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Annual report 2020

CONTENT

Annual report for Oncoinvent AS
Published date: 07.04.2021

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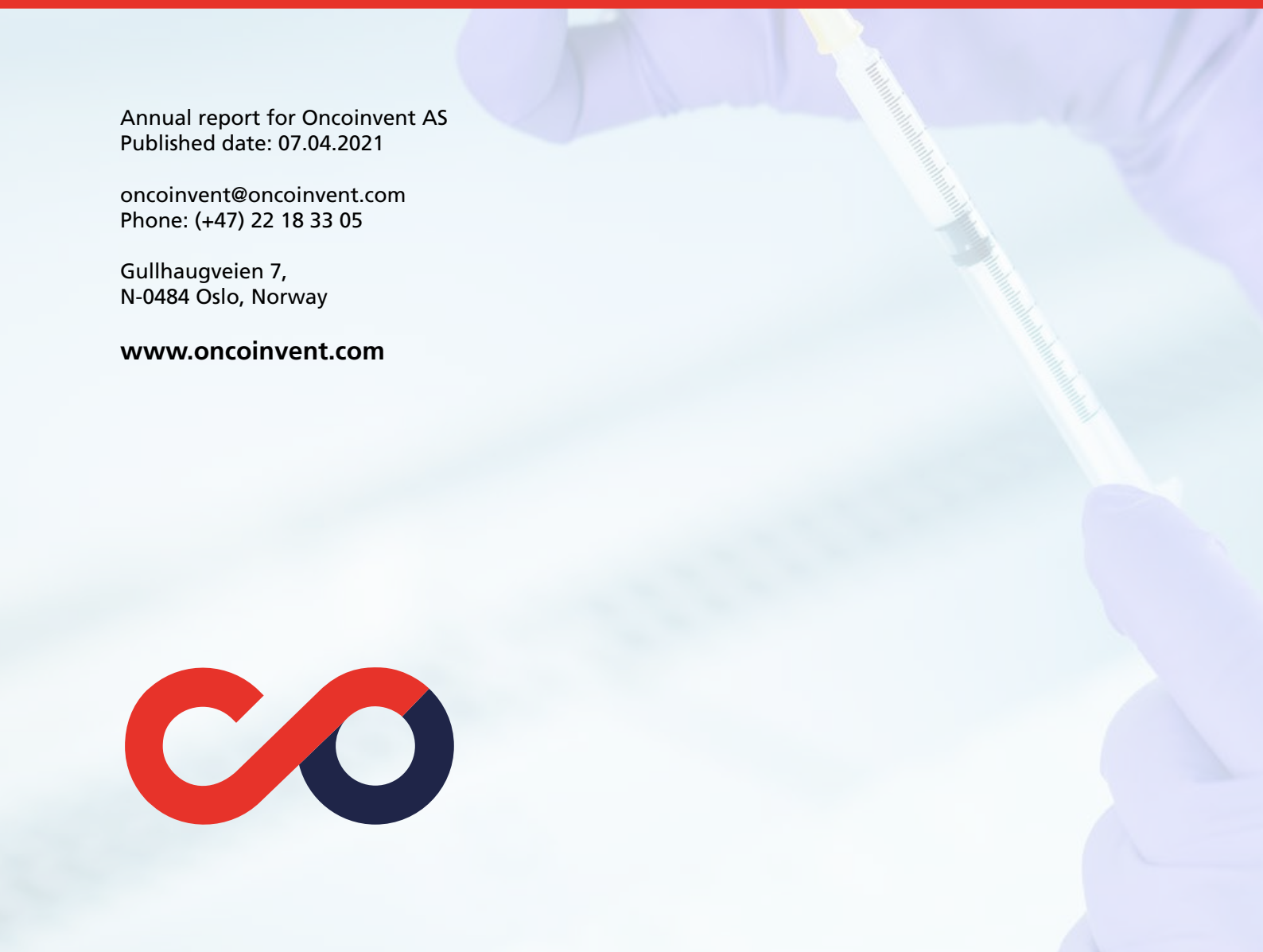


In 2020 Oncoinvent reached an important milestone in the history of the company when the first patients suffering from peritoneal carcinomatosis from ovarian and from colorectal cancer were enrolled in two separate Radspherin® Phase 1 clinical trials. During the year the company has opened a total four study sites in Norway, Sweden, and Belgium, two sites for each study. The enrolment of patients during 2020 has been according to plan despite the challenges hospitals and health personnel faced from Covid-19 throughout the year.

Preliminary findings at an early stage of the ongoing clinical trials indicate that administration of Radspherin® has been straightforward, and that an even biodistribution of the product in the peritoneal cavity has been measured in the patients via multiple imaging modalities.

Oncoinvent has continued to develop the organization through 2020 in order to be well positioned for the next stage of clinical studies and in order to pursue further development of the R&D pipeline.

