INTERIM REPORT Q2 2020

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 melflufen, a first in class peptide-drug conjugate (PDC) that targets aminopeptidases and rapidly releases alkylating agents into tumor cells. Melflufen (INN melphalan flufenamide) is in development as a new treatment for the hematological malignancy multiple myeloma and is currently being tested in multiple clinical studies including the pivotal phase 2 HORIZON study and the ongoing phase 3 OCEAN study. Based on the results from the HORIZON study Oncopeptides has submitted a New Drug Application (NDA) to the U.S. Food and Drug Administration, FDA, for accelerated approval of melflufen in combination with dexamethasone for treatment of adult patients with triple-class refractory multiple myeloma. Oncopeptides´ global Headquarters is in Stockholm, Sweden and the U.S. Headquarters is situated in Boston, Mass. The company is listed in the Mid Cap segment on Nasdaq Stockholm with the ticker ONCO. More information is available on www.oncopeptides.com.

Conference call for investors, analysts and the media

The Interim Report Q2 2020 and an operational update will be presented by CEO Marty J Duvall and members of Oncopeptides management team, Wednesday August 26, 2020 at 14:00 (CET). The conference call will also be streamed via a link on the website: www.oncopeptides.com.

Phone numbers for participants from:

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Financial calendar

Interim Report Q3, 2020:	November 19, 2020
Year-end Report 2020:	February 18, 2021
Interim Report Q1 2021:	May 26, 2021
Annual General Meeting 2021:	May 26, 2021

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 August 26, 2020.

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

Summary of Q2

Financial overview April 1 – June 30, 2020

- Net sales amounted to SEK 0.0 M (0.0)
- Loss for the period was SEK 401.0 M (loss: 171.9)
- Loss per share, before and after dilution, was SEK 6.79 (loss: 3.52)
- On June 30 cash and cash equivalents amounted to SEK 937.8 M (626.8)

Significant events during the period April 1 – June 30, 2020

- Marty J Duvall was appointed CEO from July 1, and Jakob Lindberg assumed the role as Chief Scientific Officer
- NDA for accelerated approval of melflufen in the U.S was submitted
- A laboratory for preclinical development was taken over to strengthen the technology platform and build the company's pipeline
- A directed share issue of SEK 1,414 M (USD 144 M) (before issue costs) to well-known life science investors, out of which SEK 716.4 M (before issue costs) was paid in after the end of the reporting period was completed
- Enrollment in the OCEAN phase 3 study continues after the initial recruitment goal of 450 patients was reached in May
- Final data from the pivotal HORIZON study were presented at EHA
- Patient enrollment to the company's exploratory clinical studies was resumed in May after a temporary pause due to the COVID-19 pandemic

Significant events after the reporting period

- The first patient was enrolled in the phase 1/2 AL-Amyloidosis study. This is the first study with melflufen in an indication outside multiple myeloma
- Oncopeptides started a phase 2 study called PORT to evaluate an alternative administration of melflufen

Financial overview of the group

SEK thousand	2020 Apr - Jun	2019 Apr - Jun	2020 Jan - Jun	2019 Jan - Jun	2019 Jan - Dec
Net sales	-	-	-	-	-
Operating loss	-399,332	-171,739	-696,208	-305,551	-739,392
Loss before tax	-399,542	-171,864	-696,869	-305,810	-739,920
Loss for the period	-401,041	-171,944	-698,370	-306,021	-740,705
Earnings per share before and after dilution (SEK)	-6.79	-3.52	-12.20	-6.35	-14.33
Cash flow from operating activities	-285,665	-122,997	-598,506	-265,818	-690,566
Cash and cash equivalents at the end of the period	937,773	626,799	937,773	626,799	926,186
Research & development costs/operating expenses %	57%	77%	63%	78%	74%

CEO statement

Oncopeptides submits a New Drug Application to the FDA, completes a directed share issue of USD 144 M, and strengthens the leadership team to pave the way for a successful commercialization of melflufen.

By the end of Q2 we submitted a New Drug Application to the U.S. Food and Drug Administration, FDA, for accelerated approval of melflufen in combination with dexamethasone in triple-class refractory multiple myeloma. The submission marks an important inflection point in Oncopeptides' history, as we embark on a journey towards becoming a fully-fledged, integrated, global biotech company. I am excited to join Oncopeptides as CEO and get the opportunity to prepare and drive the commercialization of melflufen. It will potentially enable a treatment option for a fast-growing patient population with an unmet medical need, where no cure is available.

FDA application for accelerated approval

On June 30, we submitted a New Drug Application to the U.S. Food and Drug Administration, FDA, for accelerated approval of melflufen in combination with dexamethasone for the treatment of adult patients with triple-class refractory multiple myeloma. Melflufen is the lead candidate from our proprietary PDC-platform. It is a first in class peptide-drug conjugate that targets aminopeptidases and rapidly releases alkylating agents into tumor cells. The submission is based on data from the pivotal HORIZON study. By the end of August, we expect to get a PDUFA date, a deadline by which the FDA must review our New Drug Application.

Strengthening the executive team

Following the submission, the Board of Directors appointed me as Chief Executive Officer, CEO, effective July 1. I am bringing extensive global commercialization skills from executive leadership roles in pharma and biotech including unique experience from the oncology and hematology space. I am excited by the opportunity to join a team that continues to benefit from the leadership of Jakob Lindberg who has assumed the role as our Chief Scientific Officer, CSO. I am very impressed by the remarkable development that the organization has made

> *One Oncopeptides*

under the leadership of Jakob, and I am grateful that he will continue his dedicated work to fully exploit the potential of our unique PDC-platform.

Landmark directed share issue

In the beginning of May we attracted the interest of reputed international life science investors and successfully completed a directed share issue, raising approximately SEK 1,414 M (USD 144 M). The net proceeds will be used for funding of the commercial launch and initial ramp-up of melflufen, including the scale-up of our commercial and medical affairs organization in the US, further exploit the technology platform and expand the ongoing clinical development program into other potential indications.

Broad development program

In May we restarted patient enrollment in our clinical studies following a temporary pause due to the COVID-19 pandemic. The decision was made in close dialogue with our investigators, and cautiously considering patient safety. We are continuing patient recruitment in the BRIDGE and ANCHOR studies, and recently dosed the first patient in a new study called PORT, comparing peripheral and central intravenous administration of melflufen. Later this fall we will start the phase 3 LIGHTHOUSE study. We have recently enrolled the first patient in the AL-Amyloidosis study, our first study outside multiple myeloma.

In the beginning of June, we announced the decision to continue the enrollment in the phase 3 OCEAN study. An analysis had indicated that patients enrolled in the study continued treatment for a longer period of time than we originally estimated, which speaks to the potential benefit patients can have by participating. So, to ensure that we would reach the number of disease progression events needed to complete the study, we agreed to continue patient recruitment. As a consequence, top line results will be delayed until H1 2021, instead of previously communicated Q4 2020.

In June final data from the pivotal HORIZON study was presented by Lead Investigator Dr Paul Richardson at the European Hematology Association Meeting. The results, which constitute the basis for the New Drug Application, demonstrate that melflufen in combination with dexamethasone, may provide a therapeutic option for patients with relapsed refractory multiple myeloma who are hard to treat and have a poor prognosis, including patients with triple class refractory myeloma and patients with Extramedullary Disease.

