oncopeptides

ANNUAL REPORT 2021

Science is leading the way

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.

Melflufen is an abbreviated form of the international non-proprietary name (INN) malphalan flufenamide, an investigational product not yet approved for commercial use in any market globally.

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Year in brief 2021

Pepaxto® was granted accelerated approval by the FDA on February 26.

A European business unit was established in April to prepare commercialization in Europe.

An Early Access Program was initiated in Europe in March, to provide patients with no or limited treatment options access to melflufen.

An application to the European Medicines Agency, EMA, was submitted in April for conditional marketing authorization of melflufen in the EU.

Results from the phase 3 OCEAN study were announced. Melflufen met the primary endpoint of superior progression free survival (PFS) compared to pomalidomide. Overall survival (OS) Hazard Ratio was 1.1 in favour of pomalidomide in Intent to Treat population.

Based on the OS-data, the FDA requested a partial clinical hold of all clinical studies in July. The FDA issued a safety alert for Pepaxto, and announced a public advisory meeting (ODAC).

Oncopeptides withdrew Pepaxto from the US market on October 22 and decided to refocus on R&D, to further develop the proprietary PDC platform.

The EMA-filing, for a potential Marketing Authorization of melflufen in the EU proceeds.

Most of the clinical development program for melflufen was discontinued, the commercial business units in the US and Europe were closed and the Stockholm based organization was significantly reduced.

Science is leading the way

I remember it as if it was yesterday. It was February 26, 2021, and we were expecting an approval of Pepaxto in the US, twenty years after the discovery of the molecule. For a small Swedish biotech company, it is a major accomplishment to take a product all the way from early discovery to commercialization in the US. When we finally got the approval letter it was close to midnight in Sweden, and the excitement was huge.

The commercialization of Pepaxto started in mid-March, shortly after the approval. Early on Pepaxto was included in the national treatment guidelines, which spurred patient access. Almost every day, we received feedback from doctors across the US that Pepaxto was making a difference for patients. This made me immensely proud. We were about to live our vision, Bringing hope through science.

Sales took off early on, and the entire organization was so excited and we were all set for a successful launch. However, during the summer we experienced some setbacks in the dialogue with the FDA, that ultimately led to a voluntary withdrawal of Pepaxto. This forced us to make tough decisions, close business operations, dismantle the organization, and refocus on R&D.

Looking in the mirror, 2021 has been extraordinary challenging for Oncopeptides and our share-holders. I have not experienced anything similar in my entire career. It has been like riding a never ending rollercoaster; with ups and downs, and U-turns.

In April 2021 we submitted the application for marketing authorization of melflufen in the EU, to the European Medicines Agency, EMA.

When I look back at 2021, this has been the most revolutionary year in Oncopeptides' history

Jakob Lindberg, CEO

Letter from the CEO

COMPLEX STUDY RESULTS
In April 2021 we completed the phase 3 OCEAN study, a post-approval commitment under the accelerated approval program, in the US. We analyzed the OCEAN data in a small team, spending hours, days, and weeks in a bunker, trying to get a good understanding of the data. When we announced the results in May, we had strong confidence in the data, even though we realized that the data was complex, and would take time to fully interpret.

VOLUNTARY WITHDRAWAL
The OCEAN study met its primary endpoint of superior progression free survival and demonstrated a better overall response rate in patients who were refractory to lenalidomide with 2-4 prior lines of therapy. However, the overall survival (OS) hazard ratio in the intent to treat (ITT) population was 1.1 in favor of pomalidomide. We emphasized that the negative trend in ITT OS result, by large, was driven by other factors than treatment with melflufen, however the FDA requested a partial clinical hold of the development program and issued a safety alert due to a potential detriment. In August, the FDA announced that they considered holding a public oncology drugs advisory committee (ODAC) meeting to discuss patient safety and the continued marketing authorization of Pepaxto. After an intensified dialogue with the FDA during the fall, it became evident that the FDA did not accept OCEAN as a confirmatory study. That left us with no other option than to withdraw the product from the market.

REFOCUSED COMPANY
Consequently, we decided to refocus Oncopeptides on R&D, continue to support the EMA-submission for marketing authorization of melflufen in Europe, discontinue parts of the clinical development program of melflufen and focus on developing the next generation of drug candidates from the PDC-platform. Shortly after the withdrawal we closed the business operations in the US and Europe and scaled down the Sweden based organization. We made a decision to reduce the number of employees globally from 330 FTEs to approximately 50. It has been a very challenging task, and I am so impressed by all employees who have contributed relentlessly throughout this process, even though many of them knew that they potentially would lose their job. These measures led to a cash position of SEK 362 M by year-end 2021. Assuming that the operations' re-structuring continues according to plan, the Group will have the necessary liquidity for operations to continue for at least the next 12 months.

SCIENCE WILL PREVAIL
Even though we made a voluntary decision to withdraw Pepaxto from the US market, we have never lost confidence in our data. For us, this is all about science. That is why we have continued to review and analyze data from OCEAN and other relevant trials. Our findings have convinced us to reconsider our previous decision and rescind our October 22 letter requesting withdrawal of Pepaxto in the US.

Oncopeptides has discontinued the marketing of Pepaxto in the US and does not intend to market Pepaxto in the US at this time. The company has initiated a dialogue with the FDA to review the new data. It is currently premature to talk about if, when, and how patients in the US could get access to Pepaxto again. We believe that melflufen may become an important treatment option for patients with relapsed refractory multiple myeloma (RRMM), and that the comprehensive data further support the pending European Medicines Agency's (EMA) review of melflufen.

OCEAN DATA PUBLISHED
At the International Myeloma Working Group meeting in Vienna on September 11, Dr Fredrik Schjesvold from Oslo Myeloma Center presented the full data set from OCEAN. Data from pre-specified subgroups showed that the main benefit of melflufen on progression free survival was driven by patients without a prior autologous stem cell transplant (ASCT) and that the potential detriment of Pepaxto in the ITT population was isolated to patients with a prior ASCT.

In January 2022, we reached an important milestone when the results from the OCEAN study were published in Lancet Haematology. Getting our data accepted for publication in this reputable journal is an acknowledgement of the value of our data. The authors of the publication emphasized that the OS results seem to be driven by unusual large heterogeneity in predefined subgroups. Age, gender, and a previous autologous stem cell transplant (ASCT), all showed significantly different outcomes in the subgroups.

MOVING INTO 2022
Even though 2021 took a direction that neither of us could anticipate, I am confident that 2022 will be an exciting and challenging year for Oncopeptides. We do not know what the rescission of the withdrawal of Pepaxto in the US will lead to, however, we believe that by leveraging science and data, while continuing to make innovative medicines available to patients, we will thrive as a company.

We continue our interactions with EMA and look forward to the CHMP opinion around mid-year. Currently, almost 70 patients are treated with melflufen through the Early Access Program in the EU, which is showing the unmet medical need for patients with relapsed refractory multiple myeloma. In 2022 we also intend to advance our portfolio of drug candidates from our proprietary PDC-platform.

2021 was an extraordinarily challenging year, but it is with growing enthusiasm and confidence we now move into 2022. I would like to thank all employees for your dedicated contributions, and all our shareholders for your continued belief in Oncopeptides. What is good for patients will be good for Oncopeptides.

Stockholm, April 13, 2022
Jakob Lindberg, CEO

Refocusing the company

The voluntary withdrawal of Pepaxto in the US on October 22, 2021 and the major implications this had on business operations, research and development, and the organization, creates a framework for the strategic direction.

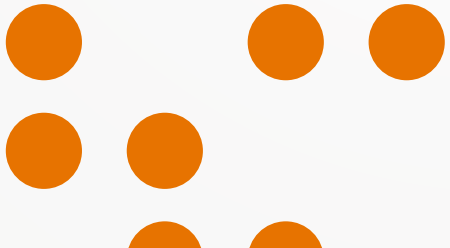
Shortly after the withdrawal, Oncopeptides refocused on R&D and scaled down the organization to increase cash runway and build a platform for longer term development and growth. A significant part of the clinical program was discontinued, and the company decided to continue to support the EMA-filing for marketing authorization of melflufen in Europe.

SCIENCE IS LEADING THE WAY

In January 2022, Oncopeptides rescinded the voluntary withdrawal of Pepaxto in the US based on further review and analyses of the heterogeneous overall survival data from the OCEAN study, and other relevant trials. Pepaxto is once again an approved drug in the US. However, it will not be marketed until the company and the FDA have reached an agreement on how to interpret and assess the data.

NEAR-TERM PRIORITIES

Oncopeptides has shared comprehensive data with the regulatory agencies in the US and Europe. How these analyses will be interpreted by regulators, scientific communities, and key opinion leaders during the coming months will, regardless of the outcome, influence the future direction of Oncopeptides. The data may have an impact on how OCEAN results are interpreted, and how melflufen may be used in the treatment of Relapsed Refractory Multiple Myeloma (RRMM). Near-term priorities for 2022 are shown in the illustration to the right.



1 **Potential approval in Europe**

The regulatory process with EMA, for a Marketing Authorization of melflufen in Europe, is moving forward according to the timetable. An expert opinion from CHMP is expected in Q2, followed by potential approval by the EU Commission in Q3-2022.

2 **Regulatory path forward in the US**

The dialogue with the FDA is aiming to reach a mutual understanding of the OCEAN data, and an agreement on the regulatory path forward, based on the company's in-depth analyses of the heterogeneous overall survival data from OCEAN and other relevant trials. The dialogue with FDA is a priority for Oncopeptides, however the FDA has no formal process for the agency interaction, and thus the company cannot specify how long this will take.

3 **Commercial partnership**

Given a successful interaction with the regulatory authorities, Oncopeptides will consider various options to launch the product in the US and on key European markets. The alternatives that will be evaluated include a commercialization together with one or several partners or a subsequent development of an own commercial organization on local markets. The purpose is to make melflufen available for patients, optimize market penetration and maximize shareholder value.

Sustainability at Oncopeptides

We believe that it is of paramount importance to be a responsible company with sustainable operations. We have adopted an environmental, social and governance approach (ESG) to sustainability.

ENVIRONMENT
We continuously strive to minimize the environmental impact of our operations and those of our suppliers. The pre-clinical drug development laboratory in Stockholm is a closed system with virtually no impact on the local environment. Chemical handling, and waste disposal are highly controlled. We encourage all our suppliers to align with appropriate standards to minimize environmental impacts.

SOCIAL
Oncopeptides takes its responsibilities in society very seriously. Our overall approach is focused on health and well-being, and aligns with the UN's Agenda 2030, and Sustainable Development Goal (SDG) 3, to "ensure healthy lives and promote well-being for all at all ages".

We believe that diversity, inclusivity, and equality are key factors that determine a stimulating work environment and the success of our business. The company has a diverse workforce in terms of nationalities, backgrounds, and age. We have a good gender balance between women and men in the organization and have a leadership team that consists of 50 percent women and men.

In December 2020, all coworkers participated in an employee survey. The survery triggered several actions, such as leadership training, reinforcement of goals and evaluation, and integration of culture and values assessment into performance reviews.

In 2021 an exercise challenge for all coworkers globally was launched. The purpose was to strengthen collaboration and encourage physical activity. All collected points were converted into cash points and the winning team donated the money to a Multiple Myeloma Foundation. We have also supported several patient advocacy events, online learning opportunities and fundraisers.

An Early Access program in Europe was launched during the year, to support patients with relapsed refractory multiple myeloma. Physicians may apply for melflufen treatment for eligible patients who cannot be adequately treated with approved and commercially available medications, or drugs that are available through clinical trials. We have received continuous requests throughout the year, which really proves the unmet medical need for myeloma patients.

GOVERNANCE
Oncopeptides has launched a new governance structure to facilitate decision making, meet legal obligations and achieve our operational requirements. We have a continuous review of our policies and several of them were updated during the year, including the Code of Conduct, the Anticorruption policy, the Corporate governance policy, the Insider policy and the Information policy. We have also introduced a Whistle blower policy in connection to our Ethics Hotline. In June, a science committee was established to provide advice on scientific matters.

A unique technology platform

We are exploring innovative drug candidates and treatments for difficult to treat hematological diseases. The proprietary peptide drug conjugate platform, PDC, enables us to build a robust, flexible drug candidate pipeline.

The PDC platform allows us to concentrate toxins in cancer cells by exploiting differences between cancer cells and healthy cells. We can deliver more and different types of cytotoxic activity to cancer cells while protecting healthy cells. This is known as “signal to noise”. This means that we get more signal – toxin – into cells to damage or kill tumors, while minimizing noise – harm – to healthy cells.

MELFLUFEN – THE FIRST PRODUCT FROM THE PDC PLATFORM

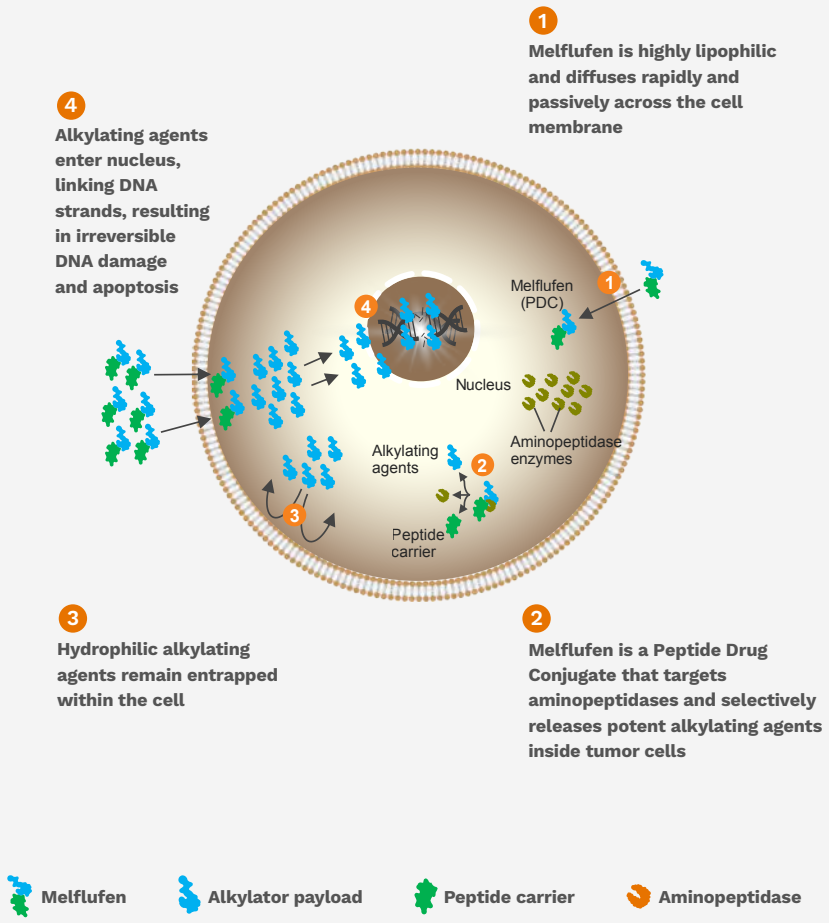
Melflufen is the first anti-cancer PDC that targets aminopeptidases and rapidly releases alkylating agents inside tumor cells. Aminopeptidases are a group of enzymes overexpressed in tumor cells, including multiple myeloma cells. The binding of melflufen to aminopeptidases results in the release of a toxic payload that damages DNA and kills cancer cells.

OPD5 AND OPDC3 – THE NEXT GENERATION PDC’S

OPD5 is the second drug candidate based on our proprietary Peptide Drug Conjugate (PDC) platform. It is an analog of melflufen with close to identical chemical characteristics. We expect a similar clinical profile and consequently, a clear clinical development pathway.

