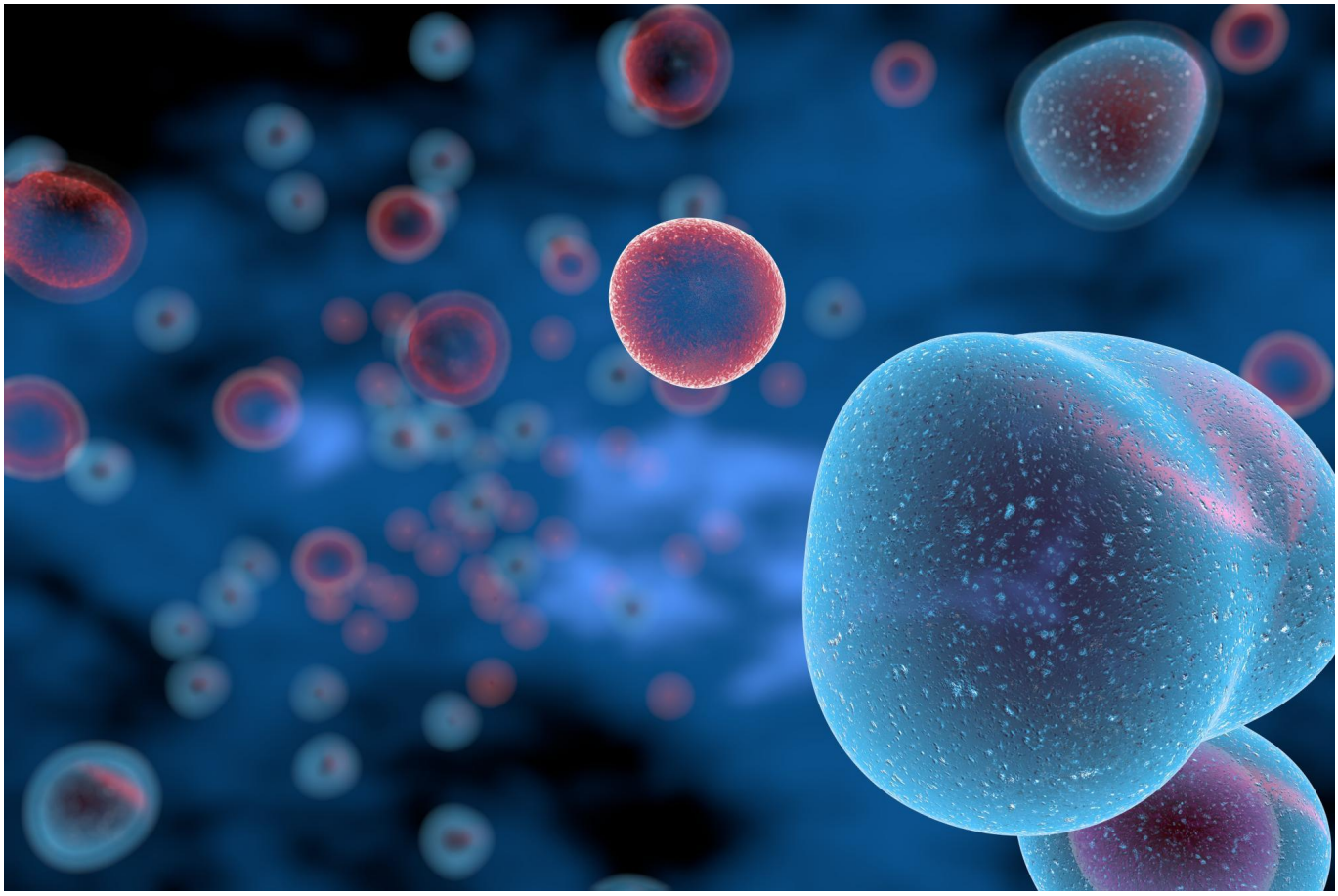
Sweden: EU backs cancer treatment research with quasi equity investment



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- **EIB signs €40 million loan agreement with Swedish biotech company Oncopeptides to support their long-term research and expansion.**
- **Financing will support R&D, product development and commercialisation of Oncopeptides' drug candidates for treatment of rare haematological cancers.**
- **The EIB loan is backed by the Investment Plan for Europe of the European Commission, which allows the EIB to support innovative projects.**

The European Investment Bank (EIB) has signed a €40 million (SEK 416m) loan agreement with Swedish biotech company Oncopeptides AB. The financing will support research, including phase 3 clinical studies of the lead candidate melflufen, and the expansion of the company. The EU bank's loan is backed by a guarantee from the European Fund for Strategic Investments (EFSI), the main pillar of the Investment Plan for Europe under which the EIB and the European Commission are working together as strategic partners, with the EIB's financing operations boosting the competitiveness of the European economy.

Each year, approximately 3 in every 10,000 people are diagnosed with **multiple myeloma**, for which there is no cure. Therefore, a key focus of treatment is extending and improving the quality of life for patients. Oncopeptides' Melflufen is a first in class peptide-drug conjugate (PDC) that targets

aminopeptidases and rapidly releases alkylating agents into tumor cells. Melflufen is rapidly taken up by myeloma cells due to its high lipophilicity and is immediately hydrolyzed by peptidases to release an entrapped hydrophilic alkylator payload. A New Drug Application of Melfufen has been granted priority review by the U.S. Food and Drug Administration, FDA, for treatment of patients with multiple myeloma. A target date for the review is set to February 28, 2021. Oncopeptides is currently conducting one clinical phase 3 study and six clinical phase 2 studies.

EIB Vice-President **Thomas Östros**, noted: *"This is the kind of project that the Investment Plan for Europe was set up to support. There is still a market gap when it comes to what is called "non-dilutive growth capital", allowing innovative, fast growing EU-based SMEs to grow without giving up ownership of their ideas or company. This quasi-equity instrument allows us to support EU in-house knowledge and expertise to flourish, we're very happy to get behind yet another innovative Swedish company that has ground-breaking plans for the future."*

"As the company is approaching a potential commercialization of its lead product melflufen, several new financing options become available. The EIB facility is a flexible solution that can be drawn upon with limited dilution for the shareholders, which is highly valuable to the company in this transition phase. We are grateful for the support from the EIB and look forward to working together through the continued expansion of Oncopeptides", says **Anders Martin-Löf**, CFO of Oncopeptides*.*

European Commissioner for Innovation, Research, Culture, Education and Youth, **Mariya Gabriel**, said: *"Investment in research and innovation is crucial towards achieving our goal to beat cancer, contributing to the development of effective health and care tools for the prevention, early diagnosis and successful treatment of the disease. This is why we are setting up a mission to fight cancer as part of the future Horizon Europe programme. By joining efforts across Europe, we will ensure that more people will live without cancer in the future, while increasing quality of life for those affected."*

Oncopeptides AB is a listed pharmaceutical company focused on the development of targeted therapies for difficult-to-treat haematological diseases. The Company's lead product candidate Melflufen (melphalan flufenamide) is a first-in-class anticancer peptide-drug conjugate that rapidly delivers a payload aiming at destroying the DNA of tumour cells. Oncopeptides' most advanced pipeline programme is in late-stage clinical development and uses Melflufen as a potential treatment for patients with relapsed refractory multiple myeloma.

Oncopeptides' Melflufen treatment is **platform technology** called the **peptide-drug conjugate platform**, which allows for concentration of a toxin in cancer cells by exploiting the difference in peptidase activity between cancer cells and normal cells. By doing this, the Company delivers enhanced and differentiated cytotoxic activity to the cancer cells whilst affording a level of protection to the healthy cells.