Letter from the Chairman

Dear Shareholders,

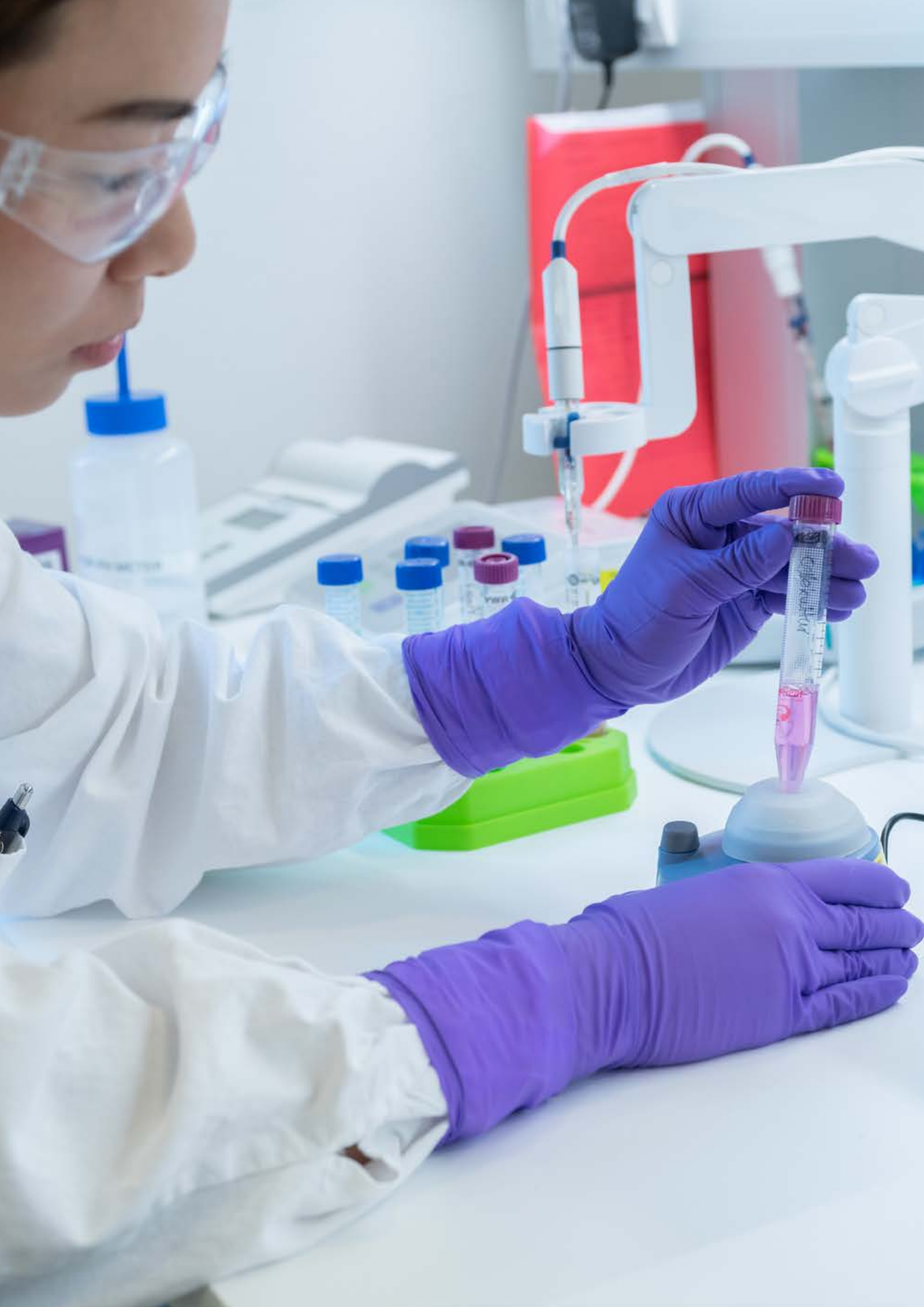
I want to begin by acknowledging the extraordinary times we experienced in 2020 as a result of the ongoing COVID-19 pandemic. Despite the uncertainty created by the pandemic, the strength of our employees and the support of our shareholders allowed us to maintain business operations and enabled us rise up to the challenges presented to continue to grow Oncoinvent and advance our pipeline of radiopharmaceutical products across a variety of solid cancers.

Looking back on 2020, we celebrated Oncoinvent's 10 years anniversary, a monumental milestone demonstrating our determination to bring forward new treatments for patients. We are proud of not only this milestone, but also the tremendous progress we achieved across our company in 2020, culminating in our two ongoing clinical trials across four study sites for our lead product candidate, Radspherin®. I continue to be encouraged by not only Radspherin®, which has demonstrated promise clinically, but also our broader pipeline of alpha-emitting radiopharmaceuticals. Our significant accomplishments in 2020 lay the foundation for an exciting and important year ahead, with data readouts across all of our programs.

As I reflect on the past year and look ahead toward all we hope to accomplish in 2021, I am pleased to lead the Oncoinvent team as we work towards our vision of developing better treatment options for cancer patients.

Roy H. Larsen

Chairman of the board of Oncoinvent AS



Annual report for 2020

Highlights from 2020

- **NOK 49 million in a financing round led by Hadean Ventures secured**
  Oncoinvent secured NOK 40 million in a private placement led by Hadean Ventures. This was followed by a repair offering of NOK 9 million towards current shareholders and employees in an oversubscribed offering. The investment has helped the company expand the clinical development of the lead candidate Radspherin®. As a result of the financing Dr. Ingrid Teigland Akay, Managing Partner of Hadean Ventures joined the Board of Directors of Oncoinvent.

  The round of financing furthermore released a 4,6 million NOK Innovation Funding from Innovation Norway that was awarded to Oncoinvent in 2019. The Innovation Funding is intended to financially support the clinical trials with Radspherin® as a treatment for colorectal cancer patients suffering from peritoneal carcinomatosis.

- **Dosing of first patient with Radspherin® in both Phase 1 clinical trials**
  In June 2020, Oncoinvent announced the dosing of the first patient with Radspherin® in both Phase 1 clinical trials in patients suffering from peritoneal carcinomatoses from ovarian or colorectal cancer.

- **Advancement of Radspherin® to third dose level in ongoing Phase 1 clinical trial in patients suffering from peritoneal carcinomatoses from colorectal cancer**
  In October, Oncoinvent advanced the Phase 1 clinical trial in colorectal cancer patients suffering from peritoneal carcinomatoses to the third dose level after a review from the Safety Monitoring Committee. Despite the difficulties at hospitals coping with Covid 19, the clinical trial is progressing according to plans. The company also announced the advancement to the 4 and last dose level early in 2021.

- **Recommend advancement to second dose level in ongoing Phase 1 clinical trial for patients suffering from peritoneal carcinomatosis from ovarian cancer**
  In November, Oncoinvent completed the recruitment of patient for the first dose level for treatment with Radspherin® in the Phase 1 clinical trial in ovarian cancer patients suffering from peritoneal carcinomatosis. The Safety Monitoring Committee recommended the company to advance to next dose level of 2MBq of Radspherin®based on the review of the clinical data.

Market

The technological advancements of advanced radiopharmaceuticals in the global market has provided major impetus for growth. Since the first therapeutic radiopharmaceutical, Xofigo was approved by the FDA in 2013, continued and persistent R&D efforts have led to innovations in new application areas that are contributing to the market growth for radiopharmaceuticals.

Oncoinvent is initially focusing on peritoneal carcinomatosis, one of the most serious complications of gastrointestinal and gynecological malignancies. The disease typically develops quickly and has a deadly outcome.

In 2017, there were just under 100,000 patients diagnosed with peritoneal carcinomatosis within the 7 major markets (7 MM), and it is expected that there will be an annual growth of ca. 3% (CAGR) until 2028.

The standard of care treatment of peritoneal carcinomatosis originating from ovarian cancer and colorectal cancer is cytoreductive surgery of macroscopic/visible tumors. This debulking procedure is combined with treatment with pre- and/or post-adjuvant systemic cytostatic drugs (e.g. paclitaxel, carboplatin, cisplatin, and mitomycin-C).

Approximately 75% of ovarian cancer patients respond to initial carboplatin chemotherapy, but the majority relapse within 2 years with resistance to subsequent chemotherapy. Hence, the survival rate of these patients is poor. Women diagnosed with stage III ovarian cancer have a five-year survival rate of approximately 35%, and for diagnosis at stage IV the five-year survival rate is approximately 15%.

