



QUARTERLY REPORT

First quarter 2018

QUARTERLY REPORT – 1ST QUARTER 2018

Highlights

- Oncoinvent's Radspherin[®] program selected to receive BIA funding
- New Radspherin[®] efficacy data published
- Research collaboration with Leuven initiated

Operational Review

New Radspherin[®] efficacy data published

Oncoinvent researchers published in January data demonstrating the efficacy of the Radspherin[®] in two separate models of peritoneal carcinomatosis originating from ovarian cancer cell lines in the Journal of Translational Oncology. To summarize the findings; in both models, intraperitoneal treatment with Radspherin[®] gave significant antitumor effect with either considerably reduced tumor volume or a survival benefit. An advantageous discovery was that only a few kilobecquerels were needed to yield therapeutic effects. The treatment was well tolerated up to a dose of 1000 kBq/kg with no signs of acute or subacute toxicity observed. To conclude, it was demonstrated that intraperitoneal α -therapy with Radspherin[®] has a significant potential for treatment of peritoneal micrometastases in ovarian carcinoma.

Preclinical study collaboration with Leuven initiated

Oncoinvent initiated its collaboration with researchers at University Hospitals Leuven, Belgium and are testing Radspherin[®] in a preclinical model of peritoneal carcinomatosis originating from ovarian cancer cells that has been developed by the researchers at Leuven. The model more closely mimics the disease situation experienced by human cancer patients than previous severe disease models that the company has used. Results from the experiments are expected to be published later this year.

Radspherin[®] program proposal selected for funding

The Norwegian Research Council Programme for User-driven Research-based Innovation (BIA) announced in February that it had awarded funding to forty-six projects from among the one hundred and sixty grant applications submitted under the call for proposals with a deadline of 11.10.2017. A total of NOK 483 million was allocated to the call. Oncoinvent one of the companies selected to receive BIA project funding to help develop its lead product Radspherin[®].

Oncoinvent has been in contract negotiations with representatives from the Research Council to conclude the details of the BIA project including the allocation of funds, project milestones and timelines. The company will announce the details of the BIA grant once the contract has been signed.

Financial review

Profit and loss statement

Income in the 1st quarter of 2018 was NOK 467 713 as grants for the research activities from the Norwegian Research Council were recognized.

Total operating expenses were increased to NOK 10 059 001 in the 1st quarter of 2018 from NOK 3 711 432 in the same quarter in 2017. Other operating expenses increased to NOK 6 511 801 in the 1st quarter of 2018 compared to NOK 1 588 381 in the same quarter of 2017, mainly due to expenses associated with initiation of the manufacturing operations in the laboratory facility in Nydalen. Depreciations as included in other operational expenses amounted to NOK 922 239 in the 1st quarter.

The 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 took place in 2017, but continues to be reflected in an increase in the reported payroll and associated costs in the 1st quarter of 2018. Payroll and related expenses was NOK 3 547 300 in the 1st quarter of 2018 compared to NOK 2 123 051 in the same quarter of 2017.

Key figures <i>Amounts in NOK</i>	1st quarter		Full year
	2018	2017	2017
Total revenues and other income	467 713	894 373	5 680 898
Payroll and related expenses	3 547 300	2 123 051	10 332 347
Other operating expenses	6 511 801	1 588 381	12 580 460
Total operating expenses	10 059 101	3 711 432	22 912 807
Financecost and other income	3 790	1 864	1 310 338
Net operating profit (loss) for the period	- 9 587 598	- 2 815 195	- 15 921 571
Net proceeds from equity issue	-	210 271 845	210 271 845
Cash and cash equivalents, end of period	179 662 158	222 495 419	189 833 725
Outstanding shares, beginning of period	13 184 681	7 751 000	7 751 000
Outstanding shares, end of period	13 184 681	13 184 381	13 184 381

Statement of financial position

In February 2017, Oncoinvent received net proceeds from the private placement at the amount of NOK 210 283 494. On March 31, 2018, Oncoinvent had total assets of NOK 204 458 830, with cash and cash equivalents of NOK 179 662 158. Shareholders equity was NOK 201 075 840.

Oslo, 8 May 2018

The Board of Directors

Oncoinvent AS

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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.

Additional Information

Glossary of Terms

Microparticles: Microparticles are particles between 0.1 and 100 micrometers in size. Commercially available microparticles are available 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 carcinomatosis: 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.

Radiotherapeutics: 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.