Third Quarter Report 2021

Q3
2021

NORDIC NANOVECTOR

Highlights

- 102 of a targeted 120 patients have been enrolled into the pivotal PARADIGME Phase 2b trial for Betalutin® as of 17 November 2021 in Europe, Asia and the US/Canada (94 patients enrolled as of 26 August 2021)
    - Three patients were enrolled in the same quarter in 2020
    - Preliminary three-month data readout expected during H1'2022, following timeline revisions announced on 3 August 2021
- Erik Skullerud appointed as new Chief Executive Officer (CEO)
    - Mr Skullerud brings more than 25 years' experience in the biopharma industry including more than 15 years at Amgen, including as Marketing Director Europe Oncology/Hematology, and seven years at Bayer
    - He has launched numerous highly innovative products in therapeutic areas including oncology and haematology, and as a consultant, he has worked with some of the world's top pharma and biotech companies as well as small, highly specialised start-ups on a wide range of projects
- Pierre Dodion MD appointed as Chief Medical Officer
    - Dr Dodion has over 30 years' experience in the biopharmaceutical industry, spent mostly in the oncology and haematology areas. He brings deep clinical development and medical affairs expertise and has provided strategic insight and overseen multiple clinical trials.
- Nordic Nanovector announced its support for The Health Policy Partnership's initiative to improve readiness for the use of radioimmunotherapy and to facilitate appropriate integration of this innovative cancer treatment modality in lymphoma
- The Company entered a research collaboration with the University of Pennsylvania to generate a novel CD37-targeting CAR-T cell therapy approach as a potential treatment for patients with B-cell malignancies
    - Nordic Nanovector will have an option to license exclusive worldwide rights to any CD37-targeting CAR-T cells that result from the collaboration

Erik Skullerud, CEO of Nordic Nanovector, **said**: "We are entering an exciting period for Nordic Nanovector, as the Company draws closer to completing patient recruitment for the PARADIGME trial, for which we expect readout of preliminary data in H1' 2022. The Company is convinced that Betalutin® is uniquely positioned to meet the need for a chemo-free, effective yet tolerable treatment for non-Hodgkin's lymphoma patients, coupled with a convenient administration schedule. In the meantime, we look forward to sharing our vision for Nordic Nanovector and Betalutin® as well as an update on our pipeline at our R&D day on 30 November."

Key figures Nordic Nanovector Group

Amounts in MNOK (except earnings/loss per share)	Third Quarter		Year to date		Full Year
	2021	2020	2021	2020	2020
Total revenues	0.0	0.0	0.0	0.0	0.0
Total operating expenses	104.3	88.1	309.3	327.3	434.2
Operating profit (loss)	-104.3	-88.1	-309.3	-327.3	-434.2
Net financial items	0.9	0.0	2.7	21.5	18.0
Total comprehensive income (loss) for the period	**-103.6**	**-88.2**	**-307.6**	**-305.4**	**-417.6**
Basic and diluted earnings (loss) per share	**-1.11**	**-1.33**	**-3.28**	**-4.63**	**-5.99**
Number of employees	**40**	**37**	**40**	**37**	**36**
Net change in bank deposits, cash and equivalents	-80.6	134.4	75.5	-90.2	-176.8
Cash and equivalents at beginning of period	450.1	246.2	294.0	470.8	470.8
Cash and equivalents at end of period	**369.5**	**380.7**	**369.5**	**380.7**	**294.0**

Operational review

Introduction

Nordic Nanovector is committed to develop and deliver the therapeutic potential of Betalutin® and other innovative CD37-targeted immunotherapies to patients to address their unmet medical needs.

The company is developing its wholly owned lead product candidate Betalutin® (^{177}Lu lilotomab satetraxetan) as a new, targeted, single agent and one-time treatment for patients with non-Hodgkin's lymphoma (NHL).

