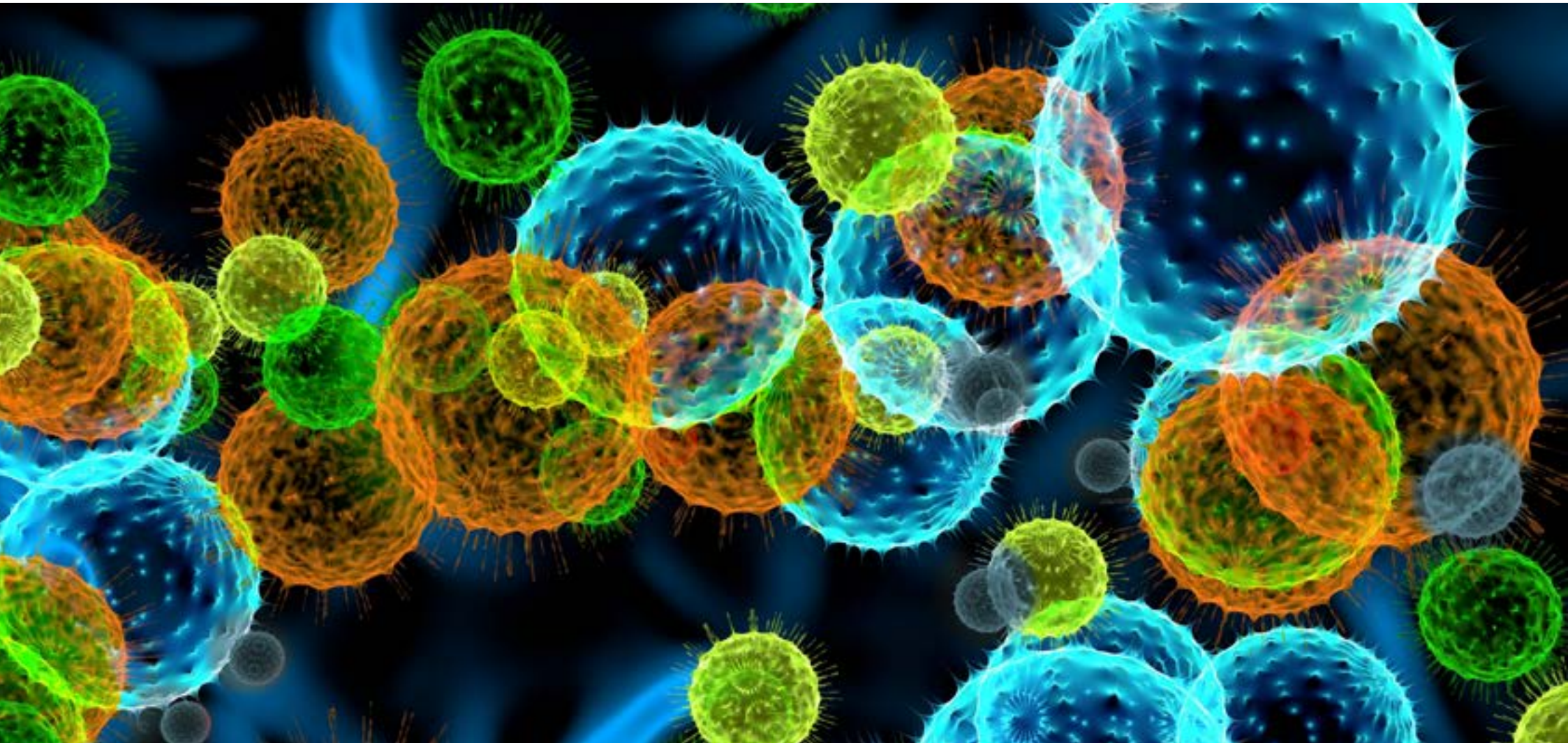
oncopeptides



Oncopeptides is a pharmaceutical company focused on the development of targeted therapies for difficult-to-treat hematological cancers. The company is focusing on the development of the lead product candidate melflufen, a first-in-class peptide-drug conjugate that rapidly delivers a cytotoxic payload into tumor cells. Melflufen is in development as a new treatment for the hematological cancer multiple myeloma and is currently being tested in four clinical trials including the pivotal Phase 2 HORIZON trial and the ongoing Phase 3 OCEAN trial. Oncopeptides' headquarters is in Stockholm, Sweden, and the company is listed in the Mid Cap segment on Nasdaq Stockholm with the ticker ONCO.

INTERIM REPORT Q3 2019

Conference call for investors, analysts and the media

The Interim Report Q3 2019 and an operational update will be presented by CEO Jakob Lindberg and members of Oncopeptides management team, Tuesday November 19, 2019 at 13:30 (CET). The conference call will also be streamed via a link on the website: www.oncopeptides.com.

Phone numbers for participants from:

Sweden:	+46 8 505 583 59
Europe:	+44 3333 009 034
USA:	+1 833 823 05 89

Financial calendar

Year-end Report 2019:	February 20, 2020
Interim Report Q1, 2020:	May 26, 2020
Annual General Meeting	May 26, 2020

For further information

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This information is information that Oncopeptides is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 08:00 CET on November 19, 2019.

Summary of Q3

Financial overview July 1 – September 30, 2019

- Net sales amounted to SEK 0.0 M (0.0)
- Loss for the period was SEK 189.8 M (loss: 94.0)
- Loss per share, before and after dilution, was SEK 3.53 (loss: 2.14)
- On September 30 cash and cash equivalents amounted to SEK 1,122.3 M (488.9)

Significant events during the period July 1 – September 30, 2019

- In late August it was announced that Klaas Bakker, MD, PhD, was appointed as Chief Medical Officer and assumed his duties in early November
- In mid-September new interim data in RRMM patients with extramedullary disease (EMD) from the pivotal Phase 2 HORIZON trial were presented at the International Myeloma Workshop
- At the end of September, it was announced that the patient recruitment in the pivotal Phase 2 HORIZON trial had been completed

Financial overview of the group

SEK thousand	2019 Jul - Sep	2018[1)] Jul - Sep	2019 Jan - Sep	2018[1)] Jan - Sep	2018[1)] Jan - Dec
Net sales	–	–	–	–	–
Operating loss	-189,597	-94,051	-495,148	-299,104	-410,963
Loss before tax	-189,710	-94,051	-495,520	-299,104	-410,965
Loss for the period	-189,780	-94,051	-495,801	-299,104	-411,112
Earnings per share before and after dilution (SEK)	-3.53	-2.14	-9.90	-7.03	-9.58
Cash flow from operating activities	-207,774	-94,265	-473,592	-224,872	-333,727
Cash and cash equivalents at the end of the period	1,122,297	488,869	1,122,297	488,869	375,617
Research & development costs/operating expenses %	80%	73%	79%	75%	76%

1) Earlier periods have been adjusted to reflect correction of errors, see note 7.

CEO statement

The pace of our operational build-up increased significantly during the quarter. We are currently focused on scaling up the organization with various support and specialist functions in preparation for a submission for potential market approval in the US and a subsequent launch. We are also scaling up the organization in order to be able to expand our clinical program to include additional studies and to educate physicians and clinics about melflufen and its clinical data ahead of a potential launch.

Operational development

Our efforts to educate about melflufen by presenting data from our studies intensified during the quarter. We are participating in a growing number of scientific conferences and meetings, a crucial task when it comes to putting melflufen on the map. For example we presented new data from our HORIZON study in patients with extramedullary disease (EMD) at the International Myeloma Workshop (IMW) in Boston in September. The presentation of data from this rapidly growing patient group to the numerous myeloma experts at IMW was an important strategic step. We are also continuing the expansion of our US organization in order to enable effective pre-launch preparations to be carried out ahead of a potential product launch toward the end of 2020.

Our clinical trials

The ongoing studies are progressing well. In addition, we will now begin to broaden the base for melflufen in new indications and initiate an additional Phase 3 combination study in myeloma. These studies will expand the potential commercial base for melflufen by demonstrating melflufen's clinical efficacy in larger groups of myeloma patients and map out melflufen's clinical profile in patients with the severe disease AL amyloidosis.