I am impressed by the final HORIZON data, both in terms of melflufens efficacy and favourable non-haematological side-effect profile. In addition, there was a large proportion of patients with EMD in the study, a disease with a significant unmet medical need. The data further validates our Peptide-Drug Conjugate platform, which will be further developed to create new drug candidated.

Presentation of new scientific data is vital to continue to build awareness of Oncopeptides and broaden the understanding of the value that melflufen and other drug development projects bring. In June we agreed to take over the drug development facility from Kancera in Solna, Sweden, and recruited several talents with preclinical expertise. This is an important step in the development of our preclinical operations and gives us adequate resources to further expand our PDC platform and generate new drug candidates.

We are submitting high quality preclinical and clinical abstracts to the major scientific congresses. During the spring we have engaged in several international meetings, such as ASCO, AACR, and EHA. This fall we will prioritize SOHO, and American Society of Hematology, ASH. The latter is the most prominent arena for scientific dialogue and engagement. Due to the ongoing pandemic though, most of these scientific congresses are virtual, which is a challenge for the whole scientific community, but we have adapted to the new format during the spring and now these virtual congresses are working remarkably well.

Commercialization of melflufen

We have applied for an accelerated approval for melflufen based on the data from the phase 2 HORIZON study and estimate a decision from FDA regarding a potential marketing approval during the period December 2020 - March 2021.

We are now building a strong commercial and medical affairs organization in the US to prepare for our first commercial launch. Following the submission of our New Drug Application we will shortly launch an Expanded Access Program in the US, to provide access to melflufen for eligible patients while our application is under review by the FDA. There is an imminent need for better therapies as an increasing amount of multiple myeloma patients become multi-resistant to their treatments.

As we are preparing for commercialization, we are growing rapidly in the US but also in other geographies. We are step by step becoming a fully integrated, commercial stage global biotech company. A strategic priority as we expand will be to build one unified culture, where we leverage our proud heritage and the values which have brought us to where we are today and establish One Oncopeptides.

Finally, I would like to extend my gratitude to all who have made and will make this journey possible and who share our aspirations to improve the lives of people with multiple myeloma; patients, physicians, nurses, partners, shareholders and coworkers. I am very appreciative for your relentless support.

Stockholm August 26, 2020

Marty J Duvall
CEO, Oncopeptides AB

Oncopeptides' PDC technology platform

Oncopeptides' drug development program is based on the unique proprietary peptide-drug conjugate (PDC) technology platform. In addition to the clinical development of melflufen, we are engaged in preclinical development to generate new candidate drugs based on our technology platform. This has to date resulted in two new drug candidates that are expected to enter clinical development in late 2020 and 2021. In June, we strengthened our preclinical organization through the takeover of an advanced drug development facility in Solna, Sweden and were thus able to recruit additional employees with preclinical expertise.

A solid foundation for research allows focus on various forms of cancer

The strength of our research lies in the technology platform and our collaborations with leading research centers around the globe.

Our core competence lies in inducing molecules to selectively concentrate in tumour cells, often by benefiting from the tumour's inherent differences in comparison to normal cells.

The technology platform: Peptide-Drug Conjugates – or PDCs

The peptide-drug conjugate platform enables concentration of a toxin in cancer cells by exploiting the differences in peptidase activity (and to some extent also esterase activity) between cancer cells and normal cells. By doing this, more cytotoxic activity is delivered to cancer cells while protecting healthy cells.

New drug candidates for potential new indications

Over the past years, Oncopeptides has developed several drug candidates from the PDC platform. The ambition is to shortly initiate clinical evaluation of the next molecule, OPD5, for bone marrow transplantation. We hope to be able to initiate clinical studies before the end of 2020. During 2021, we estimate to be ready to start clinical evaluation the next molecule, OPS2. OPS2 is currently being evaluated in several preclinical disease models, primarily Non Hodgkin Lymphoma, Acute Myeloid Leukemia and triple negative breast cancer.

Clinical strategy

Oncopeptides' development of targeted therapies for difficult-to-treat hematological diseases and malignancies are based on the Company´s peptide-drug conjugate platform. We are currently focusing on the development of our lead product candidate melflufen for treatment of multiple myeloma. Melflufen is a first in class peptide-drug conjugate (PDC) that targets aminopeptidases and rapidly releases alkylating agents into tumor cells. Our ongoing and future clinical studies will generate a broad set of data and information about melflufen's efficacy and favourable non-haematological side-effects in various patient groups.

On June 30, we submitted a New Drug Application (NDA) to the US Food & Drug Administration (FDA) for accelerated approval based on final clinical data from the HORIZON study. This could lead to the first marketing approval for melflufen in the US around year-end.

The purpose of our clinical development program is to establish melflufen as a cornerstone in the treatment of relapsed-refractory multiple myeloma.

Melflufen is currently evaluated in a robust clinical development program in multiple myeloma. The clinical strategy has evolved over time, based on the results from Oncopeptides' first clinical study O-12-M1, a phase 1/2 study in multiple myeloma conducted between 2013 and 2017.

We presented the final study results in patients with tripel-class refractory multiple myeloma, including a high proportion patients with metastatic cancer (EMD), from our pivotal phase 2 study HORIZON at the European Hematology Meeting, EHA, in June. Recruitment for the phase 3 study OCEAN continues after we reached our initial recruitment goal 450 patients in May. Our analysis showed that patients who participated in the study continued the treatment for a longer time than we originally had calculated, which suggests the potential benefit that patients can have by participating in the study. The other ongoing studies are the phase 2 studies ANCHOR, BRIDGE and PORT as well as the recently started AL-Amyloidosis study. The confirmatory phase 3 study LIGHTHOUSE will start in the autumn.

Standard of Care after first-line treatment of multiple myeloma

Oncopeptides strategy aims to establish melflufen as a cornerstone in the treatment of multiple myeloma after the first line of therapy. To further broaden the indication base for melflufen outside multiple myeloma, the Company has recently initiated a study in patients with AL-Amyloidosis, the first potential indication outside myeloma. The goal is to fully explore the benefit that melflufen can bring to patients across the cancer spectrum.

The regulatory strategy

The recently filed application for accelerated approval of melflufen in the United States for the treatment of RRMM patients with triple-class refractory disease is the first step to establish melflufen as a potential treatment in myeloma. An eventual accelerated approval results in a marketing approval that later needs to be confirmed with clinical data from a randomized study. Both OCEAN and LIGHTHOUSE can independently act as confirmatory studies. Additionally, both OCEAN and LIGHTHOUSE – assuming positive outcomes from the studies – can result in broadening of the label into earlier stages of the disease (both studies) as well as in combination with daratumumab (LIGHTHOUSE).

Oncopeptides has planned a clinical development program for melflufen in RRMM, in close dialogue and collaboration with regulatory authorities and professional bodies in Europe and the US.