Betalutin® is a radioimmunotherapy that has been designed to offer a new chemotherapy-free treatment modality for NHL patients. Betalutin® targets the CD37 receptor on the surface of B-cell tumours, a validated and alternative target to CD20 upon which the current standard-of-care NHL therapies, such as rituximab (RTX), are focused.

There is a clear need for new treatment options in NHL as it has been reported that 40-60% of patients treated with an RTX-containing regimen either become refractory to anti-CD20 based therapy or develop resistance within five years[1].

The company is advancing Betalutin® in PARADIGME, a global pivotal Phase 2b trial in 3rd-line follicular lymphoma (FL) patients, refractory to RTX/anti-CD20 based treatments, as a first-to-market NHL indication based on compelling clinical data from earlier clinical studies. The company is also investigating the potential of Betalutin® in earlier lines of treatment for FL and in other significant NHL types.

Betalutin® has been granted Fast Track designation in the US for the treatment of FL after at least two prior systemic therapies and Orphan Drug designation for FL in the US and Europe. Betalutin® has also been granted Fast Track designation in the US and Orphan Drug designation in Europe for relapsed/refractory (R/R) marginal zone lymphoma (MZL).

Beyond Betalutin®, the company intends to leverage its R&D expertise and proprietary platforms to evaluate opportunities with other CD37-targeting immunotherapies across NHL and other indications.

[1] *Abdollahi, S., et al., The Impact of Rituximab Resistance on Overall Survival Rate in Low-Grade Follicular Lymphoma. Blood, 2008. 112(11): p. 3783-3783.*

Operational review

During 2021, Nordic Nanovector has continued to enrol patients into the PARADIGME Phase 2b trial for Betalutin® and is nearing the target for completing enrolment into this pivotal trial – this will represent a key milestone for the company and is expected to allow the company to read out preliminary three-month data during H1'2022.

As of 17 November 2021, 102 of a targeted 120 patients have been enrolled into the trial compared with 94 patients enrolled as of 26 August 2021. Patients have been enrolled at sites in Europe, Asia and in the US/Canada.

In start August, the company revised the timeline for the data readout following a review of the rate of patient recruitment and discussions with its clinical advisors that also considered the continuing impact from the COVID pandemic.

As this milestone and the subsequent data readout approaches, the company is intensifying its efforts to complete recruitment and continuing to drive the implementation of targeted initiatives to sustain patient enrolment and mitigate COVID restrictions. These initiatives include, but are not limited to:

- a more accurate segmentation of investigational sites – to enable a prioritisation of human efforts and financial resources
- a heavier focus on direct communication with principal investigators and study coordinators – face to face when permitted by local guidelines
- enhanced teamworking between Nordic Nanovector and the CRO's on-the-ground staff in the interaction with investigational sites, and
- a more specific communication plan – tailored to the different site clusters
- digital initiatives to keep study top-of-mind to investigators and raise awareness among potential patients

In addition, the company is preparing for a successful outcome to PARADIGME and is completing further activities, such as qualification of its manufacturing process in the CMC (Chemistry, Manufacturing and Controls) space, to support a regulatory filing.

The company is also initiating the preparatory activities for the confirmatory Phase 3 trial, the start of which is required upon submission of the BLA.

In addition, the company continues to execute its business development and partnering strategy to enable the full potential of Betalutin® in NHL to be realised.

Management Changes

On 20 September, Erik Skullerud joined Nordic Nanovector as the company's new Chief Executive Officer (CEO). Mr Skullerud joins the Company from Element Consulting GmbH, a globally focused advisory and consultancy specializing in the life science industry where he was co-founder and managing partner.

Prior to establishing Element Consulting, Mr Skullerud spent more than 25 years in the biopharma industry with increasing responsibility in global sales and marketing management roles. This included more than 15 years at Amgen, where his most recent role was as Marketing Director Europe Oncology/Hematology. Prior to that, he worked for Bayer Pharma for seven years, most recently as Product Group Manager for Cardiovascular/Diabetes Scandinavia.

