YEAR-END REPORT 2020

Oncopeptides is a pharmaceutical company focused on the development of targeted therapies for difficult-to-treat hematological diseases. The lead product candidate melflufen, is a first in class peptide-drug conjugate that targets aminopeptidases and releases alkylating agents into tumor cells. Melflufen is in development as a new treatment for the hematological malignancy multiple myeloma and is being tested in multiple clinical studies including the pivotal phase 2 HORIZON study and the phase 3 OCEAN study. Based on the results from the HORIZON study a New Drug Application has been submitted 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. The FDA has granted the New Drug Application a priority review with a PDUFA date of February 28, 2021.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

Year-end Report 2020 and an operational update will be presented by CEO Marty J Duvall and members of Oncopeptides Leadership team, Thursday February 18, 2021 at 14:00 (CET). The conference call will also be streamed via a link on the website: www.oncopeptides.com.

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Financial calendar

Annual Report 2020:	Week starting with April 26, 2021
Interim Report Q1 2021:	May 26, 2021
Annual General Meeting 2021:	May 26, 2021
Interim Report Q2 2021:	August 26, 2021
Interim Report Q3 2021:	November 18, 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 February 18, 2021.

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 Q4

Financial overview October 1 – December 31, 2020

- Net sales amounted to SEK 0.0 M (0.0)
- Loss for the period was SEK 513.0 M (loss: 244.9)
- Loss per share, before and after dilution, was SEK 7.59 (loss: 4.42)
- On December 31 cash and cash equivalents amounted to SEK 840.3 M (926.2)

Significant events during the period October 1 – December 31, 2020

- First patient enrolled in the phase 3 LIGHTHOUSE combination study in multiple myeloma
- Phase 2 ANCHOR data presented at ASH
- Oncopeptides announced the intention to apply for conditional marketing authorization of melflufen in the EU
- The FDA accepted IND application to initiate clinical studies with OPD5, the company's second candidate drug
- A capital markets day was arranged with more than 250 participants online
- Full data set from phase 2 HORIZON study published in the Journal of Clinical Oncology
- Oncopeptides entered into a €40 M loan agreement with the European Investment Bank (EIB)
- Extraordinary General Meeting held in December resolved to implement a long-term incentive program for US employees

Financial overview of the group

SEK thousand	2020 Oct - Dec	2019 Oct - Dec	2020 Jan - Dec	2019 Jan - Dec
Net sales	-	-	-	-
Operating loss	-511,573	-244,244	-1,591,279	-739,392
Loss before tax	-511,789	-244,400	-1,592,442	-739,920
Loss for the period	-512,966	-244,904	-1,594,693	-740,705
Earnings per share before and after dilution (SEK)	-7.59	-4.42	-25.57	-14.33
Cash flow from operating activities	-357,162	-216,974	-1,296,509	-690,566
Cash and cash equivalents at the end of the period	840,255	926,186	840,255	926,186
Research & development costs/operating expenses %	45%	64%	54%	74%

CEO statement

2020 was truly a transformational year for us as a company with outstanding advancement of our research and development program and organizational capabilities.

For everyone around the world, the year was anything but usual. I joined Oncopeptides on July 1, the day after the submission of our New Drug Application to FDA for the accelerated approval of melflufen in relapsed refractory multiple myeloma. While in the middle of a global pandemic, it has not been possible for our newly formed leadership team and the rest of the staff to meet face to face throughout the year. This has indeed been an extraordinary challenge, but it did not deter us from building a strong, unified culture and making the necessary progress to successfully deliver on all key milestones. I am very proud of our incredible and passionate organization, driven by the science, always with the patient in focus, and dedicated to deliver on expectations despite this challenging environment.

During 2020 we went from being a Swedish research-based group to a fully-fledged global biopharmaceutical company, ready to launch our first product on the US market with our own commercial organization. We strengthened our research capabilities with the establishment of a drug development laboratory in Solna and managed to attract a diverse and highly skilled team of researchers who are dedicated to leverage our PDC platform further. Looking back at our organizational growth, the pace was very high and necessary. We went from 88 to 280 co-workers in one year, corresponding to a growth rate of more than 30 percent per quarter.

The rapid expansion was triggered in late August when the FDA granted priority review to the NDA-submission of melflufen for accelerated approval. This was of course a landmark milestone in the history of Oncopeptides. However, we were highly successful in several other areas as well including the presentations of a wealth of data in top tier publications and at several virtual scientific congresses. Importantly, we made advances in the first two phase 3 studies: The patient recruitment of our OCEAN study was finalized, and we started a second confirmatory study, LIGHTHOUSE. Finally, we broadened our shareholder base and strengthened our financial position during the year.

> *A year of transformation*

Q4 milestones

US team ready for commercial launch

During Q4 we finalized the build-up of the U.S organization and we are now ready to launch our first product. By the end of the year, we had over 130 co-workers in our US team including more than 50 people in the commercial team.

HORIZON data published in high impact journal

The final data from the pivotal phase 2 HORIZON study evaluating intravenous melflufen in combination with dexamethasone in relapsed refractory multiple myeloma was published in the peer-reviewed Journal of Clinical Oncology. The results demonstrated that melflufen in combination with dexamethasone, may provide a therapeutic option for patients who are difficult to treat and have a poor prognosis. The outcome from HORIZON forms the basis for our NDA-submission.