> *Application for drug approval and launch.*

In September, the last patient was enrolled in the **HORIZON** study. This was an important step in order to maintain the timelines we have set out for applying for accelerated approval from the FDA. This process is proceeding according to plan. The aim is to submit the application at the end of the first quarter of 2020.

Patient recruitment for **OCEAN** is progressing well and the aim is to enroll the last patient in the study before the end of the first quarter of 2020. The evaluation of the study results can only start when we have reached a sufficient number of disease progression events, which makes it difficult to exactly project when topline results will be available. At present, our best estimate is that we will be able to present topline results from OCEAN in the summer of 2020. If we reach this goal and the study generates positive results, preparations for the

approval submission process will then begin. That process is expected to take six to nine months, so we expect to submit the application based on OCEAN in the spring of 2021 at the latest. From a commercial perspective, these timelines will not be critical provided we are granted accelerated approval based on the results of the HORIZON study.

Patient recruitment in the **ANCHOR** combination study is expected to be completed during 2020. The study consists of two treatment arms. Patient recruitment for the first arm, in which patients are treated with melflufen plus dexamethasone (steroid) in combination with daratumumab, has been completed sooner than expected. In the second arm, where patients are treated with melflufen plus dexamethasone in combination with bortezomib, enrollment is still ongoing.

The **BRIDGE** study is designed to study melflufen's pharmacokinetics (PK) in multiple myeloma patients who also suffer from renal impairment. As we now have expanded the study to include patients with severe renal impairment, the last patient is expected to be enrolled in the study in the spring of 2020.

We are also about to open the first study sites to recruit patients to the **AL amyloidosis** study and expect to start treatment of the first patient before year-end. This will be our first study outside the multiple myeloma disease area. This is the first step towards broadening the indication base for melflufen. It will be an open label Phase 1/2 study exploring melflufen plus dexamethasone as a treatment for patients with AL amyloidosis.

Preparations for the upcoming **LIGHTHOUSE** Phase 3 combination study are under way. The study will be a randomized controlled study comparing combination treatment with melflufen and daratumumab against daratumumab monotherapy. We expect to start the study early next year.

ASH in December our next major mile-stone

The recently published abstract booklet for the ASH Annual Meeting features six poster presentations by Oncopeptides. The data from ANCHOR and HORIZON included in the booklet for ASH was collected in the summer. At the meeting in December, we will present updated data. This will be exciting since we plan to present long-term follow up data from HORIZON. These data will form the basis for our submission for accelerated approval. We will also present progression free survival (PFS) data with longer term follow up from the ANCHOR combination study for the first time. We will also be following the progress of the other companies focused on multiple myeloma that are expected to present data from ongoing studies for competing projects, such as projects targeting the B-cell maturation antigen (BCMA). I am looking forward to the coming quarters with a confidence. It will be an intense but exciting period.

Stockholm, November 19, 2019

Jakob Lindberg
CEO, Oncopeptides AB

Summary – our clinical trials

Our ongoing and coming clinical studies will provide us with a broad set of data and information about melflufen's efficacy in various patient groups. We are working with the preparations for submitting a New Drug Application (NDA) to the U.S. Food & Drug Administration (FDA) for accelerated market approval in the United States based on available data from the HORIZON trial. The objective is to submit the application in the first quarter of 2020. This could then potentially lead to the first market approval for melflufen in the U.S. in 2020. Given that the FDA grants a accelerated market approval, the overall regulatory risk will decrease considerably.

The clinical development program

We are currently conducting four clinical trials to characterize melflufen in multi-refractory multiple myeloma patients: OCEAN (OP-103), HORIZON (OP-106), ANCHOR (OP-104) and BRIDGE (OP-107).

The program will provide a clear picture of how melflufen can be used for relapsed refractory multiple myeloma (RRMM) patients in various stages of the disease. This has lowered the development risk and given rise to several potential paths for obtaining approval for melflufen.

Melflufen has previously undergone both preclinical trials and clinical Phase 1 and 2 trials with positive results in terms of both safety and efficacy in patients with multiple myeloma. Based on these results, the next logical step was to further develop melflufen through the trials OCEAN, HORIZON, ANCHOR and BRIDGE, and the planned additional pivotal combination trial LIGHTHOUSE that we expect to start early 2020.

Our Phase 3 trial, OCEAN, and Phase 2 trial, HORIZON, are key studies for the submission of an NDA/MAA to potentially obtain marketing authorization for melflufen in the US and the EU for the treatment of RRMM. In addition to proving melflufen's efficacy in relation to the existing standard treatment for RRMM (meaning pomalidomide), as evaluated by OCEAN, the development program also aims to demonstrate, through HORIZON, the activity of melflufen in patients with relapsed refractory multiple myeloma whose disease is triple-class refractory (i.e. refractory to at least one IMiD, one proteasome inhibitor and one anti-CD38 monoclonal antibody). Our Phase 1/2 trial, ANCHOR, is aimed at demonstrating how melflufen can be administered in combination with other multiple myeloma drugs. It is important to generate knowledge and understanding among physicians about how melflufen can be used together with dexamethasone and either bortezomib or daratumumab in relapsed refractory MM patients. BRIDGE is a Phase 2 pharmacokinetic trial to study melflufen's safety in patients with reduced renal function. We are now in the final stage of preparations for the Phase 3 combination trial, called LIGHTHOUSE, which we aim to start in early 2020.

The regulatory path ahead

The work for preparing all the material to submit a registration application in the US, for accelerated approval for melflufen for the treatment of RRMM patients with triple-class refractory disease, develops according to plan. This is the first step in building a potential label for melflufen within myeloma. A potential accelerated approval results in a regulatory approval that later needs to be confirmed with clinical data from a randomized trial. Both OCEAN and LIGHTHOUSE can independently act as confirmatory trials for a potential accelerated approval. Additionally, both OCEAN and LIGHTHOUSE – assuming positive outcome from the trials – can result in broadening of the label into less advanced RRMM patient populations (both trials) as well as in combination with daratumumab (LIGHTHOUSE).

Oncopeptides has collaborated with leading experts and held discussions with governing medical agencies and professional bodies in the US and Europe to create the development program for melflufen in RRMM. Upon receiving approval of the Phase 3 OCEAN study design through the FDA Special Protocol Assessment in August 2016, detailed preparations commenced for the development program of melflufen. The program aims to fully characterize melflufen in the treatment of RRMM and thereby maximize the product candidate's market potential.

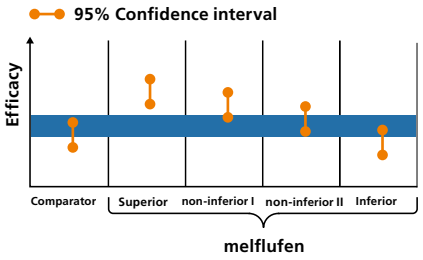
The Phase 3 trial OCEAN is expected to lay the foundation for an application to broaden the indication for melflufen in Q1 2021. The application can act as a confirmatory trial after a potential accelerated approval - including label extension into RRMM patients with only single class refractory disease (compared to the potential accelerated approval for the treatment of RRMM patients with triple-class refractory disease) – as well as act as an independent application for market authorization across markets.

In the OCEAN clinical Phase 3 trial, the efficacy of Oncopeptides' product candidate, melflufen, is compared with pomalidomide, both are administered in combination with the steroid dexamethasone. Pomalidomide is currently the market-leading medication for the treatment of RRMM, with sales of USD 2.0 bil-

lion in 2018. The objective of the OCEAN trial is to prove that melflufen has a superior efficacy and safety profile compared with pomalidomide.