OPD5 was initially developed as a myeloablative regimen followed by Autologous Stem Cell Transplant in patients with relapsed refractory multiple myeloma. We initiated a clinical study in Q2 2021. Shortly thereafter the agency requested a full clinical hold before any patients were recruited, based on overall survival data in the ITT-population, with a HR of 1.104 favoring pomalidomide. We have decided to discontinue the OPD5 study and will consider how to proceed after an interaction with the FDA.

Multiple myeloma cell



PDC Platform

OPDC3 is the most advanced asset of a new generation of compounds based on the PDC platform, and the third drug candidate coming out of the platform. OPDC3 has just completed toxicology studies.

Like melflufen, OPDC3 is built on a peptide scaffold and consists of a tumor cell delivering carrier and a warhead. With OPDC3 we have managed to design an even selective compound where only a limited toxicity is escaping the targeted cancer cell after enzymatic hydrolysis. We have observed a rapid enrichment of the alkylating warhead in cancer cell lines and anticipate that OPDC3 will show limited toxicity to normal slowly dividing cells of healthy tissue. The hypothesis is that the unique properties of OPDC3 will translate into a potentially effective and well tolerated therapeutic option. This will be further evaluated in clinical studies.

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 Expired: EP, CA, JP
Lyophilized preparation of cytotoxic dipeptides	Formulation	2011 (2032)	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*	Pending / 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*
Deuterated melflufen	Substance	2018 (2039)	AU, BR, CA, CN, EA, EP, HK, IL, IN, JP, KR, MX, NZ, SG, US and ZA	Pending
Melflufen for use in treatment of amyloidosis	Method of treatment	2019 (2040)	CN, EP, JP, US	Pending
Liquid formulation of melflufen	Formulation	2019 (2040)	AU, BR, CA, CN, EA, EP, IL, IN, JP, KR, MX, NZ, SG, US and ZA	Pending
Melflufen for use in treatment of osteosarcoma	Method of treatment	2019 (2040)	PCT (national phase entry March 2022)	Pending
New Invention #1	Confidential	2021 (2041)	PCT (national phase entry August 2023), AR, TW	Pending
New Invention #2	Confidential	2021 (2042)	Priority application in the UK is being processed	Pending
New Invention #3	Confidential	2021 (2042)	Priority application in the UK is being processed	Pending
New Invention #4	Confidential	2021 (2042)	Priority application in the UK is being processed	Pending

1) Without extensions of the patent time

Multiple myeloma

Multiple myeloma is an incurable form of blood cancer that develops in the bone marrow. The bone marrow produces red blood cells to supply the body with oxygen, white blood cells to fight infections, and platelets to clot the blood. Some white blood cells are known as plasma cells and are among the most important components of the body's immune system because they produce antibodies that fight infections. Multiple myeloma occurs when these plasma cells mutate into tumor cells and begin to divide uncontrollably.

On average, multiple myeloma patients are 70 years of age. The median overall survival is just over five years from diagnosis. There are considerable differences in patient outcomes. Some live with the disease for 20 years, others live less than a year after diagnosis. Treatment outcomes vary considerably based on patient age, health, genetics, and other factors. The time it takes to respond to treatment and the length of disease-free periods are longer in earlier stages of the disease.

LARGE UNMET MEDICAL NEED

Once diagnosed, treatment of multiple myeloma starts immediately. Treatment options depend on a variety of factors including patient age, general health, and comorbidities, (two or more conditions occurring at the same time). Treatment aims to kill as many multiple myeloma cells as possible.

Patients with a good health status may also be offered a bone marrow transplant as part of their therapy.

Patients are currently treated with several pharmaceuticals early in the disease. There are four main pharmaceutical classes – antibodies, immunomodulatory drugs, alkylators and proteasome inhibitors – that may or may not work in combination with one another.

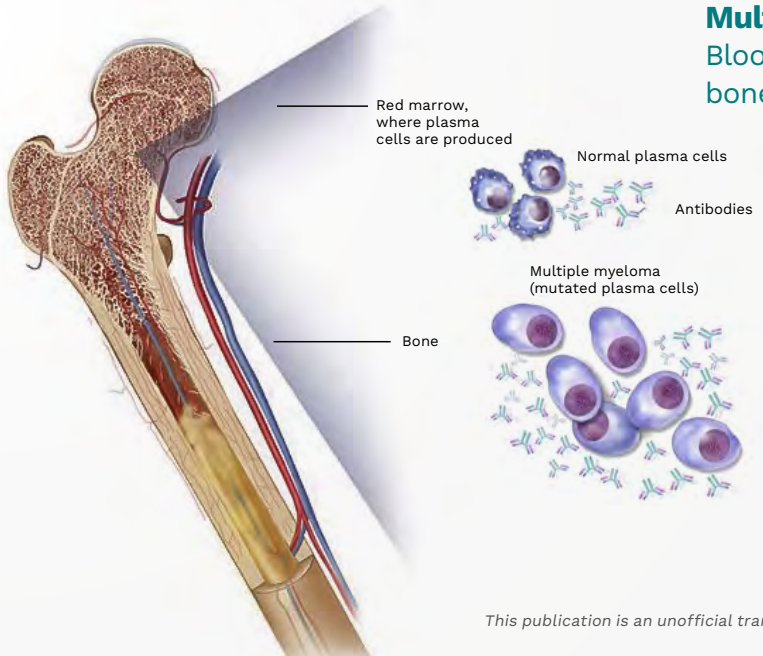
Sooner or later, patients develop resistance to treatment, to specific drugs and/or pharmaceutical classes. As patients become resistant to treatment at different times, the unmet medical need is still large even though there are many drugs approved for MM today. Typically, patients become more fragile and sensitive after several lines of therapies.

INCREASING INCIDENCE IN THE EU

The number of multiple myeloma patients is increasing. Multiple myeloma is the second most common hematological cancer in the EU. There are currently more than 85,000 in the EU living with relapsed refractory myeloma, and almost 50,000 people are diagnosed every year. Approximately 39% of patients in Europe receive a stem cell transplant, where the eligibility is based on age, frailty and varies by country.

SUDDEN TIPPING POINT

In many cancers, the condition of patients worsens gradually. Apart from bone pain, possibly fractures, and treatment side-effects, patients with multiple myeloma often feel well until they suddenly deteriorate. Many patients can live normal lives and be fully active until just a few weeks prior to death, which is usually caused by reduced bone marrow function. Based on this there is a low acceptance of side-effects that have a negative impact on quality of life.



Multiple myeloma
Blood cancer in the bone marrow

OCEAN met primary endpoint

Topline results from the pivotal randomized phase 3 OCEAN study were disclosed in May 2021. In the head-to-head comparison between melflufen and pomalidomide the study reached its primary endpoint of superior progression free survival (PFS) with a Hazard Ratio (HR) of 0.79 (p=0.03) in favour of melflufen.

Median PFS was 6.8 months in the melflufen arm versus 4.9 months in the pomalidomide arm. Secondary endpoints were overall response rate (ORR) and overall survival (OS). ORR, although not significant, was also in favour of melflufen with 33% vs 27%, while OS was in favour of pomalidomide with a statistically inconclusive OR statistically not significant HR of 1.104. Results were fully disclosed at the International Multiple Myeloma Workshop in Vienna in September, and additionally the results were published in January 2022 in Lancet Haematology.

Interestingly, the OS results, seemed to be driven by unusual large heterogeneity in predefined subgroups. Age, gender, and a prior autologous stem cell transplant (ASCT) all showed significantly different outcomes in the subgroups. Exploratory analysis of pre-specified subgroups in the ITT-population showed that OS data favored pomalidomide in patients younger than 65 years of age, and patients with a previous autologous stem cell transplant. The PFS benefit for melflufen seemed to be mainly driven by the group of non-transplanted patients and OS was numerically higher for melflufen in the non-transplanted group. Whether the treatment combination is beneficial for those who have or have not received a previous autologous HSCT needs to be investigated further, as concluded by the authors of the January 12, 2022 publication of the phase 3 OCEAN study, in The Lancet Haematology. The Company expects further analyses to be made public during the first half of 2022.

Based on the intent to treat (ITT) OS result, the FDA issued a safety-alert because of the potential worse OS of patients treated with melflufen. After multiple interactions with the FDA, Oncopeptides voluntarily withdrew Pepaxto from the US market on October 22, 2021. However, based on new analyses and availability of more data, Oncopeptides recently rescinded the voluntarily withdrawal and is in active discussions with the agency again on how to interpret the data.

The OCEAN study results were submitted to EMA in January 2022 to complement the conditional marketing application based on the HORIZON study, where a CHMP decision is expected in Q2 and the commission decision in Q3.

Increased volatility of the share

The company has been listed on Nasdaq Stockholm Mid Cap List since the IPO in February 2017. The company's market capitalization at the close of 2021 was SEK 632 M compared to SEK 11,529 M the previous year. The number of shareholders continued to grow during 2021 and amounted to 27,334 by year-end. The increase corresponds to a growth rate of 65 percent, compared to previous year and was primarily driven by private investors. In March 2021, the company carried out a directed share issue with several reputed institutions and specialist investors.

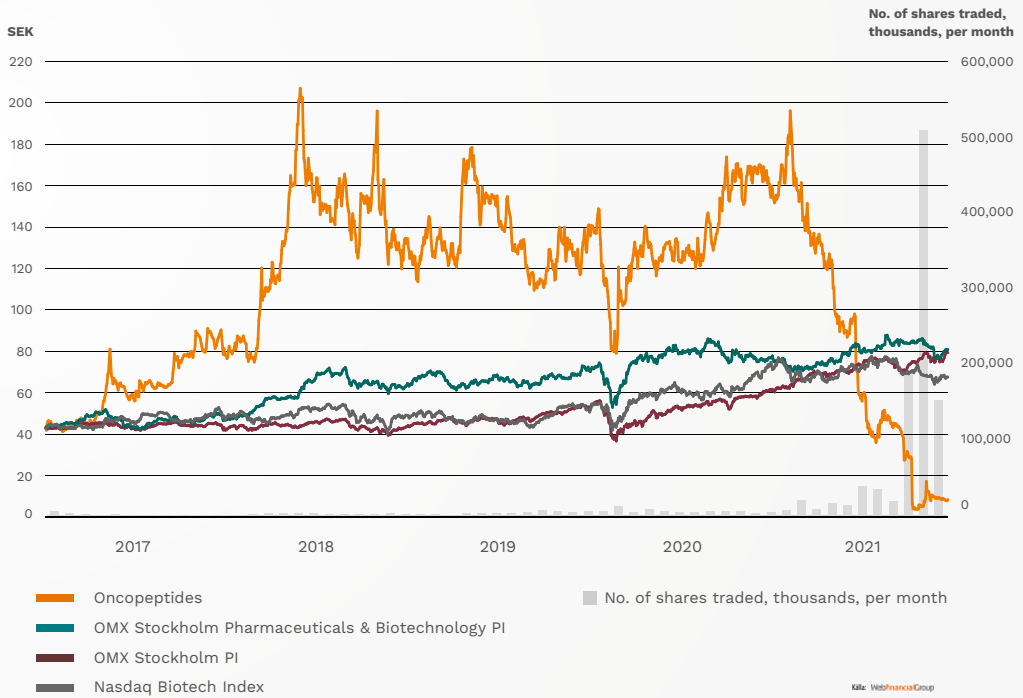
2021 has been a particularly challenging year for the company and its shareholders

The share price has been heavily impacted by regulatory challenges for the company's product Pepaxto, these challenges led to a voluntary withdrawal of the product from the US market in October 2021. Several major investors have divested their holdings in Oncopeptides, however Healthcap VI LP and Industrifonden remain our largest owners, representing 24.9 percent (27.6) of all outstanding shares. At the end of 2020 legal entities represented about 49 percent of the shareholders, while only 12 percent were held by retail traders. At the end of 2021, the mix had changed significantly, with about 26 percent of the shares being held by legal entities, and the proportion of retail traders have increased to over 46 percent. The shift in ownership mix and hedge fund shorting, has inevitably increased the volatility of the share. The average trading volume was slightly more than 4 million shares per day and peaked at almost 73 million shares on November 18.

SHARE PRICE DEVELOPMENT

The closing price on the last day of trading in 2021 was SEK 8.40, corresponding in a market capitalization of SEK 632 M based on the number

Share price trend and turnover 2017-02-22 – 2021-12-31



of outstanding shares. The share price peaked on March 1 at SEK 196.10, and bottomed out October 28 at SEK 3.72.

SHARE DATA
On December 31, 2021, Oncopeptides had 75,291,841 registered shares, corresponding to 75,291,841 votes.

OWNERSHIP STRUCTURE
Oncopeptides had 27,334 shareholders at year-end 2021. 46.1 percent of these were held by private individuals.

SHARE CAPITAL
At year-end, the share capital was in total SEK 8,365,760, distributed between 75,291,841 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. Accordingly, 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 will be paid for the financial year.

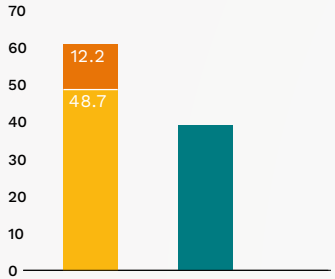
CURRENT ANALYST COVERAGE
Seven banks and their analysts are currently following Oncopeptides:

- ABG Sundal Collier, Adam Karlsson
- Carnegie, Erik Hultgård
- Cowen and Company, LLC, Boris Peaker
- DNB Bank ASA, Patrik Ling
- H.C. Wainwright & Co., LLC, Robert Burns
- Jefferies, Peter Welford
- Kempen & Co, Suzanne Van Voorthuizen

25 Largest Holders (grouped)	Capital %
HealthCap VI LP	15.0%
Stiftelsen Industrifonden	9.9%
Försäkringsaktiebolaget, Avanza Pension	2.8%
Swedbank Robur Fonder	2.5%
SEB Investment Management	1.9%
Paul, Zeinou	1.3%
Handelsbanken fonder	1.3%
Pension, Futur	1.0%
Lindberg, Jacob	0.8%
Clearstream Banking S.A., W8IMY	0.7%
BNY Mellon SA/NV (Former BNY), W8IMY	0.6%
Rhawi, Mattias	0.6%
Alandsbanken ABP (Finland), Svensk, Filial	0.6%
Handelsbanken Liv Försäkringsaktiebolag	0.5%
Nilsson, Bo	0.5%
Hulme, William Alan	0.4%
Nordea Livförsäkring Sverige AB	0.4%
UBS Switzerland AG, W8IMY	0.4%
Pegtrean AB	0.4%
Nordnet Livsforsikring AS	0.4%
Saxo Bank A/S Client Assets	0.3%
BNY Mellon NA (Former Mellon), W9	0.3%
Swedbank Försäkring	0.3%
SEB AB, Luxembourg Branch, W8IMY	0.3%
Societe Generale	0.3%

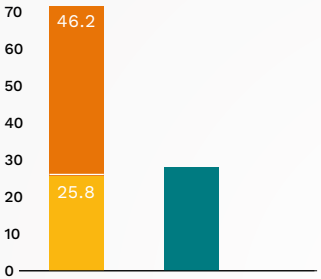
2020

Ownership by category Holdings (%)



Swedish owners, 60.9%
whereof
Natural persons, 12.2%
Legal entities, 48.7%
Non-Swedish owners, 39.1%

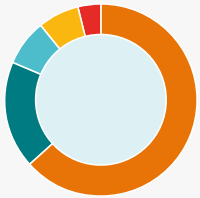
2021



Swedish owners, 72.0%
whereof
Natural persons, 46.2%
Legal entities, 25.8%
Non-Swedish owners, 28.0%

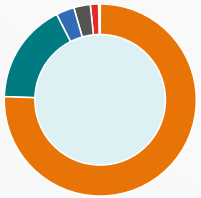
2020

Ownership by country Holdings (%)



Sweden, 61.0%
Switzerland, 17.4%
United States, 7.6%
Luxembourg, 6.8%
United Kingdom, 3.5%

2021



Sweden, 72.0%
Switzerland, 16.0%
Denmark, 2.9%
Norway, 2.7%
United Kingdom, 1.5%

Glossary

Alkylator A broad spectrum cytotoxic chemotherapy.