Radspherin® is anticipated to be able to treat several forms of metastatic cancers, and the company has performed a reformulation of Radspherin® to secure a better biodistribution and efficacy.

The global nuclear medicine market is estimated to reach USD 9.4 billion by 2024 growing at a mid-single digit compound annual growth rate (CAGR). The radiopharmaceuticals segment is expected to be the fastest growing segment at high double digit CAGR from 2017 to 2024 due to technological advancements in targeted treatment of cancers. Potential new radioisotopes in pipeline and advancements in neurological treatments are the key factors driving the growth of the therapeutics market.

Oncoinvent has an objective to develop and market Radspherin® for treatment of metastatic cancers in body cavities based on patient needs, medical practices, managed care organizations, group purchasers, hospitals and special patient interest groups, both in terms of product design as well as information dissemination.

The company will focus future marketing efforts towards prescribing oncologists, nuclear medicine and radiation oncology specialists that are community-, hospital- and tertiary center-based.

Overview of the Business

Oncoinvent was founded in 2010 with the purpose of creating new innovative products to provide better treatment options to cancer patients that maximize the medical benefit while minimizing potential safety concerns. The company is advancing a pipeline of radiopharmaceutical products across a variety of solid cancers that leverages robust internal supply and manufacturing capabilities to enable a clinical supply of radioisotopes. Including a versatile and transformative lead product candidate, Radspherin®, for the treatment of cancer in potentially multiple indications.

The company's lead product candidate Radspherin® is a suspension of novel alpha-emitting radioactive microspheres designed for treatment of metastatic cancers in body cavities. The radium-224 based therapeutic has shown strong and consistent anticancer activity at non-toxic doses in non-clinical studies. Radspherin® can potentially treat multiple forms of metastatic cancer including peritoneal carcinomatosis. The product candidate is currently being evaluated in two ongoing Phase 1 clinical trials, in ovarian and colorectal cancer patients suffering from peritoneal carcinomatosis, and both are expected to be completed in 2021.

In addition to the lead candidate Radspherin®, the company is also developing its proprietary IO-3 and IO-1 antibodies as part of an ongoing discovery program for treating solid tumors with targeted alpha radiopharmaceuticals.

Oncoinvent has established in-house research and pilot plant production capabilities to carry out it's research and development activities. The company constructed a Class B GMP facility for radiopharmaceuticals in 2017 that received a GMP certificate from the Norwegian Medical Agency in January of 2019. The production facility provides the company with the necessary flexibility and capacity for manufacturing clinical trial materials, and also enables an active manufacturing strategy.

Target	Discovery	Preclinical	Phase I
Peritoneal carcinomatosis from ovarian cancer	RAD-18-001: Radspherin®		
Peritoneal carcinomatosis from colorectal cancer	RAD-18-002: Radspherin®		
Ongoing discovery program in solid tumors	OI-3		
Ongoing discovery program in solid tumors	OI-1		

Vision and strategy

Oncoinvent has the vision to become a global leader in the development of alpha-emitting radiopharmaceuticals and provide better treatment options for cancer patients.

Key elements of the company's strategy are to:

- Continue to clinically develop the versatile and potentially transformative lead product candidate, Radspherin®, across multiple cancer types
- Advance a pipeline of targeted and retained radiopharmaceutical products across a variety of solid cancers that leverages robust internal supply and manufacturing capabilities to enable a clinical supply of radioisotopes
- Leverage the company's proprietary technology, knowledge, and assets to expand the company's portfolio of product candidates to target unmet medical needs

Operational Review

Oncoinvent's primary objectives are to obtain a market approval for Radspherin® for the treatment of patient suffering from peritoneal carcinomatosis within the seven major markets and continue to develop a robust pipeline of radiopharmaceutical products across a variety of solid cancers.

The company started two Phase 1 clinical trials during 2020 treating patients suffering from peritoneal carcinomatoses from colorectal and ovarian cancer. During the year, a total of four centers (two for each trial) have been opened in Norway, Sweden and Belgium. Despite the challenges experienced from the Covid 19 pandemic at hospitals throughout the year, recruitment has progressed on track. Both studies consist of 4 escalating doses (1,2, 4 and 7 Mbq) in a dose range finding cohort, followed by a repeated injection cohort and an expansion cohort. The company expects to complete the dose range finding in the Phase 1 trials in patients suffering peritoneal carcinomatoses from colorectal and ovarian cancer trials in the first part of 2021.

As part of the preparation for the next studies the company has also initiated a process to automate and scale-up of existing production facility for Radspherin®, but has also established a second production facility.

Management

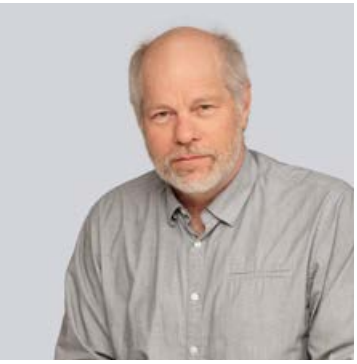
Jan A. Alfheim
Chief Executive Officer

Jan A. Alfheim is a business executive with 35 years of experience bringing product ideas and technology to the chemical and pharmaceutical markets.

With experience in research, project management, business development & partnering, company start-ups, and product launches, Alfheim comes from Nordic Nanovector ASA where he was Chief Executive Officer from 2011 until 2014 and Chief Operating Officer from 2014 to 2016. Prior to working at Nordic Nanovector, he has held various senior roles including Chief Business Officer at Clavis Pharma, President of StemPath Inc, Director of Business Development at Neurochem Inc and Project Director at Nycomed Imaging. Mr. Alfheim holds a MSc in Chemistry from Concordia University and a MBA from McGill University.

Tina B. Bøndorff
Chief Scientific Officer

Dr. Tina B. Bønsdorff has more than 15 years of research experience in molecular biology. She has a Ph.D. and postdoctoral experience from the Norwegian School of Veterinary Science, where she worked in the field of gene identification, expression and mutation analysis. Her postdoctoral research was focused on gene expression analysis of early neoplastic lesions in dog with inherited cancer syndromes. Dr. Bønsdorff is one of the founders of Oncoinvent AS. Dr. Bønsdorff has been the Chief Scientific Officer of Oncoinvent AS from the start-up and was the CEO of the company from August 2013 to September 2016.



