our development program address these different segments – is summarized on the next page. The center of the graph shows the patient timeline, from diagnosis to the later stages of the disease. At the top of the graph, the market size is distributed between newly diagnosed patients and relapsed and relapsed-refractory (the latter RRMM) patients (and between the US and the rest of the world). Ygalo's clinical development program addresses the relapsed refractory (RRMM) market segment. The overall market for RRMM amounted to 8.2 billion USD in 2017, with sales of pomalidomide corresponding to 1.6 billion USD of this.

The lower segment of the graph below shows that the majority of the RRMM market consists of the treatment of patients with one drug at a time (in combination with or without steroids).

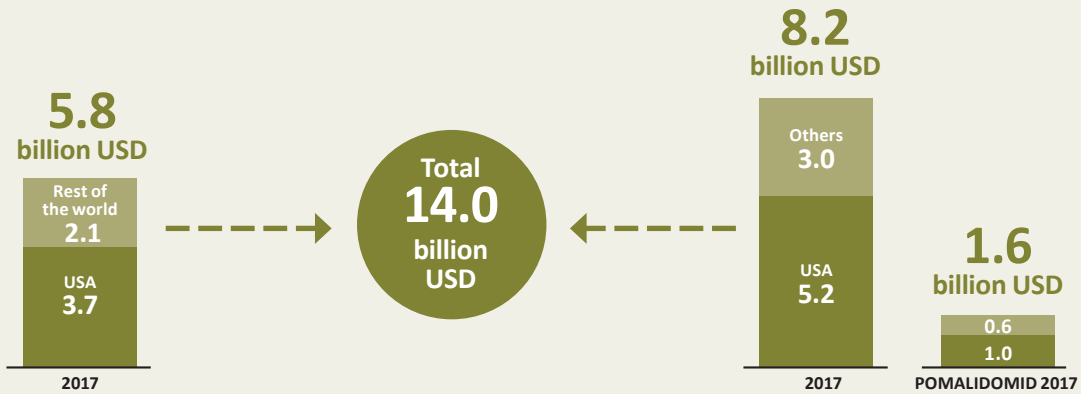
Ygalo's clinical development program addresses most of the RRMM market. This is achieved by direct comparison with pomalidomide in our phase III study OCEAN in patients previously treated with IMiDs and proteasome inhibitors (which is nearly all patients). As mentioned, most RRMM patients are treated with one drug at a time. In addition, we intend to prove through ANCHOR that Ygalo® can be combined with other myeloma therapies (daratumumab and bortezomib) for the minority of patients receiving more than one drug, apart from steroids, in late-stage disease.

The clinical development program also opens the possibility for treatment of second-line patients (early RRMM patients) through the ANCHOR trial, since IMiDs and proteasome inhibitors are already used together upon diagnosis for the majority of patients today.