Upon receiving approval of the study design of the phase 3 OCEAN study through the FDA Special Protocol Assessment in August 2016, preparations commenced for the development phase 3 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 OCEAN study is expected to lay the foundation for an application to broaden the indication for melflufen in 2022. The application can act as a confirmatory study after a potential accelerated approval - including label extension into RRMM patients with only single class refractory disease (in addition to the potential accelerated approval for the treatment of RRMM patients with triple-class refractory disease). The study can also be used as the basis for an independent application for market authorization across additional geographic markets.

In the clinical phase 3 OCEAN study, the efficacy of Oncopeptides' product candidate, melflufen, is compared with pomalidomide, both being administered in combination with the steroid dexamethasone. Pomalidomide is currently the market-leading medication for the treatment of RRMM, with sales of USD 2.5 billion in 2019. The objective of the OCEAN study is to prove that melflufen has a superior efficacy and safety profile compared with pomalidomide.

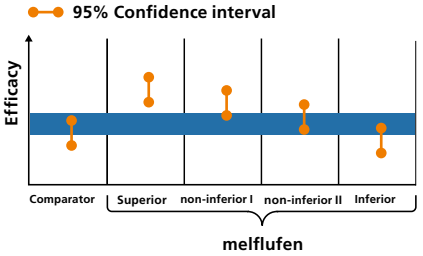
The outcome from the OCEAN study will be analyzed by comparing PFS (Progression Free Survival) for melflufen with the PFS for pomalidomide. This comparison can simplistically result in three different outcomes i.e. that melflufen is superior, non-inferior or inferior to pomalidomide. As seen in the graphic 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.

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 study is designed to further broaden the indication for melflufen. The application can act as a confirmatory study 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.

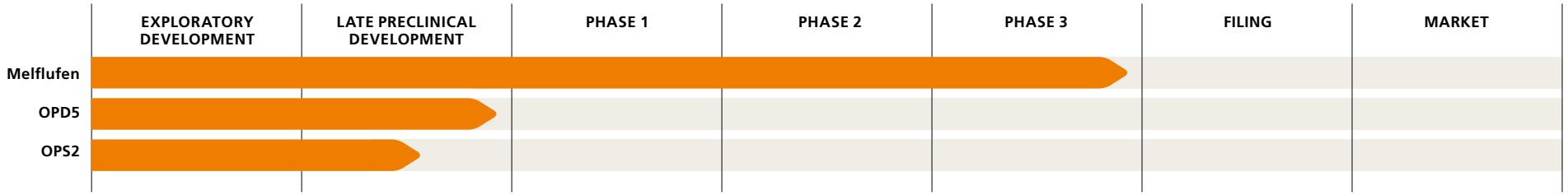
In addition, the Company has several drug candidates in late stage preclinical development for other malignancies, which will potentially move into clinical development in the future.

Outcome scenarios for OCEAN



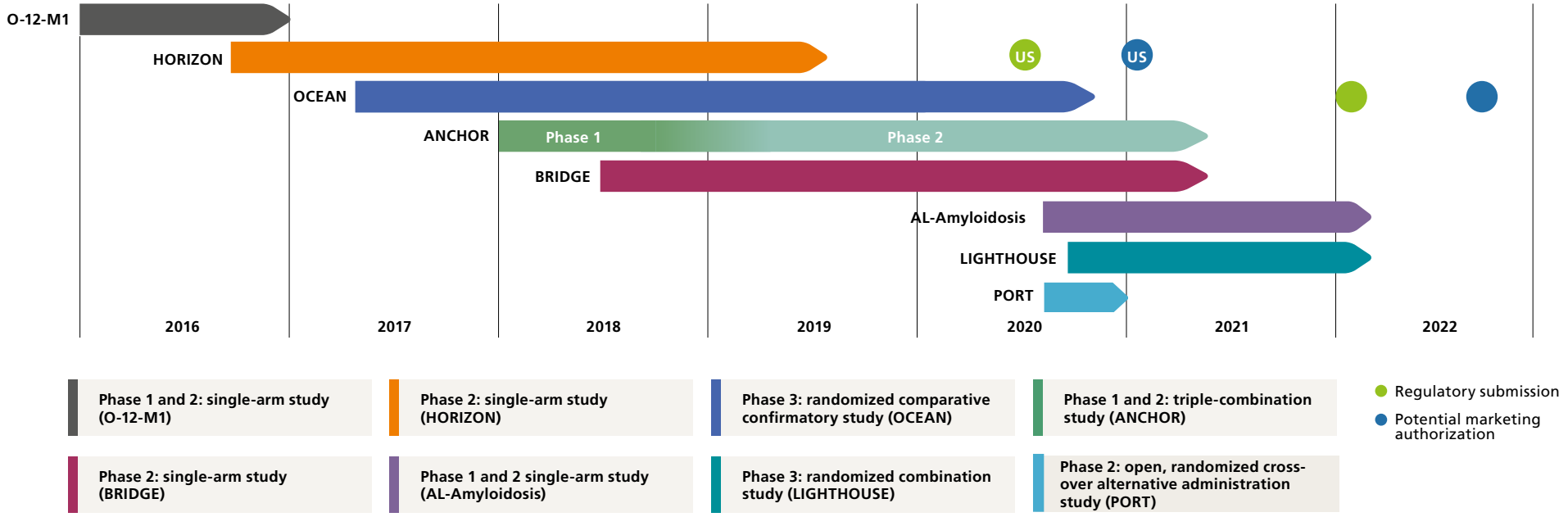
Clinical development program

Oncopeptide's development portfolio of peptide-conjugated drug candidates



Melflufen in clinical development

Provided a positive regulatory assessment, the clinical program will provide a broad set of data for different patient groups



O-12-M1

SUPPORTING

- Completed phase 2 study with 45 patients.
- Included RRMM patients who had received a median of four previous lines of therapy, and became resistant to lenalidomide (immunomodulatory pharmaceutical – IMiD) and bortezomid (proteasome inhibitor – PI).
- Completed patient enrollment in late 2016 and presented final results in 2017.

HORIZON

PIVOTAL

- Completed phase 2 study with 157 patients.
- RRMM patients with few or no remaining treatment options.
- Evaluating melflufen in combination with dexamethasone in RRMM patients.
- Patients have received ≥2 earlier lines of therapy with IMiDs and PIs and are resistant to pomalidomide and/or daratumumab.
- Basis for FDA submission for accelerated approval.
- Supports OCEAN for marketing authorization.
- Started in Q1 2017, data reported in 2018/2019 and follow-up in 2019/2020.

OCEAN

PIVOTAL / CONFIRMATORY

- Ongoing phase 3 study with up to 495 patients.
- Including RRMM patients who are resistant 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 study is designed to demonstrate benefit in comparison with pomalidomide.
- To obtain approval in Europe, the only requirement is to demonstrate that melflufen has similar benefit.
- Started in Q2 2017, enrollment ongoing with 450 patients enrolled in May 2020.

ANCHOR

EXPLORATIVE

- Phase 1/2 study 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 of using melflufen in earlier lines of therapy.
- May significantly increase melflufen's market potential as a combination therapy.
- Started in Q2 2018, daratumumab arm is fully recruited. Recruitment to the bortezomib arm was temporarily paused during March-May 2020 due to the COVID-19 pandemic.

BRIDGE

SUPPORTING

- Phase 2 study with up to 25 patients.
- Open-label, single-arm trial for patients with reduced renal function.
- Positioning study to show melflufen's treatment profile within this patient group.
- Started in Q3 2018, the study was temporarily paused during March-May 2020 due to the COVID-19 pandemic.