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

Autologous hematopoietic stem cell transplant, AHSCT 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, for example, chemotherapy.

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

EMA European Medicines Agency.

FDA US Food and Drug Administration.

Hazard ratio 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 sickle-cell anemia.

IND Investigational New Drug.

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

ITT Intent to Treat population

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 first-in-class anti-cancer peptide drug conjugate targeting aminopeptidases and releases alkylating agents into 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.

NDA New Drug Application.

Oncologic Drugs Advisory Committee - ODAC Reviews and evaluates data concerning the safety and effectiveness of marketed and investigational human drug products for use in the treatment of cancer and makes appropriate recommendations to the Commissioner of Food and Drugs.

OPDC3 A new generation of compounds based on the PDC platform, and the third drug candidate coming out of the platform.

OPD5 The second drug candidate coming out of the peptide drug conjugate platform.

ORR Overall response rate, the 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.

Payload Highly active molecules that are too toxic to be administered in untargeted forms at therapeutic doses.

PDC Peptide-drug conjugate. The class of agents that includes melflufen and OPD5.

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

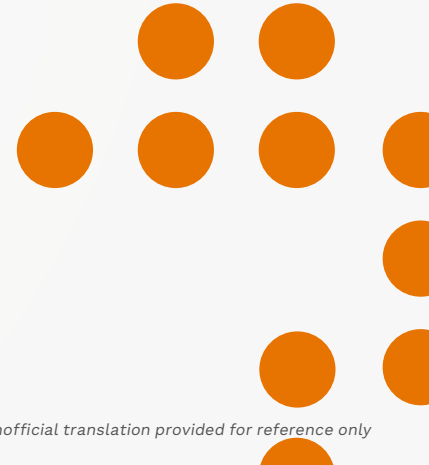
PFS Progression-free survival, measures the length of time from the start of a patient's treatment until the tumor has grown by at least 25 percent.

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.



CONTENTS

Remuneration report

INTRODUCTION

This report describes the guidelines for remuneration of members of senior management of Oncopeptides AB, as adopted by the 2021 AGM and implemented in 2021. 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 Swedish Corporate Governance Board.

More information on remuneration of members of senior management is available in Note 10 Employees and personnel costs on pages 48-50 of the 2021 Annual Report. Information on the work of the Remuneration Committee in 2021 can be found in the Corporate Governance Report, which is on pages 26-33 in the 2021 Annual Report.

Remuneration of the Board of Directors is not encompassed by this report. Such remuneration is resolved by the AGM and published in Note 10 on page 49 in the 2021 Annual Report.

Performance in 2021

The CEO provides a summary of the company's overall performance on pages 4-5 of the 2021 Annual Report.

COMPANY'S REMUNERATION GUIDELINES: AREA OF APPLICATION, PURPOSES AND DEVIATIONS

Oncopeptides is a biotech company focused on the development of targeted therapies for difficult-to-treat hematological diseases. The company uses its patented PDC platform to develop peptide-drug conjugates. The first drug from the PDC platform, Pepaxto (melphalan flufenamide), also known as melflufen, received conditional approval in the U.S. on February 26, 2021, but was voluntarily withdrawn from the U.S. market on October 22, 2021*.

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. 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-based or share price-based 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 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 27, Share-based remuneration on pages 57-60 of the 2021 Annual Report. For more information about these programs, including the criteria determining outcomes, refer to *oncopeptides.com/en/company/governance/remuneration*.

The guidelines are reported on pages 28-32 in the 2021 Annual Report. No deviations from the guidelines occurred during 2021.

TOTAL REMUNERATION OF THE CEO, 2021 (SEK THOUSAND)[1]

2021	Basic salary	Invoiced fees	Variable remuneration	Pension expenses[2]	Share-based remuneration[3]	Total	Ratio of fixed/variable remuneration[5]
CEO, Marty J Duvall (until Nov 14)[4]	10,652	–	–	92	–	10,744	100%
CEO, Jakob Lindberg (from Nov 15)	475	–	–	57	–	532	100%
Total	**11,127**	**–**	**–**	**149**	**–**	**11,276**	**100%**

1) With the exception of multi-year variable remuneration (share-based remuneration above), the table presents remuneration in 2021. Multi-year variable remuneration is presented to the extent it vested in 2021 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 3,900 thousand. The exercise price for them was SEK 1,850 thousand.

4) The remuneration was issued by the subsidiary Oncopeptides Inc. and refers to the regular monthly salary for the employment period and 15 months' severance pay, which is less than the company's maximum policy of two years' salary.

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

* Voluntary withdrawal was cancelled January 13, 2022

No claim for repayment of remuneration has been made. In addition to the remuneration encompassed by these guidelines, the company's AGMs pass resolutions on the implementation of long-term share-based incentive programs.

For information about the guidelines applicable until the 2022 AGM, refer to the Corporate Governance Report on pages 28-32 of the 2021 Annual Report.

SHARE-BASED REMUNERATION

Share-based 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. The 2018 AGM introduced incentive programs: "Co-worker LTIP 2018" and "Board LTIP 2018", the latter of which matured in 2021. At an EGM in December 2018, "Board LTIP 2018.2" was introduced, and at the 2019 AGM, it was resolved that two new incentive programs were to be introduced: "Co-worker LTIP 2019" and "Board LTIP 2019". At the 2020 AGM, a resolution was passed to introduce the program "Board LTIP 2020", and at the EGM in December 2020, it was resolved to introduce the program "US Co-worker LTIP 2020," which was withdrawn in its entirety during the year. At the 2021 AGM, it was resolved to introduce two incentive programs: "Board LTIP 2021" and "Co-worker LTIP 2021".

The options are allotted free of charge and 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.

The share awards will be allotted free of charge to participants in the program. 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 27 in the 2021 Annual Report.

The full utilization of granted options and share awards as of December 31, 2021, corresponding to a total of 2,254,457 shares, would result in a dilution for shareholders of 2.9 percent, based on full dilution. The full utilization of all resolved options corresponding to a total of 4,397,484 shares (including unallotted employee options and performance shares as well as warrants intended for hedging of social security contributions) would result in a dilution for shareholders of 5.5 percent based on full dilution.

Application of performance criteria for variable share-based remuneration As the company voluntarily withdrew Pepaxto from the U.S. market, the company decided to close down its commercial operations in the U.S. and Europe and to restructure its Parent Company. CEO Marty J Duvall left the company on November 15. Upon his departure, all options previously allotted to him were recalled.

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 - Achieved milestones attributable to the sale of Pepaxto - Applying for approval in Europe - Planning and implementing EU launch	a) N/A b) N/A
Goals linked to strategy - Developing the clinical program for melflufen - Developing the product portfolio - Increased exposure through participation in scientific congresses and journals	

COMPARATIVE INFORMATION PERTAINING TO CHANGES IN REMUNERATION AND THE COMPANY'S PERFORMANCE CHANGES IN REMUNERATION AND THE COMPANY'S PERFORMANCE OVER THE LAST TWO REPORTED FISCAL YEARS (SEK THOUSAND)

	Income statement vs Income statement-1	**Income statement 2021**
Total remuneration of the CEO[1]	+5,028 (+80%)	11,276
Consolidated operating result	-1,591,279	-1,420,916
Average remuneration based on the number of FTEs employed[2] in the company	+456 (0%)	1,736

1) Includes severance pay of 15 monthly salaries to Marty J Duvall, who resigned on November 15, 2021.

2) Excluding members of Group management.

CEO OPTION PROGRAMS[1]

									INFORMATION FOR THE REPORTED FISCAL YEAR					
CEO	Option name	Subname	Vesting period	Allotment date	Expiry date of exercise period	Last vesting date	Exercise period	Exercise price	Options Jan 1, 2021	Allotted 2021	Exercised 2021	Revoked 2021	Options Dec 31, 2021	Vested 2021
Jakob Lindberg	Employee Option Programs	2016/2023:2	2016-2020	Nov 22, 2016	Jun 30, 2020	Jun 30, 2020	Jun 30, 2020–Nov 31, 2023	0.11	175	–	175		–	–
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, 2025–Feb 21, 2025	79.77	23,190	–	–		23,190[2]	100,00%
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	–
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, 2021–Jan 4, 2028	169.53		32,245	–		32,245	–
Marty J Duvall	Co-worker LTIP	2019:6	2020-2023	Jul 8, 2020	Jul 8, 2023	Jul 8, 2023	Jul 8, 2023–Jul 8, 2027	131.93	243,212	–	–	- 243,212	–	–
Total									**558,810**	**32,245**	**175**	**- 243,212**	**347,668**	

1) The total market value of the underlying shares at the allotment date was SEK 29,588 thousand. The total exercise price was SEK 29,562 thousand. The total market value of the underlying shares according to the closing price on Nasdaq Stockholm on December 30, 2021 is SEK 2,920 thousand.

2) The total market value of the underlying shares at the vesting date in 2021 was SEK 3,900 thousand. The total exercise price for the underlying shares amounts to SEK 1,850 thousand. The total market value of the underlying shares according to the closing price on Nasdaq Stockholm on December 30, 2021 is SEK 195 thousand.

Directors' Report

Group and Parent Company
The Board of Directors and CEO of Oncopeptides, corporate registration number 5565966438-6438, with its registered office in Stockholm, Sweden, hereby present the Annual Report and consolidated financial statements for the 2021 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 that develops targeted therapies for difficult-to-treat hematological diseases. The company is listed in the Mid Cap segment 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 U.S. Some 80,000 patients are diagnosed with multiple myeloma every year and 44,000 patients die from the disease annually[1]. 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 multiple myeloma. The largest study was 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 U.S. 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, the company voluntarily withdrew Pepaxto from the U.S. 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 U.S., 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 2021
- Pepaxto received FDA approval on February 26 for the treatment of adult patients with relapsed or refractory multiple myeloma.
- The commercial launch of Pepaxto successfully began in mid-March
- Pepaxto was included at the end of March in the new clinical guidelines for the treatment of multiple myeloma published by the National Comprehensive Cancer Network® (NCCN)
- Management in Europe was strengthened in March with two recruitments to build the European commercial organization
- To strengthen the balance sheet, a resolution was made for a private placement of approximately SEK 1,106 M in March. It was completed in April
- Overall results from the phase 3 OCEAN study were announced in May
- Application for conditional marketing authorization for melflufen in the EU was submitted in April
- Patient recruitment to the phase 2 PORT study was completed in May
- A summary of the scientific work on melflufen was presented in June at the American Society of Clinical Oncology
- New clinical and preclinical data for melflufen were presented in June at the European Hematology Association meeting
- A German subsidiary, Oncopeptides GmbH, was established in May
- Updated results from the phase 3 OCEAN study were announced on July 8: melflufen reached the primary goal of superior PFS
- The FDA temporarily paused recruitment to clinical studies with melflufen on July 8 due to survival data in the ITT population
- On July 28, the FDA issued a safety alert to physicians and patients regarding an increased risk of mortality associated with Pepaxto in the OCEAN study
- The FDA announced on September 2 that an ODAC meeting would be held on October 28. The meeting was subsequently canceled
- New data from OCEAN and PORT was presented at the IMW congress on September 11
- Anders Martin-Löf, CFO, announced his departure from Oncopeptides on October 15
- Pepaxto was withdrawn from the U.S. market on October 22. As a consequence, the phase-out of commercial operations was initiated and the focus will be on R&D
- Oncopeptides announced on November 4 that it was focusing the development program to strengthen the cash flow
- Annika Muskantor took office as the interim CFO on November 8
- Jakob Lindberg was appointed the new CEO and Marty J Duvall left the company on November 15.

Sales and earnings
During 2021, the Group's net sales amounted to SEK 118.3 M (0.0). Sales derive from the sale of Pepaxto on the U.S. market during the period March 2021 - October 2021 when the product had an accelerated approval. Revenues are recognized taking into account the estimated repayment liability for returns, which can contractually be

1) NCI SEER (https://seer.cancer.gov/) and WHO Globocan (https://gco.iarc.fr/)

returned until the second quarter of 2022, amounting to SEK 48.6 M.

The costs for 2021 were recognized taking into account non-recurring costs incurred in the company's restructuring work. Reserves for completion of clinical studies and termination of personnel, related to the communicated restructuring, totaled SEK 41.1 M in 2021. In addition, after the withdrawal of Pepaxto, the assets were revalued, resulting in an impairment loss of SEK 16.6 M in the Group, of which

- Inventory: SEK 9.0 M
- Right-of-use assets: SEK 2.2 M
- Other non-current assets: SEK 4.1 M

All impairment losses are non-recurring.

Oncopeptides' research and development costs for the year amounted to SEK 679.9 M (866.2). The majority of the cost reduction is attributable to the decrease in costs in clinical projects, as well as the decision to quickly complete ongoing studies.

Marketing and distribution costs for the year totaled SEK 698.3 M (456.5). The increase in costs was driven by the commercial expansion following the FDA approval of Pepaxto in February 2021, as well as the reduction and closure of commercial units after the October withdrawal - all within the same calendar year.

Administrative expenses for the year amounted to SEK 175.5 M (197.7).

Operating expenses include costs for share-based incentive programs, which are non-cash items, amounting to SEK -34.2 M (68.2). Costs for social security contributions vary as a result of changes in the underlying market price. As the market price fell during the year, the value of provisions, including tax benefits, was reduced.

The company reported a net loss for the year of SEK 1,430.3 M (1,594.7), corresponding to negative earnings per share, before and after dilution, of SEK 19.00 (25.57).

Cash flow and investments

Cash flow from operating activities for the year amounted to an outflow of SEK 1,516,4 M (1,296.5), which is mainly attributable to the company's activities in support of sales - and by its reduction of these activities after the withdrawal from the U.S. market.

Cash flow from investing activities amounted to an outflow of SEK 0.3 M (20.1). Cash flow from financing activities amounted to SEK 1,034.0 M (1,323,5). In March 2021, a resolution was passed to complete a private placement in April, which raised SEK 1,106.0 M before issue expenses amounting to SEK 67.1 M. Total cash flow for the year amounted to an outflow of SEK 482.7 M (inflow: 6.8).

Financial position

At December 31, 2021, the company's cash and cash equivalents amounted to SEK 362.2 M (840.3), and equity to SEK 210.9 M (576.9). The company has an unutilized loan facility from the EIB amounting to EUR 40 M. The loan facility's blocks will become available provided that the company reaches certain milestones related to the commercialization of melflufen in the U.S. and Europe, respectively. By the end of the year, none of these milestones had been reached.