Øyvind Sverre Bruland
Chief Medical Officer

Dr. Øyvind S. Bruland is a MD, Ph.D. and professor of Clinical Oncology with the Faculty of Medicine, University of Oslo and senior consultant oncologist at the Dept. of Oncology, Oslo University Hospital and has supervised a large number of Ph.D. students in this capacity. He founded Algeta ASA in 1997 together with Dr. Roy H. Larsen, and he was one of the founders of Nordic Nanovector ASA (2009) and of Oncoinvent AS (2010). Dr. Bruland served as a member of the board of Oncoinvent AS from 2010 to 2016. Professor Bruland's main clinical experience and research has been devoted to primary bone and soft tissue cancers (sarcomas).

Tore Kvam
Chief Financial Officer

Tore Kvam has an extensive experience as CFO within technology driven companies and with a lifelong experience within financial management and operations, as well as working with investors and owners developing companies. In the later years he has also gained significant experience and knowledge within the life science industry working with clinical phase companies in their efforts to advance their product candidates and attract life science investors. Mr. Kvam holds a MSc Computer Science degree from the George Washington University, an MBA from the Norwegian Business School BI and is a Certified European Financial Analyst (CEFA).

Kristine Lofthus
Head of Quality Assurance

Kristine Lofthus has more than 15 years experience with the manufacturing of pharmaceuticals. Her main field of expertise is the manufacturing of aseptic and terminally sterilized injectables and in particular radiopharmaceuticals. This experience includes production and production management, quality assurance and the certification and release of batches as a Qualified Person. Mrs. Lofthus holds a cand. pharm. degree (M.Sc.) from the University of Oslo, a certificate of Advanced Studies (CAS) in Radiopharmaceutical Chemistry/ Radiopharmacy from Eidgenössische Technische Hochschule Zürich and is a licensed Qualified Person at Oncoinvent AS

Kari Skinnemoen
Head of Regulatory Affairs

Kari Skinnemoen has more than 35 years of experience in the pharmaceutical and medical device industries within global regulatory affairs, quality assurance, quality control and research and development. This experience includes management and project management positions within the development of contrast media (Nycomed Imaging now GE Healthcare), photodynamic therapy of skin cancers (Photocure) and in-vitro diagnostic products (Alere Technologies now Abbott). She is licensed as Qualified Person for batch certification and release at Oncoinvent. Mrs. Skinnemoen holds a cand. real. degree (M.Sc.) from University in Oslo in chemistry, mathematics and biology with a thesis in organic chemistry.

Helén Blanco
Head of Clinical Operations

Helén Johansen Blanco has 20 years of clinical development experience, ranging from Phase I to III clinical trials leading to the successful launch of several oncology products. She has experience in project management of large global clinical trials conducted in all continents of the world. Mrs. Blanco has previously worked for large international pharma companies such as Astra Zeneca, Mylan Biologics and Celgene, as well as medium sized biotechnology companies and recognized clinical research organizations such as Covance. She holds a MSc in Biophysics and medical technology from NTNU.

Hans M. Hild
Head of Production

Dr. Hans M. Hild has more than 15 years of experience in the GMP compliant production of sterile- and aseptically produced pharmaceuticals and radiopharmaceuticals. He previously has worked for the Institute for Energy Technology, GE Healthcare, Avecia Biotechnology (formerly Zeneca LSM Ltd.) and Degussa AG, and has a strong background in pharmaceutical process development, scale-up and technology transfer. He has extensive experience in the production of biopharmaceuticals and contrast media for early clinical studies, as well as experience in the commercial production of radiopharmaceuticals. Dr. Hild holds an Dipl. Ing. (FH) degree in Chemical Engineering from FH Frankfurt am Main, an M.Sc. in Biochemical Engineering from the University of Birmingham and a Ph.D. in Biochemical Engineering from Imperial College London.

Gro Hjellum
Head of Quality Control

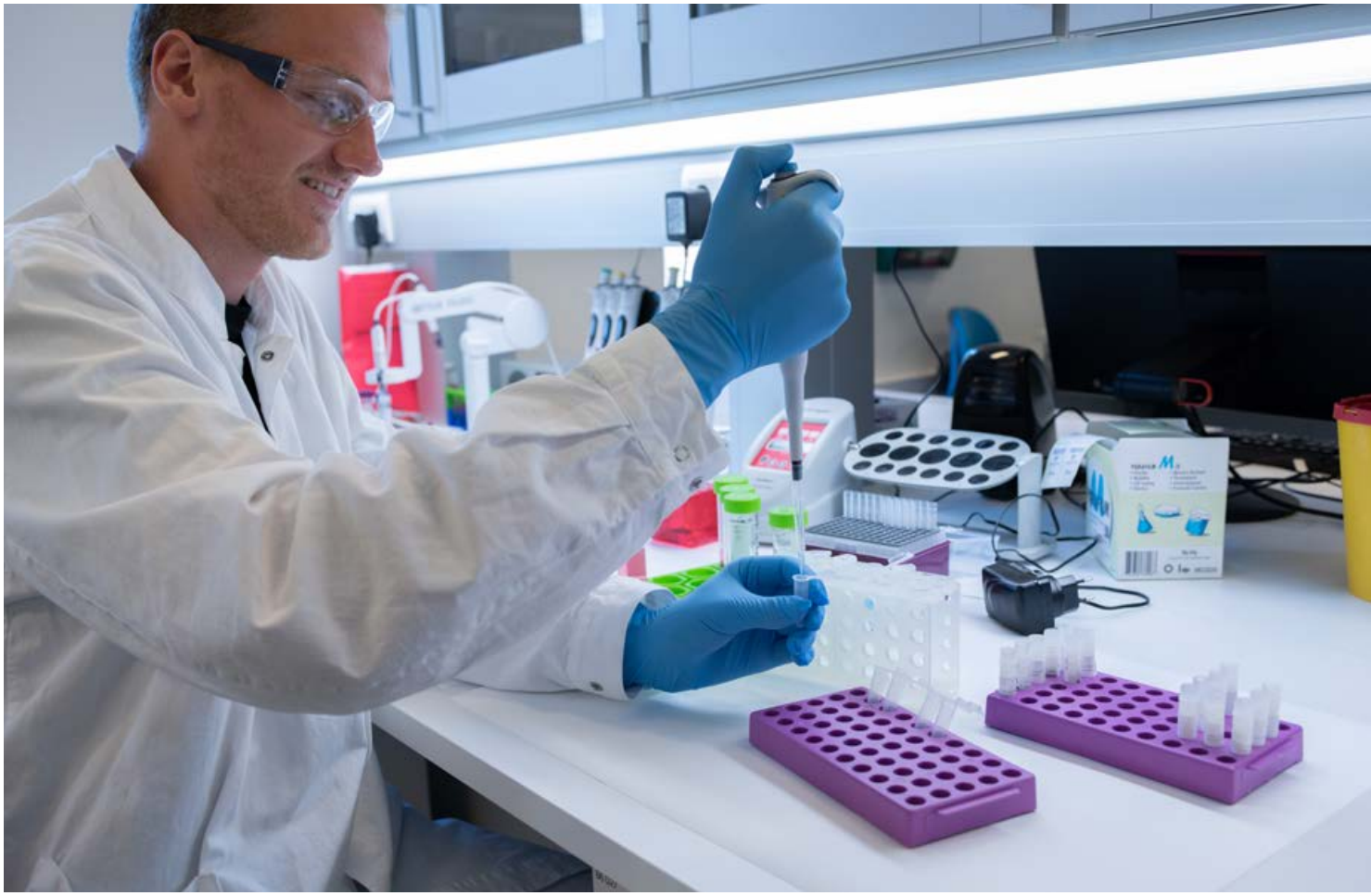
Gro Hjellum has more than 25 years of experience within research & development and operations in the pharmaceutical and biotech industry, ranging from analytical sciences, quality control and bio-analysis from preclinical product development through to regulatory approval of products. Prior to joining Oncoinvent, Ms. Hjellum worked for Nycomed/GE-Healthcare and Algeta/Bayer. She has a strong background in radiopharmaceutical product development and technology transfer to contract manufacturers in Norway as well as to US and Japan. Ms. Hjellum holds an MSc degree in radiochemistry from the University of Oslo.