LIGHTHOUSE

CONFIRMATORY

- Phase 3 combination study to include more than 170 patients.
- Will include patients who are refractory to an IMiD and a PI, alternatively have received at least three previous treatment lines including an IMiD and a PI.
- Confirm the efficacy and safety of combination therapy with melflufen plus daratumumab compared to daratumumab.
- The study is expected to start during the fall 2020.

AL-AMYLOIDOSIS

EXPLORATIVE

- First study outside of multiple myeloma.
- Phase 1/2 study in approximately 40 patients.
- In patients with systemic light-chain (AL) amyloidosis who have undergone at least one prior treatment.
- The primary efficacy parameters in the phase 1 study are safety, tolerability and to find the right dose for phase 2. In phase 2, the Overall Response Rate (ORR) is measured.
- The study started in December 2019 and was temporarily paused during March-May 2020 due to the COVID-19 pandemic.

PORT

SUPPORTING

- Phase 2 study in 25 patients.
- An open-label, randomized, cross-over phase 2 study evaluating an alternative administration of melflufen in patients with RRMM.
- Comparing safety, tolerability and efficacy of peripheral versus central intravenous administration of melflufen in combination with dexamethasone.
- The study started in August 2020 with patient recruitment expected to be finalised in December 2020.

The multiple myeloma market

The number of patients with multiple myeloma is increasing as the population ages , and new treatment regimens are introduced. Roughly 250,000 patients are living with multiple myeloma in Europe and the US, while 80,000 patients are newly diagnosed and 44,000 patients die from the disease annually.* The number of patients diagnosed with multiple myeloma is growing by nearly one percent per year, mainly due to the aging population. There is no cure for the disease, but long disease-free periods can be attained through treatment using several different pharmaceutical classes.

More treatment in early stages of the disease

The number of patients with multiple myeloma who have undergone several lines of therapy has increased dramatically, and this growth is expected to continue. The reason behind this development is attributable to changes in treatment algorithms over the past few years, with patients now treated with several pharmaceuticals earlier in their disease. Multiple myeloma remains incurable, despite therapeutic advancements. This means that more patients than ever are living with the disease and are becoming multi-resistant, with a significant need for additional treatment options. The figure below illustrates how patient growth in the US has developed by line of therapy, during recent years.

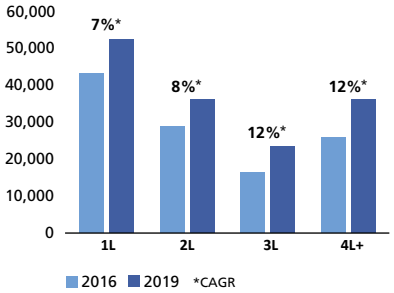
The basis of today´s treatment

Multiple myeloma is mainly treated with drugs from four different pharmaceutical classes. The basis of all treatments is steroids. A combination of an IMiD and a proteasome inhibitor (PI) is frequently used for newly diagnosed patients.

At present, the various classes may consist of several different drugs. Within each class, the existing drugs largely share the same mode of action and resistance mechanism, which means that the value for patients lies squarely in the pharmaceutical class and not in the individual drug. If a patient stops responding – or has responded poorly – to treatment using a drug from one particular class, the patient will likely also respond poorly to treatment using the other drugs in the same class of pharmaceuticals. This phenomenon is called resistance development; patients become refractory to their therapy. Another problem is that other diseases associated with myeloma (so called co-morbidities) limit the use of several drugs for myeloma treatment. The most frequent problems are renal failure, cardiovascular disease and peripheral neuropathy.

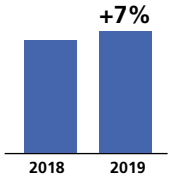
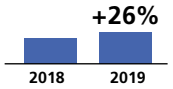
*NCI SEER and WHO Globocan

Improved outcomes lead to fast growth in number of treated patients in later lines of therapy



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

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			
Alkylating agents	Bendamustine, cyclophosphamide and melphalan		88%
Immunomodulators (IMiD:s)	Lenalidomide, pomalidomide and thalidomide		
Proteasome inhibitors (PI)	Bortezomib, carfilzomib and ixazomib		
Steroids	Dexamethasone and prednisone		
Targeted agents			
anti-CD38	Daratumumab		23%
anti-SLAMF7	Elotuzumab		

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

Lack of alternatives

The rapid development of resistance in myeloma and associated diseases means that the majority of myeloma patients will lack treatment alternatives upon completing their second line of therapy. This is a fragmented pharmaceutical market by the time the first line of therapy is completed. Physicians try to use other drugs from pharmaceutical classes that the patient has already built a resistance to in an attempt to control the disease, which yields varying results.

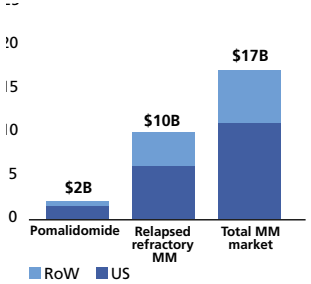
Rapidly growing market in the US

The global market for myeloma drugs amounted to USD 19 billion in 2019. Of this amount, USD 6 billion concerned first line treatment, where Revlimid (lenalidomide), an IMiD, and Velcade (bortezomib), a PI, are the predominant products. The market for the treatment of myeloma patients after the first line of therapy amounted to USD 13 billion.

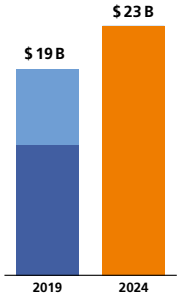
Along with new drug launches, the growing number of patients in later lines of therapy is expected to continue to increase the overall number of patients treated, and thus also the value of the market. Prevailing prognoses from various analysts indicate that the market will grow to USD 23 billion by 2024. This includes several significant products, such as Pomalyst (pomalidomide), which is also an IMiD, Darzalex (daratumumab), a monoclonal antibody, and anti-CD38, an inhibitor. Other proteasome inhibitors including Kyprolis (carfilzomib) and Ninlaro (ixazomib) are significant products that are used after the first line of therapy.

Melflufen opportunity in Relapsed Refractory Multiple Myeloma

2019 Multiple Myeloma Net Sales Breakdown



Global growth 2019 –2024



Source: EvaluatePharma, Intrinsiq, company analysis

Resistance and lines of therapy

In order to analyze market data and be able to predict how the market will develop, it is important to distinguish between resistance and line of therapy. A patient undergoing therapy today can already become resistant to the two primary classes of pharmaceuticals, namely IMiDs and PIs, after the first line of therapy. If they also have been treated with an anti-CD38
inhibitor, these patients are classed as triple-class resistant (refractory) patients. This naturally varies based on the patient and their response to therapy, which has laid the foundation for highly personalized therapy after the first line based on the outcome of the therapy. Consequently, it is important to carefully assess the resistance status of an individual patient rather than which line of therapy the patient has undergone in order to assess the market potential for a pharmaceutical with a particular treatment label. The market is extremely fragmented.