MULTI-YEAR SUMMARY, GROUP

SEK thousand	2021	2020	2019	2018	2017
Net sales	118,295	–	–	–	–
Operating loss	-1,420,917	-1,591,279	-739,392	-410,963	-306,731
Loss before tax	-1,421,371	-1,592,442	-739,920	-410,965	-306,731
Loss after tax	-1,430,317	-1,594,693	-740,705	-411,112	-306,731
Earnings per share before and after dilution (SEK)	-19.00	-25.57	-14.33	-9.58	-7.96
Cash flow from operating activities	-1,516,391	-1,296,509	-690,566	-333,727	-271,497
Equity	210,868	576,897	797,013	265,004	358,894
Cash and cash equivalents at the end of the period	362,187	840,255	926,186	375,617	404,050

Conditions for the possibility of utilizing this loan facility will be renegotiated to be adapted to the company's current situation.

Pledged assets at the end of period amounted to SEK 0.9 M (13.1).

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, Board members, founders and other co-workers.

Oncopeptides currently has nine active programs encompassing management, certain Board members, founders and other employees. "Employee Option Program 2016/2023" was introduced in 2016. The incentive program "Co-worker LTIP 2017" was introduced in 2017. The 2018 AGM introduced two incentive programs: "Co-worker LTIP 2018" and "Board LTIP 2018", the latter of which matured in 2021. At an EGM in December 2018, "Board LTIP 2018.2" was implemented, and at the 2019 AGM, it was resolved that two new incentive programs were to be introduced: "Co-worker LTIP 2019" and "Board LTIP 2019". At the 2020 AGM, a resolution was passed to introduce the program "Board LTIP 2020", and at the EGM in December 2020, it was resolved to introduce the program

"US Co-worker LTIP 2020," which was withdrawn in its entirety in 2021. At the 2021 AGM, it was resolved to introduce the "Board LTIP 2021" and "Co-worker LTIP 2021" incentive programs. For information about these programs, refer to Note 27 on pages 57-60.

In 2021, 726,301 options and 168,452 share awards were allotted. 957,675 options and 757,973 share awards were revoked. 300,251 options were exercised. Share awards corresponding to 30,451 shares were forfeited. Allotted options and share awards at December 31, 2021 corresponded to a total of 2,254,457 shares.

The cost for the share-based incentive programs was SEK -34.2 M (68.2), of which SEK -48.4 M (29.5) comprised provisions and payments for social security contributions and SEK 14.2 M (38.7) comprised costs for share-based payments. The cost did not affect cash flow. In line with authorization from general meeting resolutions, the company has issued warrants to cover social security contributions, which may arise in addition to paid-in premiums in connection with the exercise of issued employee options.

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 accounts.

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 to the Parent Company.

OTHER INFORMATION

Environment

Oncopeptides works proactively to reduce the company's negative environmental impact and to develop as a sustainable company. Since the company does not have any sales, its products do not have any environmental impact. Oncopeptides' environmental impact is instead within the areas of purchases of goods and services, energy use and transports. 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 amounted to SEK 8,365,760 distributed among 75,291 841 shares with a quotient value of approximately SEK 0.11. At December 31, 2021, there were a total of 75,291 841 outstanding ordinary shares with one vote each. At December 31, 2021, HealthCap VI LP and Stiftelsen Industrifonden were the single largest shareholders in Oncopeptides, with a total of 11,322,400 and 7,420,805 shares, respectively, corresponding to 15.0 percent and 9.9 percent of the votes and capital.

Co-workers

Oncopeptides' organization comprises co-workers (employees and consultants) with key skills in pharmaceutical development, who collectively cover all aspects relevant to the development and commercialization of melflufen. At year-end, the total number of co-workers was 162 (280). The average number of employees during the year was 229 (182).

THE BOARD'S PROPOSALS ON NEW 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 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 2021, no significant deviations were made from the guidelines.

For information about the guidelines applicable until the 2022 AGM, refer to the Corporate Governance Report on pages 28-32.

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

Oncopeptides is a biotech company focused on the 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 30-32. 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-based or share price-based 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 promote 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 target-based remuneration.

The notice period from the company is adjusted from 24 months to 9 months for the CEO. Severance pay amounts to a maximum of the corresponding fixed cash salary during the notice period.

Pension provision in 401K has been exchanged with a defined contribution pension provision amounting to a maximum of 24 percent of fixed annual cash compensation.

Events after the end of the fiscal year

On January 21, 2022, Oncopeptides recalled its voluntary withdrawal of Pepaxto from the U.S. market.

The current situation in Russia and Ukraine is not considered to have any significant impact on the operations of Oncopeptides.

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 future development.

Clinical studies
Prior to launching a product candidate in the market, Oncopeptides must carry out preclinical 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 studies.

The actual costs for carrying out a study may significantly exceed the estimated and budgeted costs. Clinical studies may also give rise to results that do not confirm the intended treatment efficacy or an acceptable safety profile due to undesirable side effects or an unfavorable risk-benefit assessment of the product.

Dependence on a specific product
At present, the company is primarily focusing on the development of its leading product candidate, melflufen, which has been granted conditional market approval under the product name Pepaxto in the U.S. but is currently not being marketed in the U.S and has yet to be granted approval in any other market. The company has invested considerable resources in the development of melflufen, and expanding the use of melflufen in the chain of treatment for myeloma in new geographical locations and for other diseases is dependent on the confirmation of positive results from the clinical studies. A setback in the development of melflufen in the form of, for example, delays, rejections, inconclusive or insufficient data from clinical studies or if sales of the approved indication are lower than anticipated could adversely impact the company's operations, financial position and earnings.

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 approval
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.

Production
Since Oncopeptides has no proprietary production facilities, the company is dependent on subsuppliers 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.

Product liability
With respect to the nature of Oncopeptides' operations, it is relevant to consider its product liability, which arises from the company's product development and commercialization. Given the nature and scope of the operations, the company's management is of the opinion that Oncopeptides' current insurance coverage is adequate. However, the company will need to review its insurance coverage for each planned clinical study, and it is highly probable that for every future planned study, the extent of insurance coverage and payout amounts will be subject to limitations. Accordingly, there are no guarantees that Oncopeptides' insurance coverage will be adequate to fully cover any future legal requirements, which could adversely impact Oncopeptides' operations and earnings.

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 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, the commercialization of pharmaceutical products is dependent on a number of operational factors such as promotional effectiveness so there is a risk that the product uptake does not reach expected levels even if the product profile is competitive.

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 on page 44.

Financing and going concern status

After dialog with the U.S. Food and Drug Administration (FDA), the company decided to voluntarily withdraw Pepaxto from the U.S. market on October 22, 2021. As a result, the Board of Directors decided that Oncopeptides would change focus in the company and return to being a Sweden-based R&D company, focusing on further developing the patent-protected PDC platform, including next-generation drug candidates OPD5 and OPDC3 and applying for European approval of melflufen with the EMA.

The revocation of the voluntary withdrawal in the U.S., published on January 21, 2022, will not result in Pepaxto being marketed in the U.S. before new data has been discussed and assessed together with the FDA. Accordingly, no revenue from the U.S. market has been included in the assessment of going concern status for the next 12 months.

The rapid and sharp reduction of operating expenses will improve the Group's cash flow in line with previously published assumptions. Termination expenses related to the reduction (end of employment and clinical projects) and certain expenses related to the EMA application will be charged to the first half of 2022. However, the underlying operating cash consumption was already significantly reduced by the beginning of the year.

At the end of 2021, the company had reduced the number of employees from 321 employees at the end of the third quarter of the year to 162 employees, of whom 22 in the U.S., where December 31 was the last workday for employees in the U.S. operations. The suspension of the clinical projects ANCHOR, ASCENT, COAST and LIGHTHOUSE was initiated immediately to strengthen the company's liquidity. Commercial operations in the U.S. and Europe had been terminated by the end of the year.

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.

As Oncopeptides returns to being a research and development company without the possibility of revenue generation before a potential approval from the relevant pharmaceutical authorities, the company will not generate positive cash flows from operating activities in the near future. During the ongoing research and product development phase, when the company lacks a commercial product and thereby a source of revenue, the company may need additional capital in the form of capital injections or credit facilities.

The Board of Directors' and the CEO's assessment is that, assuming that the operations' restructuring continues according to plan, the Group will have the necessary liquidity for operations to continue for at least the next 12 months.

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.

PROPOSED APPROPRIATION OF PROFITS FOR THE 2021 FISCAL YEAR

The following amounts are at the disposal of the AGM (SEK):	
Share premium reserve	4,871,586,368
Retained earnings	-3,256,968,405
Loss for the year	-1,428,539,304
	186,078,659
The Board of Directors proposes that be carried forward	186,078,659

Corporate Governance Report

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-Curruption Policy

Shareholders and the share
Oncopeptides had 27,334 shareholders at year-end 2021. The total number of shares was 75,291,841. There was only one share class. Each share entitles the holder to one vote at the AGM, and all shares carry equal rights to the company's assets and earnings. At December 31, 2021, HealthCap VI LP and Stiftelsen Industrifonden were the single largest shareholders in Oncopeptides, with a total of 11,322,400 and 7,420,805 shares, respectively, corresponding to 15 percent and 9.9 percent of the votes and capital. No shareholder other than HealthCap VI LP and Stiftelsen Industrifonden has a direct or indirect shareholding that represents at least 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 2021 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. To attend and vote at general meetings, either in person or through a proxy, shareholders must notify the company of their participation in accordance with the notice convening the meeting. 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 *oncopeptides.com*. Information regarding the notice shall also be advertised in Dagens Industri.

2021 AGM

- The AGM for 2021 was held on May 26, 2021 in Stockholm. At the AGM, approximately 59 percent of the total votes were represented. Attorney Johan Winnerblad was elected as the 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
- Adoption of the proposed guidelines for remuneration of senior management
- A resolution was passed on the implementation of performance-based incentive programs for the company's employees and temporary personnel, as well as a resolution on a maximum of 1,487,370 warrants to secure the delivery of the shares
- A resolution was passed on the implementation of a performance-based incentive program for some of the company's Board members where the company can enter into share swap agreements with third parties for the delivery of shares
- The AGM resolved in accordance with the Board's proposals for guidelines for remuneration of members of senior management
- 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 2021 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 balance sheet and income statement
- Discharge from liability for the Board of Directors and the CEO with regard to the 2020 fiscal year
- A resolution was passed on new Articles of Association, with a change in share capital and the number of shares

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

2022 AGM

The 2022 AGM will be held on Tuesday, June 28, 2022. For the right to participate and more information, refer to page 71 of Oncopeptides' Annual Report for 2021 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 2021, 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 Swedish 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.

Representatives	Shareholders
Staffan Lindstrand, Chairman	HealthCap VI L.P.
Patrik Sobocki	Stiftelsen Industrifonden
Ulrik Grönvall	Swedbank Robur fonder
Per Wold-Olsen	Chairman of the Board of Oncopeptides AB

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 2021 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 "Auditors' Report" 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 2021, 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 2022.

Board of Directors' work and significant events in 2021

The Board met on 21 occasions during the year, four 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, primarily following the withdrawal of Pepaxto in the U.S., the possibility of approval in Europe, organizational changes, and external reporting and cash flow forecasts.

Board committees

The Board of Directors has set up three committees, the Audit Committee, Remuneration Committee, and the Scientific Committee which all work according to procedures established by the Board.

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 May 26, 2021:

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

The committee was convened ten times in 2021. 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 and cost savings.

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, and monitors ongoing and completed programs for variable remuneration of the company's management as well as monitors and evaluates the implementation of the guidelines for remuneration of senior management adopted by the AGM. Following the AGM on May 26, 2021, the Remuneration Committee consists of the following members:

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

The Remuneration Committee was convened seven times in 2021. 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 May 26, 2021.

Scientific Committee

The Scientific Committee was established in June 2021.

The role of the scientific committee is to advise 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 emerging areas of science.

The scientific committee is comprised of:

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

The Scientific Committee was convened on four informal occasions in 2021. At these meetings, the committee discussed the scientific development of the company.

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, 2021 of eight individuals. In addition to the CEO, management comprises the company's Chief Financial Officer, Chief Operating Officer, Head of Research & CMC, Global Head of Corporate Communications, General Counsel, Chief Medical Officer and Global Head Medical Affairs. For information on the management team, see more under the heading "Auditor's Report" or *oncopeptides.com*.

REMUNERATION OF THE BOARD OF DIRECTORS AND MEMBERS OF SENIOR MANAGEMENT

Remuneration of Board members

The AGM on May 26, 2021 resolved that fees to Board members for the period up to and including the end of the 2021 AGM should comprise SEK 687,500 to the Chairman of the Board and SEK 275,000 to each of the other Board members. In addition to fees for regular Board work, it was resolved that each Board member residing in the U.S. 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.

The fees determined in 2021 to Board members elected by the AGM are shown in the table on the next page.

	INDEPENDENT IN RELATION TO			REMUNERATION, SEK THOUSAND[3]				ATTENDANCE[1]		
Board member	Function	The company and its management	Major shareholders	Board fees	Audit Committee	Remuneration Committee	Total	Board of Directors[2]	Audit Committee	Remuneration Committee[2]
Per Wold-Olsen	Chairman	Yes	Yes	704	26	53	783	20/21	10/10	7/7
Jonas Brambeck[4]	Board member	Yes	No	125	13	13	150	6/6	1/2	4/4
Cecilia Daun-Wennborg	Board member	Yes	Yes	263	79	–	341	21/21	10/10	–
Per Samuelsson	Board member	Yes	No	263	26	26	315	21/21	10/10	7/7
Jarl Ulf Jungnelius	Board member	Yes	Yes	263	–	–	263	21/21	–	–
Brian Stuglik	Board member	Yes	Yes	358	–	14	371	21/21	–	3/3
Jennifer Jackson	Board member	Yes	Yes	358	–	–	358	21/21	–	–
Total				**2,331**	**144**	**105**	**2,580**			

1) Figures in table show the total number of meetings attended/total number of meetings.
2) Excluding per capsulam meetings.
3) Fee set by the AGM, excluding social security contributions for the May 2021 to May 2022 fiscal year.
4) Jonas Brambeck declined re-election in connection with the 2021 AGM.

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 2021 fiscal year, the CEO and other members of senior management received salary and other remuneration as set out in Note 10 in the Annual Report.

Guidelines were adopted at the 2021 AGM valid for the period up to the closing of the 2022 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 should 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 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 27, Share-based remuneration on pages 57-60 of the 2021 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 2021 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 24 months' fixed salary.

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 senior management 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.

Variable remuneration of members of senior management
No variable remuneration was paid to members of senior management for 2021.

As the company voluntarily withdrew Pepaxto from the U.S. market, it decided to close down its commercial operations in the U.S. and Europe and to restructure the Parent Company. CEO Marty J Duvall left the company on November 15 without variable remuneration/bonus becoming payable. No new targets for variable remuneration were set for Jakob Lindberg when he took office as CEO in November 2021.

The outcome of the 2021 performance criteria has therefore not been calculated or valued. For more information, see Note 10.

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 2018 AGM, two incentive programs were established: "Co-worker LTIP 2018" and "Board LTIP 2018". At an EGM in December 2018, "Board LTIP 2018.2" was implemented, and at the 2019 AGM, it was resolved that two new incentive programs were to be introduced: "Co-worker LTIP 2019" and "Board LTIP 2019". At the 2020 AGM, a resolution was passed to introduce the program "Board LTIP 2020", and at the EGM in December 2020, it was resolved to introduce the program "US Co-worker LTIP 2020," which after the closure in the U.S. is no longer active. At the general meeting in May 2021, it was resolved to introduce the programs "Board LTIP 2021" and "Co-worker LTIP 2021". 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 27 in the 2021 Annual Report for further information on the incentive programs.

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 vested and were 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 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 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 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 2018.2
The share awards were allotted to participants free of charge. Share awards are vested over a three-year period, with one-third per 12-month period after the allotment date. 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 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.