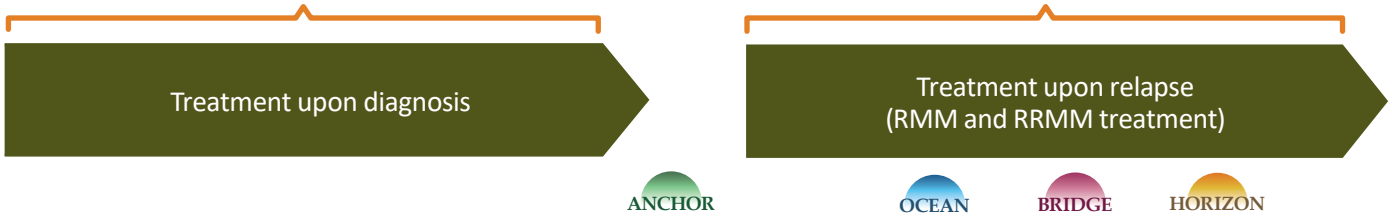


Source: IntrinsiQ

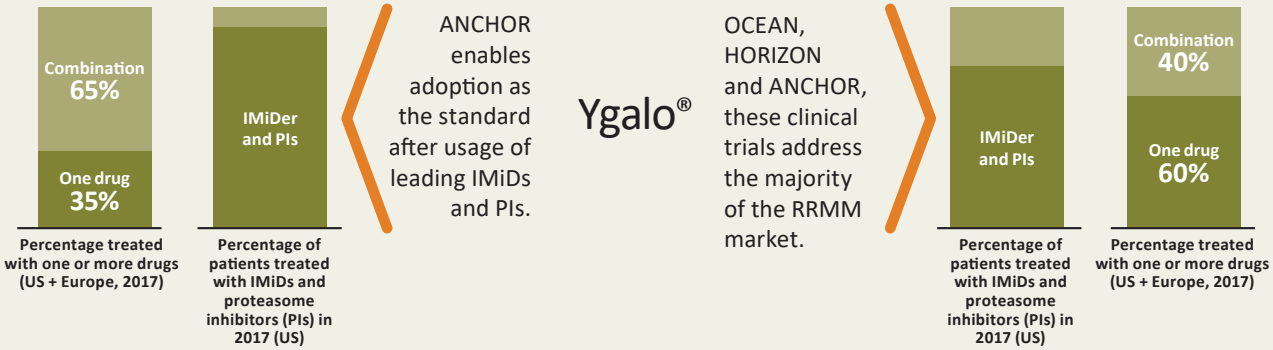
Treatment phase



Treatment phase



Drug usage data 2017



ANCHOR

EXPLORATIVE

- Evaluating Ygalo® in combination with other myeloma drugs in patients treated with IMiDs and PIs.
- Data 2019/2020.

OCEAN

PIVOTAL TRIAL

- Direct comparison with pomalidomide in patients treated with IMiDs and PIs, and who have developed resistance.
- Top line data, Q3, 2019.

HORIZON

SUPPORTING

- RRMM patients without any remaining treatment options.
- Data 2018 and follow-up data 2019/2020.

BRIDGE

SUPPORTING

- I RRMM patients with impaired renal function.
- Data Q4 2019.

Summary – our clinical trials

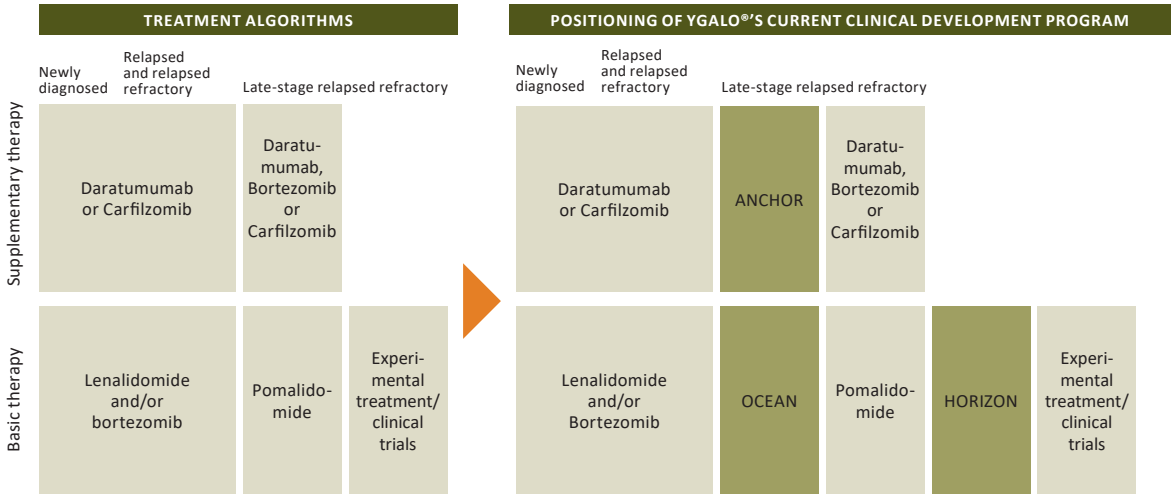
Our phase III trial, OCEAN, and phase II trial, HORIZON, are key studies for the submission of an NDA/MAA application to potentially obtain marketing authorization for Ygalo® in the US and in the EU for the treatment of late-stage RRMM.

In addition to proving Ygalo's efficacy in relation to standard of care (i.e pomalidomide) in late-stage RRMM, as evaluated by OCEAN, the development program also aims to demonstrate, through HORIZON, the activity of Ygalo® in patients with late-stage RRMM with few or no remaining treatment options.

With the initiation of the phase I/II trial, ANCHOR, the development program will demonstrate how Ygalo® can be administered in combination with other multiple myeloma drugs. This is crucial to genarating knowledge and understanding among physicians about how Ygalo® can be used for patients with RRMM in combination therapy, and to open up Ygalo® as a treatment option, as early as in second-line of therapy of patients (meaning relapsed patients).

We will start a fourth trial – BRIDGE during – Q3 2018 in which Ygalo® will be evaluated in patients with impaired renal function.

The current clinical development program is designed to identify how Ygalo® can help myeloma patients in the late stage of their illness



Note: The figure represents treatment algorithms for the majority of patients in the US.