Encouraging data from the ANCHOR study presented at ASH

At the 62nd American Society of Hematology virtual annual meeting, updated efficacy and safety data from the ongoing phase 2 ANCHOR combination study were presented. The data of melflufen, showed that a triplet regimen with melflufen plus dexamethasone in combination with daratumumab or bortezomib in heavily pretreated patients with relapsed refractory multiple myeloma, demonstrated encouraging activity. The triplet treatment was well tolerated and had a similar safety profile as when used as a doublet regimen with melflufen plus dexamethasone. Severe treatment related adverse events were primarily hematologic and clinically manageable with a dose reduction. Altogether, this supports the rationale for our randomized phase 3 LIGHTHOUSE study, which compares the combination of melflufen, dexamethasone and subcutaneous daratumumab vs. daratumumab alone. The first patient in the LIGHTHOUSE study was recruited in December 2020.

Second drug candidate from the PDC platform

During Q4 our Investigational New Drug application to the FDA, for OPD5 was accepted. OPD5 is a second drug candidate based on our proprietary Peptide Drug Conjugate platform as a myeloablative regimen followed by Autologous Stem Cell Transplant in patients with relapsed refractory multiple myeloma. The approval is an important milestone since it enables us to start clinical development within a disease area where there is a strong unmet medical need. In addition it verifies the opportunity to build a product portfolio based on our proprietary PDC-platform.

Loan agreement supports company transition

As previously communicated, we entered into a loan agreement with the European Investment Bank granting the company access to an unsecured loan facility of up to €40 M in Q4. The loan may be used to further support the clinical development of melflufen, and the company's transition from an R&D company into a fully integrated global pharmaceutical company.

Capital markets day update on company strategy

In November we hosted a virtual capital markets day. The event was well received, and more than 250 people attended in real-time. I was accompanied by colleagues from the Leadership Team to give an update on our clinical programs as well as our strategy going forward. We were fortunate to host internationally reputed opinion leaders with significant clinical experience of melflufen, who discussed the challenges with myeloma and generously shared their proficiency.

Advancing into 2021, we have a very exciting year ahead of us. First and foremost, we look forward to February 28, the target date for the FDA-review. We are also planning to submit for regulatory approval in the EU, present topline data from our comprehensive phase 3 OCEAN study in the first half of the year and generate exciting data from our other clinical trials. It is a privilege to lead Oncopeptides through the commercialization of our first product, something that would not have been possible without the relentless efforts from physicians, partners, patients and colleagues at Oncopeptides. I would like to thank all of you, but also all our shareholders for your continued support and interest in our company.

February 18, 2021

Marty J Duvall
CEO, Oncopeptides AB (publ)

Oncopeptides' PDC platform

Oncopeptides' drug development program is based on the proprietary peptide-drug conjugate (PDC) platform. We are engaged in preclinical development to generate new candidate drugs based on our PDC platform. In addition to melflufen, this has to date resulted in one new drug candidate, OPD5 for which an Investigational New Drug application (IND) was submitted and approved by FDA during Q4 2020, enabling the conduction of clincial studies. In June, we strengthened our preclinical organization through the takeover of an advanced laboratory in Solna, Sweden. Now more than 25 scientists from 15 countries are working with pre-clinical drug development.

A solid foundation for research

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.

Our technology platform

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.

Candidates for potential new indications

Over the past years, Oncopeptides has developed several drug candidates from the PDC platform. In Q4 the FDA approved our IND-application for OPD5. We are initiating clinical studies with OPD5 as a myeloablative treatment before a stem cell transplant during H1 2021.

Clinical strategy

Oncopeptides' clinical development of targeted treatments for difficult-to-treat hematological malignancies are based on the Company´s proprietary Peptide-Drug Conjugate (PDC) platform. We are focusing on the development of our lead product candidate melphalan flufenamide (hereinafter referred to as melflufen) for treatment of multiple myeloma. Melflufen leverages aminopeptidases by rapidly releasing alkylating agents into tumor cells. Our ongoing clinical studies will generate a broad set of data about melflufen's efficacy and tolerability safety profile.

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

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.

In Q2 we presented final data from the phase 2 HORIZON study, with melflufen and dexamethasone in patients with triple class refractory disease and patients with Extra Medullary Disease, at the EHA meeting in June 2020. Recruitment for the phase 3 study OCEAN was completed in September with 495 patients included. The primary endpoint of the study is Progression Free Survival (PFS). The data will be evaluated once 339 patients have progressed in their disease, these results are expected to be available during Q2 2021. A second phase 3 study, called LIGHTHOUSE evaluating melflufen in combination with daratumumab was initiated in December 2020. The other ongoing studies in RRMM are the phase 2 studies ANCHOR, BRIDGE and PORT.

Last autumn we also initiated our first study outside multiple myeloma to evaluate melflufen in patients with AL-amyloidosis, a study called ASCENT.

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 an ongoing study in patients with AL-Amyloidosis (ASCENT). The goal is to provide therapeutic alternatives to these patients who have a poor prognosis and currently have limited treatment options.

The regulatory strategy

The NDA submission to FDA for accelerated approval of melflufen and dexamethasone in triple-class refractory multiple myeloma patients is based on the HORIZON data. It is the first step to establish melflufen as a potential treatment in myeloma. An accelerated approval needs to be confirmed by clinical data from a randomized study.

Both phase 3 studies, OCEAN and LIGHTHOUSE, evaluate RRMM patients who are in earlier stages of the disease compared to the patients in the HORIZON study. These phase 3 studies may lead to label updates and approval in different territories pending study results. They can potentially also serve as confirmatory studies.

The OCEAN study may lay the foundation for applications which may broaden the indication for melflufen in 2022. The application can act as a confirmatory study after a potential accelerated approval in 2021. Data from the study can also be used as the basis for an independent application for market authorization in other geographic markets outside the US and Europe.