Vested share awards can be exercised at the earliest on the day after the last vesting date.

Board LTIP 2019
The share awards were allotted to participants free of charge. Share awards are vested over approximately three years until either the 2022 AGM or June 1, 2022 (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. 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. 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.

Vested share awards are automatically exercised the day after the vesting period.

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 allotted to each participant shall correspond to a certain sum (SEK 1,350,000 to the Chairman of the Board of Directors 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 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) 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 allotted to each participant shall correspond to a certain sum (SEK 1,500,000 to the Chairman of the Board of Directors 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 rights, it was decided not to issue any warrants.

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, 2021.

NUMBER OF SHARES TO WHICH GRANTED INSTRUMENTS MAY ENTITLE THE HOLDER TO AS OF DECEMBER 31, 2021	
- Employee Option Program 2016/2023	65,700
- Co-worker LTIP 2017	1,228,582
- Co-worker LTIP 2018	185,191
- Co-worker LTIP 2019	672,903
Total number of shares to which granted employee options may entitle the holder	**2,152,376**
- Board LTIP 2018.2	2,170
- Board LTIP 2019	23,491
- Board LTIP 2020	26,931
- Board LTIP 2021	35,000
- Co-worker LTIP 2021	14,489
Total number of shares to which allotted share awards may entitle the holder	**102,081**
Total number of shares to which granted employee options and share awards may entitle the holder	**2,254,457**

Dilution

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 2,219,457 shares in the Parent Company.

The full utilization of granted options and share awards as of December 31, 2021, corresponding to 2,254,457 shares, would result in a dilution of 2.9 percent. The full utilization of all resolved options corresponding to a total of 4,397,484 shares (including unallotted employee options and performance shares as well as warrants intended for hedging of social security contributions) would result in a dilution of 5.5 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 2021 AGM, EY was re-elected as the auditor 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 2021 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 primarily consists of the following five components: control environment, risk assessment, control activities, information and communication, and monitoring.

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 system-

atic 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	2021	2020
Net sales	5	118,295	–
Cost of goods sold		-53,121	–
Gross profit		**65,174**	–
Operating expenses			
Research and development costs	9, 10	-679,926	-866,214
Marketing and distribution costs	9, 10	-698,346	-456,529
Administrative expenses	8, 9, 10	-175,459	-197,662
Other operating income	6	71 536	–
Other operating expenses	6	-3,896	-70,874
Total operating expenses		**-1,486,091**	**-1,591,279**
Operating loss		**-1,420,917**	**-1,591,279**
Financial income	11	492	322
Financial expenses	11	-948	-1,485
Loss before tax		**-1,421,372**	**-1,592,442**
Income tax	12	-8,946	-2,251
Loss for the year		**-1,430,317**	**-1,594,693**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange-rate differences from restatement of foreign operations		624	-1,544
Other comprehensive income for the year after tax		**624**	**-1,544**
Comprehensive income for the year	**23**	**-1,429,693**	**-1,596,238**
The loss for the year is fully attributable to Parent Company shareholders.			
Earnings per share before and after dilution (SEK)	24	-19.00	-25.57

Consolidated statement of financial position

SEK thousand	Note	Dec 31, 2021	Dec 31, 2020
ASSETS			
Non-current assets	18		
Intangible fixed assets	13	1,408	1,830
Property, plant and equipment	14	10,348	17,273
Right-of-use assets	9	14,396	21,057
Deferred tax assets	15	–	8,175
Financial non-current assets	16	851	3,622
Total non-current assets		**27,003**	**51,957**
Current assets	18		
Inventory	19	–	8,665
Trade receivables	3	11,873	–
Other current receivables	20	26,125	23,229
Prepaid expenses	21	12,189	22,650
Cash and cash equivalents	22	362,187	840,255
Total current assets		**412,373**	**894,799**
TOTAL ASSETS		**439,376**	**946,756**

SEK thousand	Note	Dec 31, 2021	Dec 31, 2020
EQUITY AND LIABILITIES			
Equity	23		
Share capital		8,366	7,549
Additional paid-in capital		4,981,883	3,919,036
Translation reserve		-918	-1,542
Retained earnings (including loss for the year)		-4,778,463	-3,348,146
Total equity attributable to shareholders of the Parent Company		**210,868**	**576,897**
LIABILITIES			
Long-term liabilities	18		
Provision for social security contributions, incentive programs	27, 28	13	8,530
Long-term lease liabilities	9, 18	3,206	6,929
Total long-term liabilities		**3,219**	**15,459**
Current liabilities	18		
Provision for social security contributions, incentive programs	27, 28	45	47,202
Trade payables	3, 18	35,702	136,135
Other current liabilities	25	67,931	35,045
Accrued expenses and deferred income	26	121,611	136,018
Total current liabilities		**225,289**	**354,400**
Total liabilities		**228,508**	**369,859**
TOTAL EQUITY AND LIABILITIES		**439,376**	**946,756**

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, 2020		**6,157**	**2,544,306**	**2**	**-1,753,452**	**797,013**
Loss for the year		–	–		-1,594,693	-1,594,693
Other comprehensive income for the year		–	–	-1,544	–	-1,544
Comprehensive income for the year		**–**	**–**	**-1,544**	**-1,594,693**	**-1,596,238**
Transactions with shareholders						
New issue of ordinary shares	23	1,366	1,412,559	–	–	1,413,925
Cost attributable to new share issue		–	-85,231	–	–	-85,231
Value of service by participants in the incentive programs	27	–	38,398	–	–	38,398
Exercise of warrants under the company's incentive program	27	26	9,004	–	–	9,030
Total transactions with shareholders		**1,392**	**1,374,730**	**–**	**–**	**1,376,122**
Closing balance at Dec 31, 2020	23	**7,549**	**3,919,036**	**-1,542**	**-3,348,145**	**576,897**
Opening balance at Jan 1, 2021		**7,549**	**3,919,036**	**-1,542**	**-3,348,145**	**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	23	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	27	–	14,229	–	–	14,229
Exercise of warrants under the company's incentive program	27	39	10,449	–	–	10,488
Total transactions with shareholders		**817**	**1,062,847**	**–**	**–**	**1,063,664**
Closing balance at Dec 31, 2021	23	**8,366**	**4,981,883**	**-918**	**-4,778,463**	**210,868**

Consolidated statement of cash flow

SEK thousand	Note	2021	2020
Operating activities			
Operating loss		-1,420,917	-1,591,279
Adjustment for non-cash items	22	-44,325	160,906
Interest received		96	322
Interest paid		-948	-1,485
Tax paid		-12,216	-7,243
Cash flow from operating activities before change in working capital		**-1,478,309**	**-1,438,779**
Increase/decrease in inventory		-319	-429
Increase/decrease in operating receivables		24,657	-7,747
Increase/decrease in trade payables		-104,911	55,149
Increase/decrease in other current operating liabilities		42,491	95,297
Total change in working capital		**-38,082**	**142,270**
Cash flow from operating activities		**-1,516,391**	**-1,296,509**
Investments in property, plant and equipment	14	-339	-17,180
Repaid deposits	16	–	184
Investments in financial non-current assets	16	–	-3,131
Cash flow from investing activities		**-339**	**-20,127**
New issue of ordinary shares	23	1,106,000	1,413,925
Exercise of warrants under the company's incentive program		10,488	9,027
Cost attributable to new share issue		-67,053	-85,231
Repayment of lease liabilities		-15,405	-14,260
Cash flow from financing activities		**1,034,030**	**1,323,461**
Cash flow for the period		-482,700	6,825
Cash and cash equivalents at beginning of period		840,255	926,186
Change in cash and cash equivalents		-482,700	6,825
Foreign exchange difference in cash and cash equivalents		4,633	-92,756
Cash and cash equivalents at end of year	22	**362,187**	**840,255**

Parent Company income statement

SEK thousand	Note	2021	2020
Net sales	5	97,577	–
Cost of goods sold		-12,182	–
Gross profit		**85,395**	**–**
Operating expenses			
Research and development costs	9, 10	-676,375	-866,509
Marketing and distribution costs	9, 10	-728,382	-460,860
Administrative expenses	8, 9, 10	-161,814	-201,751
Other operating income	6	71,362	–
Other operating expenses	6	–	-70,874
Total operating expenses		**-1,495,209**	**-1,599,994**
Operating loss		**-1,409,814**	**-1,599,994**
Financial income	11	648	390
Financial expenses	11	-19,373	-16
Loss before tax		**-1,428,539**	**-1,599,620**
Income tax	12	–	–
Loss for the year		**-1,428,539**	**-1,599,620**

Parent Company statement of comprehensive income

SEK thousand	Note	2021	2020
Loss for the year		-1,428,539	-1,599,620
Other comprehensive income		–	–
Other comprehensive income for the year after tax		**-1,428,539**	**-1,599,620**
Comprehensive income for the year		**-1,428,539**	**-1,599,620**

Parent Company balance sheet

SEK thousand	Note	Dec 31, 2021	Dec 31, 2020
ASSETS			
Non-current assets			
Intangible assets	13		
Other intangible fixed assets		1,408	1,830
Total intangible fixed assets		**1,408**	**1,830**
Property, plant and equipment	14		
Machinery and equipment		10,348	12,097
Total property, plant and equipment		**10,348**	**12,097**
Financial non-current assets			
Interests in subsidiaries	17	304	7,813
Other non-current receivables	16	851	851
Total financial non-current assets		**1,155**	**8,664**
Total non-current assets		**12,910**	**22,591**
Current assets			
Inventory	19	–	8,665
Other current receivables	20	14,503	10,668
Prepaid expenses	21	14,250	17,057
Cash and bank	22	321,832	785,972
Total current assets		**350,585**	**822,362**
TOTAL ASSETS		**363,495**	**844,953**

SEK thousand	Note	Dec 31, 2021	Dec 31, 2020
EQUITY AND LIABILITIES			
Equity	23		
Restricted equity			
Share capital		8,366	7,549
Statutory reserve		10,209	10,209
Total restricted equity		**18,575**	**17,758**
Non-restricted equity			
Share premium reserve		4,871,586	3,822,968
Retained earnings		-3,256,968	-1,671,578
Loss for the year		-1,428,539	-1,599,620
Total non-restricted equity		**186,079**	**551,770**
Total equity		**204,653**	569,528
LIABILITIES			
Provisions			
Long-term provisions social security contributions incentive programs	27, 28	13	8,404
Short-term provisions social security contributions incentive programs	27, 28	45	46,997
Total provisions		**58**	**55,401**
Current liabilities			
Trade payables		34,875	115,574
Liabilities to Group companies		634	11,466
Other current liabilities	25	6,688	19,537
Accrued expenses and deferred income	26	116,586	73,447
Total current liabilities		**158,783**	**220,024**
Total liabilities and provisions		**158,841**	**275,425**
TOTAL EQUITY AND LIABILITIES		**363,495**	**844,953**

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, 2020	**6,157**	**10,209**	**2,486,636**	**-965,838**	**-744,138**	**793,026**
Appropriation in accordance with AGM				-744,138	744,138	
Loss for the year					-1,599,620	-1,599,620
Other comprehensive income for the year	–	–	–	–	–	–
Comprehensive income for the year	–	–	–	–	**-1,599,620**	**-1,599,620**
Transactions with shareholders						
New issue of ordinary shares	1,366	–	1,412,559	–	–	1,413,925
Cost attributable to new share issue	–	–	-85,231	–	–	-85,231
Value of service by participants in the incentive programs	–	–	–	38,398	–	38,398
Exercise of warrants under the company's incentive program	26	–	9,004	–	–	9,030
Total transactions with shareholders	**1,392**	**–**	**1,336,332**	**38,398**	**–**	**1,376,122**
Closing balance at Dec 31, 2020	**7,549**	**10,209**	**3,822,968**	**-1,671,578**	**-1,599,620**	**569,528**
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**

Parent Company statement of cash flow

SEK thousand	**Note**	**2021**	**2020**
Cash flow from operating activities			
Operating loss		-1,409,814	-1,599,994
Adjustment for non-cash items	22	-64,174	139,212
Interest received		95	322
Interest paid		-10	-16
Cash flow from operating activities before change in working capital		**-1,473,902**	**-1,460,476**
Increase/decrease in inventory		426	-429
Increase/decrease in operating receivables		-1,898	16,452
Increase/decrease in trade payables		-85,177	35,710
Increase/decrease in other current operating liabilities		47,889	31,761
Total change in working capital		**-38,761**	**83,494**
Cash flow from operating activities		**-1,512,663**	**-1,376,982**
Investing activities			
Investments in property, plant and equipment	14	-339	-10,605
Investments in financial non-current assets	17	-254	–
Cash flow from investing activities		**-593**	**-10,605**
Financing activities			
New issue of ordinary shares	23	1,106,000	1,413,925
Exercise of warrants under the company's incentive program		10,488	9,027
Cost attributable to new share issue		-67,053	-85,231
Cash flow from financing activities		**1,049,435**	**1,337,721**
Cash flow for the period		**-463,820**	**-49,866**
Cash and cash equivalents at beginning of period		785,972	921,534
Change in cash and cash equivalents		-463,820	-49,866
Foreign exchange difference in cash and cash equivalents		-320	-85,696
Cash and cash equivalents at end of year	22	**321,832**	**785,972**

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 13, 2022, the Board approved this Annual Report and consolidated financial statements, which will be proposed for adoption at the AGM on June 28, 2022.

NOTE 2
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

2.1.1 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.

2.1.2 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 currency and presentation currency

The Parent Company's functional currency is the Swedish krona (SEK), which is also the Group's presentation currency. 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. Foreign-exchange gains and losses arising from such transactions and upon translation of assets and liabilities in foreign currency at closing rates are recognized in operating profit/loss 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. The risks consist of 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:
Equipment and computers for R&D – 5 years
Machinery – 10 years

Gains and losses on the sale of an item of property, plant and equipment are determined by comparing the sale proceeds and the carrying amount, whereby the difference is recognized in 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 may not be 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 once ownership of the goods passes to the customer. Customers are defined as the resellers who sell the goods, at an intermediate stage, to the final user of the goods.

Since the final price is related to the discount paid to patients' insurance companies, the transaction price is not known upon delivery. This is regulated by the Group booking an estimated discount deduction based on calculation models, taking into account statistical sales data based on the discount agreements entered into in various discount programs.

2.11 Cash and cash equivalents
Cash and cash equivalents comprise bank deposits.

2.12 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.

2.13 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.

2.14 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 on loss carry-forwards are recognized to the extent that a future tax surplus is likely to be available, against which the loss carry-forwards 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.

2.15 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.

2.16 Share-based payments
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). Those estimates which affect the cost in a period and the corresponding increase in equity primarily refer to inputs for 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.

2.17 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. Interest income on impaired loans and receivables is recognized using the original effective interest rate.

2.18 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 useful life at the commencement date. 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.

2.19 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.

2.20 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.

2.21 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 "Profit/loss from holdings in Group companies".

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 and as an increase in equity in the receiving entity.

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
IIAS 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 the beginning, Oncopeptides has reported a loss. 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 financial risks: 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 M 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 22.

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 Revenue from contracts with customers.

	Group	
Trade receivables	**2021-12-31**	**2020-12-31**
Gross trade receivables	13,107	–
Provisions, expected credit losses	-1,234	–
Net trade receivables	**11,873**	**–**
Maturity structure accounts receivable		
Trade receivables not yet due	11,873	–
Reported value	**11,873**	
Provisions for expected credit losses		
Opening balance, expected credit loss provisions	–	–
This years provisions	-1,234	–
Closing balance, expected credit loss provisions	**-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 uncertainty 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, 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

At December 31, 2020	Less than 3 months	Between 3 months and 1 year
Trade payables	136,135	–
Other current liabilities	25,726	9,320
Accrued expenses	104,820	31,198

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.