OCEAN

- Ongoing phase III trial in 450 patients.
- Inclusion of late-stage RRMM patients who are refractory to lenalidomide.
- The trial is designed to demonstrate benefit in comparison with pomalidomide. To obtain approval in Europe, the only requirement is to demonstrate that Ygalo® has the same benefit.
- Results expected in Q3 2019.

HORIZON

- Ongoing phase II trial for up to 80 patients.
- Including patients with few or no remaining treatment options.
- Supports OCEAN for market approval.
- Potential for conditional approval if data is exceptionally strong.
- Results expected in 2018, with follow-updata in 2019.

ANCHOR

- Ongoing phase I/II trial in up to 64 patients.
- Demonstrates how Ygalo® is given as a combination therapy used with daratumumab and with bortezomib.
- Also opens up the posibility for potentially using Ygalo® in earlier lines of therapy.
- Will significantly increase Ygalo's market potential as combination therapy.
- Results from phase I and phase II expected in 2019 and 2020 respectively.

BRIDGE

- Phase II trial of up to 25 patients.
- Single armed, open label study in patients with impaired renal function.
- Positioning study to show Ygalo® treatment profile in these patients.
- Results expected Q4 2019.

Oncopeptides' clinical development program

We will conduct four clinical trials to characterize Ygalo® in multi-refractory multiple myeloma patients: OCEAN, HORIZON, ANCHOR and BRIDGE.

Recently, our clinical phase I and II trial, O-12-M1, was completed in *Late-Stage Relapsed Refractory* multiple myeloma patients. The final results were presented at the annual American Haematology Meeting (ASH) in December 2017.

OCEAN

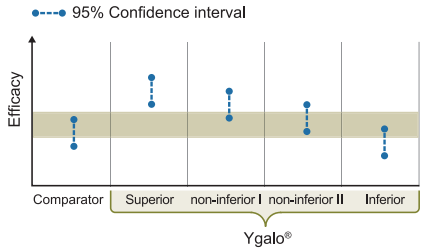
OCEAN is a phase III clinical trial and a head-to-head comparison between Ygalo® + dexamethasone (steroid) and the current standard of care in *Late-Stage Relapsed Refractory* multiple myeloma patients, which is pomalidomide + dexamethasone. The trial is a multicenter, pivotal study and is being run in Europe, USA and Israel. The study started in June 2017 and the top-line results are expected late summer 2019.

The OCEAN clinical trial protocol has undergone Special Protocol Assessment with the FDA and has been discussed and agreed in detail with European authorities.

The primary read-out in OCEAN is a comparison between Ygalo® and pomalidomide regarding PFS (Progression Free Survival). This comparison can simplistically result in three different outcomes i.e. that Ygalo® is superior, non-inferior or inferior to pomalidomide. As seen in the graphic below, the non-inferior outcome can in turn be broken down in different scenarios with stronger or weaker data to support marketing efforts of Ygalo®. OCEAN has been powered to show superiority of Ygalo® over pomalidomide based on historical data for the two compounds.

A superiority outcome is expected to result in approval both in the US and the EU. A non-inferiority result is expected to result in approval in the EU and a discussion with the FDA in the US regarding the totality of data from all clinical studies in RRMM. In a non-inferiority scenario, HORIZON data in pomalidomide refractory late-stage RRMM patients will be a key point for the case to receive approval also in the US.

Outcome scenario for OCEAN



HORIZON

HORIZON is a phase II clinical trial where Ygalo® + dexamethasone is being studied in multiple myeloma patients that are refractory to pomalidomide and/or daratumumab (i.e. *Quad- and Penta-refractory* patients). The trial is being conducted in Italy, Spain and the USA. We presented interim data at the American Haematology meeting (ASH) in December 2017. Further interim data will be presented at the European Haematology meeting in June, while the final results are expected to be presented late 2018.

ANCHOR

ANCHOR is a phase I/II combination study where Ygalo® + dexamethasone is used in combination with bortezomib or daratumumab. The first patient started treatment in April 2018 and last patient out from the study is estimated in Q1 2020.

BRIDGE

BRIDGE is a Phase II study that is expected to start in Q3 2018 and will evaluate pharmacokinetics, safety and also efficacy in treatment with Ygalo + dexamethasone in patients with impaired renal function.

25 Relapsed Refractory Multiple Myeloma patients with renal impairment are scheduled to be included. The first patient is expected to start treatment during Q3 2018 and the last patient is expected to complete treatment during Q3 2019.