Mr Skullerud has launched numerous highly innovative products in therapeutic areas such as oncology, haematology, cardiology, and nephrology and he has significant business management exposure to EU, Asian and US markets. As a consultant, he has worked with some of the world's top pharma and biotech companies as well as small, highly specialised start-ups on projects ranging from corporate strategy, through early to mid-stage launch and commercialization to late-stage life cycle projects.

On 8 November, Pierre Dodion MD was appointed Chief Medical Officer, taking over the role from Dr Christine Wilkinson Blanc, who is leaving the company for personal reasons. Dr Wilkinson Blanc will remain with the company until January 2022 to ensure a smooth transition.

Dr Dodion has over 30 years' experience in the biopharmaceutical industry, spent mostly in the oncology and haematology areas. He brings deep clinical development and medical affairs expertise and has provided strategic insight and overseen multiple clinical trials. Furthermore, Dr Dodion contributed to the global launches of several products, including Sutent at Pfizer, Femara at Novartis and two additional oncology products at Aventis.

Dr Dodion joins Nordic Nanovector from Immunooncology Partners, a consultancy he founded to support biotech companies in clinical development, medical affairs and business development activities. In this role, he has acted as a consultant for Nordic Nanovector since April 2021, advising on Betalutin®'s clinical development.

Initiative to improve readiness for radioligand therapy in lymphoma

In November, Nordic Nanovector announced it is supporting an independent government affairs project* led by The Health Policy Partnership (HPP), a specialist health policy research organisation. Within this project, an international framework (the Radioligand Therapy Readiness Assessment Framework) has been assembled to assess health system readiness for the use of radioligand therapy/radioimmunotherapy and to identify policy changes that could facilitate appropriate integration of this innovative cancer treatment modality.

The framework enables detailed analysis of a healthcare system and helps to identify areas that clinicians, researchers, patient advocates and policymakers could change to improve readiness for radioligand therapies and enable their appropriate integration into routine cancer care.

The project was developed by HPP working with an international expert panel of nuclear medicine and oncology/haematology experts as well as representatives from patient advocacy organizations.

Further details of this initiative will be discussed at the company's R&D Day on the 30th November 2021.

*www.radioligandtherapy.com/

CAR-T cell therapy collaboration with University of Pennsylvania

In October, Nordic Nanovector announced it had entered a research collaboration with the Penn Center for Innovation at the University of Pennsylvania ("UPenn") to generate a CD37-targeting CAR-T cell approach as a potential treatment for patients with B-cell malignancies.

The collaboration aims to combine Nordic Nanovector's expertise around CD37, a protein present on the surface of B-cell tumour cells, and the world-leading class expertise in CAR-T cell therapies at UPenn. Specifically, researchers at UPenn will look to combine CD37-targeting molecules (antibodies and antibody fragments) and linkers provided by Nordic Nanovector, with the proprietary CAR-T technologies at UPenn, including its proprietary universal immune receptor, which can direct CAR-T cells against multiple tumor associated antigens.

Nordic Nanovector will have an option to license exclusive worldwide rights to any CD37-targeting CAR-T cells that result from the collaboration for further development.

Further details about this and other pipeline development opportunities for Betalutin® and other CD37-targeting immunotherapies, will be provided at the company's R&D Day, which is planned to take place in-person in Oslo and by live webcast on 30 November.

Financial review

The interim consolidated financial statements for Nordic Nanovector Group as of 30 September 2021 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 2020 unless stated otherwise)

Revenues in the third quarter of 2021 amounted to NOK 0.0 million (NOK 0.0 million). Revenues year to date 2021 amounted to NOK 0.0 million (NOK 0.0 million).

Total operating expenses for the quarter came to NOK 104.3 million (NOK 88.1 million). Payroll and related expenses increased to NOK 23.9 million (NOK 20.9 million). Other expenses amounted to NOK 77.3 million during the quarter (NOK 63.5 million). Total operating expenses for the first three quarters of 2021 decreased to NOK 309.3 million (NOK 327.3 million). The decrease is due to careful management of financial resources, which are now focused on completing PARADIGME and the allied clinical and manufacturing development activities needed to support the filing of a Biologics License Application (BLA) for Betalutin®, pending positive results from PARADIGME.