Capitalization of intangible 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. At December 31, 2021, 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

The 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 27. 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 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 resources 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 2022. Should crucial conditions not be met, there is a risk regarding the Group's continued operations. All in all, this means that there are circumstances that may give rise to significant doubts regarding the company's ability to continue operations. For further information on the going concern status, refer to Note 32 on page 62.

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, see 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 the Group's inventory could no longer be considered to generate future positive cash flows, following the withdrawal of Pepaxto from the U.S. market, the inventory was written down in its entirety during the last quarter of the year.

Revenue recognition and returns

Net sales have been recognized taking into account expected returns as a result of the events regarding the withdrawal of Pepaxto from the U.S. market. The estimated refund liability for returns amounted to SEK 48.6 M at year-end. Refund liability corresponds to expected returns of the drug sold and not consumed during the third and fourth quarters. As the refund liability had not been realized at the balance-sheet date, the outcome may differ from the estimate recognized. The Parent Company has not recognized any refund liability for returns of pharmaceuticals since the inventory sold to the subsidiary and not yet sold has been reversed in its entirety.

Impairment losses

As a result of the restructuring, the company recognizes impairment losses on assets that essentially consist of:

- Inventory amounting to SEK 9.0 M in the Group, of which SEK 8.2 M in the Parent Company;
- Non-current assets amounting to SEK 4.1 million in the Group, of which SEK 0 million in the Parent Company;
- Right-of-use assets amounting to SEK 2.2 million in the Group, of which SEK 0 million in the Parent Company
- Intra-Group receivables in the Parent Company amounting to SEK 19.4 M.

All impairment losses are of a non-recurring nature, directly linked to the operating reductions previously communicated.

NOTE 5
GROUP REVENUE

The Company recognizes revenue from the sale of Pepaxto to customers in the U.S. market as a result of the accelerated approval obtained from the FDA on February 26, 2021. As a result of the withdrawal of Pepaxto from the U.S. market, the Company also estimates a provision for returns of pharmaceuticals, which is included in the report. The total provision amounts to SEK 48.6 M and is recognized under Other current liabilities in the consolidated balance sheet. According to agreements, customers are entitled to return goods until the end of the second quarter of 2022. No value can be expected from returned products, so no asset has been recognized linked to these.

Beyond this, there are no other performance commitments.

	Group		Parent Company	
SEK thousand	**2021**	**2020**	**2021**	**2020**
Revenue from contracts with customers				
Goods	118,295		97,577	–
Total net sales	**118,295**	**–**	**97,577**	**–**
Geographic market				
North America[1]	118,295	–	97,577	–

1) Refers to intra-Group sales in the Parent Company to the subsidiary in the U.S.

NOTE 6
OTHER OPERATING INCOME AND EXPENSES

Other operating income totaling SEK 71,536 thousand (0) for the Group and SEK 71,362 thousand (0) for the Parent Company pertain primarily to translation differences.

Other operating expenses totaling SEK 3,896 thousand (78,874) for the Group and SEK 0 thousand (70,874) for the Parent Company pertain primarily to impairment losses, capital gains/losses and translation differences in the previous year.

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. In 2021, write-downs of SEK 16,590 thousand were reported in operating expenses, divided into SEK 8,984 thousand in cost of goods sold, SEK 25 thousand in Research and development costs, SEK 3,087 thousand in Marketing and sales costs, SEK 598 thousand in Administrative costs and SEK 3,896 thousand regarding Other external costs.

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Cost of goods	-53,121	0	-12,182	0
Other external expenses	-1,031,497	-1,107,055	-1,387,115	-1,341,533
Personnel costs	-500,869	-398,947	-176,946	-186,340
Depreciation and amortization	-21,365	-14,403	-2,511	-1,247
Other operating expenses	-3,895	-70,874	0	-70,874
Total	**-1,610,747**	**-1,591,279**	**-1,578,754**	**-1,599,994**

NOTE 8
AUDIT FEES

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Audit engagement	1,492	1,083	1,492	1,083
Audit activities beyond audit engagement	–	125	–	125
Tax advisory services	303	445	303	445
Total	**1,795**	**1,653**	**1,795**	**1,653**

NOTE 9
LEASES

	Group	
Right-of-use assets	**Dec 31, 2021**	**Dec 31, 2020**
Opening balance	**35,252**	**18,853**
New contracts	–	20,055
Revaluation agreement	10,602	–
Completed contracts	-3,090	-1,985
Translation differences	1,254	-1,671
Closing accumulated cost	**44,018**	**35,252**
Opening depreciation/amortization	-14,195	-4,160
Depreciation/amortization for the year	-17,542	-12,398
Completed contracts	3,090	1,985
Translation differences	-975	378
Closing accumulated depreciation/amortization	**-29,622**	**-14,195**
Closing carrying amount	**14,396**	**21,057**

Depreciation of right-of-use assets is included in the income statement in the sub-items Research and development costs of SEK 8,280 thousand (4,507), Marketing and distribution costs of SEK 7,213 thousand (4,440) and Administrative expenses of SEK 2,049 thousand (3,451).

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, 2021	Dec 31, 2020
Long-term	3,206	6,929
Current	10,987	12,426
Total	**14,193**	**19,355**

Lease liabilities are included in the balance sheet under other long-term liabilities and other current liabilities. Changes to Lease liabilities, refer to Note 22 concerning reconciliation of liabilities from financing activities.

	Group	
Maturity analysis, future lease payments	**Dec 31, 2021**	**Dec 31, 2020**
<12 months	11,446	14,032
1–2 years	3,726	7,193
>2 years	1,758	184
	16,930	**21,409**

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

	2021	2020
Interest expenses attributable to lease liabilities	938	1,469
Expenses attributable to short-term leases	49	15
Expenses attributable to leases where the underlying asset is of a low value	140	71
Expenses attributable to variable lease payments that are not included in lease liabilities	1,369	1,360
The year's lease payments in the Group	17,642	16,544

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)	**2021**	**2020**
<12 months	7,877	8,564
1–2 years	3,231	4,531
>2 years	2,402	39
Total	**13,510**	**13,134**
Lease expenses for the year for leases in the Parent Company amount to:	11,828	9,643

NOTE 10
EMPLOYEES AND PERSONNEL COSTS

	Group		Parent Company	
Salaries and other remuneration	**2021**	**2020**	**2021**	**2020**
Board of Directors and members of senior management	57,431	68,662	44,164	47,286
Other employees	387,655	221,271	111,102	67,073
Total	**445,086**	**289,933**	**155,266**	**114,359**

	Group		Parent Company	
Social security expenses and pension expenses	**2021**	**2020**	**2021**	**2020**
Pension expenses for the Board of Directors and members of senior management	3,766	2,768	3,460	2,582
Pension expenses for other employees	27,357	11,849	19,697	9,394
Social security expenses	508	59,211	-13,455	50,818
Total	**31,631**	**73,828**	**9,703**	**62,794**

Recognized payroll expenses and social security contributions pertaining to share-based remuneration amounted to SEK -34,198 thousand (68,209) in the Group, where SEK -48,427 thousand (29,516) is attributable to social security contributions. Social security contributions include both provisions and actual payments for the utilization of granted options.

	2021		2020	
Average number of employees	**Total**	**of whom, men**	**Total**	**of whom, men**
Parent Company				
Sweden	118	48	109	39
Subsidiaries				
Germany	2	1	–	–
USA	109	47	73	31
Group total	**229**	**96**	**182**	**70**

At the balance-sheet date, the number of employees was 162 (280).

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

	2021		2020	
	Total	**of whom, men**	**Total**	**of whom, men**
Board members	6	4	7	5
Other members of senior management	7	4	10	6
CEO	1	1	1	1
Group total	**15**	**9**	**18**	**12**

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

2021	**Basic salary Board fee[1]**	**Variable remuner-ation**	**Pension expenses**	**Share-based remune-ration**	**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 15, 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	32,495[3]	–	3,617	13,504	49,616
Of which, subsidiaries	*18,075*[4]	–	*305*	*-4,809*	*13,572*
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. Other members of senior management represented an average of 10.4 full-time employees in 2021.

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.

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.

2020	Basic salary Board fee[1]	Variable remuneration	Pension expenses	Share-based remuneration	Total
Chairman of the Board					
Per Wold-Olsen	743	–	–	697	1,440
Board members					
Brian Stuglik	335	–	–	279	614
Cecilia Daun Wennborg	325	–	–	289	614
Jennifer Jackson	335	–	–	299	634
Jonas Brambeck	300	–	–	–	300
Per Samuelsson	300	–	–	–	300
Jarl Ulf Jungnelius	293	–	–	289	582
CEO, Marty J Duvall (from July 1, 2020)	2,329	1,127	–	3,190	6,646
CEO, Jakob Lindberg (until June 30, 2020)	1,918	647	226	1,562	4,353
Other members of senior management (8)	31,405	6,314	2,542	18,776	59,037
Of which, subsidiaries	17,295	2,316	*187*	*1,765*	*21,563*
Total	**38,283**	**8,088**	**2,768**	**25,381**	**74,520**

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).

Pensions

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). For the CEO, Marty J Duvall, provisions were made during the year in the 401 (k) pension plan, in an amount of SEK 92 thousand. 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. No variable remuneration was paid in 2021.

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 2021, 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 27.

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.

The severance pay for the CEO and other members of senior management who left the company as a result of the restructuring is SEK 9,169 thousand for 2021.

NOTE 11
FINANCIAL INCOME AND EXPENSES

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Interest income	492	322	648	390
Total financial income	**492**	**322**	**648**	**390**
Of which, interest income from Group companies	–	–	*155*	*67*
Impairment of participations and receivables from Group companies	–	–	-19,363	–
Interest expenses for lease liabilities	-938	-1,469	–	–
Other interest expenses	-10	-16	-10	-16
Total financial expenses	**-948**	**-1,485**	**-19,373**	**-16**

NOTE 12
TAX ON PROFIT FOR THE YEAR

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Current tax	-339	-9,247	–	–
Deferred tax	-8,607	6,996	–	–
Recognized tax	**-8,946**	**-2,251**	**–**	**–**
Reconciliation of effective tax rate				
Loss before tax	-1,421,371	-1,592,442	-1,428,539	-1,599,620
Tax according to applicable tax rate for the Parent Company 20.6 percent (21.4).	292,803	340,783	294,279	342,319
Tax on deferred tax receivables not charged to profit or loss	-289,004	-342,222	-277,778	-342,223
Non-deductible expenses	-13,208	-418	-16,501	-96
Effect of other tax rates on foreign subsidiaries	464	-72	–	–
Tax attributable to previous years	–	-322	–	–
Total	**-8,945**	**-2,251**	**–**	**–**

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 13,813 thousand (18,239). These have not led to the capitalization of deferred tax assets as the conditions for capitalization were not met.

There are tax loss carryforward for which deferred tax assets have not been reported in the financial statement or balance sheet amounting to SEK 4,873,469,000 (SEK 3,457,981,000) and they have no time limit. Deferred tax assets have not been reported for these items, as the Group has no taxable profits. Reported cost for tax is in its entirety attributable to a foreign subsidiary.

NOTE 13
INTANGIBLE FIXED ASSETS

	Group		Parent Company	
Other intangible assets	**Dec 31, 2021**	**Dec 31, 2020**	**Dec 31, 2021**	**Dec 31, 2020**
Cost at beginning of year	2,111	2,111	2,111	2,111
Closing accumulated cost	**2,111**	**2,111**	**2,111**	**2,111**
Opening depreciation/amortization	-281	–	-281	–
Depreciation/amortization for the year	-422	-281	-422	-281
Closing accumulated depreciation/amortization	**-703**	**-281**	**-703**	**-281**
Closing carrying amount	**1,408**	**1,830**	**1,408**	**1,830**

Other intangible assets pertain to software and licenses.

NOTE 14
PROPERTY, PLANT AND EQUIPMENT

	Group		Parent company	
Equipment	**Dec 31, 2021**	**Dec 31, 2020**	**Dec 31, 2021**	**Dec 31, 2020**
Cost at beginning of year	12,760	969	6,896	922
Purchases over the year	43	12,548	43	5,974
Sales/disposals	-6,511	–	–	–
Currency effect	647	-757	–	–
Closing accumulated cost	**6,940**	**12,760**	**6,940**	**6,896**
Opening depreciation/amortization	-1,426	-250	-738	-230
Depreciation/amortization for the year	-2,659	-1,265	-1,347	-508
Sales/disposals	2,148	–	–	–
Currency effect	-148	89	–	–
Closing accumulated depreciation/amortization	**-2,085**	**-1,426**	**-2,085**	**-738**
Opening impairment losses	–	–	–	–
Impairment losses for the year	-4,130	–	–	–
Sales/ disposals	4,130	–	–	–
Closing accumulated depreciation	–	–	–	–
Machinery				
Cost at beginning of year	7,175	2,543	7,175	2,543
Purchases over the year	301	4,632	301	4,632
Closing accumulated cost	**7,475**	**7,175**	**7,475**	**7,175**
Opening depreciation/amortization	-1,236	-763	-1,236	-763
Depreciation for the year	-746	-473	-746	-473
Closing accumulated depreciation	**-1,982**	**-1,236**	**-1,982**	**-1,236**
Closing carrying amount	**10,348**	**17,273**	**10,348**	**12,097**

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 1,742 thousand (788), Marketing and distribution costs SEK 116 thousand (128) and Administrative expenses SEK 1,965 thousand (1,103). Property, plant and equipment are attributable to Swedish companies in an amount of SEK 10,348 thousand (12,097) and companies in the U.S. in an amount of SEK 0 thousand (5,176).

NOTE 15
DEFERRED TAX ASSETS

	Group	
Deferred tax assets	**Dec 31, 2021**	**Dec 31, 2020**
Recognized amount for temporary differences attributable to:		
Non-current assets	–	-1,087
Employee benefits	–	9,232
Other items	–	30
Total deferred tax assets	**–**	**8,175**

Change in deferred tax assets

Group 2021	**Amount at the start of the year**	**Recognized in profit or loss**	**Currency effect**	**Amount at year end**
Non-current assets	-1,088	1,145	-57	–
Personnel-related items	9,233	-9,720	487	–
Other items	30	-31	1	–
	8,175	**-8,606**	**431**	**–**

Group 2020	**Amount at the start of the year**	**Recognized in profit or loss**	**Currency effect**	**Amount at year end**
Non-current assets	16	-1,248	144	-1,088
Personnel-related items	2,230	8,222	-1,219	9,233
Other items	16	22	-8	30
	2,262	**6,996**	**-1,083**	**8,175**

NOTE 16
FINANCIAL NON-CURRENT ASSETS

	Group		Parent Company	
Non-current receivables	**Dec 31, 2021**	**Dec 31, 2020**	**Dec 31, 2021**	**Dec 31, 2020**
Opening cost	3,622	1,035	851	851
Deposits made	–	3,131	–	–
Repaid deposits	–	-184	–	–
Reclassification	-3,077	–	–	–
Currency effect	306	-360	–	–
Total non-current receivables	**851**	**3,622**	**851**	**851**

Financial non-current assets pertain to restricted bank deposits SEK 800 thousand (3,571), Euroclear SEK 50 thousand (50) and SEK 1 thousand (1) which pertains 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 (SEK 1 thousand) if Oncopeptides AB (publ) withdraws from the share agreement.