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

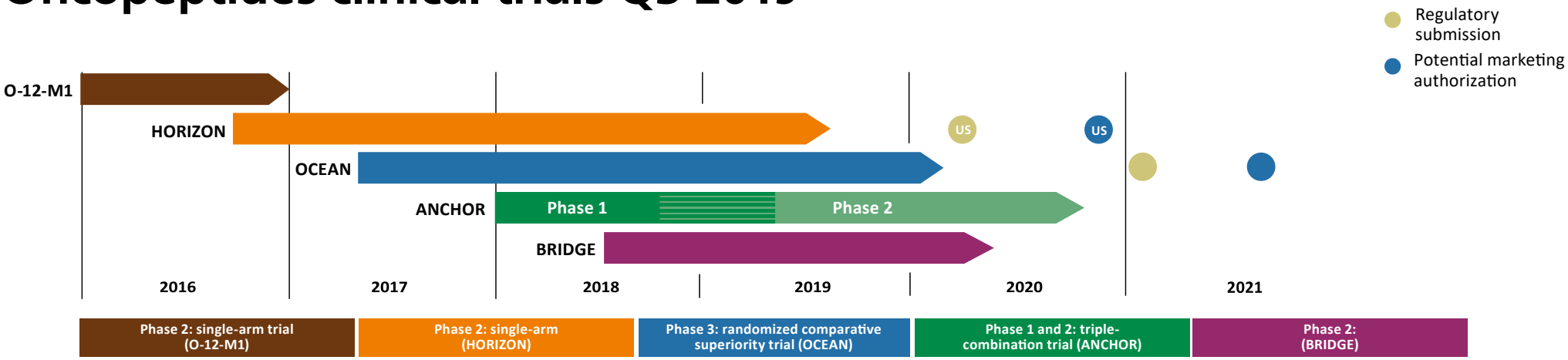
Outcome scenarios for OCEAN



A superiority outcome is expected to result in approval both in the US and the EU. A non-inferiority result is expected to result in approval in the EU and potentially also in the US assuming that the forthcoming application for accelerated market approval based on HORIZON data is approved by the FDA.

The planned LIGHTHOUSE pivotal Phase 3 trial is designed to further broaden the indication for melflufen. The application can act as a confirmatory trial after a potential accelerated approval - including label extension where melflufen is approved also in combination with daratumumab for the treatment of RRMM patients – as well as act as an independent application for market authorization across markets.

Oncopeptides clinical trials Q3 2019



O-12-M1

SUPPORTING

- Completed Phase 2 clinical trial with 45 patients
- Included RRMM patients who had received a median of 4 prior lines of therapy, and became refractory to lenalidomide (immunomodulatory pharmaceutical – IMiD) and bortezomid (proteasome inhibitor – PI)
- Completed enrollment late 2016 and presented final results in 2017

HORIZON

SUPPORTING

- The Phase 2 trial is fully enrolled with 157 patients
- RRMM patients with few or no remaining treatment options
- Patients have received ≥2 earlier lines of therapy with IMiDs and PIs and are refractory to pomalidomide and/or daratumumab
- Supports OCEAN for marketing authorization
- Potential for FDA accelerated approval if data is exceptionally strong
- Started in Q1 2017, data reporting in 2018/2019 and follow-up 2019/2020

OCEAN

PIVOTAL TRIAL

- Ongoing Phase 3 trial with up to 450 patients, including RRMM patients who are refractory to lenalidomide
- Direct comparison with pomalidomide in patients treated with IMiDs and PIs, and who have become refractory to their last line of therapy
- The trial is designed to demonstrate benefit in comparison with pomalidomide
- To obtain approval in Europe, the only requirement is to demonstrate that melflufen has the same benefit
- Started in Q2 2017 with last patient in expected in Q1 2020

ANCHOR

EXPLORATIVE

- Ongoing Phase 1/2 trial with up to 64 patients
- The patients have received 1–4 earlier lines of therapy including IMiDs and PIs
- Demonstrates how melflufen can be administered as a combination therapy with daratumumab or bortezomib
- Explores potential for using melflufen in earlier lines of therapy
- May significantly increase melflufen's market potential as a combination therapy
- Started in Q2 2018, data reporting in 2018/2019, with the results from Phase 1 and Phase 2 expected in 2019 and 2020, respectively

BRIDGE

SUPPORTING

- Ongoing Phase 2 trial with up to 25 patients
- Open-label, single-arm trial for patients with reduced renal function
- Positioning trial to show melflufen's treatment profile within this patient group
- Started in Q3 2018, with the initial results expected in Q2 2020

The market for treatment of multiple myeloma

The market is expected to continue to grow rapidly to an expected market value of approximately USD 22 billion in 2023. The global market amounted to USD 17 billion in 2018.

The market is growing sharply

As treatment results for a disease with a poor prognosis improve – even marginally – the market for later lines of therapy grows significantly. The driving factor for this growth is the fact that patients live longer, which means that more patients will receive additional treatments, compared with before.

Broad-spectrum agents dominate the market

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

The market in USD

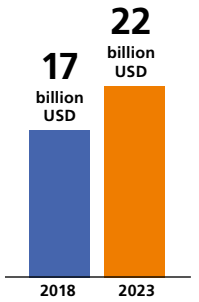
The global market for myeloma drugs amounted to USD 17 billion in 2018. The market for the treatment of myeloma patients after the first line of therapy totaled USD 10 billion. The myeloma market is expected to reach USD 22 billion in 2023. The growth is a concequence of the higher number of patients in later lines of therapy as well as drug launches.

The number of cases of multiple myeloma in second line plus treatment is growing rapidly

Roughly 170,000 patients are living with multiple myeloma in the EU and the US, while 57,000 patients are newly diagnosed and 26,000 patients die from the disease annually. The number of patients diagnosed with multiple myeloma is growing approximately with 1 percent per year, mainly caused by an aging population. However, the number of patients with multiple myeloma who have undergone several previous lines of therapy is increasing exponentially, which is boosting the need for drugs with new modes of action, such as melflufen.

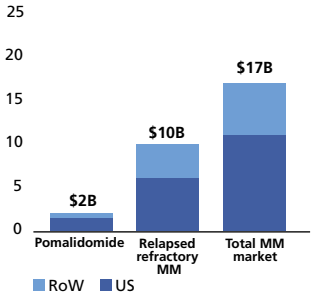
Oncopeptides' pivotal trial, OCEAN, is focused on addressing the needs of these patients, whose numbers are increasing sharply due to recent improvements in earlier lines of therapy. Despite these therapeutic improvements, multiple myeloma remains incurable. This means that more patients than ever are living with the disease for longer periods of time and becoming multi-refractory patients with a significant need for additional treatment options. For the average growth rate in the US over the past three years, see diagram below.

Global growth, 2018 to 2023



Source: EvaluatePharma and Annual reports

Size of the multiple myeloma market



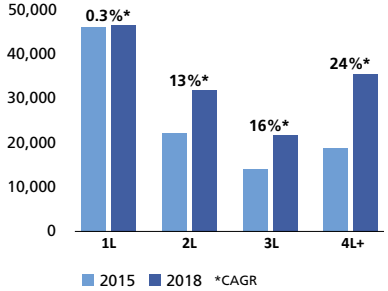
Broad-spectrum agents used in nine out of ten myeloma therapies*

MODALITY	PHARMACEUTICAL DRUGS	GROWTH IN TREATED PATIENTS IN THE US, 2017/2018	% OF TREATED PATIENTS IN THE US, 2018*
Broad-spectrum agents		+11%	90%
Alkylating agents	Bendamustine, cyclophosphamide and melphalan		
IMiDs	Lenalidomide, pomalidomide and thalidomide		
Proteasome inhibitors	Bortezomib, carfilzomib and ixazomib		
Steroids	Dexamethasone and prednisone		
Targeted agents		+41%	20%
Anti-CD38	Daratumumab		
Anti-SLAMF7	Elotuzumab		

2017 2018

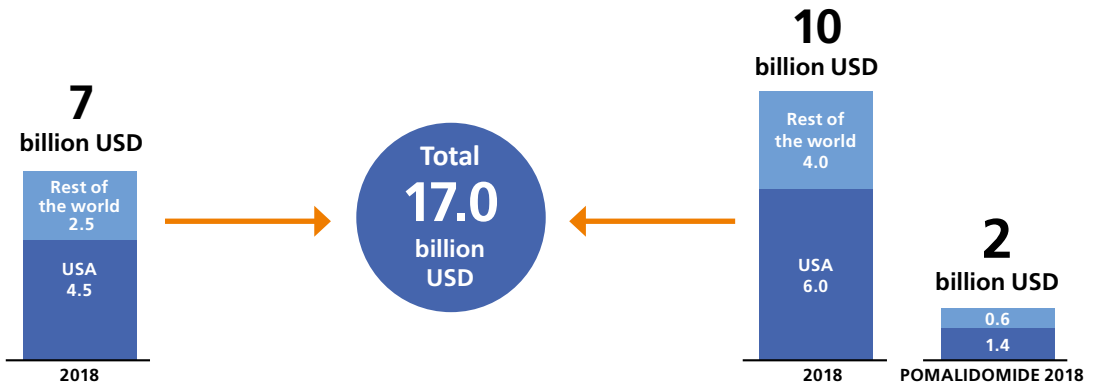
*Excluding steroids
Source: Annual reports from Global Data, internal analysis and IntrinsiQ.

