First Quarter Report 2018

Nordic Nanovector ASA



Q1'18 Highlights

- **Start-up activities ongoing for pivotal Phase 2b PARADIGME trial investigating Betalutin® as a potential new treatment for patients with third-line relapsed/refractory follicular lymphoma (3L R/R FL)**
  - As of May 29th, 23 sites in 8 countries are open for enrolment
- **Malene Brondberg appointed as Vice President, IR and Corporate Communications**

Events after Q1'18

- **Luigi Costa stepped down as CEO**
  - Tone Kvåle appointed as Interim CEO in addition to existing role as CFO
  - Search for new CEO underway
- **PARADIGME timelines revised with first results targeted for 1H 2020 (previously 2H 2019)**
  - Start-up activities and site initiations progressing
- **Clinical development of Humalutin® postponed for the foreseeable future as resources are re-focused on PARADIGME and the Betalutin® development programme**

Tone Kvåle, CFO and Interim CEO, commented: "We have been focusing our efforts, since the beginning of the year, on getting PARADIGME approved and started. While our progress with the start-up of this pivotal study has been encouraging, we saw reason in April to announce adjustments to the timelines for its duration and are now targeting the first data read-out from the study in the first half of 2020.

"We remain convinced of the significant potential of Betalutin® based on the promising clinical data generated to-date. We also believe that PARADIGME provides a robust trial design to generate the data needed to support our regulatory and commercialisation strategy for Betalutin® to become an important new treatment option for 3L FL patients."

Key figures Nordic Nanovector Group

Amounts in MNOK (except earnings/loss per share)	First Quarter		Full year
	2018	2017	2017
Total revenues	0.0	0.1	0.3
Total operating expenses	82.3	65.8	316.8
Operating profit (loss)	-82.3	-65.7	-316.5
Net financial items	-8.3	10.0	23.1
Total comprehensive income (loss) for the period	**-90.7**	**-55.8**	**-295.6**
Basic and diluted earnings (loss) per share	**-1.85**	**-1.14**	**-5.99**
Number of employees	**39**	**31**	**36**
Net change in bank deposits, cash and equivalents	-115.0	-84.9	-261.6
Cash and equivalents at beginning of period	756.6	1 018.2	1 018.2
Cash and equivalents at end of period	**641.5**	**933.3**	**756.6**

Operational review

Introduction

Nordic Nanovector's lead product candidate Betalutin® (^{177}Lu-satetraxetan-lilotomab) is in clinical development to evaluate its potential as a new targeted treatment for patients with non-Hodgkin's lymphoma (NHL). The company's initial priority is to develop Betalutin® as a new treatment for third-line relapsed, anti-CD20 antibody-refractory follicular lymphoma (3L R/R FL) with the recently started pivotal Phase 2b trial (PARADIGME).

Clinical results from the previous LYMRIT 37-01 Phase 1/2a study have demonstrated consistently that Betalutin® therapy has a promising clinical profile, with encouraging efficacy and a favourable toxicity profile observed in patients studied, particularly those with R/R FL. Combined with the convenience of a once-only administration, Betalutin® shows promise as a potential new therapy for R/R indolent NHL.

The company is also preparing to investigate Betalutin® in combination with rituximab (anti-CD20 antibody therapy) in second-line (2L) FL in the Phase 1b Archer-1 trial. A Phase 1 study of single agent Betalutin® in patients with R/R diffuse large B-cell lymphoma (DLBCL) (LYMRIT 37-05) is also on-going.

PARADIGME underway: a pivotal Phase 2b clinical trial with Betalutin® in 3L R/R FL

PARADIGME is a global randomised Phase 2b study in 3L R/R FL patients comparing two Betalutin® dosing regimens that showed a promising clinical profile in the first part of the LYMRIT 37-01 trial. The pivotal PARADIGME study is underway and the first patient is expected to be dosed during the first half of 2018. The trial is aiming to enrol 130 patients at 80-85 sites in 20 countries.

Since the start of 2018, the company has been focused on the start-up phase for PARADIGME, which has involved activating clinical sites so that patient screening can commence in countries where the protocol has been approved.

As at May 29th, 2018, PARADIGME is open for patient enrolment at 23 sites in 8 countries. The process of gaining approval for the trial is progressing in the remaining countries.

In the USA, the Food & Drug Administration (FDA) has completed its review of the PARADIGME study and Nordic Nanovector expects US sites to be open for enrolment during mid-2018.

As at May 29th PARADIGME is fully approved in Norway.

Early April the company revised its timeline for PARADIGME. The company is now targeting the first data read-out from PARADIGME in 1H 2020 (previously 2H 2019), and the first regulatory filing targeted for 2020 (previously 2H 2019).

