oncopeptides

INTERIM REPORT - Q1, 2022

Science leads the way

Significant events

JANUARY-MARCH

- **EMA review process of melflufen in Europe** is proceeding as expected and includes both the HORIZON and OCEAN data sets
- **A recission of the withdrawal** of Pepaxto in the US was announced on January 21
- **Phase 3 OCEAN study was published** in the Lancet Haematology on January 13 and data has been shared with regulatory authorities

EVENTS AFTER THE PERIOD

No significant events have occurred after the reporting period.

Financial overview

JANUARI-MARCH

- **Net sales**
  amounted to SEK 0.0 M (19.4)
- **Operating profit**
  was SEK -98.9 M (-347.3)
- **Net profit**
  amounted to SEK -98.6 M (-234.7)
- **Profit per share,** before and after dilution, amounted to SEK -1.31 (-3.45)
- **Cash balances** at the end of the period amounted to SEK 194.3 M (372.5)

Selected Key Indicators

(TSEK)	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Net sales	-	19 355	118 295
Operating profit	-98 865	-347 331	-1 420 917
Profit after tax	-98 587	-234 664	-1 430 317
Earnings per share before and after dilution (SEK)	-1.31	-3.45	-19.00
Cash flow from operating activities	-166 033	-386 714	-1 516 391
Cash at the end of the period	194 315	372 453	362 187
R & D costs/operating expenses, %	67%	49%	46%

Pepaxto® (Melphalan flufenamide) is the US trade name. It is known as melflufen during clinical development.

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.

Continued confidence in our science and data

It´s with growing enthusiasm and confidence in our science and data that Oncopeptides moves into 2022. During the first quarter we shared comprehensive data with regulatory agencies in the US and Europe. How these data will be interpreted by regulators and scientific communities in the coming months will influence on how the OCEAN study will be elucidated, what role melflufen may have in the treatment of relapsed refractory multiple myeloma (RRMM), and the future direction of the Company.

OCEAN DATA PUBLISHED IN THE LANCET HAEMATOLOGY

On January 13, data from the randomized head-to-head phase 3 OCEAN study, evaluating the efficacy and safety of melflufen plus dexamethasone versus pomalidomide plus dexamethasone in lenalidomide refractory RRMM patients who have received 2-4 prior lines of therapy, was published in the Lancet Haematology. Melflufen met the primary endpoint of superior Progression Free Survival (PFS) in the ITT population, with a median PFS of 6.8 months, compared to 4.9 months for pomalidomide with a Hazard Ratio of 0.79 (p-value 0.03).

RESCISSION OF VOLUNTARY WITHDRAWAL OF PEPAXTO

On January 21 Oncopeptides communicated that the Company has rescinded the October 22nd, 2021, letter to the US Food and Drug Administration (FDA), requesting voluntary withdrawal of Pepaxto. Further review and analyses of the heterogenous Overall Survival (OS) data from the OCEAN study and other relevant trials led us to reconsider the voluntary withdrawal request. However, we will not re-introduce or market the drug in the US before the new data has been discussed and assessed with the FDA.

The dialogue with the FDA is aiming to reach a mutual understanding of the OCEAN data, and an agreement on the regulatory path forward. The dialogue with the FDA is a priority, however the agency has no formal process for this type of interaction, so we cannot anticipate how long it will take.

UPDATE ON REGULATORY REVIEW PROCESS IN EUROPE

The recently published results from the phase 3 OCEAN study, and the analyses of the heterogenous OS data from OCEAN and other relevant trials provide valuable insights to the pending European Medicines Agency´s (EMA´s) review of melflufen. The agency review, which originally was based on the pivotal phase 2 HORIZON-study, now include OCEAN as a potential confirmatory study. The EMA review process is proceeding as anticipated, and as part of this, EMA will hold a scientific advisory group meeting. We expect a CHMP opinion in Q2 followed by a potential approval by the European Commission in Q3.