Research and development (preclinical, clinical, medical affairs, regulatory and CMC activities) expenses accounted for 85 % of total operating expenses year to date 2021 (83 %).

Operating loss for the quarter was NOK 104.3 million (loss of NOK 88.1 million). Operating loss for the first three quarters of 2021 was NOK 309.3 million (NOK 327.3 million).

Net financial items for the third quarter came to NOK 0.9 million (NOK 0.0 million). Net financial items year to date amounted to NOK 2.7 million (21.5 million), mainly driven by increased value in NOK of cash deposited in foreign currency.

Nordic Nanovector's comprehensive loss for the quarter amounted to NOK 103.6 million (loss of NOK 88.2 million), due to the reasons stated above. Comprehensive loss for the first three quarters was NOK 307.6 (NOK 305.4 million).

Financial position

Total assets on 30 September 2021 amounted to NOK 388.9 million, up from NOK 314.6 million at year-end 2020. The increase was driven by the private placement and repair offering in February and April 2021 respectively.

Total shareholders' equity on 30 September 2021 was NOK 273.4 million (NOK 178.7 million at year-end 2020), corresponding to an equity ratio of 70.3% (56.8 % at year-end 2020).

Total liabilities on 30 September 2021 were NOK 115.5 million, down from NOK 135.9 million from year-end 2020, driven by a decrease in account payables.

Cash flow

Net cash flow from operating activities in the third quarter and year to date 2021 was negative NOK 78.5 million (negative NOK 93.8 million), and negative NOK 314.7 million (negative 333.0 million), respectively, mainly reflecting changes described above and fluctuations in working capital.

Net cash flow from investing activities in the third quarter and year to date 2021 was NOK 0.0 million (NOK 0.0 million) and negative NOK 0.1 (NOK 0.0 million), respectively

Net cash flow from financing activities for the third quarter of 2021 was negative NOK 2.9 million (NOK 227.8 million). Net cash flow from financing activities for year-to-date 2021 was NOK 388.0 million (220.8 million), driven by the private placement and repair issue completed in February and April of 2021.

Exchange rate fluctuations in the third quarter and year to date 2021 were NOK 0.8 million (NOK 0.4 million) and 2.3 million (NOK 22.0 million), respectively.

Cash and cash equivalents amounted to NOK 369.5 million at the end of September 2021, compared to NOK 294.0 million at the end of December 2020 for reasons explained above.

Outlook

Nordic Nanovector is close to completing patient enrolment into PARADIGME and is targeting the readout of preliminary three-month top line data during H1'2022.

The company's current cash position will support its operations into H2'2022 and will enable further preparatory work on the potential Betalutin® BLA filing and planning for commercialisation to be undertaken.

The company believes that, if positive, the PARADIGME trial data could represent a significant value inflection point for the company and its shareholders, confirming Betalutin® as a highly promising new targeted radioimmunotherapy that can address the unmet needs of R/R FL patients.

The company intends to discuss the development plan and opportunities for expanding the market for Betalutin® into other NHL indications, together with other potential areas for pipeline expansion and collaboration based on CD37-targeting immunotherapies, at its R&D Day, which is planned to take place on 30 November 2021.