Distribution of multiple myeloma patients by lines of therapy in the US



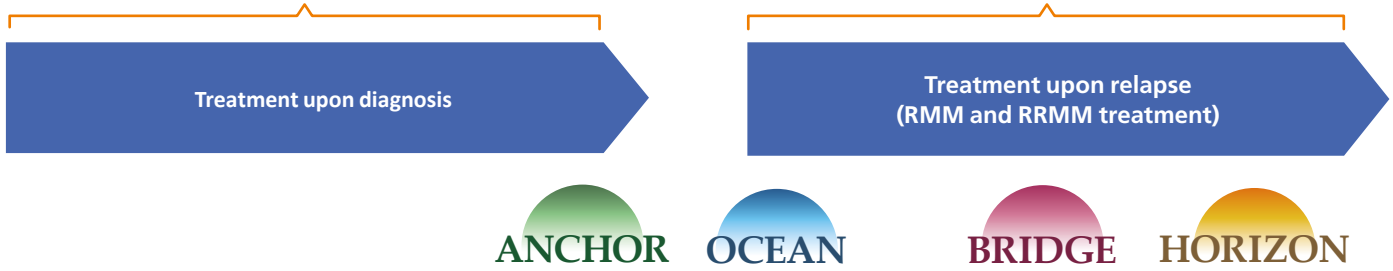
Source: Intrinsiq december 2018, MAT
Note: 3-year annual growth rate for 2015-2018

Market size 2018

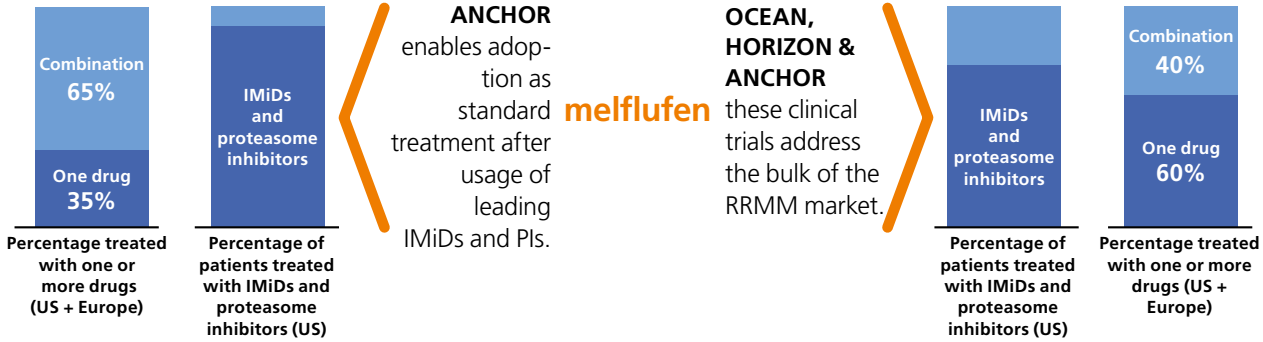


Source: EvaluatePharma

Treatment Phase



Drug usage data 2018



Source: EvaluatePharma

Financial overview

Revenue

Net sales amounted to SEK 0.0 M (0.0) during the third quarter and to SEK 0.0 M (0.0) for the first nine months of the year.

Operating expenses

Operating expenses for the third quarter amounted to SEK 189.6 M (94.1) and to SEK 495.1 M (205.1) for the first nine months.

Research and development costs

During the third quarter, research and development costs increased to SEK 152.0 M (68.4) and to SEK 391.4 M (222.9) for the first nine months. The increase is mainly explained by a rise in clinical costs due to increased activity in the ongoing pivotal studies OCEAN and HORIZON and in the clinical studies ANCHOR and BRIDGE.

During the nine-month period the accounting of purchases of study drugs has been changed. The costs were previously recognized when the drugs were used in clinical trials and are now being expensed when the drugs are purchased in accordance with IFRS. Historical periods have been corrected, see Note 7.

The costs for share-based incentive programs related to R&D amounted to a negative SEK 3.3 M (pos: 5.5) for the third quarter and to SEK 4.2 M (24.7) for the first nine months.

Marketing and distribution costs

Marketing and distribution costs for the third quarter amounted to SEK 26.9 M (13.4) and to SEK 71.2 M (35.1) for the first nine months. The main reason for the cost increase is the continued expansion of the medical relations and marketing functions and related activities.

The costs for share-based incentive programs related to marketing and distribution amounted to a negative SEK 4.1 M (pos: 1.8) for the third quarter and to SEK 0.1 M (8.3) for the first nine months.

Administration expenses

During the third quarter, administration expenses amounted to SEK 26.8 M (10.2) and to SEK 54.1 M (50.8) for the first nine months. The increase is due to the company´s continued high business activity level and growing organization.

The costs for share-based incentive programs related to administration amounted to SEK 13.7 M (4.1) for the third quarter and to SEK 19.7 M (28.6) for the first nine months.

Share-based payments

The costs for social security contributions related to share-based incentive programs vary from quarter to quarter due to the change in the underlying share price. Related provisions are reported as long- and short-term liabilities.

The total costs for the share-based incentive programs in the third quarter amounted to SEK 6.3 M (11.4) and for the first nine months to SEK 24.1 M (61.7), out of which SEK 1.3 M (55.6) was provisions and payments of social security contributions, and SEK 22.8 M (6.0) was IFRS 2 classified salary costs. These costs have no cash impact. The company has issued warrants that intended to be used to cover social security contributions arising from the exercise of granted employee stock options.

Earnings

The loss for the third quarter was SEK 189.8 M (94.1) and the loss for the first nine months was SEK 495.8 M (299.1). This corresponds to a loss per share, before and after dilution, of SEK 3.53 (2.14) for the third quarter and SEK 9.90 (7.03) for the first nine months.

Cash flow, investments and financial position

Cash flow from operating activities amounted to a negative SEK 207.8 M (neg: 94.3) for the third quarter and to a negative SEK 473.6 M (neg: 224.9) for the first nine months. The continued negative cash flow is according to plan and is explained by the company's expansion of clinical programs as well as activities within the company's medical affairs and marketing functions.

Cash flow from investing activities was a negative SEK 0.2 M (neg: 0.1) for the third quarter and a negative SEK 0.2 M (neg: 0.4) for the first nine months.

Cash flow from financing activities amounted to SEK 685.5 M (9.7) for the third quarter and to SEK 1,198.6 M (304.7) for the first nine months. In January 2019 the company completed a directed share issue raising SEK 546.2 M before issue costs amounting to SEK 31.4 M. In July a second directed share issue was completed, raising SEK 727.2 M before issue costs amounting to SEK 44.3 M.

Cash flow for the third quarter was SEK 477.5 M (neg: 84.7) and SEK 724.8 M (79.5) for the first nine months. As of September 30, 2019, cash and cash equivalents amounted to SEK 1,122.3 M (488.9) and equity to SEK 993.4 M (370.5).

Share-based incentive programs

The purpose of share-based incentive programs is to promote the company's long-term interests by motivating and rewarding the company's senior management, founders, and other co-workers in line with the interest of the shareholders. Oncopeptides has currently 10 active programs that include the management team, certain board members, founders and employees.

