



QUARTERLY REPORT

2nd QUARTER 2019

Highlights

- **New improved formulation of Radspherin[®] developed.**
- **Targeting to have Radspherin[®] ready for clinical testing by end of 2019.**
- **Additional sites to be added to the phase I clinical trials**
- **Presentations during Q2**
 - 22nd International Conference on Radionuclide Metrology, Salamanca Spain
 - SNMMI 2019, Anaheim, USA
 - International Cancer Cluster Showcase, Philadelphia, USA
 - ABGSC Norwegian Biotech Oncology Seminar, Oslo Norway

Operational review

New improved formulation of Radspherin[®] developed.

During the second quarter of 2019 Oncoinvent has had a strong focus on adjusting the Radspherin[®] product formulation in order to maximize the therapeutic effect of the drug product.

During Q2 the company has designed four different formulations of Radspherin[®] and tested said formulations in multiple animal models. The efficacy results in preclinical studies with the new formulations indicate that all the new formulations of Radspherin[®] provide a prolonged survival in animal models and that all the new formulations are significantly better than the previous formulation.

The company has, through extensive testing during the summer, identified the formulation of the Radspherin[®] product with the desired qualities that it will move forward with into clinical development.

Targeting to move Radspherin[®] into clinical testing by end of 2019.

Moving forward, focus will be towards producing the necessary documentation of the adjustments made to the Radspherin[®] product and production process in order to resubmit a clinical trial application in Norway and Belgium. This work is expected to be finalized during the fourth quarter. Furthermore, it is expected that the company will submit applications to Norwegian and Belgian authorities during Q4 in 2019 in order to initiate the planned clinical trials in peritoneal carcinomatosis in ovarian and colorectal cancer patients.

Additional sites to be added to the phase I clinical trials

In an effort to reduce and minimize the time needed to complete the planned phase I clinical trials the company has decided to open two clinical sites in addition to the site in Leuven Belgium and the Radium Hospital in Oslo in order insure rapid patient recruitment to the trials. Oncoinvent is working closely with members of its clinical advisory board to select the best additional sites for the upcoming trials.

Presentations during Q2

Oncoinvent has continued during the second quarter to present the company and the product candidate, Radspherin® to investors, scientists, and clinical investigators with positive feedback. This is done to create awareness for the product candidate within the industry as part of the development plan for both the company and the product candidate.

Research Scientist Elisa Napoli held a talk entitled “Ra-224 standardization progress at NIST” at the 22nd International Conference on Radionuclide Metrology in Salamanca Spain in May. She also presented a poster entitled; “A primary activity standard for the alpha-emitting radionuclide Ra-224” at the Society of Nuclear Medicine and Molecular Imaging annual conference in Anaheim California in June. A copy of the poster can be downloaded from the Oncoinvent website.

CEO Jan A. Alfheim gave company presentations at the International Cancer Cluster Showcase in Philadelphia, USA as well as at the ABGSC Norwegian Biotech Oncology Seminar in Oslo in June.

Financial review

In the 2nd quarter of 2019, Oncoinvent had a Net operating loss of minus NOK 10.7 mill compared to NOK 5.7 mill. the previous year. The loss YTD was minus NOK 22.8 mill. compared to minus NOK 15.3 mill. in 2018. The company received a total of NOK 0.4 mill. (NOK 0.5 mill.) in grants from the Norwegian Research Council during the quarter which included support from the Industrial PhD program.

Total operating expenses during the quarter was NOK 11.1 mill. an increase from NOK 8.1 mill. from the same period previous year. For YTD the operating expenses was NOK 24.3 mill. compared to NOK 18.1 mill. in 2018. The increase was according to expectations and lower than previous plans due to the postponement of clinical trials.

The company had NOK 135.1 mill. in cash and cash equivalents at the end of the quarter and expect to have sufficient funds to complete and present the phase I safety data as previously guided.

KEY FIGURES AMOUNTS IN NOK	2nd QUARTER		YTD		FULL YEAR
	2019	2018	2019	2018	2018
TOTAL REVENUES AND OTHER INCOME	339 000	2 369 061	1 569 730	2 836 774	10 458 850
Payroll and related expenses	4 127 643	2 637 726	10 696 955	6 185 026	15 617 140
Other operating expenses	6 957 983	5 419 130	13 640 856	11 936 922	29 579 761
TOTAL OPERATING EXPENSES	11 085 626	8 056 856	24 337 811	18 121 948	45 196 901
Finance cost and other income	11 030	5 969	- 21 626	9 759	1 686 127
NET OPERATING PROFIT(LOSS) FOR THE PERIOD	- 10 735 596	- 5 681 826	- 22 789 707	- 15 275 415	- 33 051 924
Net Proceeds from equity issue	125 000	25 000	125 000	25 000	25 000
Cash and cash equivalents, end of period	135 080 934	170 889 980	135 080 934	170 889 980	153 553 317
Total number of shares, beginning of period	13 187 181	13 184 681	13 187 181	13 184 681	13 184 681
Total number of shares, end of period	13 190 411	13 187 181	13 190 411	13 187 181	13 187 181

Oslo, 21. August 2019

The Board of Directors
Oncoinvent AS

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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 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.