Market growth in the US driven by longer treatment time

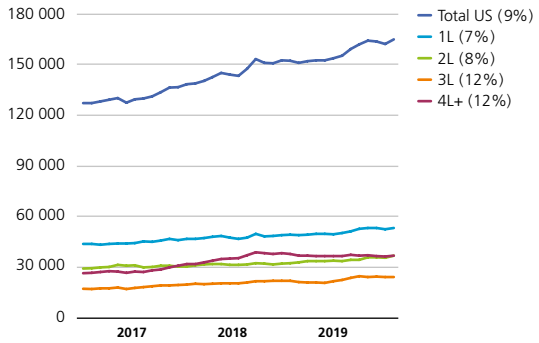
In the US market, growth of patients treated in the second or later lines of therapy is higher than in the first line. This applies to the number of patients treated. The value of the treatment, in turn, is connected to the number of treatment cycles carried out in the various lines, which is connected to the degree of resistance and the patient's health status. To simplify this, we can say that a newly diagnosed patient undergoes 12 treatment cycles or more, while a triple class refractory patient undergoes perhaps four to six cycles.

In the US, the bulk of growth has historically occurred in the number of patients treated in the second or later lines of therapy. It is also important to understand that new products are a supplement to existing ones, and that all products help broadening the number of tools that can be used by doctors over the long term. The share of patients treated with Revlimid and Velcade, the predominant products used in first line therapy, has been stable over the past three years, during which time the treatment algorithm has been changed.

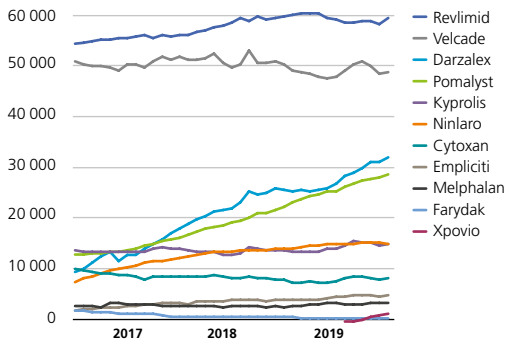
However, the growth in the market is the result of the introduction of new products. This is logical given that they represent a new addition to the therapy arsenal, but also because some products belong to new classes of pharmaceuticals or have a new mode of action, thereby providing the patient with extra benefits assuming that they respond to treatment.

The figures below provide a graphical overview of these facts, showing that second or later lines of therapy are growing most rapidly, that new products are being used in addition to older ones and that new products are driving market growth in the US.

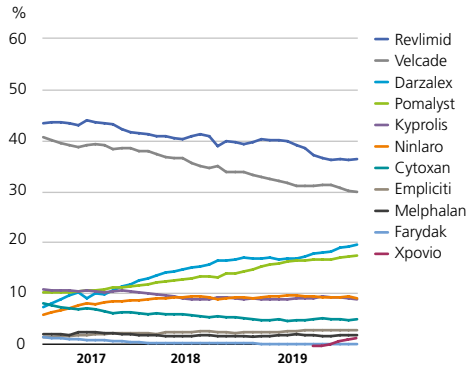
MM patient growth driven by later lines of therapy



Newer products used in addition to older products as survival improves



New pharmaceuticals are driving market growth



Melflufen's role

As Oncopeptides has generated new data or interpreted changes to the treatment algorithm, Oncopeptides' clinical development program has been supplemented to be able to potentially offer as many multiple myeloma patients as possible a treatment. Melflufen is a first in class peptide-drug conjugate (PDC) that targets aminopeptidases and rapidly releases alkylating agents into tumor cells. The study results, both from monotherapy and combination studies with melflufen, are showing a good efficacy and safety profile.

Based on these clinical results, a clinical strategy for commercialization has been developed. The figures below illustrate how we are addressing the market and its various segments. The first step is to obtain accelerated approval in the US for triple-class refractory patients.

The market for triple-class refractory patients has grown and continues to grow substantially. In the US, there are approximately 20,000 patients in various lines of therapy, as illustrated in the figure below. In the US, there are approximately 18,000 myeloma patients with metastatic cancer (EMD). The HORIZON study included a large number of patients with EMD.

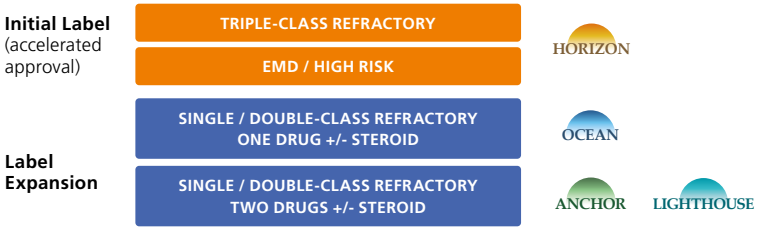
Oncopeptide's application to the FDA for an accelerated approval of melflufen, may lead to a marketing approval in late 2020 or early 2021.

Data from the OCEAN study can potentially lead to a broader indication base, provided that the study demonstrates improved efficacy compared with Pomalyst. The ANCHOR exploratory study has provided guidance for the upcoming LIGHTHOUSE phase 3 study, which will establish the necessary conditions for expanded use of melflufen into earlier lines of treatment.

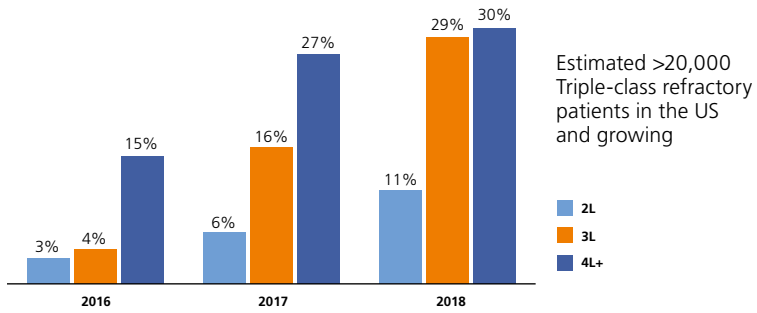
Target

The overarching target for melflufen is to address a market that in 2019 amounted to USD 13 billion. Refer to the figure under the heading "Rapidly growing market in the US". There are several properties indicating that melflufen could become an attractive treatment option. Its novel Mode of Action offers an alternative, both individually and when combined. Melflufen has a a clinically manageable safety profile and a low incidence of severe non-hematological side-effects. A vital aspect of melflufen as studies has shown synergistic effects with other pharmaceuticals in other classes. In terms of efficacy, melflufen has shown encouraging results, making a difference for the patients treated. The drug is simple to administrate and can conveniently be provided by both specialist and general care clinics.

Different market segments adressed by the clinical programs



Initial indication for melflufen may address the growing segment of triple-class refractory myeloma



Source: Company analysis of IQVIA patient data

Financial overview

Revenue

Net sales amounted to SEK 0.0 M (0.0) during the second quarter and to SEK 0.0 M (0.0) for the first six months.

Operating expenses

Operating expenses for the second quarter amounted to SEK 399.3 M (171.7) and to SEK 696.2 M (305.6) for the first six months.

Research and development costs

During the second quarter, research and development costs increased to SEK 227.8 M (132.6) and to SEK 441.4 M (239.4) for the first six 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.