In 2013, the option programs "Founder Option Program" and "Employee option program 2012/2019" were implemented. In 2016 the program "Employee option program 2016/2023" was implemented. In 2017 two incentive programs were established; "Co-worker LTIP 2017" and "Board LTIP 2017". At the AGM in May 2018, two additional incentive programs were adopted: "Co-worker LTIP 2018" and "Board LTIP 2018". For more information about these programs see note 24 in the Annual Report 2018. An Extraordinary General Meeting in December 2018 resolved to implement the program "Board LTIP 2018.2" and the Annual General Meeting 2019 resolved to implement two additional programs: "Co-worker LTIP 2019" and "Board LTIP 2019". For further information about these programs, see the minutes of the Extraordinary General Meeting 2018 and the Annual General Meeting 2019 published on the company's website, www.oncopeptides.com.

Full utilization of granted options and share awards per September 30, 2019, corresponding to 2,643,150 shares, would result in a dilution for shareholders of 4.6 percent (if all shares pertaining to options and share awards are delivered using warrants). Full utilization of all options and share awards, corresponding to 5,481,804 shares (i.e. including non-granted employee options and warrants set off as hedge for social security contributions), would result in a dilution for shareholders of 9.0 percent (if all shares pertaining to options and share awards are delivered using warrants).

During the first nine months 2,170 share awards in Board LTIP 2018.2, 23,291 share awards in Board LTIP 2019, 349,549 options in Co-worker LTIP 2018 and 58,190 options in Co-worker LTIP 2019 have been granted. Options corresponding to 72,900 shares in Founder Option and options corresponding to 959,400 shares in Employee option program 2012/2019 have been exercised. 1,934 share awards in Board LTIP 2017 and 3,480 share awards in Board LTIP 2018 lapsed.

Below follows a summary of the total number of shares that granted employee stock options and share awards may entitle to as of September 30, 2019.

Number of shares granted employee stock options may entitle to	
- Employee option program 2012/2019	173,700
- Founder option program	8,100
- Employee option program 2016/2023	276,300
- Co-worker LTIP 2017	1,618,939
- Co-worker LTIP 2018	430,543
- Co-worker LTIP 2019	58,190
Total number of shares employee stock options may entitle to	**2,565,772**
Number of share awards in program Board LTIP 2017	21,266
Number of share awards in program Board LTIP 2018	30,451
Number of share awards in program Board LTIP 2018.2	2,170
Number of share awards in program Board LTIP 2019	23,491
Total number of shares employee stock options and share awards may entitle to	**2,643,150**

Other information

Co-workers

As of June 30, 2019, the number of co-workers amounted to 73 (42).

Parent company

Since the operations of the parent company are consistent with those of the group in all material respects, the comments for the group are also largely relevant for the parent company.

The Oncopeptides share

Oncopeptides completed a directed share issue in January 2019, where a total of 4,750,000 new shares were issued. In July an additional share issue comprising 5,015,000 shares was completed. In the third quarter warrants corresponding to 1,355,087 shares have been exercised within the company's share-based incentive programs. 1,032,300 of these shares had been granted to options holders. The remaining 322,787 shares were exercised to cover social security costs.

In total, the number of shares increased by 11,120,087 during the nine-month period and as of September 30, 2019, the number of registered shares and votes in Oncopeptides amounted to 55,212,008.

Events after the end of the report period

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

Stockholm November 19, 2019

Jakob Lindberg
CEO Oncopeptides AB

Auditor's report

Oncopeptides AB (publ) corp. reg. no. 556596-6438

Introduction

We have reviewed the condensed interim financial information (interim report) for Oncopeptides AB (publ) and its subsidiaries as of 30 September 2019 and for the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of the condensed interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm November 19, 2019

Ernst & Young AB

Björn Ohlsson
Authorized Public Accountant

Condensed consolidated income statement

SEK thousand	2019 Jul - Sep	2018[1] Jul - Sep	2019 Jan - Sep	2018[1] Jan - Sep	2018[1] Jan - Dec
Net sales	–	–	–	–	–
Gross profit	–	–	–	–	–
Operating expenses					
Research and development costs	-152,009	-68,413	-391,383	-222,921	-313,714
Marketing and distribution costs	-26,924	-13,428	-71,219	-35,101	-51,126
Administrative expenses	-26,750	-10,208	-54,111	-50,821	-55,298
Other operating income/expenses[2]	16,086	-2,002	21,565	9,739	9,175
Total operating expenses	**-189,597**	**-94,051**	**-495,148**	**-299,104**	**-410,963**
Operating loss	**-189,597**	**-94,051**	**-495,148**	**-299,104**	**-410,963**
Net financial items	-113	0	-372	0	-2
Loss before tax	**-189,710**	**-94,051**	**-495,520**	**-299,104**	**-410,965**
Tax	-70	-	-281	-	-147
Loss for the period[3]	**-189,780**	**-94,051**	**-495,801**	**-299,104**	**-411,112**
Earnings per share before and after dilution (SEK)	**-3.53**	**-2.14**	**-9.90**	**-7.03**	**-9.58**

Condensed consolidated statement of comprehensive income

SEK thousand	2019 Jul - Sep	2018[1] Jul - Sep	2019 Jan - Sep	2018[1] Jan - Sep	2018[1] Jan - Dec
Loss for the period	**-189,780**	**-94,051**	**-495,801**	**-299,104**	**-411,112**
Other comprehensive income					
Items to be reclassified to profit or loss					
Translation differences from foreign operations	127	-	147	-	22
Translation differences on currency hedges	-	-	-	-8	-8
Total other comprehensive income, net of tax	**127**	-	**147**	**-8**	**14**
Total comprehensive loss for the period[3]	**-189,653**	**-94,051**	**-495,654**	**-299,112**	**-411,098**

1) Earlier periods have been adjusted to reflect correction of errors, see note 7.
2) Exchange rate differences on assets and liabilities in operational activities.
3) Total comprehensive loss for the period is in total attributable to parent company shareholders

Condensed consolidated statement of financial position

SEK thousand	September 30th 2019	September 30th 2018[1]	Dec 31st 2018[1]
Assets			
Non-current assets			
Tangible non-current assets	9,242	2,455	2,363
Financial non-current assets	1,045	1	851
Total non-current assets	**10,287**	**2,456**	**3,214**
Current assets			
Other current receivables	4,546	2,155	2,456
Prepaid expenses and accrued income	6,989	8,949	12,415
Cash and cash equivalents	1,122,297	488,869	375,617
Total current assets	**1,133,832**	**499,973**	**390,488**
Total assets	**1,144,119**	**502,429**	**393,702**
Equity and liabilities			
Equity			
Share capital	6,135	4,894	4,899
Additional paid-in capital	2,495,609	1,266,310	1,272,830
Retained earnings (including net profit/loss for the period)	-1,508,379	-900,740	-1,012,725
Total equity[2]	**993,365**	**370,464**	**265,004**
Long term liabilities			
Provision for social security contributions, share based incentive program	18,894	14,811	14,858
Other long term liabilities (note 6)	3,120	-	-
Total long term liabilities	**22,014**	**14,811**	**14,858**
Current liabilities			
Provision for social security contributions, share based incentive program	13,411	70,038	56,600
Trade payables	33,193	21,866	25,270
Other current liabilities (note 7)	8,409	983	4,056
Accrued expenses and deferred income	73,727	24,267	27,914
Total current liabilities	**128,740**	**117,154**	**113,840**
Total equity and liabilities	**1,144,119**	**502,429**	**393,702**

1) Earlier periods have been adjusted to reflect correction of errors, see note 7.
2) Equity is in total attributable to parent company shareholders

Condensed consolidated statement of changes in equity

SEK thousand	2019 Jul - Sep	2018[1)] Jul - Sep	2019 Jan - Sep	2018[1)] Jan - Sep	2018[1)] Jan - Dec
Opening balance	**487,801**	**451,128**	**265,004**	**358,840**	**358,840**
Profit/loss of the period	-189,780	-94,051	-495,801	-299,104	-411,112
Other comprehensive income	127	-	147	-8	14
Comprehensive income (loss) for the period	**-189,653**	**-94,051**	**-495,654**	**-299,112**	**-411,098**
Transaction with owners					
New issue of ordinary shares	727,175	-	1,273,425	314,420	314,420
Cost attributable to new share issue	-44,253	-	-75,662	-19,390	-19,390
Share based payments	8,814	3,719	22,771	6,038	12,368
Exercise of warrants	3,481	9,669	3,481	9,669	9,864
Total transaction with owners	**695,217**	**13,388**	**1,224,015**	**310,736**	**317,262**
Closing balance	**993,365**	**370,464**	**993,365**	**370,464**	**265,004**

1) Earlier periods have been adjusted to reflect correction of errors, see note 7.