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

Amounts in NOK 1 000	Note	Third Quarter		Year to date		Full Year
		2021	2020	2021	2020	2020
Revenues		0	0	0	0	0
Total revenues		**0**	**0**		**0**	**0**
Payroll and related expenses	4, 5	23 903	20 898	67 284	60 880	78 301
Depreciation		3 035	3 725	8 333	11 162	14 895
Other operating expenses	4, 6	77 343	63 467	233 725	255 301	340 965
Total operating expenses		**104 281**	**88 090**	**309 342**	**327 343**	**434 161**
Operating profit (loss)		**-104 281**	**-88 090**	**-309 342**	**-327 343**	**-434 161**
Net finance income (expenses)	9	934	38	2 700	21 507	18 000
Loss before income tax		**-103 347**	**-88 052**	**-306 642**	**-305 836**	**-416 161**
Income tax		-302	-143	-715	-728	-914
Loss for the period		**-103 649**	**-88 195**	**-307 357**	**-306 564**	**-417 075**
Other comprehensive income (loss), net of income tax to be reclassified to profit and loss in subsequent periods						
Translation effects		49	8	-217	1 139	423
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	0	0	-912
Total comprehensive income (loss) for the period		**-103 600**	**-88 187**	**-307 574**	**-305 425**	**-417 564**
Loss for the period attributable to owners of the company		-103 649	-88 195	-307 357	-306 564	-417 075
Total comprehensive income (loss) for the period attributable to owners of the company		-103 600	-88 187	-307 574	-305 425	-417 564
Earnings (loss) per share						
Basic and diluted earnings (loss) per share in NOK	8	-1.11	-1.33	-3.28	-4.63	-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	30.09.2021	31.12.2020
ASSETS			
Non-current assets			
Property, plant and equipment		877	1 394
Right-of-use-assets		7 987	4 290
Total non-current assets		**8 864**	**5 684**
Current assets			
Receivables			
Other current receivables	4	10 517	14 951
Total receivables		**10 517**	**14 951**
Cash and cash equivalents		**369 506**	**293 975**
Total current assets		**380 023**	**308 926**
TOTAL ASSETS		**388 887**	**314 610**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	7	19 616	15 878
Share premium	7	260 573	118 371
Other paid in capital	5, 6	67 906	61 565
Retained earnings		-74 721	-17 146
Total shareholders' equity		**273 374**	**178 668**
LIABILITIES			
Non-current liabilities			
Lease liability		603	2 356
Net employee defined benefit liabilities		4 446	5 025
Total non-current liabilities		**5 049**	**7 381**
Current liabilities			
Accounts payable		20 677	65 862
Tax payable		743	803
Other current liabilities		89 044	61 896
Total current liabilities		**110 464**	**128 561**
Total liabilities		**115 513**	**135 942**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**388 887**	**314 610**

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 30.09.2021								
Amounts in NOK 1 000	**Note**	**Share capital**	**Share premium**	**Other paid in capital**	**Accumulated losses**	**Trans-lation effects**	**Remeasure-ment gains (losses)**	**Total equity**
Balance at 1 January 2020		**13 229**	**335 336**	**69 025**	**-28 806**	**329**	**-1 105**	**388 008**
Loss for the period					-417 075			-417 075
Other comprehensive income (loss) for the year, net of income tax						423	-912	-489
Total comprehensive income for the period		**0**	**0**	**0**	**-417 075**	**423**	**-912**	**-417 564**
Recognition of share-based payments	5, 6			-7 460				-7 460
Issue of ordinary shares	5, 6	2 646	228 856					231 502
Issue of ordinary shares under share options and RSUs	5, 6, 7	4						4
Share issue costs			-15 821					-15 821
Reclassification of accumulated losses			-430 000		430 000			0
Balance at 31 December 2020		**15 878**	**118 371**	**61 565**	**-15 881**	**752**	**-2 017**	**178 668**
Loss for the period					-307 357			-307 357
Other comprehensive income (loss) for the year, net of income tax						-217	0	-217
Total comprehensive income for the period		**0**	**0**	**0**	**-307 357**	**-217**	**0**	**-307 574**
Recognition of share-based payments	5, 6			6 341				6 341
Issue of ordinary shares	5, 6	3 715	418 920					422 635
Issue of ordinary shares under share options and RSUs		22	910					932
Share issue costs			-27 629					-27 629
Reclassification of accumulated losses			-250 000		250 000			0
Balance at 30 September 2021		**19 616**	**260 573**	**67 906**	**-73 238**	**534**	**-2 017**	**273 374**