The costs for share-based incentive programs related to R&D amounted to SEK 9.4 M (4.2) for the second quarter and to SEK 13.8 M (7.6) for the first six months.

Marketing and distribution costs

Marketing and distribution costs for the second quarter amounted to SEK 97.9 M (26.4) and to SEK 148.9 M (44.3) for the first six months. The main reason for the cost increase is the continued expansion of the medical affairs and commercial functions and related activities.

The costs for share-based incentive programs related to marketing and distribution amounted to SEK 4.5 M (2.2) for the second quarter and to SEK 2.6 M (4.2) for the first six months.

Administration expenses

During the second quarter, administration expenses amounted to SEK 46.5 M (16.0) and to SEK 87.2 M (27.4) for the first six months. The increase is due to the company´s continued high business activity level and growing organization, in particular in the US.

The costs for share-based incentive programs related to administration amounted to SEK 7.0 M (3.5) for the second quarter and to SEK 9.5 M (6.5) for the first six 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 second quarter amounted to SEK 20.9 M (9.9) and to SEK 25.9 M (17.8) for the first six months, out of which SEK 9.7 M (3.8) was provisions and payments of social security contributions, and SEK 16.3 M (14.0) was costs for share-based payments. These costs have no cash impact. The company has issued warrants that are exercised to cover social security contributions exceeding the paid premiums that may arise from the exercise of granted employee stock options. See note 7.

Impact of COVID-19

In March the company decided to temporarily pause patient recruitment to some ongoing explorative clinical trials and initiation of some new clinical trials was postponed. In May patient recruitment was resumed in the paused clinical trials. COVID-19 had no significant other effects on the financial results.

Earnings

The loss for the second quarter was SEK 401.0 M (171.9) for the second quarter and the loss for the first six months was SEK 698.4 M (306.0). This corresponds to a loss per share, before and after dilution, of SEK 6.79 (3.5) for the second quarter and SEK 12.20 (6.35) for the first six months.

Cash flow, investments and financial position

Cash flow from operating activities amounted to a negative SEK 285.7 M (neg: 123.0) for the second quarter and to a negative SEK 598.5 M (265.8) for the first six 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 commercial functions.

Cash flow from investing activities was a negative SEK 5.1 M (0.0) for the second quarter and to a negative SEK 8.9 M (0.0) for the first six months.

Cash flow from financing activities amounted to SEK 652.8 M (neg: 0.9) for the second quarter and to SEK 648.9 M (513.1) for the first six 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 June 2019 it was resolved to make second directed share issue, which was completed in July 2019, raising SEK 727.2 M before issue costs amounting to SEK 44.3 M. In May 2020 it was resolved to make a directed share issue that was completed in two tranches in May and July 2020. This share issue raised SEK 1,413.9 M before issue costs of SEK 85.2 M.

Share issues that are resolved during the accounting period but completed after the end of the period are recorded as completed in the parent company as share issues are considered as completed upon the resolution date according to Swedish accounting practices, but not in the group as share issues are recorded when the new shares have been paid according to IFRS. See Note 6.

Cash flow for the second quarter was SEK 362.1 M (neg: 123.9) and cash flow for the first six months was SEK 41.5 M (247.3). As of June 30, 2020, cash and cash equivalents amounted to SEK 937.8 M (626.8). This does not include the second tranche of the directed share issue resolved in May, amounting to SEK 716.4 M before issue expenses of SEK 43.0 M that was paid in July 2020. Equity amounted to SEK 769.9 (487.8) M.

Other information

Co-workers
As of June 30, 2020, the number of co-workers amounted to 154 (61).

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
As of June 30, 2020, the number of registered shares and votes in Oncopeptides amounted to 61,499,683.

Events after the end of the report period
The first patient was enrolled in the phase 1/2 AL-Amyloidosis study. This is the first study with melflufen in an indication outside multiple myeloma.

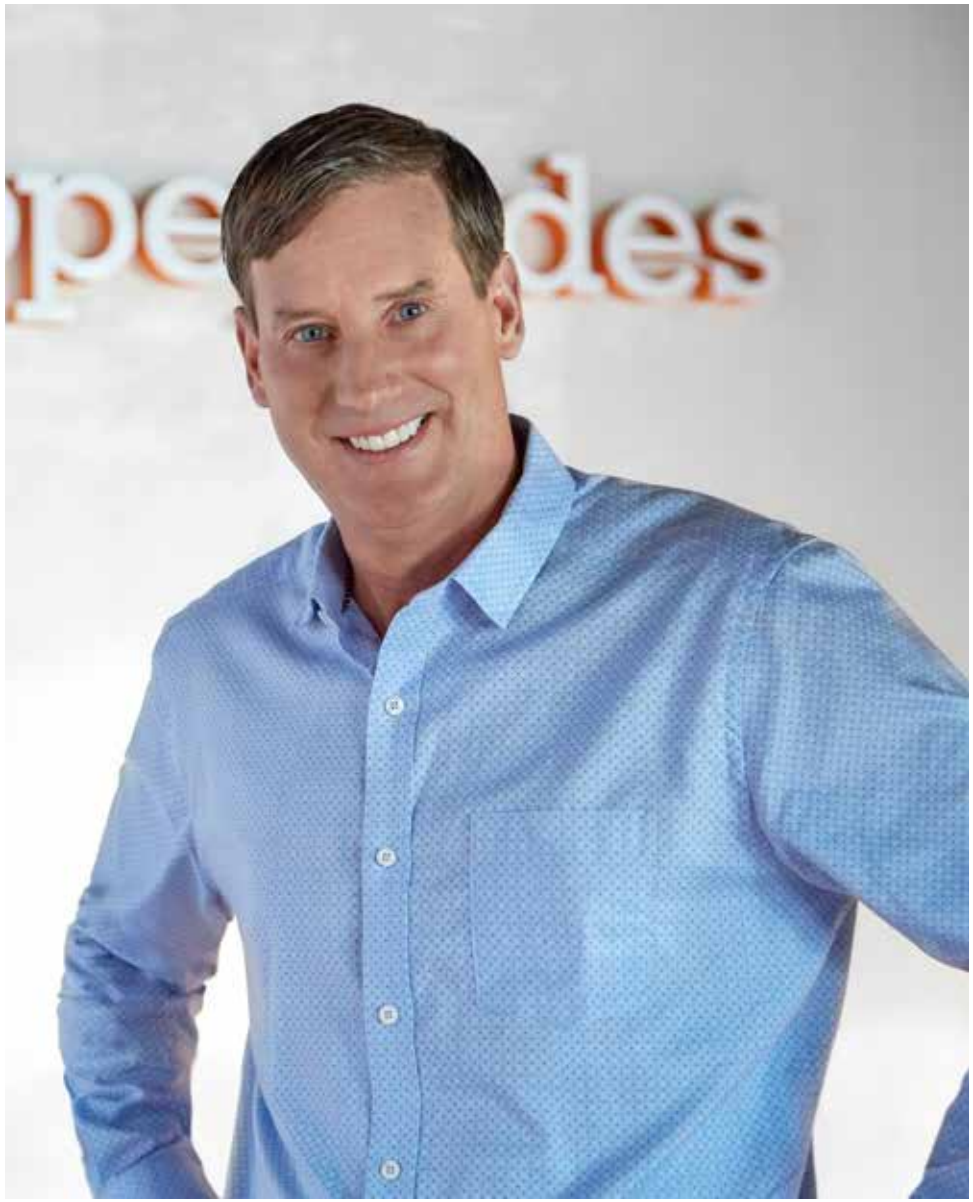
Oncopeptides started a phase 2 study called PORT to evaluate an alternative administration of melflufen.