Condensed consolidated statement of cash flow

SEK thousand	2019 Jul - Sep	2018[1)] Jul - Sep	2019 Jan - Sep	2018[1)] Jan - Sep	2018[1)] Jan - Dec
Operating loss	-189,597	-94,051	-495,148	-299,104	-410,963
Adjustment for non-cash-items[2)]	-51,021	-2,789	-35,145	47,640	44,727
Interest received	-	-	-	-	-
Interest paid	-113	0	-372	0	-2
Tax paid	-	-	-293	-	-
Cash flow from operating activities before change in working capital	**-240,731**	**-96,840**	**-530,958**	**-251,464**	**-366,238**
Cash flow from changes in working capital	32,957	2,575	57,366	26,592	32,511
Cash flow from operating activities	**-207,774**	**-94,265**	**-473,592**	**-224,872**	**-333,727**
Cash flow from investing activities	-191	-123	-233	-375	-907
Cash flow from financing activities	685,467	9,669	1,198,580	304,699	304,893
Cash flow for the period	**477,502**	**-84,719**	**724,755**	**79,452**	**-29,741**
Cash and cash equivalents at beginning of period	626,799	568,212	375,617	404,050	404,050
Change in cash and cash equivalents	477,502	-84,719	724,755	79,452	-29,741
Foreign exchange difference in cash and cash equivalents	17,996	5,376	21,925	5,367	1,308
Cash and cash equivalents at the end of period	**1,122,297**	**488,869**	**1,122,297**	**488,869**	**375,617**

1) Earlier periods have been adjusted to reflect correction of errors, see note 7.

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

Condensed parent company income statement

SEK thousand	2019 Jul - Sep	2018[1] Jul - Sep	2019 Jan - Sep	2018[1] Jan - Sep	2018[1] Jan - Dec
Net sales	-	-	-	-	-
Gross profit	-	-	-	-	-
Operating expenses					
Research and development costs	-152,040	-68,413	-391,479	-222,921	-313,714
Marketing and distribution costs	-27,915	-12,506	-73,680	-34,179	-51,844
Administrative expenses	-26,763	-10,208	-54,147	-50,821	-55,298
Other operating income/expenses[2]	16,086	-2,002	21,565	9,739	9,175
Total operating expenses	**-190,632**	**-93,129**	**-497,741**	**-298,182**	**-411,681**
Operating loss	**-190,632**	**-93,129**	**-497,741**	**-298,182**	**-411,681**
Net financial items	9	0	29	0	18
Loss before tax	**-190,623**	**-93,129**	**-497,712**	**-298,182**	**-411,663**
Tax	-	-	-	-	-
Loss for the period	**-190,623**	**-93,129**	**-497,712**	**-298,182**	**-411,663**

Condensed parent company statement of comprehensive income

SEK thousand	2019 Jul - Sep	2018[1] Jul - Sep	2019 Jan - Sep	2018[1] Jan - Sep	2018[1] Jan - Dec
Loss for the period	**-190,623**	**-93,129**	**-497,712**	**-298,182**	**-411,663**
Other comprehensive income					
Items to be reclassified to profit or loss					
Translation differences on currency hedges	-	-	-	-8	-8
Total other comprehensive income, net of tax	-	-	-	**-8**	**-8**
Total comprehensive loss for the period	**-190,623**	**-93,129**	**-497,712**	**-298,190**	**-411,671**

1) Earlier periods have been adjusted to reflect correction of errors, see note 7.

2) Exchange rate differences on assets and liabilities in operational activities

Parent company balance sheet

SEK thousand	September 30th 2019	September 30th 2018[1]	Dec 31st 2018[1]
Assets			
Non-current assets			
Tangible non-current assets	2,304	2,449	2,363
Financial non-current assets	901	51	901
Total non-current assets	**3,205**	**2,500**	**3,264**
Current assets			
Other current receivables	4,546	3,760	2,279
Prepaid expenses and accrued income	6,430	8,750	11,640
Cash and bank balances	1,120,144	488,344	375,513
Total current assets	**1,131,120**	**500,854**	**389,432**
Total assets	**1,134,325**	**503,355**	**392,696**
Equity and liabilities			
Restricted equity			
Share capital	6,135	4,894	4,899
Statutory reserve	10,209	10,209	10,209
Non-restricted equity			
Share premium account	2,447,661	1,247,463	1,247,653
Retained earnings (including net profit/loss for the period)	-1,473,272	-891,179	-998,331
Total equity	**990,733**	**371,387**	**264,430**
Long term liabilities			
Provision for social security contributions, share based incentive program	18,894	14,811	14,858
Total long term liabilities	**18,894**	**14,811**	**14,858**
Current liabilities			
Provision for social security contributions, share based incentive program	13,411	70,038	56,600
Trade payables	32,214	21,869	23,261
Other current liabilities (note 7)	6,790	983	5,815
Accrued expenses and deferred income	72,283	24,267	27,732
Total current liabilities	**124,698**	**117,157**	**113,408**
Total equity and liabilities	**1,134,325**	**503,355**	**392,696**

1) Earlier periods have been adjusted to reflect correction of errors, see note 7.

Notes

Note 1 General information

This report covers the Swedish parent company Oncopeptides AB (publ), Swedish corporate identity no. 556596-6438 and its subsidiary Oncopeptides Incentive AB and Oncopeptides Inc, USA. The parent company is a Swedish public limited company registered in and with its registered office in Stockholm. Numbers in parentheses in the report refer to the figures for the corresponding period or point in time the previous year.

The interim report for the third quarter 2019 was approved for publication on November 19, 2019.

Note 2 Accounting policies

The interim report for the group has been prepared in accordance with IAS 34 Interim Financial Reporting. The parent company applies the Swedish Financial Reporting Board recommendation RFR2 Accounting for legal entities. Oncopeptides applies, except as described below, International Financial Reporting standards (IFRS) as adopted by the European Union. Relevant accounting and valuation principles could be found on pages 49-53 of the Annual Report for 2018.

IFRS 16 replaces IAS 17 and has been implemented for the group from January 1, 2019. The effect of the implementation of IFRS 16 is presented in Note 6. No other the new or amended standards that became effective January 1st 2019, have had a significant impact on the company's financial reporting.

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

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

Operational risks

Research and drug development up to approved registration is subject to considerable risk and is a capital-intensive process. The majority of all initiated projects will never reach market registration due to the technological risk such as the risk for insufficiency efficacy, intolerable side effects or manufacturing problems. If competing pharmaceuticals capture market share or reach the market faster, or if competing research projects achieve better product profile, the future value of the product portfolio may be lower than expected. The operations may also be impacted negatively by regulatory decisions, such as approvals and price changes. A more detailed description of the company's risk exposure and risk management can be found in the Annual Report for 2018 on pages 35-36.

Financial risk management

Oncopeptides' financial policy governing the management of financial risks has been designed by the board of directors and represents the framework of guidelines and rules in the form of risk mandated and limits for financial activities. The company is primarily affected by foreign exchange risk since the development costs for Melflufen are mainly paid in USD and EUR. In accordance with the company's policy for financial risk, the company exchanges cash into USD and EUR in line with entered agreements in order to manage currency exposure. For more information about the group and parent company's financial risk management see Note 3 on page 54 in the Annual Report for 2018.

