QUARTERLY REPORT

Second quarter 2018

September 2018

QUARTERLY REPORT – 2nd QUARTER 2018

Highlights

- Radspherin® development on track to start clinical trials in Q1 2019
- New Radspherin® data presented at SNMMI
- Scientific advice meeting with NMA held
- Oncoinvent receives 12 M NOK in BIA funding

Operational Review

Radspherin® development on track to start clinical trials in Q1 2019

Advances have been made in the Radspherin® development program in the second quarter of 2018. The company has begun the upscaling of the Radspherin® production process from laboratory to pilot plant scale so that sufficient quantities of product can be manufactured for upcoming clinical trials. The Radspherin® development program is on track and clinical trials are expected be initiated in Q1 of 2019 as previously announced.

New Radspherin® data presented at SNMMI

Oncoinvent research scientist Elisa Napoli was selected to present her Radspherin® research during the Novel Radiochemistry session at The Society of Nuclear Medicine and Molecular Imaging (SNMMI) Annual Meeting in Philadelphia, USA in June. Ms. Napoli presented her findings on the release and retention of 212Pb from 224Ra-labeled microparticles. Her work shows that the release to air of 220Rn, a daughter isotope of 224Ra, appears to be significantly reduced when 224Ra is bound to microparticles and that 212Pb released through the diffusion and decay of 220Rn can be re-absorbed on the particles in suspensions.

The SNMMI Annual Meeting is a prestigious educational, scientific, research, and networking event in nuclear medicine and molecular imaging and provides physicians, technologists, pharmacists, laboratory professionals, and scientists with an in-depth view of the latest research and development in the field as well as providing insights into practical applications for the clinic. As such, the company is honored that Ms. Napoli was selected to give an oral presentation at this year's meeting.

Scientific advice meeting with NMA held

Oncoinvent held a scientific advice meeting with the Norwegian Medicines Agency (Statens legemiddelverk) in the second quarter. The purpose of the meeting was to seek the advice of advisors at the NMA regarding the pre-clinical and clinical development of Radspherin®. The

advice provided by the NMA is not binding. It is however very valuable in designing a successful clinical protocol for the phase I clinical trial and for ensuring all necessary preclinical data and reports are included in the submission of the clinical trial application to the NMA.

Oncoinvent receives 12 M NOK in BIA funding

The Norwegian Research Council Programme for User-driven Research-based Innovation (BIA) has granted Oncoinvent twelve million NOK to be paid out over a three-year period to help the company develop its lead product Radspherin®.

The funding will be paid out in increments and will be based on the company successfully reaching pre-approved milestones that have been set up in the project plans. The project includes research related to development of manufacturing and control procedures for Radspherin®, additional pre-clinical studies, and the first in human study with Radspherin® in the treatment of peritoneal carcinomatosis in ovarian cancer patients.

Financial review

Profit and loss statement

Income in the 2nd quarter of 2018 was NOK 2 369 061 as grants for the research activities from the Norwegian Research Council were recognized. The support from the BIA program Is included with NOK 2 000 000.
Total operating expenses were increased to NOK 8 056 856 in the 2nd quarter of 2018 from NOK 3 852 338 in the same quarter in 2017. Other operating expenses increased to NOK 5 419 130 in the 2nd quarter of 2018 compared to NOK 2 514 876 in the same quarter of 2017, mainly due to expenses associated with the manufacturing operations in the laboratory facility in Nydalen. Depreciations as included in other operational expenses amounted to NOK 956 751 in the 2nd quarter.
A broad range and high level of expertise is required for the in-house production of Radspherin at the facility in Nydalen. In order to secure the quality and quantity of Radspherin, and the approvals required for the first clinical trial to commence in 2019, payroll and related expenses increased to NOK 2 637 726 in the 2nd quarter of 2018 compared to NOK 1 337 462 in the same quarter of 2017.

Key figures	2nd quarter		1st half		Full year
Amounts in NOK	**2018**	**2017**	**2018**	**2017**	**2017**
Total revenues and other income	2 369 061	359 666	2 836 774	1 254 039	5 680 898
Payroll and related expenses	-2 637 726	-1 337 462	-6 185 026	-3 460 513	-10 332 347
Other operating expenses	-5 419 130	-2 514 876	-11 936 922	-4 103 257	-12 580 460
Total operating expenses	-8 056 856	-3 852 338	-18 121 948	-7 563 770	-22 912 807
Financecost and other income	5 969	-7 932	9 759	-6 068	1 310 338
Net operating profit (loss) for the period	**-5 681 826**	**-3 500 604**	**-15 275 415**	**-6 315 799**	**-15 921 571**
Net proceeds from equity issue	25 000	0	25 000	210 283 494	210 283 494
Cash and cash equivalents, end of period	170 889 980	215 211 610	170 889 980	215 211 610	189 833 725
Outstanding shares, beginning of period	13 184 681	13 184 681	13 184 681	7 751 000	7 751 000
Outstanding shares, end of period	13 187 181	13 184 681	13 187 181	13 184 681	13 184 681

Statement of financial position

In February 2017, Oncoinvent received net proceeds from the private placement at the amount of NOK 210 283 494. On Jun 30, 2018, Oncoinvent had total assets of NOK 197 968 530, with cash and cash equivalents of NOK 170 889 980. Shareholders equity was NOK 195 413 022.

Oslo, 11. September 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 take 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 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 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.