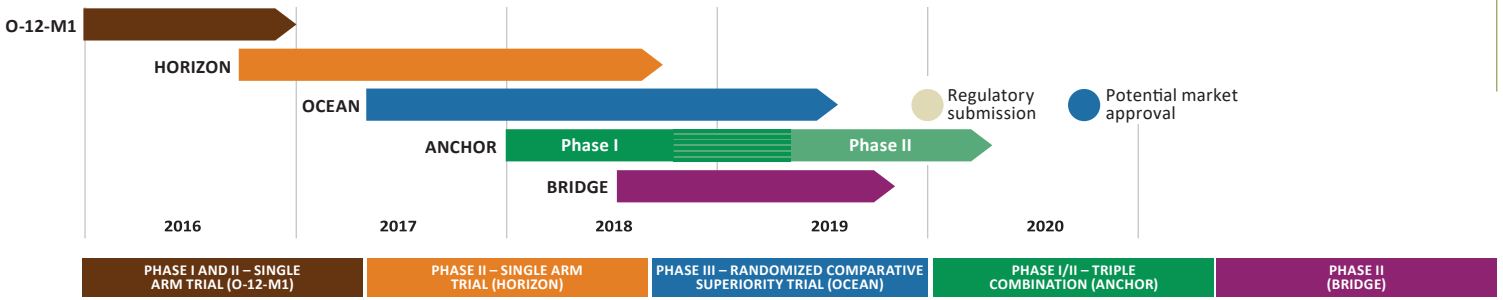
O-12-M1

O-12-M1 is a completed phase I and II clinical trial in 'Late-Stage Relapsed Refractory' multiple myeloma patients. In O-12-M1 we established the dose and dose modification schedule for Ygalo® as well as the activity of Ygalo® in 'Late-Stage Relapsed Refractory' multiple myeloma patients.

Final O-12-M1 data were presented at the American Haematology meeting (ASH) in December 2017.

Additional opportunities

The Company is also exploring the possibility to use Ygalo® in conjunction with for example, stem-cell transplantation in multiple myeloma, for the treatment of non-Hodgkin's lymphoma as well as for the treatment of amyloidosis.



Financial overview and other information

Revenue
Net sales amounted to 0.0 (0.0) MSEK during the quarter.

Operating expenses
Operating expenses for the first quarter amounted to 68.5 (62.1) MSEK. This relates primarily to research and development costs.

Research and development costs
Research and development costs increased to 56.3 (47.2) MSEK for the period. During the quarter the three clinical studies continued, which essentially explains the increase in research and development costs.

Marketing and distribution costs
Marketing and distribution costs for the first quarter amounted to 5.7 (3.2) MSEK. The increase is primarily attributable to the build-up of the commercial and medical relation functions.

Administration costs
During the quarter, administration costs amounted to 6.4 (11.6) MSEK, the lower amount in the quarter is due to the fact that the comparison period was charged with costs associated with the listing of the share.

Costs for share-based incentive program
The cost for the company's share-based incentive program is included in operating expenses and affected the result for the first quarter negatively by 2.4 (9.6) MSEK.

The cost of 2.4 MSEK for the period consists of provisions for social security contributions of 1.4 (9.3) MSEK and IFRS 2 classified costs of 1.0 (0.2) MSEK.

The costs for social security contributions may vary quarterly due to the change in the underlying share price for the current quarter. Related provisions are reported as long- and short-term liabilities.

Earnings
Loss for the period was -62.0 (-62.1) MSEK.. This corresponds to earnings per share, before and after dilution of -1.56 (-1.89) SEK for the period.

Tax
No tax costs were reported for the quarter (-). The group has accumulated losses, as determined in the last tax assessment in 2017 (for year 2016), of 294.7 MSEK. 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 that management believes is likely to lead to tax costs.

Cash flow, investment and financial position
Cash flow from operating activities for the first quarter amounted to -66.0 (-52.5) MSEK. This is mainly due to costs related to the expansion of the clinical program.

Cash flow from investment activities was 0.0 (-0.5) MSEK for the quarter.

Cash flow from financing activities amounted to 295.0 (636.8) MSEK for the quarter, when the company raised 314.4 MSEK before issue costs of 19.4 MSEK in connection with the directed share issue in March 2018.

Cash flow for the quarter was 254.5 (568.6) MSEK.

As of March 31st 2018, cash and cash equivalents amounted to 664.9 (611.6) MSEK and equity to 652.0 (604.0) MSEK.

Share-based incentive programs
The purpose 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 co-workers in line with the interest of the shareholders. Oncopeptides has currently five active programs that include part of the management team, certain board members, founders and employees.

In 2013, two option programs were implemented. "Founder Option Program" and "Employee option program 2012/2019" and in 2016 a program "Employee option program 2016/2023" was implemented. At the 2017 Annual General Meeting two additional incentive programs; "Co-worker LTIP 2017" and "Board LTIP 2017" were introduced. For more information about these programs see note 21 in the Annual Report 2017.