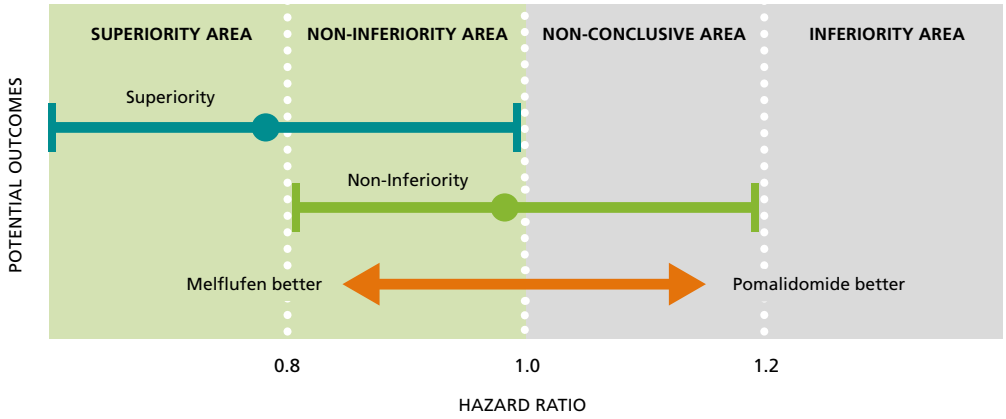
In the phase 3 OCEAN study, the efficacy of melflufen in combination with the steroid dexamethasone is compared with pomalidomide and dexamethasone. Pomalidomide is currently the market-leading drug for the treatment of RRMM, with sales of USD 3.0 billion in 2020. The objective of the OCEAN study is to demonstrate melflufen has non-inferior or superior efficacy 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 four different outcomes i.e. that melflufen is superior, non-inferior, non-conclusive or inferior to pomalidomide. OCEAN has been statistically powered to show superiority of melflufen over pomalidomide based on historical data for the two compounds.

Depending on the results, OCEAN may lead to regulatory approval/label updates in the US, EU and other markets.

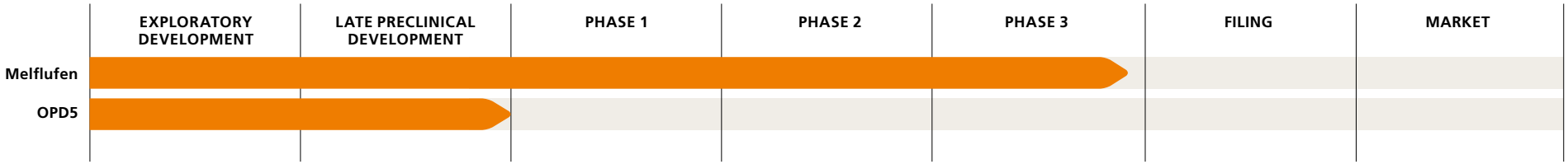
The recently initiated LIGHTHOUSE phase 3 study is investigating the combination treatment of melflufen with daratumumab and dexamethasone in RRMM patients who are in earlier stages of the disease.

Oncopeptides recently informed the European Medicines Agency (EMA) about its intention to submit an application for a conditional marketing authorization of melflufen in the EU. As the NDA submission in the U.S., the EU submission will be based on the pivotal phase 2 HORIZON study in relapsed refractory multiple myeloma (RRMM). In addition to melflufen, the Company has presently one drug candidate, OPD5 for bone marrow transplantation that is planned to enter clinical development during H1 2021.



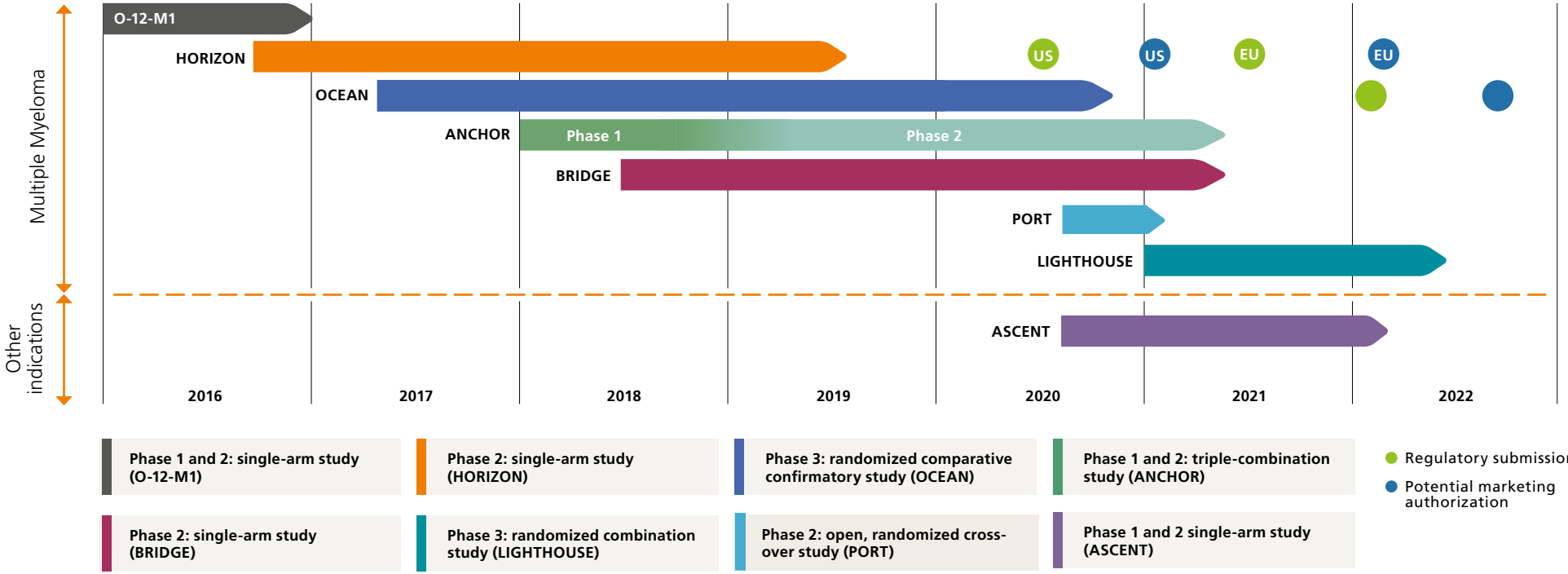
Clinical development program

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 become 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

- Fully recruted with 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 resistant 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, with topline results expected to be available in the first half of 2021.