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

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

Stockholm, August 26, 2020

Per Wold-Olsen *Chairman*	Jonas Brambeck *Board member*
Cecilia Daun Wennborg *Board member*	Jennifer Jackson *Board member*
Jarl Ulf Jungnelius *Board member*	Per Samuelsson *Board member*
Brian Stuglik *Board member*	Marty J Duvall *CEO*



Condensed consolidated income statement

SEK thousand	2020 Apr - Juni	2019 Apr - Jun	2020 Jan - Jun	2019 Jan - Jun	2019 Jan - Dec
Net sales	–	–	–	–	–
Gross profit	–	–	–	–	–
Operating expenses					
Research and development costs	-227,815	-132,569	-441,365	-239,374	-548,273
Marketing and distribution costs	-97,913	-26,416	-148,894	-44,295	-127,409
Administrative expenses	-46,504	-16,032	-87,154	-27,361	-72,046
Other operating income/expenses[1)]	-27,100	3,278	-18,795	5,479	8,336
Total operating expenses	**-399,332**	**-171,739**	**-696,208**	**-305,551**	**-739,392**
Operating loss	**-399,332**	**-171,739**	**-696,208**	**-305,551**	**-739,392**
Net financial items	-210	-125	-661	-259	-528
Loss before tax	**-399,542**	**-171,864**	**-696,869**	**-305,810**	**-739,920**
Tax	-1,499	-80	-1,501	-211	-785
Loss for the period[2)]	**-401,041**	**-171,944**	**-698,370**	**-306,021**	**-740,705**
Earnings per share before and after dilution (SEK)	**-6.79**	**-3.52**	**-12.2**	**-6.35**	**-14.33**

Condensed consolidated statement of comprehensive income

SEK thousand	2020 Apr - Juni	2019 Apr - Jun	2020 Jan - Jun	2019 Jan - Jun	2019 Jan - Dec
Loss for the period	**-401,041**	**-171,944**	**-698,370**	**-306,021**	**-740,705**
Other comprehensive income					
Items to be reclassified to profit or loss					
Translation differences from foreign operations	-632	-13	-172	20	-
Total other comprehensive income, net of tax	**-632**	**-13**	**-172**	**20**	**-20**
Total comprehensive loss for the period	**-401,673**	**-171,957**	**-698,542**	**-306,001**	**-740,725**

1) Exchange rate differences on assets and liabilities in operational activities.

2) Total comprehensive loss for the period is in total attributable to parent company shareholders

Condensed consolidated statement of financial position

SEK thousand	June 30th 2020	June 30th 2019	Dec 31st 2019
Assets			
Non-current assets			
Intangible fixed assets	2,041	-	2,111
Property, plant and equipment	9,582	2,230	2,499
Right-of-use assets	26,711	7,797	14,693
Financial non-current assets	4,430	1,034	3,297
Total non-current assets	**42,764**	**11,061**	**22,600**
Current assets			
Other current receivables	8,760	4,085	6,976
Prepaid expenses and accrued income (Note 6)	52,736	62,037	37,726
Cash and cash equivalents	937,773	626,799	926,186
Total current assets	**999,269**	**692,921**	**970,888**
Total assets	**1,042,033**	**703,982**	**993,488**
Equity and liabilities			
Equity			
Share capital	6,833	5,427	6,157
Additional paid-in capital	3,215,068	1,801,100	2,544,306
Retained earnings (including net profit/loss for the period)	-2,451,992	-1,318,726	-1,753,450
Total equity[1)]	**769,909**	**487,801**	**797,013**
Long term liabilities			
Provision for social security contributions, share based incentive program	12,352	19,287	23,052
Other long term liabilities	12,776	4,101	8,243
Total long term liabilities	**25,128**	**23,388**	**31,295**
Current liabilities			
Provision for social security contributions, share based incentive program	31,090	56,006	10,733
Trade payables	61,761	50,750	80,986
Other current liabilities	19,914	5,719	12,319
Accrued expenses and deferred income (Note 6)	134,231	80,318	61,142
Total current liabilities	**246,996**	**192,793**	**165,180**
Total equity and liabilities	**1,042,033**	**703,982**	**993,488**

1) Equity is in total attributable to parent company shareholders

Condensed consolidated statement of changes in equity

SEK thousand	2020 Apr - Juni	2019 Apr - Jun	2020 Jan - Jun	2019 Jan - Jun	2019 Jan - Dec
Opening balance	**505,838**	**652,125**	**797,013**	**265,004**	**265,004**
Profit/loss of the period	-401,041	-171,944	-698,370	-306,021	-740,705
Other comprehensive income	-632	-13	-172	20	-20
Comprehensive income (loss) for the period	**-401,673**	**-171,957**	**-698,542**	**-306,001**	**-740,725**
Transaction with owners					
New issue of ordinary shares	697,475	-	697,475	546,250	1,273,425
Cost attributable to new share issue	-42,241	-	-42,241	-31,409	-76,595
Share based payments	10,508	7,633	16,202	13,957	32,493
Exercise of warrants	2	-	2	-	43,411
Total transaction with owners	**665,744**	**7,633**	**671,438**	**528,798**	**1,272,735**
Closing balance	**769,909**	**487,801**	**769,909**	**487,801**	**797,013**

Condensed consolidated statement of cash flow

SEK thousand	2020 Apr - Juni	2019 Apr - Jun	2020 Jan - Jun	2019 Jan - Jun	2019 Jan - Dec
Operating loss	-399,332	-171,739	-696,208	-305,551	-739,392
Adjustment for non-cash-items[1)]	65,465	7,657	60,728	15,876	-8,187
Interest received	0	0	0	0	0
Interest paid	-309	-125	-760	-259	-528
Tax paid	-3,296	-293	-3,298	-293	-1,158
Cash flow from operating activities before change in working capital	**-337,472**	**-164,500**	**-639,538**	**-290,227**	**-749,265**
Cash flow from changes in working capital	51,807	41,503	41,032	24,409	58,699
Cash flow from operating activities	**-285,665**	**-122,997**	**-598,506**	**-265,818**	**-690,566**
Cash flow from investing activities	-5,064	-	-8,886	-42	-2,628
Cash flow from financing activities	652,786	-919	648,930	513,113	1,236,285
Cash flow for the period	**362,057**	**-123,916**	**41,538**	**247,253**	**543,091**
Cash and cash equivalents at beginning of period	617,786	747,471	926,186	375,617	375,617
Change in cash and cash equivalents	362,057	-123,916	41,538	247,253	543,091
Foreign exchange difference in cash and cash equivalents	-42,070	3,244	-29,951	3,929	7,478
Cash and cash equivalents at the end of period	**937,773**	**626,799**	**937,773**	**626,799**	**926,186**