NOTE 17
INTERESTS IN SUBSIDIARIES, PARENT COMPANY

	Dec 31, 2021	**Dec 31, 2020**
Cost at beginning of year	7,813	50
Purchases	254	–
Paid additions[1]	3,094	7,763
Reversed additions[1]	-7,763	–
Impairment of additions in subsidiaries[1]	-3,094	–
Closing accumulated cost	**304**	**7,813**
Closing carrying amount	**304**	**7,813**

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 2021**	**Carrying amount 2020**
Directly owned							
Oncopeptides Incentive AB	Stockholm, Sweden	555931–5491	50,000	100%	100%	50	50
Oncopeptides GmbH	Munich, Germany	HRB 263916	25,000	100%	100%	254	–
Oncopeptides, Inc	Delaware, USA	82–5207809	1,000	100%	100%	0	7,763
						304	**7,813**

NOTE 18
FINANCIAL INSTRUMENTS BY CATEGORY, GROUP

For all financial assets and liabilities, the fair value is deemed to correspond in all material respects to the book value.

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**

Financial assets at December 31, 2020	Financial assets recognized at amortized cost	Non-financial assets	Total carrying amount
Other non-current assets	–	48,335	48,335
Financial non-current assets	3,622	–	3,622
Other current receivables	12,227	11,002	23,229
Prepaid expenses	–	22,650	22,650
Cash and cash equivalents	840,255	–	840,255
Total	**856,104**	**81,987**	**938,091**

Financial liabilities at December 31, 2020	Financial liabilities recognized at amortized cost	Non-financial liabilities	Total carrying amount
Non-current provision for social security contributions, incentive programs	–	8,530	8,530
Long-term lease liabilities	6,929	–	6,929
Current provision for social security contributions, incentive programs	–	47,202	47,202
Trade payables	136,135	–	136,135
Other current liabilities	12,426	22,619	35,045
Accrued expenses and deferred income	71,853	64,165	136,018
Total	**227,343**	**142,516**	**369,859**

NOTE 19
INVENTORY

	Group		Parent Company	
	2021-12-31	**2020-12-31**	**2021-12-31**	**2020-12-31**
Raw materials and supplies	–	6,800	–	6,800
Finished goods	–	1,865	–	1,865
Total	–	**8,665**	–	**8,665**

As a result of the voluntary withdrawal of Pepaxto on the U.S. market, the inventory has been written down in its entirety in 2021 as the inventory cannot be considered to generate future positive cash flows. In 2021, write-downs of inventories amounted to SEK 8,984 thousand, while product costs for sales amounted to SEK 44,137 thousand in the Group, and write-downs of inventories of SEK 8,240 thousand and product costs for sales of SEK 3,942 thousand in the Parent Company.

NOTE 20
OTHER CURRENT RECEIVABLES

	Group		Parent Company	
	Dec 31, 2021	**Dec 31, 2020**	**Dec 31, 2021**	**Dec 31, 2020**
Current tax assets	14,839	2,198	5,647	2,198
VAT receivables	5,699	7,486	5,699	7,486
Short-term deposits	2,112	12,227	–	–
Other receivables	3,475	1,318	3,158	984
Total	**26,125**	**23,229**	**14,504**	**10,668**

NOTE 21
PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent Company	
	Dec 31, 2021	**Dec 31, 2020**	**Dec 31, 2021**	**Dec 31, 2020**
Prepaid expenses for research and development	4,765	13,693	4,765	13,693
Prepaid marketing and distribution expenses	5,950	8,076	5,950	–
Other prepaid expenses	1,474	881	3,535	3,364
Total	**12,189**	**22,650**	**14,250**	**17,057**

NOTE 22
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, 2021	**Dec 31, 2020**	**Dec 31, 2021**	**Dec 31, 2020**
Bank balances	362,187	840,255	321,832	785,972
Total	**362,187**	**840,255**	**321,832**	**785,972**

Cash and cash equivalents pertain to bank deposits in USD amounting to SEK 52,352 thousand and in EUR amounting to SEK 70,726 thousand as well as other in SEK.

	Group		Parent Company	
Cash flow, non-cash items	**Dec 31, 2021**	**Dec 31, 2020**	**Dec 31, 2021**	**Dec 31, 2020**
Depreciation and amortization	14,994	14,403	2,511	1,247
Impairment losses	16,590	–	8,240	–
Exchange-rate differences	-38,553	85,697	-38,478	85,697
Value of service by participants in the incentive programs	14,538	38,919	18,897	30,637
Provision for social security contributions, incentive programs	-55,692	21,872	-55,344	21,616
Other items	3,798	15	–	15
Total	**-44,325**	**160,906**	**-64,174**	**139,212**

			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**

			Non-cash items		
Reconciliation of liabilities from financing activities	**Jan 1, 2020**	**Cash flow**	**Change in leases**	**Currency effect**	**Dec 31, 2020**
Lease liabilities	14,895	-14,260	19,491	-771	19,355
Total	**14,895**	**-14,260**	**19,491**	**-771**	**19,355**

NOTE 23
SHARE CAPITAL AND OTHER CONTRIBUTED CAPITAL

	No. of shares	**Share capital**	**Additional paid-in capital**	**Total**
At Jan 1, 2020	**55,413,417**	**6,157**	**2,544,307**	**2,550,464**
New share issue resolution passed in May 2020	6,065,000	674	654,560	655,234
New share issue resolution passed in May 2020	6,230,000	692	672,771	673,463
Value of service by participants in the incentive programs	–	–	38,398	38,398
Exercise of warrants under the company's incentive program	231,298	26	9,001	9,027
At December 31, 2020	**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**

Share capital and share class
The share capital comprises 75,291,841 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:
To ensure delivery of the company's and Group's incentive programs, warrants have been issued to the wholly owned subsidiary Oncopeptides Incentive AB. At December 31, 2021, there were 4,331,857 warrants entitling the holders to a total of 4,397,484 shares. Of these, instruments corresponding to 2,188,830 warrants entitling the holders to a total of 2,254,457 shares were allotted, 1,805,642 warrants entitling the holders to 1,805,642 shares were unallotted and the remaining 337,385 warrants entitling the holders to 337,385 shares were allotted as a hedge to cover social security contributions.

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, 2021	Dec 31, 2020
Opening carrying amount	-1,542	2
Change for the year	624	-1,544
Closing carrying amount	**-918**	**-1,542**

Dividend
At the AGM in June 2022, it will be proposed that no dividend be distributed with respect to the 2021 fiscal year.

NOTE 24
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	2021	2020
Profit/loss for the year (SEK thousand) attributable to the Parent Company's shareholders.	-1,430,317	-1,594,693
Average number of ordinary shares outstanding (thousand)	75,292	62,369
Earnings per share (SEK)	**-19,00**	**-25,57**

NOTE 25
OTHER CURRENT LIABILITIES

	Group		Parent Company	
	Dec 31, 2021	**Dec 31, 2020**	**Dec 31, 2021**	**Dec 31, 2020**
Current lease liabilities	10,987	12,426	–	–
Current tax liabilities	47	3,046	–	–
Employee-related taxes and levies	6,978	11,194	6,661	11,194
Expected returns	49,874	–	–	–
Other current liabilities	45	8,379	27	8,343
Total	**67,931**	**35,045**	**6,688**	**19,537**

NOTE 26
ACCRUED EXPENSES

	Group		Parent Company	
	Dec 31, 2021	**Dec 31, 2020**	**Dec 31, 2021**	**Dec 31, 2020**
Employee-related accrued expenses	18,631	62,396	18,459	22,834
Prepaid expenses for research and development	92,022	44,143	92,022	44,143
Accrued expenses to suppliers, other	5,968	27,711	1,206	5,363
Other accrued expenses	4,990	1,768	4,899	1,107
Total	**121,611**	**136,018**	**116,586**	**73,447**

NOTE 27
SHARE-BASED PAYMENTS

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, two incentive programs were established: "Co-worker LTIP 2018" and "Board LTIP 2018", the latter of which matured in 2021. At an EGM in December 2018, "Board LTIP 2018.2" was implemented, and at the 2019 AGM, it was resolved that two new incentive programs were to be introduced: "Co-worker LTIP 2019" and "Board LTIP 2019". At the 2020 AGM, it was resolved to introduce the "Board LTIP 2020" program and at an extraordinary general meeting in December 2020, the "US Co-worker LTIP 2020" program was introduced, which was revoked in its entirety in 2021. At the 2021 AGM, two incentive programs were established: "Co-worker LTIP 2021" and "Board LTIP 2021".

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 vest and are 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 2018.2**
  Share awards are vested over a three-year period, with one-third per 12-month period after the allotment date.
- **Board LTIP 2019**
  Share awards are vested over approximately three years until either the 2022 AGM or June 1, 2022 (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 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.
- **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.

Summary of the Group's total cost for incentive programs

	2021	2020
IFRS 2-related salary costs	14,229	38,693
Provision for social security contributions, incentive programs	-55,695	21,910
Social security contributions for the utilization of allotted options.	7,268	7,606
Total	**-34,198**	**68,209**

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

	Group		Parent Company	
Non-current provisions	**Dec 31, 2021**	**Dec 31, 2020**	**Dec 31, 2021**	**Dec 31, 2020**
Social security contributions concerning share-based remuneration				
Amount at the start of the year	8,530	23,052	8,404	23,052
Provisions for the year	–	6,801	–	6,675
Reversals over the year	-3,090	–	-3,005	–
Reclassification of current provisions	-5,427	-21,323	-5,387	-21,323
Total non-current provisions	**13**	**-8,530**	**12**	**-8,404**

	Group		Parent Company	
Non-current provisions	**Dec 31, 2021**	**Dec 31, 2020**	**Dec 31, 2021**	**Dec 31, 2020**
Social security contributions concerning share-based remuneration				
Amount at the start of the year	47,202	10,733	46,997	10,733
Reclassification from non-current provisions	5,427	21,323	5,387	21,323
Provisions for the year	–	25,737	–	25,443
Amounts claimed for the year	-139	-1,486	-139	-1,486
Reversals over the year	-52,445	-9,105	-52,199	-9,016
Total current provisions	**45**	**47,202**	**46**	**46,997**
Total provisions	**58**	**55,732**	**58**	**55,401**

Costs for social security contributions vary as a result of changes in the underlying market price. As the market price fell during the year, the value of provisions, including tax benefits, was reduced. Related provisions are recognized as current and non-current liabilities. Instruments allotted to employees who have been terminated will be revoked and forfeited. The cost of share-based incentive programs has thereby decreased and amounted to SEK -34.2 M (68.2) for 2021.

Summary of allotted options and share awards according to plan

Personnel programs	2021 Number of shares corresponding to the option programs	2020 Number of shares corresponding to the option programs
At Jan 1	2,684,001	2,491,799
Allotted	726,301	775,572
Forfeited	-957,675	-382,670
Exercised	-300,251	-200,700
At December 31	**2,152,376**	**2,684,001**

Share award program (US Co-Worker LTIP and Co-Worker LTIP 2021)	2021 Number of shares corresponding to the option programs	2020 Number of shares corresponding to the option programs
At Jan 1	639,010	
Allotted	133,452	642,954
Forfeited	-757,973	-3,944
Exercised		
At December 31	**14,489**	**639,010**

Share awards program (Board LTIP)	2021 Number of shares corresponding to the option programs	2020 Number of shares corresponding to the option programs
At Jan 1	83,043	77,378
Allotted	35,000	26,931
Expired	-30,451	–
Exercised	–	-21,266
At December 31	**87,592**	**83,043**

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, 2021	Vested
Employee Option Program 2016/2023:1	November 22, 2016	November 30, 2023	8.82	0.11	20.72%	54,000	100.00%
Employee Option Program 2016/2023:2	November 22, 2016	November 30, 2023	8.82	0.11	20.72%	11,700	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	83.37	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%	185,191	88.79%
Co-worker LTIP 2019:1	August 12, 2019	August 12, 2026	73.5	142.64	55.20%	58,190	79.58%
Co-worker LTIP 2019:2	December 16, 2019	December 16, 2026	64.3	129.53	49.90%	0	68.09%
Co-worker LTIP 2019:3	January 2, 2020	January 2, 2027	59.66	128.68	47.50%	223,478	66.55%
Co-worker LTIP 2019:4	April 2, 2020	April 2, 2027	61.28	107.58	63.70%	31,394	58.30%
Co-worker LTIP 2019:5	June 9, 2020	June 9, 2027	74.42	126.56	66.60%	0	52.10%
Co-worker LTIP 2019:6	July 8, 2020	July 8, 2027	81.21	131.93	65.30%	0	49.45%
Co-worker LTIP 2019:7	January 4, 2021	January 4, 2028	111.20	169.53	71.80%	328,781	33.03%
Co-worker LTIP 2019:8	January 4, 2021	January 4, 2028	83.34	161.54	58.39%	31,060	26.44%
						2,152,376	

Calculation of fair value of share awards programs (Board LTIP 2017, 2018, 2019, 2020 and 2021)
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, 2021	Vested
Board LTIP 2018	May 18, 2018	May 31, 2021	43.28	0	95.81%
Board LTIP 2018.2	March 11, 2019	March 12, 2022	79.66	2,170	97.87%
Board LTIP 2019	July 12, 2019	July 13, 2022	86.57	23,491	94.14%
Board LTIP 2020	July 15, 2020	July 15, 2023	75.21	26,931	76.24%
Board LTIP 2021	September 2, 2021	June 1, 2024	34.64	35,000	25.11%
				87,592	

Calculation of fair value of share awards programs (US Co-worker LTIP 2020 and Co-worker LTIP 2021)
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, 2021	Vested
US Co-worker LTIP 2020	December 7, 2020	December 7, 2023	107.07	0	2.28%
Co-worker LTIP 2021	September 2, 2021	September 4, 2024	33.84	14,489	11.03%
				14,489	

NOTE 28
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:	**2021**	**2020**
Purchase of services from subsidiaries	615,655	416,754
Total	**615,655**	**416,754**
Sale of goods	**2021**	**2020**
Sale of goods to subsidiaries	97,577	–
Total	**97,577**	**0**

Recognition of allotted options issued through the company's incentive programs to related parties at December 31, 2021

	Employee option program 2016/2023:2		**Co-worker LTIP 2017:1**		**Co-worker LTIP 2017:3**		**Co-worker LTIP 2017:6**		**Co-worker LTIP 2018:2**		**Co-worker LTIP 2019:1**		**Co-worker LTIP 2019:3**		**Co-worker LTIP 2019:4**	
	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**
CEO, Jakob Lindberg, Nov. 15, 2021 -	0	100,0%	181,000	100,0%	23, 190	100%	45,860	88.80%	–	–	65,373	66.60%		–	34,245	33.00%
Other members of senior management	11,700	100,0%	155,000	100,0%	19,712	100%	24,588	88.80%	58,190	79.60%	54,926	66.60%	31,394	58.30%	108,401	33.00%
	11,700		**336,000**		**42,902**		**70,448**		**58,190**		**120,299**		**31,394**		**142,646**	

Recognition of granted share awards issued through the company's performance-based incentive programs to related parties at December 31, 2021

	Board LTIP 2018.2		**Board LTIP 2019**		**Board LTIP 2020**		**Board LTIP 2021**	
	No. of shares covered by the program	**Vested**	**No. of shares covered by the program**	**Vested**	**No. of shares covered by the program**	**Vested**	**No. of shares covered by the program**	**Vested**
Chairman of the Board Per Wold-Olsen	–	–	9,035	94.1%	10,359	76.2%	13,460	25.1%
Cecilia Daun Wennborg, Board member	–	–	3,614	94.1%	4,143	76.2%	5,385	25.1%
Jarl Ulf Jungnelius, Board member	–	–	3,614	94.1%	4,143	76.2%	5,385	25.1%
Brian Stuglik, Board member	–	–	3,614	94.1%	4,143	76.2%	5,385	25.1%
Jennifer Jackson, Board member	2,170	97.9%	3,614	94.1%	4,143	76.2%	5,385	25.1%
Total	**2,170**		**23,491**		**26,931**		**35,000**	

NOTE 29
PLEDGED ASSETS

	Group		Parent Comapny	
	Dec 31, 2021	**Dec 31, 2020**	**Dec 31, 2021**	**Dec 31, 2020**
Shares of LFF Service AB	1	1	1	1
Bank guarantees paid	850	13,077	850	850
Total	**851**	**13,078**	**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 16 Non-current receivables.