Note 4 Estimates and judgements

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

Note 5 Related-party transactions

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

Note 6 IFRS 16 Leasing

IFRS 16 is applied by the Group as of January 1, 2019. IFRS 16 replaces IAS 17, and according to the new standard, lessees must report the obligation to pay lease payments as a lease debt in the balance sheet. The right to use the underlying asset during the leasing period is reported as an asset. Depreciation of the asset is recognized in profit or loss as well as an interest on the lease debt. Leasing fees paid are reported partly as interest paid and partly as amortization of the lease liability. The standard permits exclusion of leasing agreements with a lease term of less than 12 months (short-term leases) and leasing agreements for assets that have a low value.

The standard means that the majority of existing leases are reported as assets and liabilities in the balance sheet. This means that the cost for these is reported divided into interest expenses and depreciation. In the parent company, the exception is applied in RFR 2 regarding leasing agreements. This means that the parent company's principles for reporting leases are unchanged. Oncopeptides applies the simplified transition method. The right of use assets at the beginning of the period have been calculated to the same value as the lease liabilities at the same point in time. The transition to IFRS 16 meant that the Group had the right to use assets and leasing liabilities of SEK 8.1 M as of January 1, 2019. The transition to IFRS 16 also meant that the operating profit for the Group for the period ended September 30, 2019 improved by SEK 0.2 M, and that the result for the period was decreased by SEK 0.1 M, compared with if the corresponding accounting principles from the previous year had been applied.

Leasing agreements

SEK thousand	Right of use assets	Lease liabilities
Opening balance January 1, 2019	**8,053**	**8,053**
Additional agreements	1,585	1,585
Depreciation	-2,817	
Amortization		-2,664
Currency effec	82	85
Closing balance June 30, 2019	**6,903**	**7,059**

Reconciliation of operational leasing commitments

Commitments for operational leasing agreements December 31, 2018	**8,352**
Discounting effects	-299
Reported leasing liabilities January 1, 2019	**8,053**

Note 7 Correction of errors

Purchases of study drugs used in clinical trials related to the company's development projects have been accounted for erroneously since 2017 as prepaid expenses and have been expensed when the drugs have been used in the clinical rials. According to IFRS purchases of substances should be expensed directly as Reseacrh and Development expenses when they are purchased and not when they are used.

The summary below describes the impact of the error corrections on the consolidated and parent company income statements for the periods Jan-Dec 2018 and Jan-Jun 2018, and the impact on the consolidated and parent company balance sheets per Dec 31, 2018; June 30, 2018 and Jan 1, 2018. The correction of errors has no impact on consolidated or parent company cash flow statements.

Consolidated statement of income, Jan-Dec 2018

SEK thousand	According to approved Annual Report	Correction of error	After correction of error
Operating expenses			
Research and development costs	-322,051	8,337	-313,714
Marketing and distribution costs	-51,126	–	-51,126
Administrative expenses	-55,298	–	-55,298
Other operating income/expenses	9,175	–	9,175
Total operating expenses	**-419,300**	**8,337**	**-410,963**
Operating loss	**-419,300**	**8,337**	**-410,963**
Net financial items	-2	–	-2
Tax	-147	–	-147
Loss for the period	**-419,449**	**8,337**	**-411,112**
Other comprehensive income			
Total other comprehensive income, net of tax	**14**	–	**14**
Total comprehensive loss for the period	**-419,435**	**8,337**	**-411,098**
Earnings per share before and after dilution (SEK)	**-9.77**	**0.19**	**-9.58**

Consolidated balance sheet, Dec 31, 2018

SEK thousand	According to approved Annual Report	Correction of error	After correction of error
Assets			
Total non-current assets	3,214	–	3,214
Current assets			
Other current receivables	2,456	–	2,456
Prepaid expenses and accrued income	63,243	-50,828	12,415
Cash and cash equivalents	375,617	–	375,617
Total current assets	**441,316**	**-50,828**	**390,488**
Total assets	**444,530**	**-50,828**	**393,702**
Equity and liabilities			
Equity			
Share capital	4,899	–	4,899
Additional paid-in capital	1,272,830	–	1,272,830
Retained earnings (including net profit/loss for the period)	-961,897	-50,828	-1,012,725
Total equity	**315,832**	**-50,828**	**265,004**
Total long term liabilities	14,858	–	14,858
Total current liabilities	113,840	–	113,840
Total liabilities	**128,698**	**–**	**128,698**
Total equity and liabilities	**444,530**	**-50,828**	**393,702**

Parent company income statement, Jan-Dec 2018

SEK thousand	According to approved Annual Report	Correction of error	After correction of error
Operating expenses			
Research and development costs	-322,051	8,337	-313,714
Marketing and distribution costs	-51,844	–	-51,844
Administrative expenses	-55,298	–	-55,298
Other operating income/expenses	9,175	–	9,175
Total operating expenses	**-420,018**	**8,337**	**-411,681**
Operating loss	**-420,018**	**8,337**	**-411,681**
Net financial items	18	–	18
Tax	–	–	0
Loss for the period	**-420,000**	**8,337**	**-411,663**
Other comprehensive income			
Total other comprehensive income, net of tax	**-8**	–	**-8**
Total comprehensive loss for the period	**-420,008**	**8,337**	**-411,671**

Parent company balance sheet, Dec 31, 2018

SEK thousand	According to approved Annual Report	Correction of error	After correction of error
Assets			
Total non-current assets	3,264	–	3,264
Current assets			
Other current receivables	2,279	–	2,279
Prepaid expenses and accrued income	62,468	-50,828	11,640
Cash and cbank balances	375,513	–	375,513
Total current assets	**440,260**	**-50,828**	**389,432**
Total assets	**443,524**	**-50,828**	**392,696**
Equity and liabilities			
Equity			
Restricted equity	15,108	–	15,108
Non-restricted equity	300,150	-50,828	249,322
Total equity	**315,258**	**-50,828**	**264,430**
Total long term liabilities	14,858	–	14,858
Total current liabilities	113,408	–	113,408
Total liabilities	**128,266**	–	**128,266**
Total equity and liabilities	**443,524**	**-50,828**	**392,696**

Consolidated statement of income, Jan-Sep 2018

SEK thousand	According to Interim Report	Correction of error	After correction of error
Operating expenses			
Research and development costs	-231,905	8,984	-222,921
Marketing and distribution costs	-35,101	-	-35,101
Administrative expenses	-50,821	-	-50,821
Other operating income/expenses	9,739	-	9,739
Total operating expenses	**-308,088**	**8,984**	**-299,104**
Operating loss	**-308,088**	**8,984**	**-299,104**
Net financial items	0	-	0
Tax	-	-	0
Loss for the period	**-308,088**	**8,984**	**-299,104**
Other comprehensive income			
Total other comprehensive income, net of tax	**-8**	-	**-8**
Total comprehensive loss for the period	**-308,096**	**8,984**	**-299,112**
Earnings per share before and after dilution (SEK)	**-7.24**	**0.21**	**-7.03**

Consolidated balance sheet, Sep 30, 2018

SEK thousand	According to Interim Report	Correction of error	After correction of error
Assets			
Total non-current assets	2,456	-	2,456
Current assets			
Other current receivables	2,155	-	2,155
Prepaid expenses and accrued income	59,130	-50,181	8,949
Cash and cash equivalents	488,869	-	488,869
Total current assets	**550,154**	**-50,181**	**499,973**
Total assets	**552,610**	**-50,181**	**502,429**
Equity and liabilities			
Equity			
Share capital	4,894	-	4,894
Additional paid-in capital	1,266,310	-	1,266,310
Retained earnings (including net profit/loss for the period)	-850,559	-50,181	-900,740
Total equity	**420,645**	**-50,181**	**370,464**
Total long term liabilities	14,811	-	14,811
Total current liabilities	117,154	-	117,154
Total liabilities	**131,965**	-	**131,965**
Total equity and liabilities	**552,610**	**-50,181**	**502,429**

