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Stockholm, Sweden

Press release May 5, 2020

## **Oncopeptides intends to carry out a directed share issue**

**Oncopeptides AB (publ) (“Oncopeptides” or the “Company”) (Nasdaq Stockholm: ONCO) hereby announces its intention to carry out a directed share issue to Swedish and international institutional investors (the “Directed Share Issue”). The Company has retained Carnegie, DNB Markets, Jefferies, Cowen and Kempen & Co to act as Joint Bookrunners (the “Joint Bookrunners”) in connection with the Directed Share Issue.**

The subscription price and the total number of new shares in the Directed Share Issue will be determined by way of an accelerated bookbuild process (the “**Bookbuilding**”). The Company believes that using the flexibility provided by a non pre-emptive placing is the most appropriate alternative for the Company at this time, allowing it to raise capital in a timely and cost-effective manner and to diversify the shareholder base. It is intended that approximately SEK 1,180 million (USD 120 million) in gross proceeds will be raised from the Directed Share Issue.

The Bookbuilding will start immediately following this announcement. Pricing and allocation of the new shares in the Directed Share Issue is expected to take place before beginning of trading on Nasdaq Stockholm at 09:00 CEST on May 6, 2020. The exact timing of closing of the Bookbuilding, pricing and allocation is at the discretion of the Company and the Joint Bookrunners. The Company will announce the outcome of the Directed Share Issue after closing of the Bookbuilding in a subsequent press release.

The net proceeds of the Directed Share Issue are intended to be used for: (i) funding the Company through commercial launch and initial ramp-up of melflufen<sup>1</sup> (melfalan flufenamide), including the scale-up of Oncopeptides’ commercial and medical affairs functions to prepare for and execute a market launch in the US; (ii) expansion of ongoing clinical development including new studies and potential indication expansion; and (iii) general corporate purposes. Assuming the Directed Share Issue provides the Company with gross proceeds of approximately SEK 1,180 million (USD 120 million<sup>2</sup>), the board of directors of the Company believes it will likely be fully funded until the end of the second quarter of 2021, both in a base scenario where Oncopeptides does not generate any revenues during the first six months of 2021 following commercial launch of melflufen in the US, and in a scenario where the lead candidate does not obtain FDA approval and therefore neither sales nor marketing spend is incurred.

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

<sup>2</sup> Assuming a USD/SEK exchange rate of 9.85.

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Consummation of the Directed Share Issue is, among other things, subject to a resolution by the board of directors of Oncopeptides, pursuant to the authorization given by the extraordinary general meeting on December 17, 2019 to issue new shares, following the close of the Bookbuilding.

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

**For further information, please contact:**

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The information in the press release is information that Oncopeptides is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person above, on May 5, 2020 at 17:31 (CEST).

**About Oncopeptides**

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

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

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### **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the new shares in the Directed Share Issue (the "**Issue Shares**") have been subject to a product approval process, which has determined that the Issue Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Issue Shares may decline and investors could lose all or part of their investment; the Issue Shares offer no guaranteed income and no capital protection; and an investment in the Issue Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

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

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

### **Forward-looking statements**

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