The company remains confident that PARADIGME offers the most robust design to confirm the significant potential of Betalutin® and to generate the data needed to support regulatory submissions for Betalutin® to become an important new treatment option for 3L FL patients.

Resources now focused on Betalutin® development programmes

Following the revised timeline for PARADIGME and the need to conserve cash until data read-out, the company decided to focus its resources on this pivotal study and its other Betalutin® clinical trials. This decision has led to the company postponing the start of the first-in-human clinical trial with Humalutin®, a ^{177}Lu-conjugated chimeric anti-CD37 antibody, in NHL patients.

The company's development plans and previously anticipated milestones for Archer-1 (Betalutin® plus rituximab in 2L FL) and LYMRIT 37-05 (Betalutin® in R/R diffuse large B cell lymphoma, DLBCL) remain unchanged as described below. With this new focus, Nordic Nanovector expects its current financial resources to be sufficient to reach data read-out from PARADIGME in 1H 2020.

Advancing Betalutin® into 2L FL in combination with rituximab (Archer-1)

As mentioned above, the company is progressing the Archer-1 Phase 1b trial as planned. The protocol for this trial was finalised and a CTA submitted to the relevant Norwegian authorities in late 2017. The CTA for Archer-1 is approved by NoMA and is pending approval by REK.

On May 25th, 2018 the company announced it had received feedback from REK and is continuing discussions with the committee towards gaining approval to start Archer-1 as soon as possible.

Archer-1 builds on preclinical data demonstrating a synergistic anti-tumour effect between Betalutin® and rituximab, reported at ASH in December 2016. These data showed that treatment with the anti-CD37/anti-CD20 combination significantly prolonged the survival time of mice compared to those receiving either agent alone. Should this effect be confirmed in Archer-1 and subsequent clinical studies, it would represent a novel dual immunotherapy approach for the treatment of 2L FL and potentially provide access to a market estimated to be worth over USD 1.5 billion.

The company is targeting dosing of the first patient in 2H 2018, as previously guided and pending CTA approval.

Recruitment of DLBCL patients into Phase 1 study with Betalutin® on track

A Phase 1 study evaluating Betalutin® in patients with R/R diffuse large B-cell lymphoma (DLBCL) (LYMRIT 37-05) is on-going. DLBCL is an aggressive form of NHL and accounts for up to 43 percent of all cases, making it the most common type of NHL. The company continues to target preliminary data read-out from this study in 2H 2018, followed by publication of the data at a relevant scientific conference.

Management changes

In April, Nordic Nanovector announced that Luigi Costa had stepped down as CEO by agreement with the Board of Directors. Tone Kvåle was appointed as Interim CEO in addition to her current role as CFO while a search for a full-time CEO is progressing. To ensure a smooth transition, Mr Costa has agreed to be available to the Board of Directors until the end of July 2018.

In February, Nordic Nanovector appointed Malene Brondberg as Vice President, Investor Relations and Corporate Communications. Ms Brondberg brings over 20 years' experience from roles as a sell-side healthcare analyst and as Global Head of Research and member of the Executive Committee at the Nordic investment bank ABG Sundal Collier. Since 2011, Ms Brondberg has worked as a management consultant within the financial sector, acting as an advisor in relation to investor relations and funding, and has held various interim management positions such as CEO, COO and Head of Compliance.

Financial review

The interim consolidated financial statements for Nordic Nanovector Group[1] as of March 31st, 2018 have been prepared in accordance with the International Accounting Standard (IFRS) 34 interim financial reporting.

Interim consolidated statement of profit or loss

(Figures in brackets = same period 2017 unless stated otherwise)

Revenues in the first quarter 2018 amounted to NOK 0 (NOK 0.1 million). The company has terminated the agreement for sales of incubator services and sublease of office and laboratory facilities.

Total operating expenses for the quarter came to NOK 82.3 million (NOK 65.8 million). Payroll and related expenses decreased to NOK 15.2 million (NOK 17.6 million) due to reduced social security accruals on granted options in the period 2014 to 2017. Other expenses amounted to NOK 66.6 million during the quarter (NOK 47.9 million), the increase being driven by clinical trials and commercial preparation activities.

Research and development (preclinical, clinical, medical affairs, regulatory and CMC activities) expenses accounted for 76.2 % of total operating expenses (72.2 %).

Operating loss for the quarter was NOK 82.3 million (loss of NOK 65.7 million), for the reasons stated above.

Net financial items for the quarter came to negative NOK 8.3 million (NOK 10 million), mainly reflecting the effect of currency fluctuations on bank deposits and interest income.

Nordic Nanovector's comprehensive loss for the quarter amounted to NOK 90.7 million (loss of NOK 55.8 million), due to the reasons stated above.