Parent company income statement, Jan-Sep 2018

SEK thousand	According to Interim Report	Correction of error	After correction of error
Operating expenses			
Research and development costs	-231,905	8,984	-222,921
Marketing and distribution costs	-34,179	-	-34,179
Administrative expenses	-50,821	-	-50,821
Other operating income/expenses	9,739	-	9,739
Total operating expenses	**-307,166**	**8,984**	**-298,182**
Operating loss	**-307,166**	**8,984**	**-298,182**
Net financial items	0	-	0
Tax	-	-	0
Loss for the period	**-307,166**	**8,984**	**-298,182**
Other comprehensive income			
Total other comprehensive income, net of tax	**-8**	-	**-8**
Total comprehensive loss for the period	**-307,174**	**8,984**	**-298,190**

Parent company balance sheet, Sep 30, 2018

SEK thousand	According to Interim Report	Correction of error	After correction of error
Assets			
Total non-current assets	2,500	-	2,500
Current assets			
Other current receivables	3,760	-	3,760
Prepaid expenses and accrued income	58,931	-50,181	8,750
Cash and cbank balances	488,344	-	488,344
Total current assets	**551,036**	**-50,181**	**500,855**
Total assets	**553, 536**	**-50,181**	**503,355**
Equity and liabilities			
Equity			
Restricted equity	15,103	-	15,103
Non-restricted equity	406,464	-50,181	356,283
Total equity	**421, 568**	**-50,181**	**371,387**
Total long term liabilities	14,811	-	14,811
Total current liabilities	117,157	-	117,157
Total liabilities	**131, 968**	-	**131,968**
Total equity and liabilities	**553,536**	**-50,181**	**503,355**

Consolidated balance sheet, Jan 1, 2018

SEK thousand	According to approved Annual Report	Correction of error	After correction of error
Assets			
Total non-current assets	2,601	–	2,601
Current assets			
Other current receivables	1,189	–	1,189
Prepaid expenses and accrued income	71,982	-59,165	12,817
Cash and cash equivalents	404,050	–	404,050
Total current assets	**477,221**	**-59,165**	**418,056**
Total assets	**479,822**	**-59,165**	**420,657**
Equity and liabilities			
Equity			
Share capital	4,423	–	4,423
Additional paid-in capital	956,044	–	956,044
Retained earnings (including net profit/loss for the period)	-542,462	-59,165	-601,627
Total equity	**418,005**	**-59,165**	**358,840**
Total long term liabilities	1,825	–	1,825
Total current liabilities	59,993	–	59,993
Total liabilities	**61,817**	–	**61,817**
Total equity and liabilities	**479,822**	**-59,165**	**420,657**

Parent company balance sheet, Jan 1, 2018

SEK thousand	According to approved Annual Report	Correction of error	After correction of error
Assets			
Total non-current assets	2,651	–	2,651
Current assets			
Other current receivables	1,189	–	1,189
Prepaid expenses and accrued income	71,982	-59,165	12,817
Cash and cbank balances	404,000	–	404,000
Total current assets	**477,171**	**-59,165**	**418,006**
Total assets	**479,822**	**-59,165**	**420,657**
Equity and liabilities			
Equity			
Restricted equity	14,632	–	14,632
Non-restricted equity	403,373	-59,165	344,208
Total equity	**418,005**	**-59,165**	**358,840**
Total long term liabilities	1,825	–	1,825
Total current liabilities	59,993	–	59,993
Total liabilities	**61,817**	–	**61,817**
Total equity and liabilities	**479,822**	**-59,165**	**420,657**

Key performance measures

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

Key performance measures, shares

	2019 Jul - Sep	2018[1] Jul - Sep	2019 Jan - Sep	2018[1] Jan - Sep	2018[1] Jan - Dec
Total registered shares at the beginning of period	48,841,921	43,786,021	44,091,921	39,806,021	39,806,021
Total registered shares at the end of period	55,212,008	44,048,721	55,212,008	44,048,721	44,091,921
Number of shares that the outstanding employee options entitle to	2,643,150	2,880,664	2,643,150	2,880,664	3,247,464
Share capital at the end of period, SEK thousand	6,135	4,894	6,135	4,894	4,899
Equity at the end of period, SEK thousand	993,365	370,464	993,365	370,464	265,004
Earnings per share before and after dilution, SEK[2]	-3.53	-2.14	-9.90	-7.03	-9.58
Operating expenses, SEK thousand	-189,597	-94,051	-495,148	-299,104	-410,963
Research and development costs, SEK thousand	-152,009	-68,413	-391,383	-222,921	-313,714
Research & development costs/operating expenses %[3]	80%	73%	79%	75%	76%

1) Earlier periods have been adjusted to reflect correction of errors, see Note 7.

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

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

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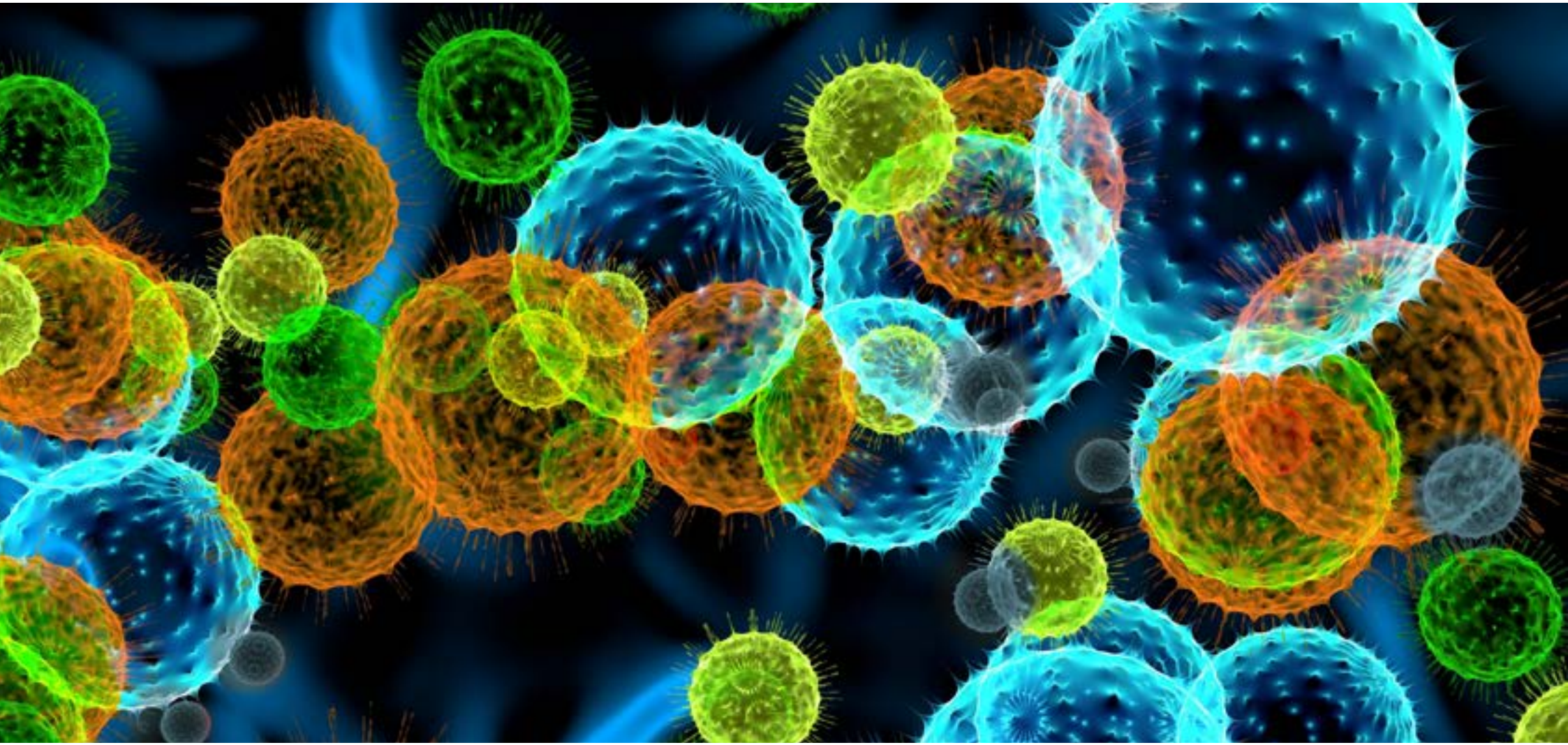

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