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 240 patients.
- Will include patients who are resistant 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 started in December 2020.

ASCENT

EXPLORATIVE

- 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 around year end 2020/21.

The multiple myeloma market

Multiple myeloma is a cancer that forms in plasma cells, accumulate in the bone marrow, and crowd out healthy blood cells. There is currently no cure, while patients being treated for multiple myeloma experience symptom free periods, they will eventually relapse as they become resistant to their treatment. The prevalence of multiple myeloma is increasing as the population ages, and new treatment regimens are introduced on the market

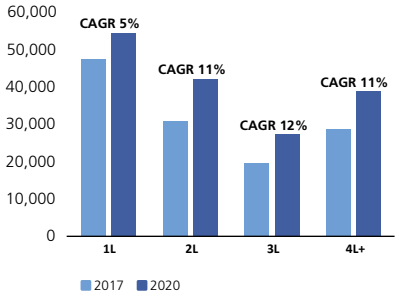
New treatment options increase survival

Approximately 250,000 patients are living with multiple myeloma in Europe and the U.S. Every year 80,000 patients are diagnosed with multiple myeloma and 44,000 patients die from the disease.* The number of patients diagnosed is growing by almost one percent per year. Patients may experience long disease-free periods by using different pharmaceutical classes and combination of therapies.

The amount of patients with multiple myeloma who have undergone several lines of therapy has increased significantly, and is expected to continue to grow, as new treatment options and algorithms are introduced.

Despite therapeutic advancements and the use of new treatment options earlier in the disease, multiple myeloma remains incurable. As more patients than ever are living with the disease and are becoming refractory to their medicines, there is a significant need for additional treatment options. The figure to the left illustrates how patient growth in the US has developed by line of therapy, during recent years.

Improved patient outcomes drive treatment in later line of therapy



The Standard of Care

Multiple myeloma is primarily treated with drugs from four different pharmaceutical classes. The basis of all treatments is steroids.

Antibody drugs

Antibody drugs used in treatment of multiple myeloma consist of monoclonal antibodies, i.e., proteins that are designed to identify and bind to specific receptors on the cancer cell, enabling the immune system to kill the cells.

Alkylators

Alkylators are a form of cytotoxins that kill cancer cells and thereby reduce or impede the continued growth of tumors. Melflufen is the first anti-cancer peptide-drug conjugate that leverages aminopeptidases and rapidly delivers an alkylating payload into tumor cells. Aminopeptidases are overexpressed in cancer cells.

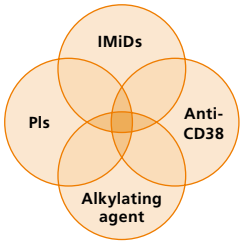
Immunomodulatory drugs (IMiDs)

Immunomodulatory drugs or IMiDs, are derivatives of thalidomide and have an effect on different systems in the body. IMiDs inhibit myeloma cells from dividing and stimulate the immune system to target cancer cells.

Proteasome inhibitors (PIs)

Proteasome inhibitors or PIs, impact cancer cell function and growth. Myeloma cells usually contain large amounts of proteins compared with healthy cells. Proteasome inhibitors can prevent the breakdown of these proteins in cancer cells.

The pharmaceutical classes consist of several drugs and offer different therapeutic options. However, resistance development, where the patients become refractory to their therapy and co-morbidities, limit the use of several drugs used in multiple myeloma.



*NCI SEER and WHO Globocan

Need for more treatment options

The rapid development of resistance in multiple myeloma and associated diseases means that the majority of myeloma patients will lack treatment options upon completing their second line of therapy. By the time the first line of therapy is completed, the myeloma market becomes fragmented. Even though patients are staying on treatment longer, and survival rate is increasing, the need for new therapies enabling a better quality of life is imminent.

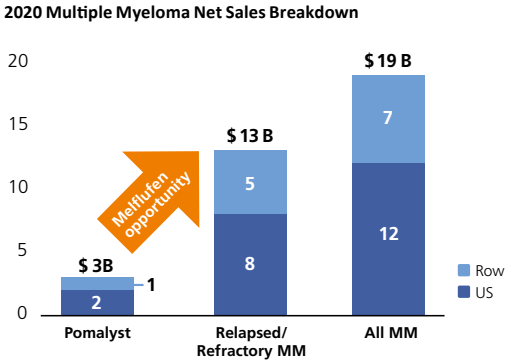
Rapidly growing market in the US

The global myeloma market amounted to USD 19 billion in 2019. Of this amount, USD 6 billion represented the first line of treatment. The market for the treatment of myeloma patients beyond the first line of therapy amounted to USD 13 billion.

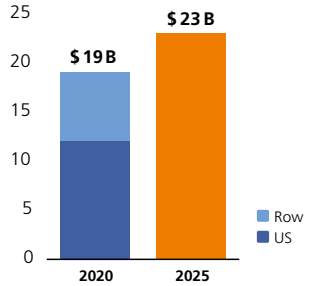
With the recent drug launches, the growing number of patients in later lines of therapy is expected to increase the overall number of patients treated, and thus the value of the market. Prevailing prognoses from several analysts indicate that the myeloma market will grow to USD 23 billion by 2024.

