



Construction of Oncoinvent's production facilities is well underway!

QUARTERLY REPORT

Second quarter 2017

QUARTERLY REPORT – 2ND QUARTER 2017

Highlights

- Results on Radium-224 generator published
- 2 abstracts for oral presentations at EANM 2017 accepted
- 1 abstract for poster presentation at ESGO 2017 accepted

Operational Review

Radspherin® development program

Oncoinvent announced on May 16th the publication of results of a collaboration between Oncoinvent and Sciencons researchers in the Journal of Nuclear Medicine and Biology.

Alpha-particles have the potential to kill tumor cells very effectively and selectively. The radioisotope ²¹²Pb, which causes the release of alpha-particle, has a half-life of 10.6 h which imposes time constraints to its practical application as a radioimmunoconjugate for cancer therapy. The focus of the published research was to determine whether a rapid, efficient, and reliable production and purification procedure for generating a ²¹²Pb based radioimmunoconjugate could be developed using a Radium-224 generator.

This research has been a spin off and continuation of the development work being carried out to develop a Radium-224 generator that will be used in the production of Radspherin®.

Radspherin® preclinical results to be published

Oncoinvent research scientists Elisa Napoli and Sara Westrøm have had their abstracts accepted and will hold presentations of their research at the upcoming European Association of Nuclear Medicine (EANM) conference in Vienna in October. The titles of Napoli's and Westrøm's presentations are "Re-localization of ²¹²Pb from ²²⁴Ra sources due to thoron (²²⁰Rn) diffusion" and "Novel Intracavitary alpha Therapeutic Based on Calcium Carbonate Microparticles As Carriers for ²²⁴Ra: Biodistribution and Toxicity in Mice" respectively.

An abstract reporting Radspherin® preclinical research has also been accepted for publication as a poster at the 20th international meeting of the European Society of Gynaecological Oncology (ESGO) in November. The poster is entitled "Preclinical Evaluation of a Novel Alpha-Particle Emitting Therapeutic Agent for Selective Intraperitoneal Therapy of Peritoneal Metastases".

The company is pleased that the Radspherin® research has been accepted for publication at innovative and prestigious events such as EANM and ESGO.

Gullhaugveien 7 - Construction of Oncoinvent's production and research facility

Oncoinvent staff have moved into the new office facility at Gullhaugveien 7.

Construction of the new production facility is well underway and the company is planning on commissioning the facility before year's end.

Financial review

Profit and loss statement

Income in the 2nd quarter of 2017 was NOK 359 666 as grants for the research activities from the Norwegian Research Council were recognized.

Total operating expenses were increased to NOK 3 852 338 in the 2nd quarter of 2017 from NOK 1 304 023 in the same quarter in 2016, reflecting the substantial shift in activity level and the intensified effort put into the construction of the pilot plant for Radsherin production. Other operating expenses increased to NOK 2 514 876 in the 2nd quarter of 2017 compared to NOK 816 688 in the same quarter of 2016,

The required transformation of Oncoinvent into a full-scale development organisation with units assigned to production, quality control, regulatory affairs and pre-clinical as well as clinical trials implies a concomitant increase in the cost base. Payroll and related expenses was NOK 1 337 462 in the 2nd quarter of 2017 compared to NOK 487 335 in the same quarter of 2016.

Activated costs for investments, mainly associated with the new laboratory facility at Gullhaugveien 7 amounted to NOK 5 353 122 through the 1st half of 2017

Key figures	2nd quarter		1st half		Full year
	2017	2016	2017	2016	2016
<i>Amounts in NOK</i>					
Total revenues and other income	359 666	440 333	1 254 039	440 333	2 579 559
Payroll and related expenses	1 337 462	487 335	3 460 513	1 116 267	3 541 977
Other operating expenses	2 514 876	816 688	4 103 257	1 191 657	3 967 857
Total operating expenses	3 852 338	1 304 023	7 563 770	2 307 924	7 509 834
Net operating profit (loss) for the period	-3 500 604	-861 523	-6 315 799	-1 865 845	-4 930 275
Net proceeds from equity issue	0	15 000 000	210 283 494	15 000 000	18 440 000
Cash and cash equivalents, end of period	215 211 610	15 350 329	215 211 610	15 350 329	14 864 562
Outstanding shares, beginning of period	13 184 681	5 907 000	7 751 000	5 907 000	5 907 000
Outstanding shares, end of period	13 184 681	7 407 000	13 184 681	7 407 000	7 751 000
Employees, end of period	11	5	11	5	6

Statement of financial position

In February, Oncoinvent received net proceeds from the private placement at the amount of NOK 210 283 494. On June 30, 2017, Oncoinvent had total assets of NOK 222 242 960, with cash and cash equivalents of NOK 215 211 610. Shareholders equity was NOK 220 269 210.

Oslo, 8 August 2017

The Board of Directors

Oncoinvent AS

Company news and updates

Oncoinvent will on a quarterly basis present the company's development, including financial updates, through a newsletter.

Press releases will be issued whenever Oncoinvent reaches important milestones or significant events takes place at the company.