Full utilization of issued options and share awards per March 31 2018, corresponding to 2,760,238 shares, will result in a dilution for shareholders of 5.93 percent. Full utilization of mandated options, corresponding to 4,459,888 shares (i.e. including non-allocated employee options and hedge for social security contributions), will result in a dilution for shareholders of 9.24 percent.

Number of shares allocated employee stock options may entitle to:	
- Employee option program 2012/2019	1,354,500
- Founder option program	102,600
- Employee option program 2016/2023	276,300
- Co-worker LTIP 2017	992,038
Total number of shares allocated employee stock options may entitle to:	2,725,438
Number of allocated share awards in program "Board LTIP 2017"	34,800
Total number of shares allocated employee stock options and share awards may entitle to:	2,760,238

Co-workers
As of March 31 2018, the number of co-workers amounted to 32 (25).

Parent company
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.

Oncopeptides' shares
Oncopeptides completed a directed share issue in March 2018, where a total of 3,980,000 new shares were issued.

As of March 31 2018, the number of registered shares and votes in Oncopeptides amounted to 43,786,021.

Events after the end of the report period
The first patient started treatment in the Phase I/II ANCHOR study with Ygalo®. In April the company appointed a Clinical Advisory Board consisting of internationally recognized researchers within clinical development of hematology.

The Board and the CEO confirm that the interim report provides a true and fair overview of the group's and the parent company's operations, position and earnings and describes the material risks and uncertainty factors faced by the parent company and the companies within the group.

This report has not been reviewed by the company's auditor.

Stockholm, May 17, 2018

Oncopeptides AB
Board of Directors

Condensed consolidated statement of comprehensive income

SEK thousand	2018 Jan - Mar	2017 Jan - Mar	2017 Jan - Dec
Net sales	–	–	–
Gross profit	–	–	–
Operating expenses			
Research and development costs	-56,293	-47,216	-197,771
Marketing and distribution costs	-5,677	-3,241	-15,160
Administrative expenses	-6,421	-11,625	-34,688
Other operating expenses	-60	–	–
Total operating expenses	**-68,451**	**-62,083**	**-247,620**
Operating loss	**-68,451**	**-62,083**	**-247,620**
Net financial items	6,419	0	0
Loss before tax	**-62,032**	**-62,083**	**-247,620**
Tax	–	–	–
Loss for the period	**-62,032**	**-62,083**	**-247,620**
Earnings per share before and after dilution (SEK)	**-1.56**	**-1.89**	**-6.44**

Condensed consolidated statement of comprehensive income

SEK thousand	2018 Jan - Mar	2017 Jan - Mar	2017 Jan - Dec
Loss for the period	**-62,032**	**-62,083**	**-247,620**
Other comprehensive income			
Translation differences on currency hedges	-8	2,739	8
Total other comprehensive income, net of tax	**-8**	**2,739**	**8**
Total comprehensive loss for the period[1)]	**-62,040**	**-59,344**	**-247,612**

[1)]Total comprehensive loss for the period is in total attributable to parent company shareholders.

Condensed consolidated balance sheet

SEK thousand	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
Assets			
Non-current assets			
Tangible non-current assets	2,271	1,572	2,339
Financial non-current assets	263	263	263
Total non-current assets	**2,534**	**1,835**	**2,601**
Current assets			
Other current receivables	1,857	3,417	1,189
Prepaid expenses and accrued income	69,705	34,377	71,982
Cash and cash equivalents	664,944	611,599	404,050
Total current assets	**736,506**	**649,393**	**477,221**
Total assets	**739,040**	**651,228**	**479,822**
Equity and liabilities			
Equity			
Share capital	4,865	4,314	4,423
Share capital (subscribed and paid, under registration)	–	109	–
Additional paid-in capital	1,251,671	953,767	956,044
Retained earnings (including net profit/loss for the period)	-604,503	-354,195	-542,462
Total equity[1)]	**652,033**	**603,995**	**418,005**
Long term liabilities			
Provision for social security contributions, share based incentive program	3,217	–	1,825
Total long term liabilities	**3,217**	**–**	**1,825**
Current liabilities			
Trade payables	23,349	19,064	15,681
Provision for social security contributions, share based incentive program	36,284	19,518	36,306
Other current liabilities	630	1,903	954
Accrued expenses and deferred income	23,525	6,748	7,053
Total current liabilities	**83,789**	**47,233**	**59,993**
Total liabilities	**87,006**	**47,233**	**61,818**
Total equity and liabilities	**739,040**	**651,228**	**479,822**