EARLY ACCESS PROGRAM IN EUROPE CONFIRMS UNMET MEDICAL NEED

In parallel with the EMA submission in 2021, an Early Access program was launched in Europe, to provide RRMM patients who cannot be adequately treated with approved and commercially available medications or drugs provided through clinical trials, access to melflufen. Currently approximately 70 patients are treated, and we receive continuous requests from treating haematologists, which clearly demonstrate the unmet medical need in multiple myeloma.

INCREASED FOCUS ON RESEARCH AND DEVELOPMENT

During the last quarter 2021, Oncopeptides decided go back to becoming a Sweden based R&D Company, dedicated to developing the proprietary PDC platform, including the next generation drug candidates OPD5 and OPDC3.

The outcome of the interactions with regulatory authorities will have a significant implication on the future direction of the Company, and how we can leverage the available assets in our early development pipeline.

I would like to take the opportunity to thank all employees for your dedicated contributions during this quarter, and all our shareholders for your continued belief in Oncopeptides.

Stockholm, May 4, 2022

Jakob Lindberg
CEO

Financial Overview

REVENUE
Net sales for the first quarter amounted to SEK -0.0 M (19.4). As the company does not have any commercial product, no sales has been recorded in 2022.
Cost of goods sold for the first quarter amounted to SEK 0.0 M (-0.3).
Gross profit for the quarter amounted to SEK 0.0 M (19.0).

OPERATING EXPENSES
Operating expenses, excluding cost of goods sold, for the quarter amounted to SEK 98.9 M (366.4).

RESEARCH AND DEVELOPMENT EXPENSES
Expenses relating to research and development amounted to SEK 65.8 M (178.5). Provisions relating to the already communicated close of studies, amounted to SEK 24.5 M at the end of the period.

MARKETING AND SALES EXPENSES
Marketing and sales related expenses amounted to SEK 10.0 M (178.2). The expenses relate, primarily, to the ongoing EMA-filing application process.

GENERAL AND ADMINISTRATIVE EXPENSES
General and administrative expenses amounted to SEK 23.2 M (47.6).

EXPENSES FOR SHARE BASED INCENTIVE PROGRAMS
Expenses relating to provisions for social security costs vary with changes in the underlying share price. Such provisions are reported under long- and short-term liabilities.

The costs for share based related incentive programs amounted to SEK 7.4 M (5.5); of which provisions and payments for social security related expenses amounted to SEK 0.3 M (-14.4), and expenses relating to share-based remuneration amounted to SEK 7.1 M (19.9). The expenses have no cash impact. See note 8.

EFFECTS OF COVID-19
The effects of Covid-19 are not deemed to have any material effects on the financial statements.

THE WAR IN UKRAINE
The situation in the Ukraine is not deemed to have any material effects on the financial statements.

TAX AND EARNINGS
Earnings before taxes amounted to SEK -98.6 M (-347.9).

Net profit amounted to SEK -98.6 M (-234.7); corresponding to a loss per share, before and after dilution, of SEK -1.31 (-3.45).

CASH FLOW, INVESTMENTS AND FINANCIAL POSITION
Cash flow from operating activities amounted to SEK -166.0 M (-386.7).
Cash flow from

- Investment activities amounted to SEK 0.0 M (-0.7)
- Financing activities amounted to -4.0 (3.5) MSEK.

Cash-flow for the first quarter amounted to SEK -170.0 M (-383.9).

Cash balances as per the end of the period amounted to SEK 194.3 M (372.5).

The Company has an unutilized loan facility of EUR 40 M with EIB. The terms enabling draw down of the facility are under renegotiation.

Equity amounted to SEK 119.1 M (347.2) at the end of the period.

FINANCING AND GOING CONCERN
The swift and decisive reduction of operational costs, initiated during the last quarter of previous year will improve the Group cash flow in line with previously published assumptions. The outcome of the interaction with regulatory authorities, will influence on the Company´s financial position. The European marketing authorization process is currently progressing as expected. Should, however, the review not result in a marketing authorization, or if such a decision is delayed, a number of parameters and risk factors could be affected, including, but not limited to,

- Access to/delay of payment from the EIB loan facility, currently under renegotiation
- Delayed commercial sales
- Loss of key employees

Following a marketing authorization, the Board of Directors and CEO assume that the Group will have the funds required to continue operations for at least the coming twelve months, provided that an agreement is reached with the EIB. Should an agreement with the EIB not be reached, for reasons that currently not can be foreseen, the Company may require additional cash contributions.