Health, safety and environment

The company has a good safe working environment with a low level of reported sick leave.

At year's end there were a total of 25 full-time employees, 2 part-time employees and 2 Industrial Ph.D. students. The company is an equal opportunity employer and fourteen of the staff are of female gender and six of the staff are of male gender. As such the company believes that it has taken sufficient active, targeted, and systematic efforts to promote equality.

Oncoinvent has designed and implemented multiple safeguards into its laboratory and production facilities and standard operating procedures to prevent potential environmental impacts from its operations.



Financial Review

Accounting policies

The financial statements of Oncoinvent AS have been prepared in accordance with the provisions of the Norwegian Accounting Act and generally accepted accounting principles for small businesses. (Figures in brackets refer to the corresponding period or balance date in 2019, unless otherwise specified).

Income statement

Operating revenues
Oncoinvent recorded operating revenues of NOK 10.377 million in 2019 (NOK 11.412 million). Government support for its research and development activities from the Research Council of Norway as well as Innovation Norway was recognized as income.

Operating expenses
Net operating expenses for the year amounted to NOK 70.628 million (NOK 55.284 million). The cost increase was driven by the expansion program with recruitment of new staff members, ongoing clinical trials and production of Radspherin® for the trials. The operating loss for Oncoinvent amounted to NOK -60.251 million (NOK -43.872 million).

Net financial items
Net financial income amounted to NOK 1.199 million (NOK 1.798 million). Interest income from ordinary bank deposits came to NOK 0.877 million (NOK 1.751 million).

Net result
Losses after tax for the year were NOK 59.219 million (NOK 42.200 million). The loss is proposed allocated from the share premium.

Loss per share amounted to NOK 4.14 in 2020 compared to NOK 3.20 in 2019.

Financial position

Assets
Property, plant and equipment at year-end amounted to NOK 13.032 million (NOK 16.253 million). During 2020 NOK 1.609 million was activated. Neither of these expenses was associated with the construction of the new laboratory.

Cash and cash equivalents were NOK 113.297 million (NOK 118.338 million). The change reflects increased operational activity level. Total assets by year end 2020 decreased to NOK 138.993 million (NOK 147.505 million.

Equity and liabilities
Total equity as of 31 December 2020 was NOK 126.041 million (NOK 135.561 million). Deferred tax assets were not recognized in the statement of financial position as Oncoinvent is in a development phase and is currently generating losses.

Total liabilities were NOK 12.952 million (NOK 11.943 million), the increase driven primarily by higher accounts payable and provisions.

Research and development

While the research and development strategy are designed in-house in Oncoinvent, the Company leverages its network of external consultants and contract research organizations ("CROs") to execute its development strategy. Oncoinvent also collaborates with academic institutions to extend the research in areas of interest of the Company.

The Company has employed experienced personnel that can direct work that is performed by the consultants and CROs. This approach to product development allows the Company to quickly change research directions and efforts when needed and to quickly bring in new technologies and expertise when necessary.

Uncertainties related to the regulatory approval process and results from future clinical trials generally indicate that the criteria for capitalization of R&D cost are not met until market authorization is obtained from relevant regulatory authorities. The Company has currently no development expenditure that qualifies

for recognition as an asset.

Expenses for research and development for the financial year 2020 were NOK 42.254 mill. (NOK 32.695 million), whereas NOK 23.237 mill. (NOK 16.037 million) were classified as other operating expenses and NOK 19.017 mill. (NOK 16.658 million) were classified as payroll.

Financial risks

Interest rate risk
The Company holds NOK 113.297 million (NOK 118.338 million) in cash and cash equivalents and does not have any borrowings. The Company's interest rate risk is therefore in the rate of return of its cash on hand. Bank deposits are exposed to market fluctuations in interest rates, which affect the financial income and the return on cash. The Company had NOK 0.877 million (NOK 1. 751 million) in interest income as of 31 December 20120.

Exchange rate risk
The value of non-Norwegian currency denominated revenues and costs will be affected by changes in currency exchange rates or exchange control regulations. The Company undertakes various transactions in foreign currencies and is consequently exposed to fluctuations in exchange rates. The exposure arises largely from the R&D expenses and IP expenses. The Company is mainly exposed to fluctuations in Danish kroner (DKK), Euro (EUR), American dollar (USD), British Pounds (GBP) and Canadian dollar (CAD).

The Company has chosen not to hedge its operational performance as the Company's cash flow is denominated in several currencies and the foreign currency exposure is mostly linked to trade payables with short payment terms. The Company might consider changing its current risk management of foreign exchange rate if it deems it necessary.

Credit risk
Credit risk is the risk of counterparty's default in a financial asset, liability or customer contract, giving a financial loss. The Company's receivables are generally limited to receivables from public authorities by way of government grants. The credit risk generated from financial assets in the Company is limited since it is cash deposits. The Company only places its cash in bank deposits in recognized financial institutions to limit its credit risk exposure.

The Company has not suffered any loss on receivables during 2019 and the Company considers its credit risk as low.