The European myeloma market is estimated to a value of USD 3,8 billion in 2019. In general EU is more conservative and the adoption of newer treatments takes longer time. The first line treatments primarily consist of generic combinations.

Melflufen opportunity in Relapsed Refractory Multiple Myeloma



Rapid Market Growth



Source: EvaluatePharma, Intrinsiq, company analysis

Resistance and lines of therapy

A patient undergoing myeloma therapy can become resistant to the two primary classes of pharmaceuticals, IMiDs and PIs, already after the first line of therapy. If patients also have been treated with an anti-CD38 inhibitor, patients are defined as triple class refractory patients. Patients respond differently to therapy, which has laid the foundation for personalized treatment. Consequently, it is important to understand the role of resistance rather than what line of therapy the patient has undergone in order to estimate the market potential for a particular indication.

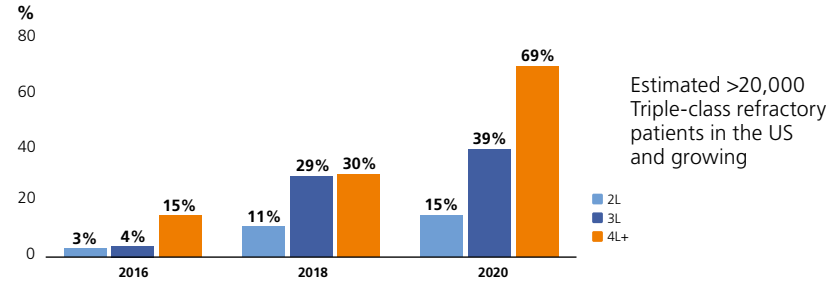
Market growth in the US driven by longer treatment time

In the US the market growth of patients treated in the second or later lines of therapy exceeds the growth in the first line. The value of the treatment is connected to the number of treatment cycles carried out in the various lines of therapy, which is connected to the degree of resistance and the patient's health status. As an example, a newly diagnosed patient may undergo 12 treatment cycles or more, while a triple class refractory patient undergoes four to six cycles.

In the US, the bulk of growth has historically been in the number of patients treated in the second or later lines of therapy. As new products are a supplement to existing ones, all products help broadening the treatment options. The market for triple-class refractory patients has grown and continues to grow substantially.

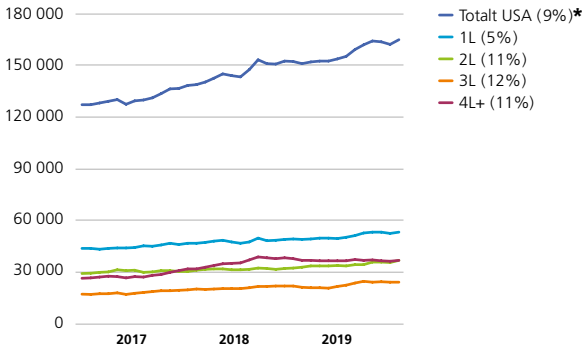
The growth in the triple class refractory market, is the result of the introduction of new products and therapeutic options. The figures below provide a graphical overview, showing that the market for the second or later lines of therapy is growing most rapidly, newer products are being used in addition to older ones as survival improves, and that new drugs are driving market growth

% of triple-class refractory patients in different lines of therapy



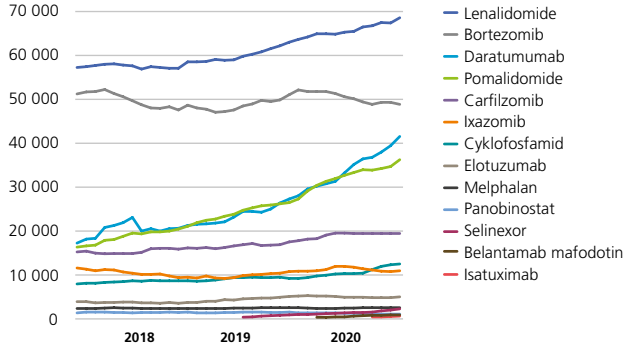
Source: Company analysis of IQVIA patient data

MM patient growth driven by later lines of therapy



* = MAT

Newer products used in addition to older products as survival improves



Financial overview

Revenue

Net sales amounted to SEK 0.0 M (0.0) during the fourth quarter and to SEK 0.0 M (0.0) for the full year 2020.

Operating expenses

Operating expenses for the fourth quarter amounted to SEK 511.6 M (244.2 and to SEK 1,591.3 M (739.4) for the full year.

Research and development costs

During the fourth quarter, research and development costs increased to SEK 231.4 M (156.9) and to SEK 866.2 M (548.3) for the full year 2020. The increase is mainly explained by a rise in clinical costs due to increased activity in the ongoing pivotal studies OCEAN and HORIZON.

The costs for share-based incentive programs related to R&D amounted to SEK 17.0 M (6.2) for the fourth quarter and to SEK 36.9 M (10.4) for the year.

Marketing and distribution costs

Marketing and distribution costs for the fourth quarter amounted to SEK 173.6 M (56.2) and to SEK 456.5 M (127.4) for the year. The main reason for the cost increase is the continued expansion of the medical affairs and commercial functions ahead of the expected launch of melflufen in the US.

The costs for share-based incentive programs related to marketing and distribution amounted to SEK 5.1 M (3.4) for the fourth quarter and to SEK 9.0 M (3.5) for the year.

Administration expenses

During the fourth quarter, administration expenses amounted to SEK 60,7 M (17.9) and to SEK 197.7 M (72.0) for the year. 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 7.8 M (4.2) for the fourth quarter and to SEK 22.3 M (23.9) for the year.