Should marketing authorization not be granted, the Company will rapidly focus operations on its early development portfolio, further advance the proprietary PDC platform, and the next generation drug candidates. The Board of Directors and the CEO assume that the Group will have the necessary funds to continue operations during at least the coming twelve months, in this scenario as well.

Should the above conditions not be fulfilled, the Group's continued operations are at risk. In aggregate, the above indicates that there are considerations that could raise to significant doubt as to the Company's continued ability to continue operations.
For additional risks, please see Oncopeptides Annual Report 2021.

EMPLOYEES
At the close of the period, the Company had 76 (294) co-workers.

PARENT COMPANY
Parent company operations are aligned with those of the Group, why the comments for the Group are also relevant for the Parent company.

ONCOPEPTIDES SHARE
The number of registered shares and votes at the end of the period amounted to 75,307,217.

EVENTS AFTER THE PERIOD
No significant events have occurred after the reporting period.

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

Stockholm, May 4, 2022

Jakob Lindberg
CEO

Condensed consolidated statement of comprehensive income

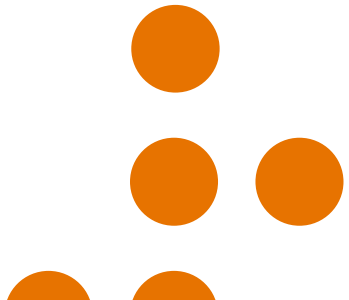
SEK thousand	Note	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Net sales	5	-	19 355	118 295[1)]
Cost of Goods Sold		-	-328	-53 121
Gross profit		**-**	**19 027**	**65 174**
Research and development expenses		-65 828	-178 532	-679 926
Marketing and distribution expenses		-10 048	-178 198	-698 346
Administrative expenses		-23 206	-47 630	-175 459
Other operating income/expenses[2)]		217	38 002	67 640
Total operating expenses		**-98 865**	**-366 358**	**-1 486 091**
EBIT; Operating profit/loss		**-98 865**	**-347 331**	**-1 420 917**
Net financial items		266	-521	-455
EBT; Earnings before taxes		**-98 599**	**-347 852**	**-1 421 372**
Income tax		12	113 188	-8 946
Net profit		**-98 587**	**-234 664**	**-1 430 317**
Other comprehensive income				
Items to be reclassified as profit or loss				
Translation variances		-294	-21 886	624
Other comprehensive income after tax		**-294**	**-21 886**	**624**
Total comprehensive income[3)]		**-98 881**	**-256 550**	**-1 429 693**
Earnings per share before and after dilution (SEK)		**-1.31**	**-3.45**	**-19.00**

1) Including provisions for expected returns of SEK -48.6 M.
2) Exchange rate differences on assets and liabilities in operational activities.
2) Losses for the period are in total attributable to parent company shareholders.

Condensed consolidated statement of financial position

SEK thousand	Note	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
ASSETS				
Non-current assets		29 862	168 855	27 003
Total non-current assets		**29 862**	**168 855**	**27 003**
Current assets				
Inventory		-	11 629	-
Current receivables		36 890	148 928	50 186
Cash		194 315	372 453	362 187
Total current assets		**231 205**	**533 010**	**412 373**
TOTAL ASSETS		**261 067**	**701 865**	**439 376**
EQUITY AND LIABILITIES				
Equity		119 128	347 192	210 868
Total Equity[1)]		**119 128**	**347 192**	**210 868**
Long-term liabilities		6 353	10 436	3 219
Total long-term liabilities		**6 353**	**10 436**	**3 219**
Current liabilities				
Trad payables		14 279	86 742	35 702
Other current liabilities		121 307	257 495	189 587
Total current liabilities		**135 586**	**344 237**	**225 289**
TOTAL EQUITY AND LIABILITIES		**261 067**	**701 865**	**439 376**

1) Equity is in total attributable to parent company shareholders.