Financial position

Total assets at March 31st, 2018, amounted to NOK 669.2 million, down from NOK 780.5 million at December 31st, 2017. The decline was primarily due to a lower cash holding following operational activities.

Total shareholders' equity at March 31st, 2018, was NOK 594.2 million (NOK 679.6 million at year end 2017), corresponding to an equity ratio of 88.8% (87.1% at year-end 2017).

Total liabilities at the end of the first quarter were NOK 75.0 million, down from NOK 100.9 million from year-end 2017, driven by payments of accounts payable and reduced accrual related to social security on previously granted options.

Cash flow

Net cash flow from operating activities in the first quarter was negative NOK 105.1 million (negative NOK 62.0 million), mainly reflecting the impact of higher research and development activities and payment of accounts payables.

Net cash flow from investing activities in the first quarter was NOK 0.6 million (NOK 0).

The company did not generate cash flow from financing activities during the first quarter. Net cash flow from financing activities for the same quarter of 2017 amounted to negative NOK 31.3 million, following payment of costs related to the equity issue in December 2016 and exercise of share options.

Exchange rate fluctuations in the first quarter had a negative impact on cash and cash equivalents of NOK 9.4 million (NOK 8.4 million).

[1] *"the group" embraces Nordic Nanovector ASA ("the parent company" or "the company") and its wholly owned subsidiaries*

Cash and cash equivalents at March 31st, 2018 amounted to NOK 641.5 million, compared to NOK 756.6 million at the end of December 2017.

Outlook

Nordic Nanovector aspires to become a leader in the field of targeted therapies for haematological cancers by developing, manufacturing and commercialising innovative therapies to address major unmet medical needs and advance cancer care.

Betalutin®, the company's most advanced product candidate, has a highly differentiated, competitive, clinical profile for R/R FL, based on the promising results from the LYMRIT 37-01 Phase 1/2a clinical study. The company's pivotal Phase 2b PARADIGME trial with Betalutin® in 3L R/R FL is underway with initial data read-outs from the study targeted for 1H 2020 and subsequent filing in 2020 for marketing approval.

Nordic Nanovector intends to maximize the value of Betalutin® across other stages of FL, NHL and other haematological cancer indications.

The company is confident that Betalutin® could become an attractive and convenient therapeutic option, which, based on detailed market research, has the potential to be commercially successful.

Current cash resources are expected to be sufficient to reach data read-out from PARADIGME in 1H 2020.

Interim condensed consolidated statement of profit or loss and other comprehensive income
Nordic Nanovector Group

Amounts in NOK 1 000	Note	First Quarter		Full year
		2018	2017	2017
Revenues		0	78	302
Total revenues		**0**	**78**	**302**
Payroll and related expenses	4, 5, 6	15 153	17 572	80 609
Depreciation		503	279	1 483
Other operating expenses	4, 6	66 612	47 914	234 732
Total operating expenses		**82 268**	**65 765**	**316 824**
Operating profit (loss)		**-82 268**	**-65 687**	**-316 522**
Net finance income (expense)	9	-8 268	9 965	23 089
Loss before income tax		**-90 536**	**-55 722**	**-293 433**
Income tax		-120	-85	-381
Loss for the period		**-90 656**	**-55 807**	**-293 814**
Other comprehensive income (loss), net of income tax to be reclassified to profit and loss in subsequent periods				
Translation effects		-88	37	86
Other comprehensive income (loss), net of income tax not to be reclassified to profit and loss in subsequent periods				
Re-measurement gains (losses) on defined benefit plans		0	0	-1 839
Total comprehensive income (loss) for the period		**-90 745**	**-55 770**	**-295 567**
Loss for the period attributable to owners of the company		-90 656	-55 807	-293 814
Total comprehensive income (loss) for the period attributable to owners of the company		-90 745	-55 770	-295 567
Earnings (loss) per share				
Basic and diluted earnings (loss) per share in NOK	8	-1.85	-1.14	-5.99

The interim financial information has not been subject to audit.

Interim condensed consolidated statement of financial position
Nordic Nanovector Group

Amounts in NOK 1 000	Note	March 31st, 2018	December 31st, 2017
ASSETS			
Non-current assets			
Property, plant and equipment		4 343	4 174
Total property, plant and equipment		**4 343**	**4 174**
Current assets			
Receivables			
Other current receivables	4	23 303	19 726
Total receivables		**23 303**	**19 726**
Cash and cash equivalents		**641 534**	**756 571**
Total current assets		**664 837**	**776 297**
TOTAL ASSETS		**669 180**	**780 471**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	7	9 809	9 809
Share premium	7	1 434 896	1 434 896
Other paid in capital	5, 6	49 863	44 551
Accumulated losses		-900 387	-809 642
Total shareholders' equity		**594 181**	**679 614**
Liabilities			
Non-current liabilities			
Net employee defined benefit liabilities		3 583	3 619
Total non-current liabilities		**3 583**	**3 619**
Current liabilities			
Accounts payable		19 834	29 317
Tax payable		374	467
Other current liabilities		51 208	67 454
Total current liabilities		**71 416**	**97 238**
Total liabilities		**74 999**	**100 857**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**669 180**	**780 471**

The interim financial information has not been subject to audit.