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 fourth quarter amounted to SEK 29.9 M (13.7) and to SEK 68.2 M (37.8) for the full year, out of which SEK 29.5 M (5.9) was provisions and payments of social security contributions, and SEK 38.7 M (31.9) 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 6.

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 fourth quarter was SEK 513.0 M (244.9) for the fourth quarter and the loss for the full year 2020 was SEK 1,594.7 M (740.7). This corresponds to a loss per share, before and after dilution, of SEK 7.59 (4.42) for the fourth quarter and SEK 25.57 (14.33) for the year.

Cash flow, investments and financial position

Cash flow from operating activities amounted to a negative SEK 357.2 M (neg: 217.0) for the fourth quarter and to a negative SEK 1,296.5 M (neg: 690.6) for the full year 2020. 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 4.5 M (neg: 2.4) for the fourth quarter and to a negative SEK 20.1 M (neg: 2.6) for the year. The increased investments in non-current assets are primarily related to equipment for the new pre-clinical laboratory facility.

Cash flow from financing activities amounted to SEK 3.7 M (37.7) for the fourth quarter and to SEK 1,323.5 M (1,263.3) for the year. 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.

Cash flow for the fourth quarter was a negative SEK 358.0 M (neg: 181.7) and cash flow for the year was SEK 6.8 M (543.1). As of December 31, 2020, cash and cash equivalents amounted to SEK 840.3 M (926.2). Equity amounted to SEK 576.9 M (797.0).

In October 2020, Oncopeptides 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 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 company will need additional financing to fully secure going concern in accordance with the company's strategic plan during the upcoming 12-month period.

Other information

Co-workers
As of December 31, 2020, the number of co-workers amounted to 280 (88).

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 December 31, 2020, the number of registered shares and votes in Oncopeptides amounted to 67,939,715.

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

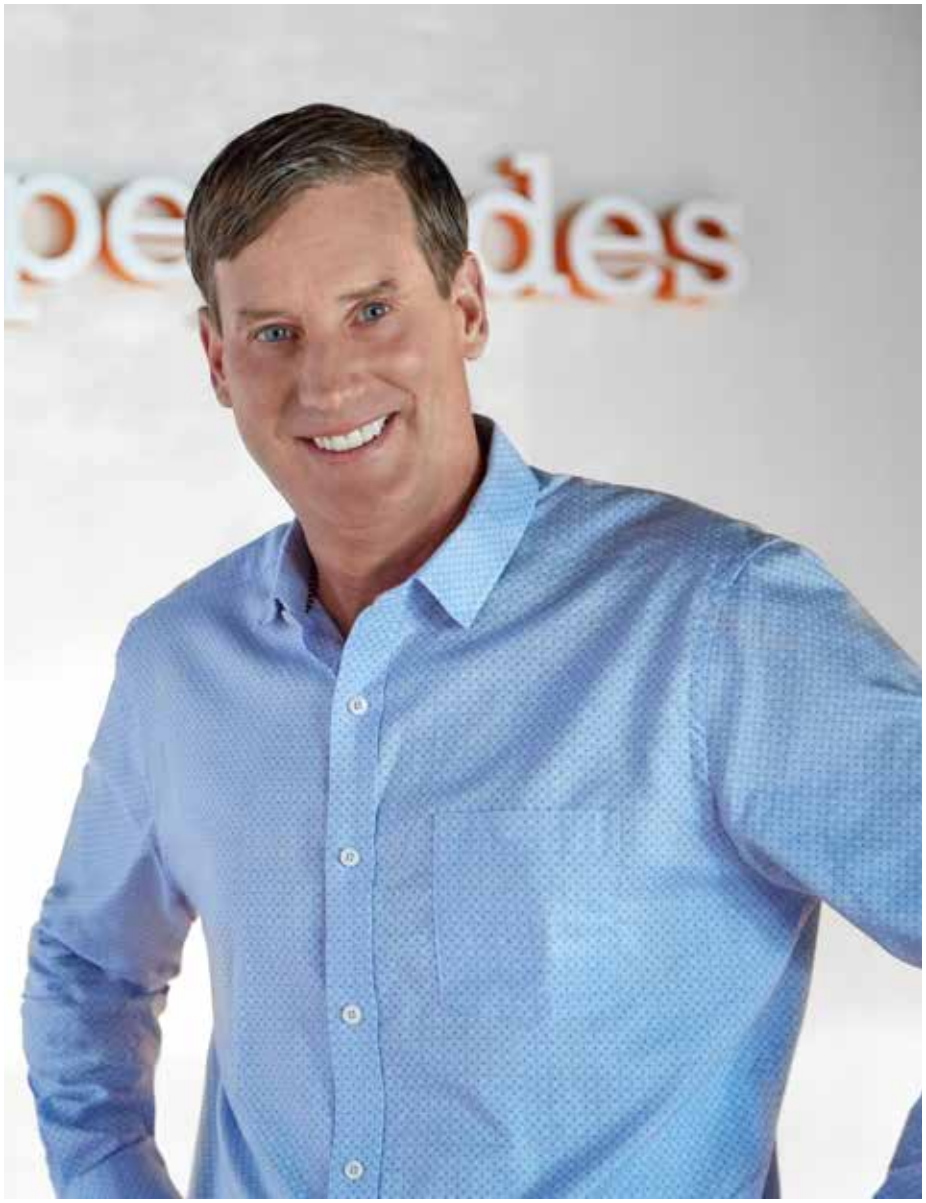
Annual General Meeting 2021
The AGM in Oncopeptides AB will be held on Wednesday May 26th, 2021, Stockholm, Sweden.

In accordance with the dividend policy adopted by the board, no dividend is proposed for the year 2020.