1) Equity is in total attributable to parent company shareholders

Consolidated statement of changes in equity

SEK thousand	Share capital	Share capital under registration	Additional paid-in capital	Retained earnings including net profit/loss for the period	Total equity
Opening balance January 1, 2017	**2,449**		**318,738**	**-294,850**	**26,337**
Net loss for the period				-59,344	-59,344
Transactions with shareholders					
Issue of new shares	1,570	109	693,305		694,984
Underwriting expenses			-58,223		-58,223
Value of participants in the incentive programs service			242		242
Conversion of bridge loans	295		-295		0
Closing balance March 31, 2017	**4,314**	**109**	**953,767**	**-354,195**	**603,995**
Opening balance January 1, 2017	**2,449**		**318,738**	**-294,850**	**26,337**
Net loss for the period				-247,612	-247,612
Transactions with shareholders					
Issue of new shares	1,679		693,305		694,984
Underwriting expenses			-58,223		-58,223
Value of participants in the incentive programs service			2,519		2,519
Conversion of bridge loans	295		-295		0
Closing balance December 31, 2017	**4,423**		**956,044**	**-542,462**	**418,005**
Opening balance January 1, 2018	**4,423**		**956,044**	**-542,462**	**418,005**
Net loss for the period				-62,040	-62,040
Transactions with shareholders					
Issue of new shares	442		313,978		314,420
Underwriting expenses			-19,390		-19,390
Value of participants in the incentive programs service			1,039		1,039
Closing balance March 31, 2018	**4,865**		**1,251,671**	**-604,503**	**652,033**

Condenced consolidated statement of cash flow

SEK thousand	2018 Jan - Mar	2017 Jan - Mar	2017 Jan - Dec
Operating loss	-68,451	-68,083	-247,620
Adjustment for non-cash-items[1)]	2,478	9,602	30,684
Interest received	0	0	0
Interest paid	0	0	0
Cash flow from operating activities before change in working capital	**-65,973**	**-52,481**	**-216,936**
Cash flow from changes in working capital	25,426	-15,156	-54,562
Cash flow from operating activities	**-40,547**	**-67,637**	**-271,497**
Cash flow from investing activities	0	-514	-1,472
Cash flow from financing activities	295,030	636,761	636,761
Cash flow for the period	**254,483**	**568,610**	**363,791**
Cash and cash equivalents at beginning of period	404,050	40,251	40,251
Cange in cash and cash equivalents	254,483	568,610	363,791
Foreign exchange difference in cash and cash equivalents	6,411	2,739	8
Cash and cash equivalents at the end of period	**664,944**	**611,599**	**404,050**

1) Pertains mainly to costs of employee stock option program including social security contributions

Condensed parent company statement of comprehensive income

SEK thousand	2018 Jan - Mar	2017 Jan - Mar	2017 Jan - Dec
Net sales	–	–	–
Gross profit	**–**	**–**	**–**
Operating expenses			
Research and development costs	-56,293	-47,216	-197,771
Marketing and distribution costs	-5,677	-3,241	-15,160
Administrative expenses	-6,421	-11,625	-34,688
Other operating expenses	-60	–	–
Total operating expenses	**-68,451**	**-62,083**	**-247,620**
Operating loss	**-68,451**	**-62,083**	**-247,620**
Net financial items	6,419	0	0
Loss before tax	**-62,032**	**-62,083**	**-247,620**
Tax	–	–	–
Loss for the period	**-62,032**	**-62,083**	**-247,620**

Condensed parent company statement of comprehensive income

SEK thousand	2018 Jan - Mar	2017 Jan - Mar	2017 Jan - Dec
Loss for the period	**-62,032**	**-62,083**	**-247,620**
Other comprehensive income			
Translation differences on currency hedges	-8	2,739	8
Total other comprehensive income, net of tax	**-8**	**2,739**	**8**
Total comprehensive loss for the period	**-62,040**	**-59,344**	**-247,612**