Interim condensed consolidated statement of changes in equity
Nordic Nanovector Group

For the period ended March 31st								
Amounts in NOK 1 000	**Note**	**Share capital**	**Share premium**	**Equity-settled share-based payments**	**Accumulated losses**	**Translation effects**	**Remeasure-ment gains (losses)**	**Total equity**
Balance at January 1st, 2017		**9 795**	**1 433 743**	**19 826**	**-513 623**	**-452**	**0**	**949 289**
Loss for the year					-293 814			-293 814
Other comprehensive income (loss) for the year net of income tax						86	-1 839	-1 753
Total comprehensive income for the year		**0**	**0**	**0**	**-293 814**	**86**	**-1 839**	**-295 567**
Recognition of share-based payments	5, 6			24 725				24 725
Issue of ordinary shares	7	0	0					0
Issue of ordinary shares under share options	5, 7	14	1 613					1 627
Share issue costs	7		-460					-460
Balance at December 31st, 2017		**9 809**	**1 434 896**	**44 551**	**- 807 437**	**-366**	**-1 839**	**679 614**
Loss for the period					-90 657			-90 657
Other comprehensive income (loss) for the year, net of income tax						-88	0	-88
Total comprehensive income for the year		**0**	**0**	**0**	**-90 657**	**-88**	**0**	**-90 745**
Recognition of share-based payments	5, 6			5 312				5 312
Issue of ordinary shares under share options and RSUs	5, 6, 7	0	0					0
Share issue costs			0					0
Balance at March 31st, 2018		**9 809**	**1 434 896**	**49 863**	**- 898 094**	**-454**	**-1 839**	**594 181**

Amounts in NOK 1 000	**Note**	**Share capital**	**Share premium**	**Equity-settled share-based payments**	**Accumulated losses**	**Translation effects**	**Remeasure-ment gains (losses)**	**Total equity**
Balance at January 1st, 2017		**9 795**	**1 433 743**	**19 826**	**-513 623**	**-452**	**0**	**949 289**
Loss for the year					-55 807			-55 807
Other comprehensive income (loss) for the year net of income tax						37	0	37
Total comprehensive income for the year		**0**	**0**	**0**	**-55 807**	**37**	**0**	**-55 770**
Recognition of share-based payments	5, 6			5 462				5 462
Issue of ordinary shares under share options	5, 7	11	1 613					1 624
Share issue costs			-382					-382
Balance at March 31st, 2017		**9 806**	**1 434 974**	**25 288**	**-569 430**	**-415**	**0**	**900 223**

The interim financial information has not been subject to audit.

Interim condensed consolidated statement of cash flow
Nordic Nanovector Group

Amounts in NOK 1 000	Note	First Quarter		Full year
		2018	2017	2017
Cash flow from operating activities				
Loss for the period before income tax		**-90 536**	**-55 722**	**-293 433**
Adjustments for:				
Interest received		-76	-39	-5 846
Share option and PSU expense employees	5	4 970	5 167	23 428
Restricted share units (RSUs) expenses	6	342	295	1 297
Taxes paid		-211	-204	-291
Depreciation		503	279	1 483
Currency (gains) losses not related to operating activities		9 361	-8 431	-17 086
Changes in working capital and non-cash adjustments		-29 434	-3 376	41 018
Net cash flow from operating activities		**-105 081**	**-62 031**	**-249 430**
Cash flow from investing activities				
Investments in property, plant and equipment and intangible assets		-671	-46	-2 513
Interests received		76	39	5 846
Net cash flow from investing activities		**-595**	**-7**	**3 333**
Cash flows from financing activities				
Net proceeds from equity issue	7	0	-31 287	-32 635
Net cash flow from financing activities		**0**	**-31 287**	**-32 635**
Effects of exchange rate changes on cash and cash equivalents		**-9 361**	**8 431**	**17 086**
Net change in bank deposits, cash and equivalents		-115 037	-84 894	-261 646
Cash and equivalents at beginning of period		756 571	1 018 217	1 018 217
Cash and equivalents at end of period		**641 534**	**933 323**	**756 571**

The interim financial information has not been subject to audit.