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

Stockholm, February 18, 2021

Marty J Duvall
CEO



Condensed consolidated income statement

SEK thousand	2020 Oct - Dec	2019 Oct - Dec	2020 Jan - Dec	2019 Jan - Dec
Net sales	–	–	–	–
Gross profit	–	–	–	–
Operating expenses				
Research and development costs	-231,416	-156,890	-866,214	-548,273
Marketing and distribution costs	-173,611	-56,190	-456,529	-127,409
Administrative expenses	-60,697	-17,935	-197,662	-72,046
Other operating income/expenses[1)]	-45,849	-13,229	-70,874	8,336
Total operating expenses	**-511,573**	**-244,244**	**-1,591,279**	**-739,392**
Operating loss	**-511,573**	**-244,244**	**-1,591,279**	**-739,392**
Net financial items	-216	-156	-1,163	-528
Loss before tax	**-511,789**	**-244,400**	**-1,592,442**	**-739,920**
Tax	-1,177	-504	-2,251	-785
Loss for the period[2)]	**-512,966**	**-244,904**	**-1,594,693**	**-740,705**
Earnings per share before and after dilution (SEK)	**-7.59**	**-4.42**	**-25.57**	**-14.33**

Condensed consolidated statement of comprehensive income

SEK thousand	2020 Oct - Dec	2019 Oct - Dec	2020 Jan - Dec	2019 Jan - Dec
Loss for the period	**-512,966**	**-244,904**	**-1,594,693**	**-740,705**
Other comprehensive income				
Items to be reclassified to profit or loss				
Translation differences from foreign operations	-1,426	-167	-1,544	-20
Total other comprehensive income, net of tax	**-1,426**	**-167**	**-1,544**	**-20**
Total comprehensive loss for the period	**-514,392**	**-245,071**	**-1,596,237**	**-740,725**

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

2) Loss for the period is in total attributable to parent company shareholders

Condensed consolidated statement of financial position

SEK thousand	Dec 31st 2020	Dec 31st 2019
Assets		
Non-current assets		
Intangible fixed assets	1,830	2,111
Property, plant and equipment	17,273	2,499
Right-of-use assets	21,057	14,693
Financial non-current assets	3,622	1,035
Deferred tax assets	8,175	2,262
Total non-current assets	**51,957**	**22,600**
Current assets		
Inventory	8,665	–
Other current receivables	23,229	6,976
Prepaid expenses	22,650	37,726
Cash and cash equivalents	840,255	926,186
Total current assets	**894,799**	**970,888**
Total assets	**946,756**	**993,488**
Equity and liabilities		
Equity		
Share capital	7,549	6,157
Additional paid-in capital	3,919,036	2,544,306
Retained earnings (including net profit/loss for the period)	-3,349,688	-1,753,450
Total equity[1)]	**576,897**	**797,013**
Long term liabilities		
Provision for social security contributions, share based incentive program	8,530	23,052
Other long term liabilities	6,929	8,243
Total long term liabilities	**15,459**	**31,295**
Current liabilities		
Provision for social security contributions, share based incentive program	47,202	10,733
Trade payables	136,135	80,986
Other current liabilities	35,045	12,319
Accrued expenses	136,018	61,142
Total current liabilities	**354,400**	**165,180**
Total equity and liabilities	**946,756**	**993,488**

1) Equity is in total attributable to parent company shareholders

Condensed consolidated statement of changes in equity

SEK thousand	2020 Oct - Dec	2019 Oct - Dec	2020 Jan - Dec	2019 Jan - Dec
Opening balance	**1,071,471**	**993,365**	**797,013**	**265,004**
Profit/loss of the period	-512,966	-244,904	-1,594,693	-740,705
Other comprehensive income	-1,426	-167	-1,544	-20
Comprehensive income (loss) for the period	**-514,392**	**-245,071**	**-1,596,237**	**-740,725**
Transaction with owners				
New issue of ordinary shares	-	-	1,413,925	1,273,425
Cost attributable to new share issue	-3	-933	-85,231	-76,595
Share based payments	12,618	9,722	38,398	32,493
Exercise of warrants	7,203	39,930	9,029	43,411
Total transaction with owners	**19,818**	**48,720**	**1,376,121**	**1,272,735**
Closing balance	**576,897**	**797,013**	**576,897**	**797,013**

Condensed consolidated statement of cash flow

SEK thousand	2020 Oct - Dec	2019 Oct - Dec	2020 Jan - Dec	2019 Jan - Dec
Operating loss	-511,573	-244,244	-1,591,279	-739,392
Adjustment for non-cash-items[1)]	77,528	26,958	160,906	-8,187
Interest received	120	0	322	-
Interest paid	-336	-156	-1,485	-528
Tax paid	-3,771	-865	-7,243	-1,158
Cash flow from operating activities before change in working capital	**-438,032**	**-218,307**	**-1,438,779**	**-749,265**
Cash flow from changes in working capital	80,870	1,333	142,270	58,699
Cash flow from operating activities	**-357,162**	**-216,974**	**-1,296,509**	**-690,566**
Cash flow from investing activities	-4,496	-2,395	-20,127	-2,628
Cash flow from financing activities	3,671	37,705	1,323,461	1,236,285
Cash flow for the period	**-357,987**	**-181,664**	**6,825**	**543,091**
Cash and cash equivalents at beginning of period	1,251,629	1,122,297	926,186	375,617
Change in cash and cash equivalents	-357,987	-181,664	6,825	543,091
Foreign exchange difference in cash and cash equivalents	-53,387	-14,447	-92,756	7,478
Cash and cash equivalents at the end of period	**840,255**	**926,186**	**840,255**	**926,186**

1) Pertains mainly to costs of employee stock option program including social security contributions and exchange rate differences