Condensed consolidated statement of changes in equity

SEK thousand	Note	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Opening Balance		**210 868**	**576 897**	**576 897**
Net profit		-98 587	-234 664	-1 430 317
Other comprehensive income		-294	-21 886	624
Total comprehensive income		**-98 881**	**-256 550**	**-1 429 693**
Transactions with owners				
New directed share issue		-	-	1 106 000
Costs related to new directed share issue		-	-	-67 053
Share based compensation		7 106	19 874	14 229
Exercised warrants		34	6 972	10 488
Total transactions with owners		**7 141**	**26 845**	**1 063 664**
Ending balance		**119 128**	**347 192**	**210 868**

Condensed consolidated statement of cash flow

SEK thousand	Note	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Operating activities				
Operating profit/loss		-98 865	-347 331	-1 420 917
Adjustment for non-cash items[1)]		8 566	41 012	-44 325
Interest received		-	-	96
Interest paid		-259	-310	-948
Taxes paid		6	-	-12 216
Cash-flow from operating activities before change in working capital		**-90 552**	**-306 629**	**-1 478 309**
Change in working capital		-75 481	-80 085	-38 082
Cash-flow from operating activities		**-166 033**	**-386 714**	**-1 516 391**
Cash-flow from investment activities		-	-740	-339
Cash-flow from financing activities		-3 959	3 507	1 034 030
Cash-flow for the period		**-169 992**	**-383 947**	**-482 701**
Cash at the beginning of the period		362 187	840 255	840 255
Change in cash		-169 992	-383 947	-482 701
Effect of exchange rate changes on cash		2 120	-83 855	4 633
Cash at the end of the period		**194 315**	**372 453**	**362 187**

1) Pertains mainly to changes in share-based remuneration programs including social security contributions and exchange rate differences as well as depreciation and impairment.

Condensed Parent Company income statement

SEK thousand	Note	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Net sales[1]		-	478 109	97 577
Cost of Goods Sold		-	-2 251	-12 182
Gross profit		**-**	**475 858**	**85 395**
Research and development expenses		-65 930	-178 384	-676 375
Marketing and distribution expenses		-15 339	-182 592	-728 382
Administrative expenses		-20 392	-47 862	-161 814
Other operating income/expenses[2]		-549	38 112	71 362
Total operating expenses		**-102 210**	**-370 726**	**-1 495 209**
EBIT; Operating profit/loss		**-102 210**	**105 132**	**-1 409 814**
Net financial items[3]		4 729	-185	-18 725
EBT; Earnings before taxes		**-97 481**	**104 947**	**-1 428 539**
Tax		-	-	-
EBT; Earnings before taxes		**-97 481**	**104 947**	**-1 428 539**

1) Pertains to intra group revenues including credit of unsold packages during Q4-2021.
2) Exchange rate differences on assets and liabilities in operational activities.
3) Pertains primarily to subsidiary holdings.

Condensed Parent Company statement of comprehensive income

TSEK	Note	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
EBT; Earnings before taxes		-97 481	104 947	-1 428 539
Other comprehensive income				
-		-	-	-
Other comprehensive income after tax		-	-	-
Net profits		**-97 481**	**104 947**	**-1 428 539**

Parent Company balance sheet

SEK thousand	Note	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
ASSETS				
Subscribed, not yet paid in captial			1 106 000	-
Non-current assets		11 940	28 286	12 910
Total non-current assets		**11 940**	**28 286**	**12 910**
Current assets				
Inventory		-	10 684	-
Current receivables		27 043	514 061	28 752
Cash		150 619	332 889	321 832
Total current assets		**177 662**	**857 634**	**350 584**
TOTAL ASSETS		**189 602**	**1 991 920**	**363 495**
EQUITY AND LIABILITIES				
Restricted equity		18 609	18 552	18 575
Non-restricted capital		95 704	1 721 716	186 078
Total Equity		**114 313**	**1 740 268**	**204 653**
Long-term liabilities		143	6 432	13
Total long-term liabilities		**143**	**6 432**	**13**
Current liabilities				
Trade payables		10 467	58 283	34 875
Other current liabilities		64 679	186 937	123 954
Total current liabilities		**75 146**	**245 220**	**158 829**
TOTAL EQUITY AND LIABILITIES		**189 602**	**1 991 920**	**363 495**