Notes to the condensed interim financial statements for the first quarter 2018

Note 1. General information

Nordic Nanovector (the group) consists of Nordic Nanovector ASA and its subsidiaries. Nordic Nanovector ASA ("the company") is a limited company incorporated and based in Oslo, Norway. The address of the registered office is *Kjelsåsveien 168 B, 0884 Oslo.*

The figures in this first quarter report 2018 are non-audited figures.

These financial statements were approved for issue by the board of directors on May 29th, 2018.

Note 2. Basis for preparation and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements can be found in the group's Annual Report 2017. These policies have been consistently applied in all periods presented. Amounts are in Norwegian kroner (NOK) unless stated otherwise. The functional currency of the group is NOK.

Basis of preparation of the annual accounts

The Nordic Nanovector Group's interim consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), which have been adopted by the EU and are mandatory for financial years beginning on or after January 1st, 2018, and Norwegian disclose requirements listed in the Norwegian Accounting Act. The interim consolidated condensed financial statements have been prepared on the historical cost basis, with the exception of receivables and other financial liabilities which are recognised at amortised cost.

Standards issued but not yet effective

IFRS 16 Leases is effective for annual periods beginning on or after January 1st, 2019, with early application permitted. The Group plans to adopt the new standard on the required effective date using either the full retrospective or modified retrospective method. The new standard will impact the accounting of the lease agreements for office facilities in Oslo and Switzerland, which according to the new standard will be classified as a "right to use asset" and depreciated over estimated time of use (leasing term). It is expected that implementation of IFRS 16 will not have a material effect on the financial statements.

Note 3. Critical accounting judgments and key sources of estimation uncertainty

Critical accounting estimates and judgments

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are evaluated on an on-going basis and are based on historical experience and other factors, including expectations of future events that are considered to be relevant.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31st, 2017.

Note 4. Government grants

Government grants have been recognised in profit or loss as a reduction of the related expenses with the following amounts:

Amounts in NOK 1 000	First Quarter	
	2018	2017
Payroll and related expenses	888	1 080
Other operating expenses	1 563	2 159

Grants receivable presented as other current receivables in the statement of financial position:

Amounts in NOK 1 000	March 31st, 2018	December 31st, 2017
Grants receivable	9 737	9 350

1) In 2016, the company received a new grant of up to NOK 15 million from the Research Council of Norway's User-driven Research-based Innovation programme (in Norwegian; Brukerstyrt innovasjonsarena, BIA). The project period is from 2016 to 2018. The purpose of the grant is to support research and development of novel targeted therapeutics for leukaemia and NHL. The grant will be distributed to the company over the course of three years. For the financial period ended March 31st, 2018, the company has recognised NOK 1.3 million (as of March 31st, 2017: NOK 1.2 million) classified partly as a reduction of payroll and related expenses, and partly as a reduction of other operating expenses.

2) R&D projects have been approved for SkatteFUNN grants for the period 2017 through 2019. For the financial period ended March 31st, 2018, the company has recognised NOK 0.9 million compared to NOK 1.6 million for the same period in 2017. The amount was recognised partly as a reduction of payroll and related expenses and partly as a reduction of other operating expenses.

3) In 2016, The Research Council awarded a grant supporting a PhD for the period 2016 through 2019 of NOK 2.1 million. For the financial period ended March 31st, 2018, the company recognised NOK 0.2 million (March 31st, 2017: NOK 0.2 million) as a reduction of payroll and related expenses, and partly as a reduction of other operating expenses.

4) The Research Council Eurostars awarded a grant supporting a collaboration research agreement with Affibody AB for the period 2014 through 2017 of NOK 4 million in total. For the financial period ended March 31st, 2017, the company recognised NOK 0.2 million partly as a reduction of payroll and related expenses, and partly as a reduction of other operating expenses. The company has decided to discontinue the Affilutin project considering the current challenging market landscape in multiple myeloma, and concentrated efforts and resources on other leading discovery projects.

Note 5. Employee share incentive programme

Performance Share Units (PSUs)

The Board of Directors of Nordic Nanovector ASA has on January 29th, 2018 decided to grant 216 550 PSUs to current and newly hired employees.

Overview of outstanding PSUs

Amounts in NOK	Year to date 2018
	Number of PSUs
Balance at 1 January 2018	0
Granted during the year	216 550
Exercised during the year	0
Forfeited	0
Balance at March 31st, 2018	**216 550**
Hereof vested PSUs	**0**

For further information about the PSU program see note 13 to the company's annual accounts included in the company's annual report for 2017 and note 10 in this report.