Parent company balance sheet

SEK thousand	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
Assets			
Non-current assets			
Tangible non-current assets	2,271	1,572	2,339
Financial non-current assets	313	313	313
Total non-current assets	**2,584**	**1,885**	**2,651**
Current assets			
Other current receivables	1,857	3,417	1,189
Prepaid expenses and accrued income	69,705	34,377	71,982
Cash and cash equivalents	664,894	611,549	404,000
Total current assets	**736,456**	**649,343**	**477,171**
Total assets	**739,040**	**651,228**	**479,822**
Equity and liabilities			
Restricted equity			
Share capital	4,865	4,314	4,423
Share capital (subscribed and paid, under registration)	–	109	–
Statutory reserve	10,209	10,209	10,209
Non-restricted equity			
Share premium account	1,241,462	943,558	945,835
Retained earnings (including net profit/loss for the period)	-604,503	-354,195	-542,462
Total equity	**652,033**	**603,995**	**418,005**
Long term liabilities			
Provision for social security contributions, share based incentive program	3,217	–	1,825
Total long term liabilities	**3,217**	–	**1,825**
Current liabilities			
Trade payables	23,349	19,064	15,681
Provision for social security contributions, share based incentive program	36,284	19,518	36,306
Other current liabilities	630	1,903	954
Accrued expenses and deferred income	23,525	6,748	7,053
Total current liabilities	**83,789**	**47,233**	**59,993**
Total liabilities	**87,006**	**47,233**	**61,818**
Total equity and liabilities	**739,040**	**651,228**	**479,822**

Key performance measures

The company presents in this report certain key performance measures, including one measure that is not defined under IFRS, namely expenses relating to research and development / operating expenses %. The company believes that this ratio is an important complement because it allows for a better evaluation of the company's economic trends. This financial performance measure should not be viewed in isolation or be considered to replace the performance indicators that have been prepared in accordance with IFRS. In addition, such performance measure as the company has defined it should not be compared with other performance measures with similar names used by other companies. This is because the above-mentioned performance measure is not always defined in the same manner, and other companies may calculate the differently to Oncopeptides.

	Jan - Mar 2018	Jan - Mar 2017	Jan - Dec 2017
Total registered shares at the beginning of period	39,806,021	22,041,900	22,041,900
Total registered shares at the end of period	43,786,021	38,828,115	39,806,021
Number of shares that the outstanding employee options entitle to	2,760,238	1,733,400	2,631,200
Share capital at the end of period, SEK thousand	4,865	4,314	4,423
Equity at the end of period, SEK thousand	652,033	603,995	418,005
Earnings per share before and after dilution, SEK[1)]	-1.56	-1.89	-6.44
Operating expenses, SEK thousand	-68,451	-62,083	-247,620
Research and development costs, SEK thousand	-56,293	-47,216	-197,771
Research and development costs/operating expenses[2)]	82%	76%	80%

1) Earnings per share before dilution are calculated by dividing earnings attributable to shareholders of the parent company by a weighted average number of outstanding shares during the period. Adjustments have been made to the calculation of earnings per share, since preference shares have existed during part of the previous periods. There is no dilution effect for the employee stock option program, as earnings for the periods have been negative.

2) Defined by dividing the research and development costs with total operating expenses. The key performance measure helps the users of the financial statements to get a quick opinion on the proportion of the company's expenses that are attributable to the company's core businesst.

Notes

Note 1 General information

This report covers the Swedish parent company Oncopeptides AB (publ), Swedish corporate identity no. 556596-6438 and its subsidiary Oncopeptides Incentive AB, Swedish corporate identity no. 556931-5491. All the group's business operations are conducted in the parent company.

The parent company is a Swedish public limited company registered in and with its registered office in Stockholm.

The interim report for the first quarter 2018 was approved for publication on May 17th 2018, in accordance with the board decision of May 16th 2018.

Note 2 Accounting policies

Oncopeptides applies International Financial Reporting standards (IFRS) as adopted by the European Union. Relevant accounting and valuation principles could be found on pages 46-51 of the Annual Report for 2017.

The interim report for the group has been prepared in accordance with IAS 34 Interim Financial Reporting. The parent company applies the Swedish Financial Reporting Board recommendation RFR2 Accounting for legal entities. None of the new or amended standards and interpretations that became effective January 1st 2018, have had a significant impact on the company's financial reporting.

During the quarter, the company has decided to discontinue hedge accounting.

Oncopeptides applies ESMA:s (European Securities and Markets Authority) guidelines on alternative performance measures.

Note 3 Risks and uncertainties in the group and the parent company

Operational risks

Research and drug development up to approved registration is subject to considerable risk and is a capital-intensive process. The majority of all initiated projects will never reach market registration due to the technological risk such as the risk for insufficiency efficacy, intolerable side effects or manufacturing problems. If competing pharmaceuticals capture market share or reach the market faster, or if competing research projects achieve better product profile, the future value of the product portfolio may be lower than expected. The operations may also be impacted negatively by regulatory decisions, such as approvals and price changes. A more detailed description of the company's risk exposure and risk management can be found in the Annual Report for 2017 on pages 32-33.

Financial risk management

Oncopeptides' financial policy governing the management of financial risks has been designed by the board of directors and represents the framework of guidelines and rules in the form of risk mandated and limits for financial activities. The company is primarily affected by foreign exchange risk since the development costs for Ygalo® are mainly paid in USD and EUR.

