Stockholm, Sweden **Press release October 14, 2020**

Oncopeptides signs €40 million loan agreement with the EIB

STOCKHOLM — October 14, 2020 — Oncopeptides AB (publ) (Nasdaq Stockholm: ONCO) today announces that the company has entered into a loan agreement with the European Investment Bank (EIB), granting the company access to an unsecured loan facility of up to €40 M. The loan may be used to further support the clinical development of melflufen, and the company's transition from a R&D company into a fully integrated global biopharmaceutical company.

The loan facility is divided into three tranches, each with a maturity of up to five years, which will become available provided that the company reaches certain milestones related to the commercialization of melflufen in the U.S. and the EU, respectively.

If the company utilizes the facility, the EIB will be entitled to a predetermined number of warrants in Oncopeptides, in excess of interest on the loan amount. The warrants are divided into three tranches and assuming full drawdown under the loan facility, the EIB will be entitled to warrants corresponding to 0.7 percent of the total number of shares in the company on a fully diluted basis. The total number of warrants will be issued by Oncopeptides' board of directors pursuant to the authorization granted by the AGM 2020, and each relevant tranche will be delivered to the EIB upon the company's potential decision to draw the relevant tranche of the loan.

"This is the kind of project that the Investment Plan for Europe was set up to support. There is still a market gap when it comes to what is called "non-dilutive growth capital", allowing innovative, fast growing EU-based SMEs to grow without giving up ownership of their ideas or company", says Thomas Östros, Vice-President of EIB. "We are very happy to get behind yet another innovative Swedish company that has ground-breaking plans for the future."

"As the company is approaching a potential commercialization of its lead product melflufen, several new financing options become available. The EIB facility is a flexible solution that can be drawn upon with limited dilution for the shareholders, which is highly valuable to the company in this transition phase. We are grateful for the support from the EIB and look forward to working together through the continued expansion of Oncopeptides", says Anders Martin-Löf, CFO of Oncopeptides.

Melflufen in clinical development

On August 29th the U.S. Food and Drug Administration FDA granted priority review for Oncopeptides´ New Drug Application of melflufen (INN melphalan flufenamide). The FDA has set a target date for their review to February 28, 2021.

The submission is based on the results from the pivotal phase 2 HORIZON study, which demonstrates that melflufen in combination with dexamethasone has a potential to provide a therapeutic option for patients with RRMM that are hard to treat and have a poor prognosis, including patients with triple-class refractory myeloma and patients with extramedullary disease (EMD). Oncopeptides has a comprehensive clinical development program and is currently conducting one randomized phase 3 study and six clinical phase 2 studies.

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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 persons above, on October 14, 2020 at 18:00 (CET).

About melflufen

Melflufen (INN melphalan flufenamide) is a first in class peptide-drug conjugate (PDC) that targets aminopeptidases and rapidly releases alkylating agents into tumor cells. Melflufen is rapidly taken up by myeloma cells due to its high lipophilicity and is immediately hydrolyzed by peptidases to release an entrapped hydrophilic alkylator payload. Aminopeptidases are overexpressed in tumor cells and are even more pronounced in advanced cancers and tumors with a high mutational burden. In vitro, melflufen is 50-fold more potent in myeloma cells than the alkylator payload itself due to the increased intracellular alkylator concentration. Melflufen displays cytotoxic activity against myeloma cell lines resistant to other treatments, including alkylators, and has also demonstrated inhibition of DNA repair induction and angiogenesis in preclinical studies. In the pivotal phase 2 HORIZON study melflufen plus dexamethasone demonstrated encouraging efficacy and a clinically manageable safety profile in heavily pretreated patients with relapsed refractory multiple myeloma, with primarily hematologic Adverse Events (AE) and a low incidence of non-hematologic AEs.

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 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.