Share options

Overview of outstanding options

Amounts in NOK	Year to date 2018	
	Number of options	Weighted average exercise price
Balance at January 1st, 2018	3 482 843	42.20
Granted during the year	0	-
Exercised during the year	0	-
Forfeited	0	-
Balance at March 31st, 2018	**3 482 843**	**42.20**
Hereof vested options	**2 146 248**	**33.46**

For further information about the share option program see note 13 to the company's annual accounts included in the company's annual report for 2017.

Note 6. Restricted Stock Units (RSUs)

At the annual general meeting held on May 24th, 2017, the shareholders approved the issuance of restricted stock units ("RSUs") to board members who elect to receive all or parts of their remuneration, for the period from the annual general meeting in 2017 to the annual general meeting in 2018, in the form of RSUs.

A total of 13 945 RSUs have thus been allocated following the annual general meeting held on May 24th, 2017. The RSUs vested on May 24th, 2018. For further information about the RSU program see note 12 to the company's annual accounts included in the company's annual report for 2017.

Amounts in NOK	Year to date 2018
	Number of RSUs
Balance at January 1st, 2018	45 014
Granted during the year	0
Exercised during the year	0
Forfeited	0
Balance at March 31st, 2018	**45 014**
Hereof vested RSUs	**31 069**

Note 7. Share capital and shareholder information

The share capital as at March 31st, 2018 is NOK 9 808 880 (December 31st, 2017: NOK 9 808 880), being 49 044 402 ordinary shares at a nominal value of NOK 0.20. All shares carry equal voting rights.

The change in the number of shares during the period was as follows:	March 31st, 2018	December 31st, 2017
Ordinary shares at 1 January	**49 044 402**	**48 974 618**
Issue of ordinary shares under share options [1)]	0	56 525
Issue of ordinary shares under RSUs [2)]	0	13 259
Ordinary shares	**49 044 402**	**49 044 402**

(1) Participants in Nordic Nanovector ASA's second share option programme exercised on January 25th, 2017 a total number of 56 525 options at an average strike price of NOK 25.85 per share. Each option gave the right to receive one share in the company. The board of directors of the company approved the exercise of the options and resolved to increase the company's share capital by NOK 11 305 through the issuance of 56 525 new shares, each at a nominal or par value of NOK 0.20.

(2) On July 10th, 2017, three of the board members of Nordic Nanovector ASA, Gisela Schwab, Joanna Horobin and Jean-Pierre Bizzari, resolved to settle a total number of 13 259 RSUs. Each RSU gave the right to subscribe for one share in the Company at a subscription price of NOK 0.20. The board members were granted the RSUs in the annual general meeting in 2016 after having elected to receive all or part of their remuneration for the period from the annual general meeting in 2016 to the annual general meeting in 2017 in RSUs. The Board of Directors of the Company has resolved to issue 13 259 new shares at a subscription price of NOK 0.20 per share giving a total subscription price of NOK 2 651.8.

The extraordinary general meeting held on December 20th, 2017 (the "EGM") approved the company's new share based incentive program and authorised the board of directors to grant up to 500 000 PSUs to the company's employees. The EGM further resolved to issue up to 500 000 to free-standing warrants to employees that were awarded PSUs. The EGM also resolved to issue up to 3 491 429 free-standing warrants to current and former employees who have been awarded options under the company's option program that was discontinued and replaced by the new share based incentive program at the EGM. The sole purpose of the free-standing warrants is to ensure delivery of shares in the company upon exercise of the PSUs and the options.

Nordic Nanovector ASA had 8 378 shareholders as at March 31st, 2018

	Shareholders	Number of shares	Percentage of total shares
1	HealthCap VI L.P.	5 445 833	11.10 %
2	Folketrygdfondet	3 079 056	6.28 %
3	OM Holding AS	1 941 366	3.96 %
4	Nordnet Livsforsikring AS	1 590 749	3.24 %
5	Linux Solutions Norge AS	851 071	1.74 %
6	Sciencons AS (Roy Hartvig Larsen)	780 000	1.59 %
7	Radiumhospitalets Forskningsstiftelse	689 518	1.41 %
8	Must Invest AS	625 000	1.27 %
9	Inven2 AS	541 247	1.10 %
10	VPF Nordea Kapital	517 488	1.06 %
11	VPF Nordea Avkastning	508 251	1.04 %
12	Roy Hartvig Larsen	501 777	1.02 %
13	Ro Invest AS	450 000	0.92 %
14	Netfonds Livsforsikring AS	412 503	0.84 %
15	Birk Venture AS	400 015	0.82 %
16	Gladiator	400 000	0.82 %
17	The bank of New York Mellon SA/NV	306 791	0.63 %
18	KLP Aksje Norge	300 000	0.61 %
19	Statoil Pensjon	292 701	0.60 %
20	Nordnet Bank AB	274 783	0.56 %
	Total shares for top 20 shareholders	**19 908 149**	**40.61 %**
	Total shares for other 8 358 shareholders	29 136 253	59.39 %
	Total shares (8 378 shareholders)	**49 044 402**	**100.00 %**

The shares of Nordic Nanovector ASA have been traded on the Oslo Stock Exchange since March 23rd, 2015.