Liquidity risk
Liquidity is monitored on a continual basis by Company management. The Company works continuously to ensure financial flexibility in the short and long term to achieve its strategic and operational objectives. Management considers the Company's liquidity situation to be satisfactory. The cash position of the Company at year-end 2020 was NOK 113.297 million (NOK 118.338 million).

Capital markets are used as a source of equity financing when this is appropriate and when conditions in these markets are acceptable. The Board is considering conducting a capital increase within the next 12 months, if market conditions are acceptable. The Board of Directors has reasonable expectation that the Company will maintain adequate funding to maintain operational activity for the foreseeable future.

Non-financial risks
The Company's lead product candidate Radspherin® is currently in clinical phase 1 trials. This is regarded as an early stage of development and the Company's planned clinical studies may not prove to be successful.

Competitive technology
The Company operates in a highly competitive industry sector with many large players and is subject to rapid and substantial technological change.

Market risks
The financial success of the Company requires obtaining marketing authorization and achieving an acceptable reimbursement price for its products. There can be no guarantee that the Company's products will obtain the selling prices or reimbursement rates foreseen by the Company.

The Company will need approvals from the US Food and Drug Administration (FDA) to market its products in the US, and from the relevant authorities to market its products in Europe, as well as equivalent regulatory authorities in other worldwide jurisdictions to commercialize in those regions. The Company's future earnings are likely to be largely dependent on the timely marketing authorization of Radspherin® for various indications.

Going concern
The Board stated that the annual accounts represent a true and fair view on the Company's financial position at the turn of the year. According to the Norwegian Accounting Act §3-3 (a), the Board of Directors confirmed that the financial statements have been prepared under the assumption of going concern.

Share information
As of 31 December 2020, there were 14 314 639 shares outstanding. The Company had 317 shareholders.

Oslo, March 1st, 2021

Roy Hartvig Larsen
Chairman of the Board

Thora J Jonasdottir
Board member

Ludvik Sandnes
Board member

Jonas Einarsson
Board member

Leiv Askvig
Board member

Ingrid Teigland Akay
Board member

Jan Alan Alfheim
CEO

Income Statement

INCOME STATEMENT	NOTE	2020	2019
Operating revenues		**195 500**	
Sales Revenue		246 770	246 770
Other operating revenues	7	10 181 666	11 164 759
Total operating revenues		**10 377 166**	**11 411 529**
Operating expenses			
Cost of goods			-
Payroll and related costs	6	31 401 987	23 883 378
Depreciation	8	4 830 452	4 434 609
Other operating expenses	10	34 395 890	26 964 978
Total operating expenses		**70 628 329**	**55 282 965**
OPERATING INCOME		**-60 251 163**	**-43 871 436**
Financial items			
Other interest income		876 902	1 751 092
Other financial income		321 973	47 063
Total financial income		**1 198 875**	**1 798 155**
Other interest expenses			
Other financial expenses		844	1 556
Total financial income		166 635	124 546
Net financial items		**167 479**	**126 102**
Income before tax		**1 031 396**	**1 672 053**
Income before tax		-59 219 767	-42 199 383
NET INCOME		**-59 219 767**	**-42 199 383**
Distribution of profit and funds			
Uncovered loss		59 219 767	42 199 383
Total distribution of profit and funds		**59 219 767**	**42 199 383**

Balance sheet

ASSETS	NOTE	31.12.2020	31.12.2019
FIXED ASSETS			
Tangible fixed assets			
Land, Buildings and other property		7 203 755	8 404 378
Running equipment, tools etc.		5 827 894	7 848 839
Total tangible fixed assets	**8**	**13 031 649**	**16 253 217**
Total fixed assets		**13 031 649**	**16 253 217**
CURRENT ASSETS			
Receivables			
Accounts receivables		0	126 500
Other short-term receivables	5	12 644 279	12 787 886
Total receivables		**12 664 279**	**12 914 386**
Cash and cash equivalents	6	113 297 444	118 337 860
Total current assets		**125 961 723**	**131 252 246**
TOTAL ASSETS		**138 993 372**	**147 505 463**
LIABILITIES AND EQUITY			
EQUITY			
Paid-in capital			
Share capital	3,4	1 431 464	1 319 041
Share premium reserve	**4**	**284 479 661**	**234 893 414**
Total paid-in capital		**285 911 125**	**236 212 455**
Retained earnings			
Uncovered loss		159 870 088	100 650 321
Total retained earnings		**- 159 870 088**	**-100 650 321**
Total equity	**4**	**126 041 037**	**135 562 134**
LIABILITY			
Current liabilities			
Accounts payables		4 873 823	6 779 892
VAT, social security costs, etc.		1 698 401	1 330 738
Other current liabilities		6 380 111	3 832 699
Total short-term liability		**12 952 355**	**11 943 329**
Total liabilities		**12 952 335**	**11 943 329**
TOTAL EQUITY AND LIABILITIES		**138 993 372**	**147 505 463**