In accordance with the company's policy for financial risk, the company exchanges cash into USD and EUR in line with entered agreements for the period up to mid-2019 in order to manage currency exposure.

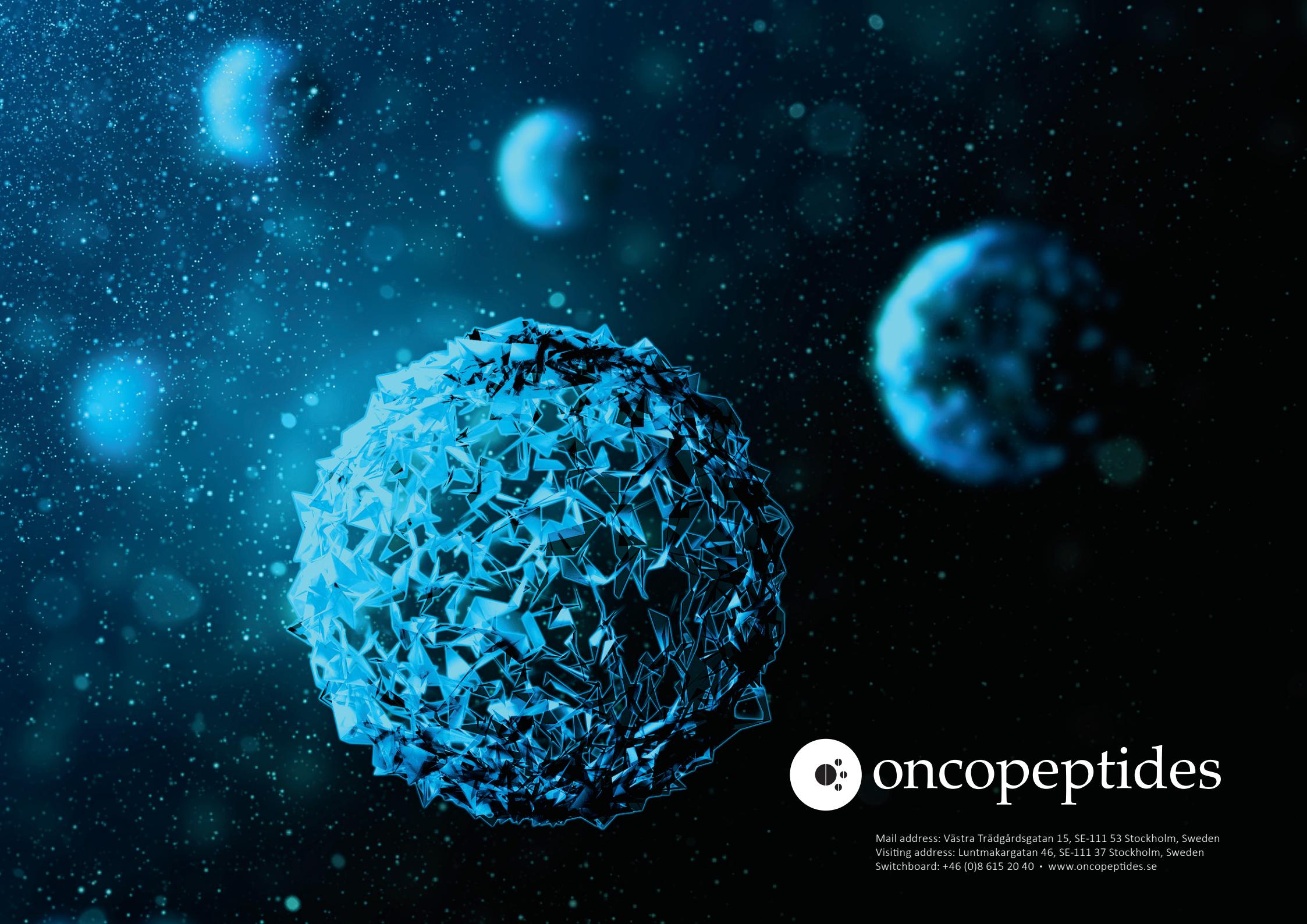
For more information about the group and parent company's financial risk management see note 3 on pages 51-52 in the Annual Report for 2017.

Note 4 Estimates and judgements

This report includes forward looking statement. Actual outcomes may deviate from what has been stated. Internal factors such as successful management of research projects, and intellectual property rights may affect future results. There are also external conditions, e.g. the economic climate, political changes and competing research projects that may affect Oncopeptides results.

Not 5 Related-party transactions

No transactions with related parties occurred during the first quarter (0.2 MSEK).



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