Note 8. Earnings per share

The calculation of basic and diluted earnings per share attributable to the ordinary shareholders of the parent is based on the following data:

Amounts in NOK	First Quarter 2018	First Quarter 2017
Loss for the period	-90 656 000	- 55 807 000
Average number of outstanding shares during the year	49 044 402	49 010 819
Earnings (loss) per share - basic and diluted	**-1.85**	**-1.14**

Share options issued have a potential dilutive effect on earnings per share. No dilutive effect has been recognised as potential ordinary shares only shall be treated as dilutive if their conversion to ordinary shares would decrease earnings per share, or increase loss per share from continuing operations. As the company is currently loss-making an increase in the average number of shares would have anti-dilutive effects.

Note 9. Net finance income (expense)

Net finance income (expense) is mainly driven by interests on bank deposits and the currency gain (loss) on cash and cash equivalents in foreign currency.

Amounts in NOK 1 000	First Quarter		Full year
	2018	2017	2017
Finance income	1 260	1 722	5 899
Finance expenses	1	0	10
Net currency gains (losses) on cash and cash equivalents	-9 361	8 431	17 086
Net other currency gains (losses) related to operating items	-166	-188	114
Net finance income (expense)	**-8 268**	**9 965**	**23 089**

Note 10. Subsequent events

On April 4th 2018, the company announced that Luigi Costa will step down as Chief Executive Officer by mutual agreement with the board of directors. A search for a new CEO started immediately. To ensure a smooth transition, Mr Costa agreed to be available to the board until the end of July 2018.

The Board of Directors of Nordic Nanovector ASA ("Nordic Nanovector" or the "Company") resolved on April 23rd, 2018 to grant 15 000 Performance Share Units ("PSUs") to new employees under the Company's new equity incentive plan that was approved at the Company's extraordinary general meeting on December 20th, 2017.

Additional information

Glossary of terms

1L, 2L, 3L: First, second and third line of treatment

(A)SCT: (Autologous) stem cell transplant

ADC: Antibody-Drug-Conjugate

AHCP: Allied Healthcare Professional

AML: Acute Myeloid Leukemia

APAC: Asia-Pacific

ARC: Antibody-Radionuclide-Conjugate

ARCHER-1: Name of Nordic Nanovector's combination study; Betalutin® and rituximab

ASH: American Society of Hematology

Authorized User: Physician authorized to prescribe and administer a radiopharmaceutical drug

B-cell: A type of lymphocyte (white blood cell) in the humoral immunity of the body's adaptive immune system. Can be distinguished from other lymphocytes by the presence of a protein on the B-cell's outer surface known as a B cell receptor (BCR). This specialized receptor protein allows a B-cell to bind to a specific antigen**.**

CD20: B-lymphocyte antigen CD20 is an activated-glycosylated phosphoprotein expressed in the surface of all B-cells beginning at the pro-B phase and progressively increasing in concentration until maturity

CD37: B-lymphocyte antigen CD-37 is a protein, a member of the transmembrane 4 superfamily, also known as the tetraspanin superfamily of cell surface antigens

chHH1: Chimeric version of the HH1 antibody

CLL: Chronic Lymphocytic Leukemia

CR: Complete Response

DLBCL: Diffuse Large B-Cell Lymphoma

DoR: Duration of Response

EANM: European Association of Nuclear Medicine

EMA: European Medicines Agency

EMEA: Europe, Middle East, and Africa

FDA: Food and Drug Administration (US)

FDG PET/CT: Positron emission tomography with 2-deoxy-2-[fluorine-18]fluoro- D-glucose integrated with computed tomography

FL: Follicular Lymphoma

GMP: Good Manufacturing Practice

Haem-Oncs: Haematologist-oncologist

HCP: Healthcare Professional

HH1: Lilotomab

Humalutin®: Chimeric anti-CD37 ARC

ICML: International Conference on Malignant Lymhoma

IND: Investigational New Drug

iNHL: Indolent non-Hodgkin Lymphoma

KI: Kinase Inhibitor

KOL: Key Opinion Leader

LCM: Life-cycle management

Lilotomab (llo): Betalutin® consists of the radionuclide lutetium-177 conjugated to the B-cell seeking anti-CD37 antibody lilotomab

