

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, HONG KONG, ISRAEL, JAPAN, NEW ZEALAND, SOUTH AFRICA, SWITZERLAND OR ANY OTHER JURISDICTION WHERE SUCH PUBLICATION, DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL OR REQUIRE REGISTRATION OR OTHER MEASURES.



Stockholm, Sweden

Press release May 6, 2020

Oncopeptides has completed a directed share issue raising approximately SEK 1,414 million (USD 144 M)

Oncopeptides AB (publ) (“Oncopeptides” or the “Company”) (Nasdaq Stockholm: ONCO) hereby announces that the Company has successfully completed a directed share issue raising approximately SEK 1,414 million (USD 144 M) in gross proceeds.

The board of directors of Oncopeptides has, based on the issue authorization granted by the extraordinary general meeting on December 17, 2019, and as indicated in the Company’s press release on May 5, 2020, resolved on a directed share issue of 12,295,000 new shares (the “**New Shares**”) at a subscription price of SEK 115 per share (the “**Directed Share Issue**”), which means that the Company will receive gross proceeds of approximately SEK 1,414 million (approximately USD 144 million). Due to high demand, the gross proceeds in the Directed Share Issue were increased from the SEK 1,180 million indicated in the Company’s press release on May 5, 2020. The additional proceeds will be used in accordance with uses described below. The subscription price in the Directed Share Issue has been determined by way of an accelerated bookbuild process. A large number of Swedish and international institutional investors and sector specialists, including Artisan Partners, Deerfield Partners L.P., Farallon and Octagon Capital Advisors L.P., participated in the Directed Share Issue.

The net proceeds of the Directed Share Issue will be used for: (i) funding the Company through commercial launch and initial ramp-up of melflufen¹ (melphalan flufenamide), including the scale-up of Oncopeptides’ commercial and medical affairs functions to prepare for and execute a market launch in the US; (ii) expansion of ongoing clinical development including new studies and potential indication expansion; and (iii) general corporate purposes.

The Company believes that using the flexibility provided by a non-pre-emptive placing is the most appropriate structure for the Company to use at this time, allowing it to raise capital in a timely and cost-effective manner and to diversify the shareholder base.

For any shareholders not participating in the Directed Share Issue, the Directed Share Issue will entail a dilution of approximately 18.2 percent of the number of shares and votes in the Company. Through the Directed Share Issue, the number of outstanding shares and votes will increase by 12,295,000 from 55,413,417 to 67,708,417. The share capital will increase by approximately SEK 1,366,111 from approximately SEK 6,157,047 to approximately SEK 7,523,158. It is expected that investors in the Directed Share Issue will be delivered their shares on May 8, 2020.

¹ A first in-class anti-cancer peptide-drug conjugate in clinical development targeting multiple myeloma.

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, HONG KONG, ISRAEL, JAPAN, NEW ZEALAND, SOUTH AFRICA, SWITZERLAND OR ANY OTHER JURISDICTION WHERE SUCH PUBLICATION, DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL OR REQUIRE REGISTRATION OR OTHER MEASURES.

Carnegie, DNB Markets, Jefferies, Cowen and Kempen & Co have acted as Joint Bookrunners in the transaction. Vinge acted as legal adviser to Oncopeptides and White & Case acted as legal adviser to the Joint Bookrunners.

In connection with the Directed Share Issue, the Company has agreed pursuant to a lock-up undertaking, subject to customary exceptions, not to issue additional shares for a period of 180 days following settlement of the Directed Share Issue. In addition, in connection with the Directed Share Issue, the Company's major shareholders Stiftelsen Industrifonden and HealthCap VI LP as well as members of the board of directors and management of Oncopeptides have agreed not to sell any shares in Oncopeptides for a period of 180 days following the settlement date, subject to customary exceptions. Notwithstanding the foregoing, if stock options in the Company's incentive program Board LTIP 2017, which is due to vest on June 1, 2020, are exercised, Cecilia Daun Wennborg and Ulf Jungnelius (both members of the board of directors) may sell shares to cover their individual tax liabilities that may arise as a result of the stock options being exercised. The shares that each of the individuals may need to sell to cover their tax liabilities (an expected aggregate of approximately 5,900 shares) are thus exempt from the lock-up undertaking.