Oslo, March 1st, 2021

Roy Hartvig Larsen
Chairman of the Board

Thora J Jonasdottir
Board member

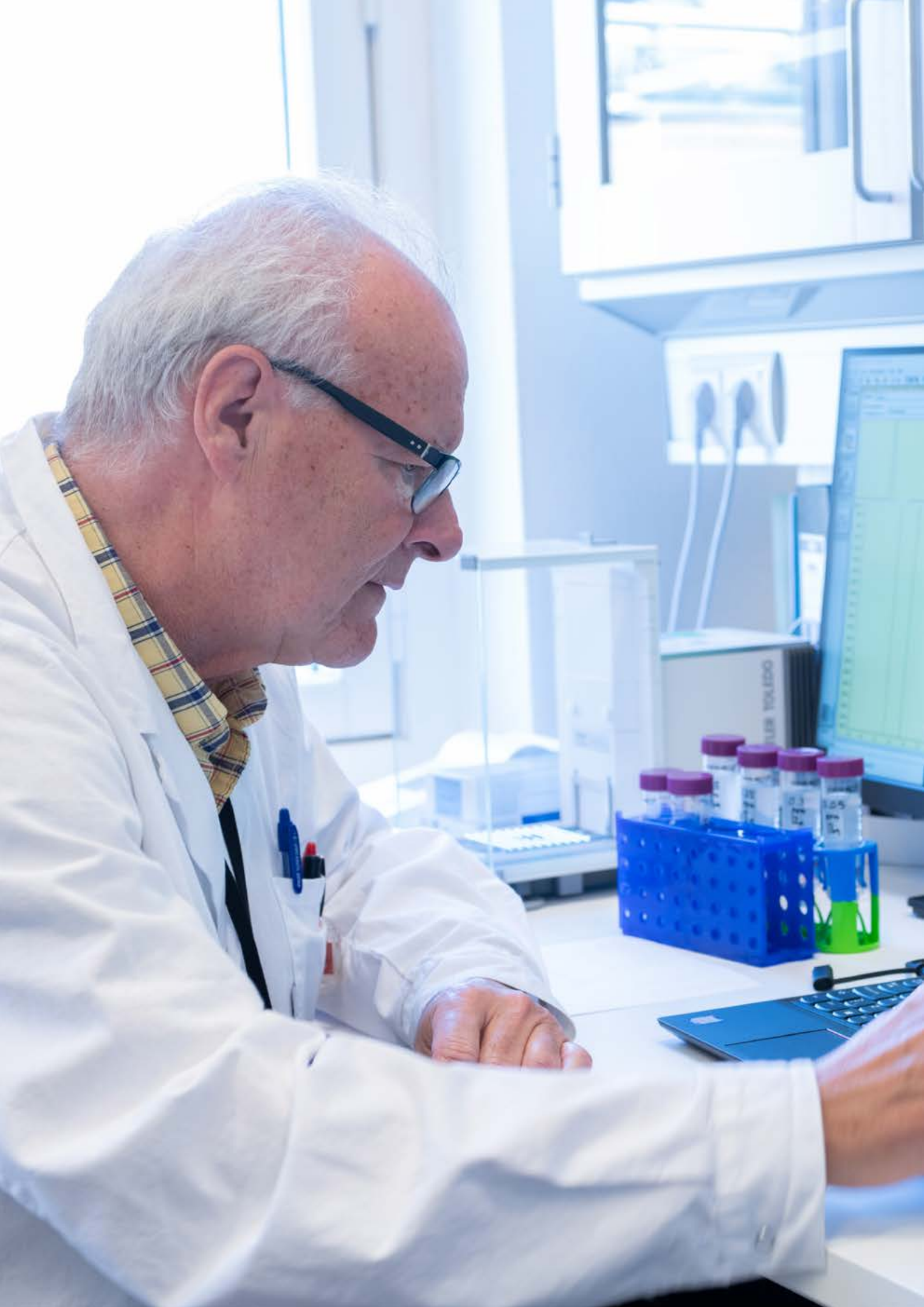
Ludvik Sandnes
Board member

Jonas Einarsson
Board member

Leiv Askvig
Board member

Ingrid Teigland Akay
Board member

Jan Alan Alfheim
CEO



Notes

Note 1 – Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998, and are based on Norwegian accounting principles. The financial statements have been prepared on the basis of applicable rules for preparation of financial statements for small enterprises.

Operations
The company's business is to develop pharmaceutical drugs. So far, the company has not had any income from commercial sales, and its business is therefore primarily financed though equity capital and public grants. In addition to wages and administration costs, the company's expenses are mainly derived from research and development costs, including expenses for the implementation of clinical studies and ongoing securing of patent protection. Said costs are expensed on an ongoing basis.

Operating revenues
Operating revenues are recognized as income as they are earned. The same applies to public grants, which are recognized as other operating revenues.

Research and development costs
Research and development costs are in their entirety expensed. Said costs are not recognized in the balance sheets.

Current assets/current liabilities
Current assets and current liabilities normally include items due for payment within one year after the balance sheet date, as well as items related to goods in production and inventory. Current assets are valued at the lower of acquisition cost and estimated fair value. Current liabilities are recognized at the nominal amount as at the date of establishment.

Fixed assets
Fixed assets are valued at their acquisition cost, but are depreciated to their fair value when the impairment is expected to not be temporary. Fixed assets with a limited economic lifespan are depreciated according to a reasonable depreciation plan.

Receivables
Trade accounts receivables and other receivables are listed at par value less expected loss. Allocation of loss is made on the basis of an individual assessment of each receivable.

Taxes
Taxes are expensed as they accrue, which means that tax expenses are connected to profit before tax.

Tax expenses comprise tax payables (tax on taxable income of that year) and changes in net deferred tax liability. The company has decided not to recognize deferred tax benefits.

Pensions
The company uses a defined contribution-based plan for its employees in accordance with the law's requirements for pension schemes. The annual pension cost corresponds to the annual premium.

Currency
Items in foreign currencies are valued at the prevailing exchange rate at the end of the financial year.

Note 2 – Tax

2.1 Specification of temporary differences

	2020	2019	CHANGE
Loss carry forward	183 132 453	120 127 825	63 004 453
Total amount difference	**183 132 453**	120 127 825	**63 004 453**
Deferred tax benefits 22%	40 289 139	26 428 121	**13 861 018**

Deferred tax benefits of tax loss carry forward are not included in the balance sheet as of 31 December 2020.

2.2 Specification of the basis for tax payable

	2020	2019
Result for the period	-59 219 767	-42 199 383
Permanent differences	-5 436 095	-5 633 090
Changes in temporary differences	1 651 409	1 170 319
Basis of calculation for tax payables	**-63 004 453**	**-46 662 154**
Tax payable	0	0
Deduction for R&D expenses	4 750 000	5 629 030

Note 3 – Share capital and shareholder information

SHAREHOLDERS PER 31. DEC. 2020	NO. OF SHARES	%
Sciencons AS	3 207 223	22,40%
Geveran Trading Co LTd	1 098 000	7,67%
Roy Hartvig Larsen	678 000	4,74%
Radiumhospitales	670 880	4,69%
Blaahaugen AS	632 500	4,42%
Hadean Capital I AS	522 849	3,65%
Must Invest	517 000	3,61%
Cancia AS	493 300	3,74%
Bentax AS	450 000	3,41%
Syntax AS	400 000	2,79%
Trond Larsen	310 000	2,35%
Tina Bjørklind Bønsdorff	277 600	2,11%
CGS Holding AS	276 915	1,94%
Helene Sundt AS	276 915	1,94%
Thora Johanna Jonasdottir	261 250	1,83%
HVentures Capital I AB	237 151	1, 66%
Lucellum AS	*200 000*	*1,40%*
Alpine Capital AS	*190 000*	*1,33%*
Inven2 AS	171 800	1,20%
Artal AS	155 670	1,09%
Other shareholders < 1%	3 275 586	23,00%
Total	**14 314 639**	**100%**

Nominal value per share: NOK 0.10

Total number of shareholders: 317

A capital increase was carried out in 2020 increasing the number of shares with 1 124 228 shares.