Lu-177: Radionuclide lutetium-177

M.D: Medical Doctor

mAb: Monoclonal antibody

MBq: Megabecquerel (radioactivity measurement unit)**CL:** Mantle Cell Lymphoma

Medicare: US government reimbursement program for insured elderly

MedOnc: Medical oncologist

MoA: Mechanism of Action

MSL: Medical science liaison

nASCT: Not eligible for autologous stem cell transplant

NCCN: National Comprehensive Cancer Network

NDA: New Drug Application

NET: Neuroendocrine tumour

NHL: Non-Hodgkin's Lymphoma

NM: Nuclear medicine specialist

NNV003: Chimeric anti-CD37 antibody developed by Nordic Nanovector

ODD: Orphan Drug Designation

ORR: Overall Response Rate (CR plus PR)

OS: Overall Survival

PARADIGME: name of Nordic Nanovector's pivotal Phase 2b study

PD: Progressive Disease

PFS: Progression Free Survival

Pi3K: Phosphoinositide 3-kinase; class of Pi3K inhibitors include idelalisib, copanlisib, duvelisib

PR: Partial Response

PRA: PRA Health Sciences, a clinical research and data analytics company

QoL: Quality of Life

R/R: Relapsed/refractory

R: Rituximab

RadOnc: Radiation oncologist

R-Benda/R-B/RB: Rituximab, bendamustine

R-Chemo: Combination treatment consisting of rituximab plus one (i.e., bendamustine, fludarabine) or more (i.e., CHOP, CVP) chemotherapy agents

R-CHOP: Rituximab, hydroxydaunorubicin (doxorubicin), oncovin (vincristine), prednisolone

R-CVP: Rituximab, cyclophosphamide, vincristine, prednisone

RIT: Radioimmunotherapy

R-Squared: Combination treatment consisting of rituximab plus lenalidomide

SAB: Scientific Advisory Board

SD: Stable Disease

SPECT/CT: Single photon emission computed tomography (SPECT) integrated with computed tomography (CT)

T-cell: A type of lymphocyte (white blood cell) that plays a central role in cell-mediated immunity. Can be distinguished from other lymphocytes by the presence of a T-cell receptor (TCR) on the cell surface. They are called T-cells because they mature in the thymus

TKI: Tyrosine Kinase Inhibitor

TPP: Target Product Profile

TTR: Time to Recurrence

US: United States

Financial calendar

Q1 2018 results:	May 30th, 2018
AGM:	May 30th, 2018
Q1 2018 meeting (Norwegian)	May 31st, 2018
Q2 2018 results:	August 22nd, 2018
Q3 2018 results:	November 21st, 2018

The dates are subject to change. The time and location of the presentations will be announced in due course.

In accordance with its new corporate disclosure policies, the company will introduce a two-week quiet period ahead of its full year and quarterly results announcements. During the quiet periods, the company will not participate in meetings, seminars or engage with external individuals or groups (including analysts, investors, media).

The quiet periods for the remainder of 2018 are as follows and end on the date of the company's results.

Q1 results: May 16th – 30th
Q2 results: August 8th – 22nd
Q3 results: November 7th – 21st

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Forward–looking statements

This report contains certain forward-looking statements and forecasts based on uncertainty, since they relate to events and depend on circumstances that will occur in the future and which, by their nature, will have an impact on Nordic Nanovector's business, financial condition and results of operations The terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "should", "projects", "targets", "will", "would" or, in each case, their negative, or other variations or comparable terminology are used to identify forward-looking statement There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied in these forward-looking statements. Factors that could cause these differences include, but are not limited to, risks associated with implementation of Nordic Nanovector's strategy, risks and uncertainties associated with the development and/or approval of Nordic Nanovector's products candidates, ongoing and future clinical trials and expected trial results, the ability to commercialise Betalutin®, technology changes and new products in Nordic Nanovector's potential market and industry, Nordic Nanovector's freedom to operate (competitors patents) in respect of the products it develops, the ability to develop new products and enhance existing products, the impact of competition, changes in general economy and industry conditions, and legislative, regulatory and political factors No assurance can be given that such expectations will prove to have been correct Nordic Nanovector disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Notes

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NORDIC NANOVECTOR

About Nordic Nanovector

Nordic Nanovector is committed to develop and deliver innovative therapies to patients to address major unmet medical needs and advance cancer care. The Company aspires to become a leader in the development of targeted therapies for haematological cancers.

Nordic Nanovector's lead clinical-stage candidate is Betalutin®, a novel CD37-targeting antibody-radionuclide-conjugate designed to advance the treatment of non-Hodgkin's lymphoma (NHL). NHL is an indication with substantial unmet medical need, representing a growing market forecast to be worth nearly USD 20 billion by 2024. Nordic Nanovector intends to retain marketing rights and to actively participate in the commercialisation of Betalutin® in core markets.