NOTE 1 - GENERAL INFORMATION

This interim report covers the Swedish parent company Oncopeptides AB (publ), Swedish corporate identity no. 556596-6438 and its subsidiary Oncopeptides Incentive AB, Oncopeptides GmbH, Germany and Oncopeptides Inc, USA. The parent company is a Swedish public limited company registered in and with its registered office in Stockholm. Numbers in parentheses in the report refer to the figures for the corresponding period the previous year. The interim report for the first quarter 2022 was approved for publication on May 4, 2022.

NOTE 2 - ACCOUNTING PRINCIPLES

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. Oncopeptides applies, except as described below, the same accounting principles as in the last Annual Report. Relevant accounting and valuation principles could be found on pages 60-63 of the Annual Report for 2021.

No new or amended standards that became effective January 1, 2022, have had a significant impact on the company's financial reporting.

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

NOTE 3 - RISKS AND UNCERTAINTIES

Oncopeptides is exposed to numerous amount of risk in its day to day operation. The management of these risk is in line with the business strategy and with the long-term interest of the company in mind, including sustainability. The Company has identified a number of important risk areas: Regulatory, operational, financial, and credit risks. For more information on risks, see Oncopeptides Annual report 2021.

NOTE 4 - ESTIMATES AND CONSIDERATIONS

This report includes forward looking statements. 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 financial outcomes. There are also external conditions, e.g., the economic climate, political changes and competing research projects that may affect Oncopeptides net profit. For more information see the Oncopeptides Annual report 2021.

NOTE 5 - REVENUE RECOGNITION

Revenue is reported at the transaction value of goods sold excluding VAT, discounts and returns. At the time of delivery, when the ownership of the goods passes to the customer, the revenue is reported in full. Customers are defined as the retailers, who act as middlemen and in turn sell the goods to the end user.

As the final price is related to the discount granted the patients' insurance company, the transaction price is not known upon delivery. An estimated discount deduction provision, based on models considering statistical sales data and relevant discount programs, is therefore made.

In addition, the Company makes, a provision for additional expected return related to the withdrawal of Pepaxto from the US market. It is stated in the consolidated balance sheet under Other current liabilities and amounted to SEK 28.2 million at the end of the quarter.
The Company has no further performance obligations.

Group Revenue SEK thousand	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Net sales; customer contracts			
Goods[1)]	-	19 355	118 295
Total net revenue	**-**	**19 355**	**118 295**
Geographic market			
North America[2)]	-	19 355	118 295

1) PEPAXTO (melphalan flufenamide, also known as melflufen), in combination with dexamethasone, is used for the treatment of adult patients with relapsed or refractory multiple myeloma.
2) Approval was only obtained in the United States, which explains why all revenue refers to one market.

Parent Company Revenue SEK thousand	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Net sales; customer contracts			
Goods	-	478 109[1)]	97 577
Total net revenue	**-**	**478 109**	**97 577**
Geographic market			
North America[2)]	-	478 109	97 577

1) Refers to reversed intra-group sales of inventories.
2) Refers to intra-group sales to the subsidiary in the USA.

NOTE 6 - SEGMENT REPORTING

The financial information 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 split across operating segment. Hence, the Group is reported as one single operating segment.

NOTE 7 - RELATED PARTY TRANSACTIONS

Remuneration to senior management has been paid in accordance with current policies. No other transactions with related parties occurred during the period.

NOTE 8 - 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 eight active programs that include the management team, certain board members, founders and employees.

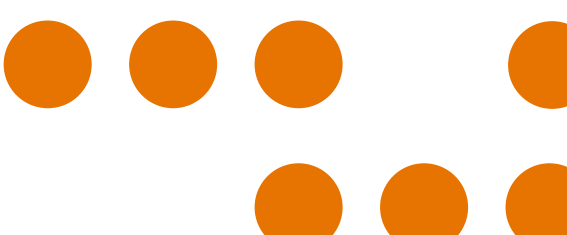
Program
- 2016; "Employee option program 2016/2023".
- 2017; "Co-worker LTIP 2017"
- 2018; "Co-worker LTIP 2018"
- 2019; "Co-worker LTIP 2019" and "Board LTIP 2019"
- 2020; "Board LTIP 2020"
- 2021; "Board LTIP 2021" and "Co-worker LTIP 2021"

For more information on the programs see Note 27 in the Annual report 2021 and Agendas and Minutes from the relevant Annual General Meetings on the company's website www.oncopeptides.com.