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

Condensed parent company income statement

SEK thousand	2020 Apr - Juni	2019 Apr - Jun	2020 Jan - Jun	2019 Jan - Jun	2019 Jan - Dec
Net sales	–	–	–	–	–
Gross profit	–	–	–	–	–
Operating expenses					
Research and development costs	-227,947	-132,603	-441,574	-239,439	-548,419
Marketing and distribution costs	-100,865	-27,206	-153,694	-45,765	-131,992
Administrative expenses	-47,748	-16,042	-89,643	-27,384	-72,104
Other operating income/expenses[1)]	-27,100	3,278	-18,795	5,479	8,336
Total operating expenses	**-403,660**	**-172,573**	**-703,706**	**-307,109**	**-744,179**
Operating loss	**-403,660**	**-172,573**	**-703,706**	**-307,109**	**-744,179**
Net financial items	111	10	123	20	41
Loss before tax	**-403,549**	**-172,563**	**-703,583**	**-307,089**	**-744,138**
Tax	–	–	–	–	–
Loss for the period	**-403,549**	**-172,563**	**-703,583**	**-307,089**	**-744,138**

Condensed parent company statement of comprehensive income

SEK thousand	2020 Apr - Juni	2019 Apr - Jun	2020 Jan - Jun	2019 Jan - Jun	2019 Jan - Dec
Loss for the period	**-403,549**	**-172,563**	**-703,583**	**-307,089**	**-744,138**
Other comprehensive income					
Total other comprehensive income, net of tax	**–**	**–**	**–**	**–**	**–**
Total comprehensive loss for the period	**-403,549**	**-172,563**	**-703,583**	**-307,089**	**-744,138**

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

Parent company balance sheet

SEK thousand	June 30th 2020	June 30th 2019	Dec 31st 2019
Assets			
Subscribed but unpaid capital (Note 6)	716,450	771,437	-
Non-current assets			
Intangible fixed assets	2,041	-	2,111
Property, plant and equipment	5,013	2,191	2,472
Financial non-current assets	901	901	901
Total non-current assets	**7,955**	**3,092**	**5,485**
Current assets			
Other current receivables	8,150	4,085	6,914
Prepaid expenses and accrued income	5,344	17,557	37,192
Cash and cash equivalents	926,642	624,958	921,535
Total current assets	**940,136**	**646,600**	**965,641**
Total assets	**1,664,541**	**1,421,129**	**971,126**
Equity and liabilities			
Restricted equity			
Share capital	6,833	5,427	6,157
Not registered Share capital	692	557	-
Statutory reserve	10,209	10,209	10,209
Non-restricted equity			
Share premium account	3,813,967	2,488,584	2,486,636
Retained earnings (including net profit/loss for the period)	-2,397,356	-1,291,464	-1,709,975
Total equity	**1,434,345**	**1,213,313**	**793,027**
Long term liabilities			
Provision for social security contributions, share based incentive program	12,352	19,287	23,052
Total long term liabilities	**12,352**	**19,287**	**23,052**
Current liabilities			
Provision for social security contributions, share based incentive program	31,090	56,006	10,733
Trade payables	55,949	49,611	79,864
Other current liabilities	18,267	3,343	13,430
Accrued expenses and deferred income (Note 6)	112,538	79,569	51,020
Total current liabilities	**217,844**	**188,529**	**155,047**
Total equity and liabilities	**1,664,541**	**1,421,129**	**971,126**

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 the previous year.

The interim report for the second quarter 2020 was approved for publication on August 26, 2020.

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, the same accounting principles as in the last Annual Report. Relevant accounting and valuation principles could be found on pages 53-58 of the Annual Report for 2019.

No new or amended standards that became effective January 1, 2020, 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 2019 on pages 38-39.

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 58-59 in the Annual Report for 2019.

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 Issue related assests and liabilities

SEK thousand	June 30th 2020	June 30th 2019	Dec 31st 2019
Consolidated balance sheet			
Issue related current assets	42,987	44,262	-
Non-issue related current assets	9,749	17,775	37,726
Other current assets	**52,736**	**62,037**	**37,726**
Issue related current liabilities	42,987	44,262	-
Non-issue related current liabilities	91,244	36,056	61,142
Other current liabilities	**134,231**	**80,318**	**61,142**
Parent company balance sheet			
Issue related current assets	716,450	771,437	-
Subscribed but unpaid capital	**716,450**	**771,437**	**-**
Issue related current liabilities	42,987	42,262	-
Non-issue related current liabilities	69,551	37,307	51,020
Other current liabilities	**112,538**	**79,569**	**51,020**

Note 7 Share-based incentive programs

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

In 2016 the program "Employee option program 2016/2023" was implemented. In 2017 "Co-worker LTIP 2017" was established. At the AGM in May 2018, two additional incentive programs were adopted: "Co-worker LTIP 2018" and "Board LTIP 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 more information about these programs see note 26 in the Annual Report 2019. The Annual General meeting 2020 resolved to implement the program "Board LTIP 2020". For further information about this program, see the minutes of the Annual General Meeting 2019 published on the company's website, www.oncopeptides.com.

Full utilization of granted options and share awards per June 30, 2020, corresponding to 2,849,761 shares, would result in a dilution for shareholders of 4.4 percent. Full utilization of all options and share awards, corresponding to 5,028,219 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 7.6 percent.

Below follows a summary of the changes in existing incentive programs during the first six months and the total number of shares that granted employee stock options and share awards may entitle to as of June 30, 2020.

Changes in existing incentive programs during the first six months 2020 (number of shares)

Granted instruments	
- Co-worker LTIP 2019	532,360
Exercised instruments	-
- Board LTIP 2017	-21,266
Lapsed instruments	
- Co-worker LTIP 2017	-94,006
- Co-worker LTIP 2018	-101,894
- Co-worker LTIP 2019	-34,610
Total change	**280,584**

Number of shares allocated employee stock options may entitle to as of June 30, 2020

- Employee option program 2016/2023	276,300
- Co-worker LTIP 2017	1,524,933
- Co-worker LTIP 2018	328,649
- Co-worker LTIP 2019	663,767
Total number of shares employee stock options may entitle to	**2,793,649**
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	**2,849,761**

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

	2020 Apr - Juni	2019 Apr - Jun	2020 Jan - Jun	2019 Jan - Jun	2019 Jan - Dec
Total registered shares at the beginning of period	55,413,417	48,841,921	55,413,417	44,091,921	44,091,921
Total registered shares at the end of period	61,499,683	48,841,921	61,499,683	48,841,921	55,413,417
Number of shares that the outstanding employee options entitle to	2,849,761	3,539,882	2,849,761	3,539,882	2,569,177
Share capital at the end of period, SEK thousand	6,833	5,427	6,833	5,427	6,157
Equity at the end of period, SEK thousand	769,909	487,801	769,909	487,801	797,013
Earnings per share before and after dilution, SEK[1)]	-6.79	-3.52	-12.20	-6.35	-14.33
Operating expenses, SEK thousand	-399,332	-171,739	-696,208	-305,551	-739,392
Research and development costs, SEK thousand	-227,815	-132,569	-441,365	-239,374	-548,273
Research & development costs/operating expenses %[2)]	57%	77%	63%	78%	74%

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

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

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