NOTE 30
CONTINGENT LIABILITIES

The Group and Parent Company had no contingent liabilities at December 31, 2021.

NOTE 31
EVENTS AFTER THE END OF THE REPORTING PERIOD

On January 21, 2022, Oncopeptides recalled its voluntary withdrawal of Pepaxto from the U.S. market.

The current situation in Russia and Ukraine is not considered to have any significant impact on the operations of Oncopeptides.

NOTE 32
GOING CONCERN STATUS

After dialog with the U.S. Food and Drug Administration (FDA), the company decided to voluntarily withdraw Pepaxto from the U.S. market on October 22, 2021. As a result, the Board of Directors decided that Oncopeptides would change focus in the company and return to being a Sweden-based R&D company, focusing on further developing the patent-protected PDC platform, including next-generation drug candidates OPD5 and OPDC3 and applying for European approval of melflufen with the EMA.

The revocation of the voluntary withdrawal in the U.S., published on January 21, 2022, will not result in Pepaxto being marketed in the U.S. before new data has been discussed and assessed together with the FDA. Accordingly, no revenue from the U.S. market has been included in the assessment of going concern status for the next 12 months.

The rapid and sharp reduction of operating expenses will improve the Group's cash flow in line with previously published assumptions. Termination expenses related to the reduction (end of employment and clinical projects) and certain expenses related to the EMA application will be charged to the first half of 2022. However, the underlying operating cash consumption was already significantly reduced by the beginning of the year.

At the end of 2021, the company had reduced the number of employees from 321 employees at the end of the third quarter of the year to 162 employees, of whom 22 in the U.S., where December 31 was the last workday for employees in the U.S. operations. The suspension of the clinical projects ANCHOR, ASCENT, COAST and LIGHTHOUSE was initiated immediately to strengthen the company's liquidity. Commercial operations in the U.S. and Europe had been terminated by the end of the year.

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.

As Oncopeptides returns to being a research and development company without the possibility of revenue generation before a potential approval from the relevant pharmaceutical authorities, the company will not generate positive cash flows from operating activities in the near future. During the ongoing research and product development phase, when the company lacks a commercial product and thereby a source of revenue, the company may need additional capital.

The Board of Directors' and the CEO's assessment is that, assuming that the operations' restructuring continues according to plan, the Group will have the necessary liquidity for operations to continue for at least the next 12 months.

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.

Certification

The undersigned certify that the Annual Report has been prepared in accordance with generally accepted accounting standards in Sweden and the consolidated financial statements have been prepared in accordance with 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 13, 2022

Per Wold-Olsen
Chairman of the Board

Jennifer Jackson
Board member

Brian Stuglik
Board member

Jarl Ulf Jungnelius
Board member

Jakob Lindberg
CEO

Per Samuelsson
Board member

Cecilia Daun Wennborg
Board member

Our Auditor's Report was submitted on April 21, 2022

Ernst & Young AB

Anna Svanberg
Authorized Public Accountant

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

Auditor's Report

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 26-33 for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 20-63 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 2021 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 2021 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 26-33. 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 32 in the financial statements, which indicates that the Company has withdrawn its product from the market, and that the company will not generate positive operating cash flows in the near future. The Board of Directors and the Managing Director has concluded that, assuming the company's restructuring 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 1-19 and 68-70. 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 responsible 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.

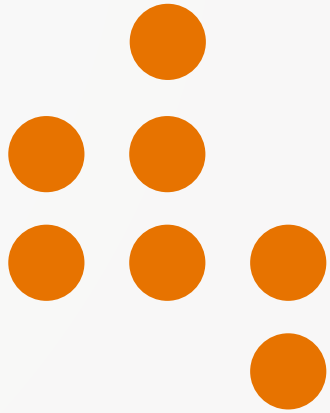
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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, related safeguards.

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 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) 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 year 2021.

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

In our opinion, the ESEF report #[6f15419f74c78f40068ad40ca86692477135e84ee7dadca4b5b4d53175c47c07] 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 (Publ) 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 technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 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 Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 26-33 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.

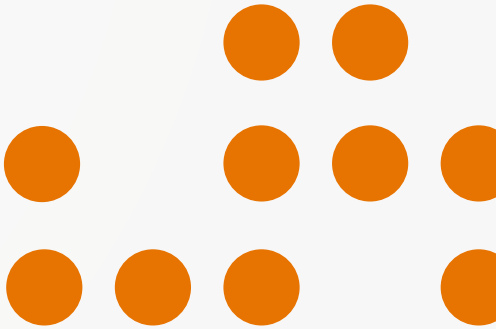
A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts 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 26 May 2021 and has been the company's auditor since the 21 May 2019.

Stockholm, 21 April 2021

Ernst & Young AB

Anna Svanberg
Authorized Public Accountant



Board of Directors

Per Wold-Olsen, MBA

Chairman of the Board | Elected in 2018.

Per has extensive experience in the pharmaceutical industry and has held many different positions at Merck & Co., Inc. He served in Merck's executive management team from 1994 to 2006. Since 2006, he has served on several boards, including Lundbeck, Pharmaset and Royal Dutch Numico.

Education: 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: 70,917 shares and 32,445 share awards.

Other current positions: Chairman of the Board of GN Store Nord A/S. He is also a Board member of Amarin PLC and Forefront Capital Partners.

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

Brian Stuglik, B.Pharm

Board member | Elected in 2018.

Brian is a global biotechnology leader focused on the oncology sector. His leadership experience combines overall management of both commercial and development stage biotech as well as having successfully acquired, developed and launched several important oncology products across multiple tumor types and therapeutic approaches in his more than 40-year career in US and international pharmaceutical development as part of Eli Lilly and Company and Verastem Oncology.

Education: Bachelor of Pharmacy degree from Purdue University, USA.

Born: 1959.

Holdings in Oncopeptides: 12,977 share awards.

Other current positions: CEO of Verastem Inc. Founder of Proventus Healthcare Solutions LLC and has served as CEO of the company since 2016. Member of the American Society of Clinical Oncology, the American Association for Cancer Research. Board member of Puma Biotechnology and member of 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

Board member | Elected in 2017.

Cecilia has 19 years of experience from board positions in listed companies and 20 years of experience from operational positions in the insurance, bank, and care and healthcare sectors, including 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: BSc in Business and Economics from Stockholm University.

Born: 1963.

Board committees: Chairman of the Audit Committee.

Holdings in Oncopeptides: 11,800 shares and 12,977 share awards.

Other current positions: Board member of Getinge AB, Bravida Holding AB, ICA Gruppen 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

Board member | Elected in 2011.

Ulf is a licensed medical practitioner and a specialist in a number of areas including oncology. He has published a number of scientific articles and has more than 25 years' experience in 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.

Holdings in Oncopeptides: 57,750 shares and 12,977 share awards.

Other current positions: CEO of Isofol Medical AB. Senior Oncology Advisor at Noxxon AG. Board member of Biovica International AB, Ryvu Therapeutics and HealthCom GmbH.

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

Jennifer Jackson, PhD

Board member | Elected in 2018.

Jennifer has more than thirty years of experience of global clinical development and market registration of small molecules and biological drugs in several therapeutic areas including oncology. Last time she was Senior Vice President of Regulatory Affairs and Quality Assurance and member of the executive management team on Tesaro. Before that Jennifer has had several leading roles at Cubist Pharmaceuticals, Biogen, Vertex and Bristol Myers Squibb.

Education: Ph.D. in genetics at Cornell University and postdoctoral work at the Massachusetts Institute of Technology. Member of the American Society of Clinical Oncology.

Born: 1953.

Holdings in Oncopeptides: 9,927 share awards.

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

Per Samuelsson, MSc

Board member | Elected in 2012.

Per is, since 2000, a partner at HealthCap, a life sciences venture capital business. Per has over 15 years' investment banking experience, mainly with Aros Securities as Director, Corporate Finance and Head of Equity Research.

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 Cantando AB, Cantando Holding AB, HealthCap AB, HealthCap Annex Fund I-II GP AB, HealthCap Orx Holdings GP AB, HealthCap 1999 GP AB, HealthCap III Sidefund GP AB, Pretzel Therapeutics, Inc., SatoSea Oncology GmbH, Skipjack AB, SwedenBIO Service AB, Nordic Nanovector ASA and Targovax ASA.

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

Management

Jakob Lindberg, Med Lic

CEO | 2011-2020, 2021–
CSO | 2020-2021.

Jakob has previously been, among other things, analysts at Merrill Lynch & Co and consultant at McKinsey & Co. Jacob was co-founder and CEO of Cellectricon, a company that provides cell-based screening services to accelerate drug development.

Education: Medical studies at Karolinska Institutet, Degree of Licentiate in Molecular Immunology, MSc in Preclinical 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), 175,663 share awards and 605,081 options.

Other current positions: Board member of Oncopeptides Incentive, Venture Partner at Patricia Industries, part of Investor AB, Board member of Affibody Medical AB and Lindberg Life-Science AB. CEO of Lindberg Life-Science AB.

Annika Muskantor, MBA

Interim CFO | 2021–

Annika was appointed interim CFO in 2021 and is responsible for finance, HR, IT and administration.

Annika has extensive experience as CFO from a wide range of industries. For the past 20 years, she has served as the interim CFO for several listed, PE and privately owned companies including: FRISQ, Bisnode, eBay, Sobi, MMG Turner Broadcasting, Zodiak Media and Scienta Omicron.

Education: Master of Business Administration (MBA) from Kellogg Graduate School of Management in Chicago, USA, Bachelor of Arts (BA) in Economics and German from Northwestern University, Chicago, USA.

Born: 1966.

Holdings in Oncopeptides: –

Other current positions: Owner of Frideborg Consulting AB.

Eva Nordström, MSc Pharm, MBA

Vice President, COO | 2020–
Head of Clinical | 2012–

Eva is the site manager for the Stockholm office, responsible for strategic and operational issues in Biostatistics, Clinical Operations, Data Management, Global Drug Supply.

Eva was previously a global project manager at the director and vice president level at Pharmacia and AstraZeneca, Sweden and 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 implementation as well as therapy area strategies, drug pipeline 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 and 87,832 share awards1 and 284,113 options.

Other current positions: Deputy CEO of Oncopeptides AB, Deputy Board member of Utilica AB, Board member of Oxcia AB.

Fredrik Lehmann, PhD, MBA

Head of Research & CMC | 2010–

Fredrik is responsible for pre-clinical research and formulation development.

Fredrik has previously held positions at a number of life science businesses including Pharmacia, Personal Chemistry, Biovitrum and Recipharm. He has also co-founded six life science companies.

Education: PhD in Pharmaceutical Chemistry from the University of Gothenburg, Executive MBA from Stockholm School of Economics.

Born: 1976.

Holdings in Oncopeptides: 32,700 shares (31,700 directly owned, 1,000 indirectly owned through OT Pharmaceuticals AB), 29,277 share awards and 149,274 options.

Other current positions: Board member and CEO of OT Pharmaceuticals AB, Chairman of the Board of Synartro AB, Board member of Sprint Bioscience and member of the Scientific Advisory Board of Akthelia Pharmaceuticals. Fredrik is also an independent consultant in preclinical research and CMC outside Oncopeptides.

Klaas Bakker, MD, PhD

EVP & CMO | 2019–

Klaas is responsible for medical strategy and patient safety.

Klaas has held senior roles at AstraZeneca, most recently as Vice President Medical Affairs for their Global TAGRISSO/TDR franchise, with global responsibility in oncology. In this role he was responsible for the global launch of Osimertinib, the company's largest asset across all therapeutic areas. He was also clinically active at the University of Groningen, the Netherlands, and has authored over 40 publications in international scientific journals.

Education: Licensed physician with a specialist degree in neurosurgery from the University of Groningen, the Netherlands.

Born: 1982.

Holdings in Oncopeptides: 85,000 shares, 29,277 share awards and 179,384 options.

Sofia Heigis, MSc

Head Medical Affairs | 2020-

Sofia joined Oncopeptides in August 2020 as Senior Vice President and Global Head Medical Affairs. She has been a member of the management team since November 2021.

Sofia has broad experience from international leading roles in Medical Affairs, Medical and Regulatory Affairs at Astra Zeneca, as well as from commercial roles.

Education: MSc in Pharmacology from the University of Gothenburg, Master's thesis in Pharmacology from Bond University, Australia. Executive Master's degree in strategy from the Swedish Management Group.

Born: 1980.

Holdings in Oncopeptides: 20,104 shares, 123,531 share awards and 96,532 options.

Management

Karolina Vilval, LL.M

General Counsel | 2020–

Karolina has been active as a Legal Counsel in the pharmaceutical industry for the past 15 years.

Prior to joining Oncopeptides, Karolina worked at Gilead Sciences, Nordic affiliates as Associate Legal Director. Previously, Karolina has worked at Biovitrum and Swedish Orphan Biovitrum (Sobi) in various positions in Legal Affairs.

Education: Law degree from Stockholm University.

Born: 1979.

Holdings in Oncopeptides: 50,000 share awards and 14,106 options.

Other current positions: Managing Director of Oncopeptides GmbH.

Rolf Gulliksen

Global Head of Corporate Communications | 2020–

Rolf has a substantial background from leading communication roles in the pharmaceutical, life science and consultant industries. Previous positions include Head of Corporate Communications at Hansa Biopharma, SVP Corporate Communications at Biovitrum, Corporate Affairs Director at Pfizer, VP Public Affairs and Communications in Europe for Pharmacia and Pharmacia & Upjohn, as well as External Affairs Manager at MSD. He has also been responsible for life science operations at communication bureaus such as Hallvarsson & 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: 50,000 share awards and 5,499 options.

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

2022 Annual General Meeting

Oncopeptides' Annual General Meeting will be held on Tuesday, June 28, 2022. Due to the extraordinary situation resulting from the covid-19 pandemic, Oncopeptides' Annual General Meeting will be carried out through advance voting (postal voting) pursuant to temporary legislation. No meeting with the possibility to attend in person or to be represented by a proxy will take place. Hence, the Annual General Meeting will be held without physical presence.

Shareholders who wish to participate at the Annual General Meeting, through advance voting, must notify their participation by casting their advance vote to the Company no later than on Monday, June 27, 2022.

Calendar

May 4, 2022 Interim report Q1

June 28, 2022 Annual General Meeting

August 11, 2022 Interim report Q2

November 9, 2022 Interim report Q3

February 16, 2023 Year-end report, 2022

Contact

Oncopeptides AB (publ)

Visiting and mailing address:
Luntmakargatan 46, SE-111 37
Stockholm, Sweden

Registered office:
Västra Trädgårdsgatan 15,
SE-111 53 Stockholm, Sweden

Telephone: +46 (0) 8-615 20 40

E-mail: info@oncopeptides.com

Website: oncopeptides.com

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