Condensed parent company income statement

SEK thousand	2020 Oct - Dec	2019 Oct - Dec	2020 Jan - Dec	2019 Jan - Dec
Net sales	–	–	–	–
Gross profit	–	–	–	–
Operating expenses				
Research and development costs	-231,432	-156,940	-866,509	-548,419
Marketing and distribution costs	-174,599	-58,312	-460,860	-131,992
Administrative expenses	-63,029	-17,957	-201,751	-72,104
Other operating income/expenses[1)]	-45,849	-13,229	-70,874	8,336
Total operating expenses	**-514,909**	**-246,438**	**-1,599,994**	**-744,179**
Operating loss	**-514,909**	**-246,438**	**-1,599,994**	**-744,179**
Net financial items	146	12	375	41
Loss before tax	**-514,764**	**-246,426**	**-1,599,620**	**-744,138**
Tax	–	–	–	–
Loss for the period	**-514,764**	**-246,426**	**-1,599,620**	**-744,138**

Condensed parent company statement of comprehensive income

SEK thousand	2020 Oct - Dec	2019 Oct - Dec	2020 Jan - Dec	2019 Jan - Dec
Loss for the period	**-514,764**	**-246,426**	**-1,599,620**	**-744,138**
Other comprehensive income				
Total other comprehensive income, net of tax	**–**	**–**	**–**	**–**
Total comprehensive loss for the period	**-514,764**	**-246,426**	**-1,599,620**	**-744,138**

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

Parent company balance sheet

SEK thousand	Sep 30th 2020	Dec 31st 2019
Assets		
Non-current assets		
Intangible fixed assets	1,830	2,111
Property, plant and equipment	12,097	2,472
Financial non-current assets	8,664	901
Total non-current assets	**22,591**	**5,485**
Current assets		
Inventory	8,665	–
Other current receivables	10,668	6,914
Prepaid expenses	17,057	37,192
Cash and cash equivalents	785,972	921,535
Total current assets	**822,362**	**965,641**
Total assets	**844,953**	**971,126**
Equity and liabilities		
Restricted equity		
Share capital	7,549	6,157
Statutory reserve	10,209	10,209
Non-restricted equity		
Share premium account	3,822,968	2,486,636
Retained earnings	-1,671,578	-965,837
Net profit/loss for the period	-1,599,620	-744,138
Total equity	**569,528**	**793,027**
Long term liabilities		
Provision for social security contributions, share based incentive program	8,404	23,052
Total long term liabilities	**8,404**	**23,052**
Current liabilities		
Provision for social security contributions, share based incentive program	46,997	10,733
Trade payables	115,574	79,864
Other current liabilities	31,003	13,430
Accrued expenses	73,447	51,020
Total current liabilities	**267,021**	**155,047**
Total equity and liabilities	**844,953**	**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 year-end report 2020 was approved for publication on February 18, 2021.

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. External factors such as COVID-19 may also impact the company negatively by hampering the company's possibilities to conduct clinical trials, get necessary regulatory approvals or conduct sales related activities. 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 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 nine 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" and an Extraordinary General Meeting 2020 resolved to implement the program "US Co-worker LTIP 2020". For further information about this program, see the minutes of the Annual General Meeting 2019 and of the Extraordinary General Meeting 2020 published on the company's website, www.oncopeptides.com.

Full utilization of granted options and share awards per December 31, 2020, corresponding to 3,406,054 shares, would result in a dilution for shareholders of 4.8 percent. Full utilization of all options and share awards, corresponding to 5,365,429 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 7.3 percent.

Below follows a summary of the changes in existing incentive programs during 2020 and the total number of shares that granted employee stock options and share awards may entitle to as of December 31, 2020.

Changes in existing incentive programs during 2020 (number of shares)

Granted instruments	
- Co-worker LTIP 2019	775,572
- US Co-worker LTIP 2020	645,954
- Board LTIP 2020	26,931
Exercised instruments	
- Employee option program 2016/2023	-29,700
- Co-worker LTIP2017	-171,000
- Board LTIP 2017	-21,266
Lapsed instruments	
- Co-worker LTIP 2017	-94,006
- Co-worker LTIP 2018	-101,894
- Co-worker LTIP 2019	-180,648
- US Co-worker LTIP 2020	-3,944
Total change	**836,877**

Number of shares allocated instruments may entitle to as of December 31, 2020

- Employee option program 2016/2023	276,300
- Co-worker LTIP 2017	1,353,933
- Co-worker LTIP 2018	328,649
- Co-worker LTIP 2019	754,819
Total number of shares employee stock options may entitle to	**2,684,001**
- US Co-worker LTIP 2020	639,010
- Board LTIP 2018	30,451
- Board LTIP 2018.2	2,170
- Board LTIP 2019	23,491
- Board LTIP 2020	26,931
Total number of shares allocated share awards may entitle to	**722,053**
Total number of shares employee stock options and share awards may entitle to	**3,406,054**

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

SEK thousand	2020 Oct - Dec	2019 Oct - Dec	2020 Jan - Dec	2019 Jan - Dec
Total registered shares at the beginning of period	67,770,683	55,212,008	55,413,417	44,091,921
Total registered shares at the end of period	67,939,715	55,413,417	67,939,715	55,413,417
Number of shares that the outstanding employee options entitle to	3,406,054	2,569,177	3,406,054	2,569,177
Share capital at the end of period, SEK thousand	7,549	6,157	7,549	6,157
Equity at the end of period, SEK thousand	576,897	797,013	576,897	797,013
Earnings per share before and after dilution, SEK[1)]	-7.59	-4.42	-25.57	-14.33
Operating expenses, SEK thousand	-511,573	-244,244	-1,591,279	-739,392
Research and development costs, SEK thousand	-231,416	-156,890	-866,214	-548,273
Research & development costs/operating expenses %[2)]	45%	64%	54%	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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