Full utilization of granted options and share awards at the end of the period, corresponding to 3,927,911 shares, would result in a dilution for shareholders of 4.9 percent. Full utilization of all options and share awards, corresponding to 4,271,102 shares (i.e., including non-granted employee options and warrants set off as hedge for social security contributions), would result in a dilution of 5.3 percent.

NOTE 9 - SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

No significant events have occurred after the end of the period.



Key performance measures

In this report, certain key performance measures are presented, including measures that are not defined under IFRS,

- Research and development / operating expenses, %,
- Gross margin, MSEK, %.

The company believes that these measurements provides valuable additional information when evaluating the company's economic trends. These financial performance measures should not be viewed in isolation, nor be considered in replacement of performance indicators that are prepared in accordance with IFRS.

Further, such performance measures, as the company has defined them, should not be compared with other performance measures with similar names used by other companies since definitions and calculation methods may vary between companies.

SEK thousand	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Net sales	-	19 355	118 295
Gross profit[1)]	-	19 027	65 174
Gross margin[2)]	-	98%	55%
Total registered shares at the end of the period	75 291 841	67 939 715	67 939 715
No of registered shares at the beginning of the period	75 307 217	68 084 855	75 291 841
No of shares that the outstanding employee options entitle to	3 927 911	3 876 863	2 254 457
Share capital at the end of period	8 367	7 549	8 366
Equity at the end of period	119 128	347 192	210 868
Earnings per share before and after dilution, SEK[3)]	-1,31	-3,45	-19,00
Operating loss	-98 865	-347 331	-1 420 917
Research and development expenses	-65 828	-178 532	-679 926
Research and development expenses/operating expenses, %[4)]	67%	49%	46%

1) Defined by subtracting cost of goods sold from total sales. The key figure shows the gross profitability of cost of goods sold in absolute numbers.
2) Defined by dividing the sum of the company's gross profit by total sales. The key figure aims to clarify the relative profitability of goods sold.
3) 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. There is no dilution effect driven by the employee stock option program, as earnings for the periods have been negative.
4) Defined by dividing the research and development costs with total operating expenses. The key performance measure provides an indication of the proportion of expenses that are attributable to the company's core business.

Telephone conference

The Interim report for the first quarter 2022 and an operational update will be presented by CEO Jakob Lindberg and members of Oncopeptides Leadership team, Thursday May 4, 2022, at 11:00 (CET).

The conference call will be streamed via a link on the website: www.oncopeptides.com.

Participant phone numbers:

Sweden:
+46 8 505 583 51

Europe:
+44 333 300 92 62

USA:
+1 631 913 14 22, PIN (USA only): 76766319#

Financial Calendar

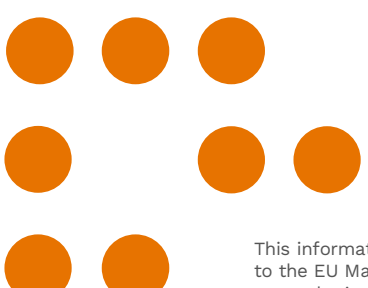
Report	Datum
AGM 2022	28 June, 2022
Interim report Q2, 2022	11 August, 2022
Interim report Q3, 2022	9 November, 2022
Year End report, 2022	16 February, 2023

Contact

Oncopeptides AB
Visiting adress; Luntmakargatan 46, 111 37 Stockholm
Domecile: Västra Trädgårdsgatan 15, 111 53 Stockholm, Sweden

Telephone:
+46 8 615 20 40
E-mail: info@oncopeptides.com

Website: oncopeptides.com



This information is information that Oncopeptides is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 08:00 CET on May 4, 2022.