For further information, please contact:

Jakob Lindberg, CEO of Oncopeptides
E-mail: jakob.lindberg@oncopeptides.com
Telephone: +46 8 615 20 40

Rein Piir, Head of Investor Relations at Oncopeptides
E-mail: rein.piiir@oncopeptides.com
Cell phone: +46 70 853 72 92

The information in the press release is information that Oncopeptides is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person above, on May 6, 2020 at 08:30 (CEST).

About Oncopeptides

Oncopeptides is a pharmaceutical company focused on the development of targeted therapies for difficult-to-treat hematological diseases. The company is focusing on the development of the lead product candidate melflufen, a first-in-class anti-cancer peptide-drug conjugate that rapidly delivers an alkylating payload into tumor cells. Melflufen is in development as a new treatment for the hematological cancer multiple myeloma and is currently being evaluated in multiple clinical studies including the pivotal phase 2 HORIZON study and the ongoing phase 3 OCEAN study. Oncopeptides' headquarters is in Stockholm, Sweden with U.S. headquarters in Boston, Mass. The company is listed in the Mid Cap segment on Nasdaq Stockholm with the ticker ONCO.

Important Information

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions. The recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such restrictions. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in Oncopeptides in any jurisdiction, neither from Oncopeptides nor from someone else.

Any investment decision in connection with the Directed Share Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by the Joint Bookrunners. The information contained in this announcement is for background purposes only and does not

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, HONG KONG, ISRAEL, JAPAN, NEW ZEALAND, SOUTH AFRICA, SWITZERLAND OR ANY OTHER JURISDICTION WHERE SUCH PUBLICATION, DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL OR REQUIRE REGISTRATION OR OTHER MEASURES.

purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied or distributed, directly or indirectly, in whole or in part, to the United States, Australia, Canada, Hong Kong, Israel, Japan New Zealand, South Africa, Switzerland or in any other jurisdiction where the announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the “**Prospectus Regulation**”) and has not been approved by any regulatory authority in any jurisdiction. Oncopeptides has not authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed Share Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, “qualified investors” who are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “**relevant persons**”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this document and should not act or rely on it.

Jefferies International Limited (“**Jefferies**”), which is authorised and regulated by the FCA in the United Kingdom, is acting solely for the Company and no one else in connection with the Directed Share Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the Directed Share Issue and/or any other matter referred to in this announcement. Apart from the responsibilities and liabilities, if any, which may be imposed on Jefferies by the UK Financial Services and Markets Act 2000 or by the regulatory regime established under it, neither Jefferies nor any of its affiliates, agents, directors, consultants or employees accepts any responsibility whatsoever for the contents of the information contained in this announcement or for any other statement made or purported to be made by or on behalf of Jefferies or any of its affiliates, agents, directors, consultants or employees in connection with the Company or the Directed Share Issue. Jefferies and its affiliates, agents, directors, consultants and employees accordingly disclaim all and any liability, whether arising in tort, contract or otherwise (save as referred to above) in respect of any statements or other information contained in this announcement and no representation or warranty, express or implied, is made by Jefferies or any of its affiliates, agents, directors, consultants or employees as to the accuracy, completeness or sufficiency of the information contained in this announcement.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, HONG KONG, ISRAEL, JAPAN, NEW ZEALAND, SOUTH AFRICA, SWITZERLAND OR ANY OTHER JURISDICTION WHERE SUCH PUBLICATION, DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL OR REQUIRE REGISTRATION OR OTHER MEASURES.

supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the new shares in the Directed Share Issue (the "**Issue Shares**") have been subject to a product approval process, which has determined that the Issue Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Issue Shares may decline and investors could lose all or part of their investment; the Issue Shares offer no guaranteed income and no capital protection; and an investment in the Issue Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Issue Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Issue Shares and determining appropriate distribution channels.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates, including with respect to prospects for pharmaceutical treatments and studies. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release or any obligation to update or revise the statements in this press release to reflect subsequent events. Undue reliance should not be placed on the forward-looking statements in this press release. The information, opinions and forward-looking statements contained in this press release speak only as at its date and are subject to change without notice. Neither the Company nor anyone else undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release.