Amounts in NOK 1 000	Note	Share capital	Share premium	Other paid in capital	Accumulated losses	Trans-lation effects	Remeasure-ment gains (losses)	Total equity
Balance at 1 January 2020		**13 229**	**335 336**	**69 025**	**-28 806**	**329**	**-1 105**	**388 008**
Loss for the period					-306 564			-306 564
Other comprehensive income (loss) for the year, net of income tax						1 139	0	1 139
Total comprehensive income for the period		**0**	**0**	**0**	**-306 564**	1 139	**0**	**-305 425**
Recognition of share-based payments	5, 6			-7 350				-7 350
Issue of ordinary shares		2 646	228 856					231 502
Issue of ordinary shares under share options and RSUs	5, 6, 7	4						4
Share issue costs			-15 712					-15 712
Reclassification of accumulated losses			-300 000		300 000			0
Balance at 30 September 2020		**15 878**	**248 479**	**61 675**	**-35 370**	**1 468**	**-1 105**	**291 025**

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	Third Quarter		Year to date		Full Year
		2021	2020	2021	2020	2020
Cash flow from operating activities						
Loss for the period before income tax		**-103 347**	**-88 052**	**-306 642**	**-305 836**	**-416 161**
Adjustments for:						
Interests paid		100	100	343	413	471
Interest received		-24	-9	-58	-212	-1 590
Share option and PSU expenses employees	5	2 318	1 340	5 343	-8 074	-8 484
Restricted share units (RSUs) expenses board	6	281	300	998	724	1 024
Taxes paid		-403	0	-835	-433	-1 068
Depreciation		3 035	3 725	8 333	11 162	14 895
Currency (gains) losses not related to operating activities		-815	-393	-2 302	-22 049	-18 490
Changes in working capital and non-cash adjustments		20 362	-10 812	-19 927	-8 736	31 197
Net cash flow from operating activities		**-78 493**	**-93 801**	**-314 747**	**-333 041**	**-398 206**
Cash flow from investing activities						
Investments in property, plant and equipment and intangible assets		0	0	-123	-165	-185
Interests received		24	9	58	212	1 590
Net cash flow from investing activities		**24**	**9**	**-65**	**47**	**1 405**
Cash flows from financing activities						
Net proceeds from equity issue	7	-15	231 403	395 940	231 407	215 684
Payment of principle portion of lease liabilities		-2 814	-3 477	-7 556	-10 203	-13 751
Interests paid		-100	-100	-343	-413	-471
Net cash flow from financing activities		**-2 929**	**227 826**	**388 041**	**220 791**	**201 462**
Effects of exchange rate changes on cash and cash equivalents		**815**	**393**	**2 302**	**22 049**	**18 490**
Net change in bank deposits, cash and equivalents		-80 583	134 427	75 531	-90 154	-176 849
Cash and equivalents at beginning of period		450 089	246 243	293 975	470 824	470 824
Cash and equivalents at end of period		**369 506**	**380 670**	**369 506**	**380 670**	**293 975**

The interim financial information has not been subject to audit.

Notes to the condensed interim financial statements

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 Third Quarter 2021 report are non-audited figures.

These financial statements were approved for issue by the board of directors on 17 November 2021.

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 2020. 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 1 January 2021, and Norwegian disclose requirements listed in the Norwegian Accounting Act. The interim consolidated 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.

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 31 December 2020.

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	Third Quarter		Year to date	
	2021	2020	2021	2020
Payroll and related expenses	15	267	413	572
Other operating expenses	1 173	1 671	3 576	5 241

Grant's receivable presented as other current receivables in the statement of financial position:

Amounts in NOK 1 000	30.09.2021	31.12.2020
Grant's receivable	3 989	5 750

1) R&D projects have been approved for SkatteFUNN grants for the period 2017 through 2021. For the financial period ended 30 September 2021, the company has recognised NOK 3.6 million compared to NOK 3.6 million for the same period in 2020. The amount was recognised partly as a reduction of payroll and related expenses and partly as a reduction of other operating expenses.