Note 4 – Equity

	SHARE CAPITAL	SHARE PREMIUM	UNCOVERED LOSS	TOTAL EQUITY
Share capital as of 01.01.2020	1 319 041	234 893 414	-100 650 321	135 562 134
Share issuance	112 423	49 586 247		49 698 670
Results of the period			-59 219 767	-59 219 767
Share capital as of 31.12.2020	**1 431 464**	**284 479 661**	**-159 870 088**	**126 041 037**

Note 5 – Other receivables

VAT refund	5 272 211
Prepaid expenses	1 671 734
The Research Council of Norway	970 334
Skattefunn[1]	4 750 000
Total	**12 664 279**

[1] The SkatteFUNN R&D tax incentive scheme is a governmental program designed to stimulate research and development (R&D) in Norwegian trade and industry. Approved projects may receive a tax deduction of up to 19 per cent of the ligible costs related to R&D activities.

Note 6 – Employees, remuneration, loans to employees, etc.

6.1 Specification of labor costs

	2020	2019
Salaries (incl. vacation pay)	26 622 303	19 654 667
Payroll tax	3 455 027	2 899 444
Pension costs (occupational pension scheme)	1 049 008	1 206 362
Other pension costs	275 649	122 905
Total personnel expenses	**31 401 987**	**23 883 378**
Total full-time equivalent	**26.8**	**22,8**

6.2 Specification of remuneration to the management and the board of directors

		2020	2019
CEO	Salary	1 693 775	1 639 895
	Bonus	166 132	145 164
	Other remuneration	65 800	64 681
Total amount CEO		**1 925 707**	**1 849 740**

Oncoinvent established an option scheme in 2017 as an important part of the employee's possibility to participate in the value creation of the company. At the end of 2020 a total of 453 500 stock options has been allocated including 180 000 stock options for the CEO. The stock options have a strike price between NOK 10-38.70 per share depending on the time of allocation.

6.3 Specification of remuneration to the board of directors

Paid board remuneration 2019	227 500
Paid board remuneration 2020	650 000
Incurred board remuneration – RSU registration	718 872
Total amount, board remuneration	**1 596 372**

6.4 Specification of remuneration to the auditor

	2020	2019
Expensed remuneration to the auditor	47 100	51 750
Other certification services	24 400	0
Total remuneration paid to the auditor	**71 500**	**51 750**

6.5 Restricted funds

	2020	2019
Restricted funds – Tax deduction	1 179 619	903 083
Tax payable, 6th term	1 102 703	869 546

Note 7 – Other operating revenues – public grants

Other operating revenues consist of public grants received. In relation to the company's activity, the size of the received grants is considered to be of significant importance that revenue recognition provides better information than a cost reduction against the R&D.

	2020	2019
Skattefunn	4 750 000	5 629 029
The Research Council of Norway	4 051 666	5 535 730
Innovation Norway	1 380 000	
Total amount	**10 181 666**	**11 164 759**
Receivables:		
Skattefunn	4 750 000	5 629 030

Note 8 – Fixed assets

	INVENTORY	LAB EQUIPMENT	FIXED BUILDING INVENTORY	OFFICE MACHINERY	TOTAL AMOUNT
Balance 01.01.2020	1 361 795	11 930 335	12 006 253	1 375 901	26 674 284
Acquisitions		1 342 945		265 940	1 608 885
Disposals					
Acquisition cost	**1 361 795**	**13 273 279**	**12 006 253**	**1 641 841**	**28 283 169**
Acc. Depreciation	-892 892	-8 230 537	-4 802 497	-1 325 593	-15 251 519
Sum	**468 903**	**5 042 742**	**7 203 756**	**316 248**	**13 031 650**
Depreciation for the year	333 633	3 084 495	1 200 623	211 701	4 830 452
Useful life	5 years	5 years	10 years	3 år	
Depreciation rate	20%	20%	10%	30%	

Note 9 – Currency exchange gains and losses

The company's recognized gains and losses on currency exchange rate relate mainly to the purchase of R&D services from abroad.

Note 10 – Other operating expenses

Lease payment (office)	3 385 946
Rental costs (office machinery and equipment)	12 798
Lab costs, studies, patents, equipment	16 742 226
Repair of equipment	464 363
Foreign services – remuneration	11 520 998
Office expenses	914 778
Travel reimbursement costs	306 517
Advertisement costs	108 814
Representation	8 827
Memberships fees, insurance and other costs	930 623
Total Other operating expenses	**34 395 890**

Glossary

GMP	Good manufacturing practices (GMP) are the practices required in order to conform to the guidelines recommended by agencies that control the authorization and licensing of the manufacture.
Intraperitoneal	Intraperitoneal injection or IP injection is the injection of a substance into the peritoneum (body cavity). The method is widely used to administer chemotherapy drugs to treat some cancers, particularly ovarian cancer.
Metastases	Metastasis is the medical term for cancer that spreads to a different part of the body from where it started.
Microparticles	Microparticles are particles between 0.1 and 100 micrometers in size. Commercially available microparticles are manufactured in a wide variety of materials, including ceramics, glass, polymers, and metals. Microparticles have been found to have widespread applications in medicine, biochemistry, colloid chemistry, and aerosol research.
Peritoneal carcinoma-tosis	Peritoneal carcinomatosis is a type of cancer that occurs in the peritoneum, the thin layer of tissue that covers abdominal organs and surrounds the abdominal cavity. The disease develops when cancers of the appendix, colon, ovaries or other organs spread to the peritoneum and cause tumors to grow.
Peritoneal cavity	The space within the abdomen that contains the intestines, the stomach, and the liver. It is bound by thin membranes.
Radspherin®	Oncoinvent' s lead product candidate currently being developed to treat peritoneal carcinomatosis
Radioisotope	A radioisotope (radioactive nuclide, radionuclide, or radioactive isotope) is an atom that has excess nuclear energy, making it unstable. This excess energy can be either emitted from the nucleus as gamma radiation or create and emit from the nucleus a new particle (alpha particle or beta particle), or transfer this excess energy to one of its electrons, causing that electron to be ejected as a conversion electron. During those processes, the radionuclide is said to undergo radioactive decay.
Radiopharmaceuticals	The treatment of disease, especially cancer, by means of alpha or beta particles emitted from an implanted or ingested radioisotope, or by means of a beam of high-energy radiation.

Auditor´s Report

To the General Meeting of
Oncoinvent AS

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Oncoinvent AS, and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors Responsibility for the Financial Statements

The Board of Directors are responsible for the preparation and fair presentation of these financial statements, and for such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Oncoinvent AS, and of its financial performance for the year then ended.

Report on Other Legal and Regulatory Requirements

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Drammen, 7. april 2021
Revisorkollegiet AS

Svein A. Andersen
Statsautorisert revisor

Not to be sign
For translation purposes only

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