2) The company has finalised the discovery phase of its Alpha37 R&D collaboration with Orano Med. Alpha37 leverages Nordic Nanovector's chimeric anti-CD37 antibody, NNV003, chelated with the alpha particle generating radionuclide ^{212}Pb; preparations for an IND application for potential treatment of NHL and chronic lymphocytic leukaemia (CLL) are in progress. In 2019, Nordic Nanovector was granted EUR 0.6 million from Eurostars in funding for this project. For the financial period ended 30 September 2021, the company recognised NOK 0.4 million partly as a reduction of payroll and related expenses and other operating expenses, compared to NOK 2.3 million for the same period in 2020.

Note 5. Employee share incentive programmes

Performance Share Units (PSUs)

The board of directors of Nordic Nanovector ASA decided on 26 March 2021 to grant 1 070 000 PSUs to current and newly hired employees. In addition, on 20 September 2021, 350 000 PSUs was granted the Company's new CEO.

Overview of outstanding PSUs

	Year to date 2021	
	Number of PSUs	Weighted average exercise price, NOK
Balance at 01.01.2021	774 750	0.2
Granted during the period	1 420 000	0.2
Exercised during the period	-42 611	0.2
Forfeited	-434 639	0.2
Balance at 30.09.2021	**1 717 500**	**0.2**
Hereof vested PSUs	**0**	**0.2**

For further information about the PSU programme see note 6.3.1 to the company's annual accounts included in the company's annual report for 2020.

Share options

The share option programme was discontinued in 2017 and no options have been granted after 2017, but options granted under the programme will remain valid with its existing terms.

Overview of outstanding options

	Year to date 2021	
	Number of options	Weighted average exercise price, NOK
Balance at 01.01.2021	1 351 967	40.74
Granted during the year	0	0
Exercised during the year	-65 900	15.61
Forfeited	-331 630	50.80
Balance at 30.09.2021	**954 437**	**39.10**
Hereof vested options	**954 437**	**39.10**

For further information about the share option programme see note 6.3.3 to the company's annual accounts included in the company's annual report for 2020.

Note 6. Restricted Stock Units (RSUs)

Allocation of restricted stock units (RSUs) to the board of directors

At the annual general meeting (AGM), 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 AGM in 2021 to the AGM in 2022, in the form of RSUs.

The RSUs are non-transferable and each RSU give the right and obligation to acquire one share in the Company at a price of NOK 0.20 per share (corresponding to the nominal value of the shares) subject to satisfaction of the applicable vesting conditions stated in the RSU agreements.

The board members may elect to either (i) receive 100% of the compensation in RSUs, (ii) receive 1/3 of the compensation in cash and 2/3 in RSUs, or (iii) receive 2/3 of the compensation in cash and 1/3 in RSUs. The election made by each board member has been set out in the table below. The number of RSUs to be granted to the members of the board of directors is calculated as the NOK amount of the RSU opted portion of total minimum compensation to the board member, divided by the market price for the Nordic Nanovector share. The market price is calculated as volume weighted average share price 10 trading days prior to the date of the AGM, i.e., NOK 25.68.

Pursuant to the RSU program, the board members have made the following election and hold the following number of RSUs and shares following such election:

Name	Remuneration for the period 2020-2021	Allocation between cash and RSUs	Number of RSUs for the period 2020-2021	Total number of RSUs out standing
Jan H. Egberts	NOK 520 000 [1]	1/3 RSUs	8 740	16 607
Per Samuelsson	NOK 360 000 [2]	100% Cash [3]	0	0
Hilde H. Steineger	NOK 340 000 [4]	3/3 RSUs	17 146	29 106
Karin Meyer	NOK 320 000 [5]	1/3 RSUs	5 379	5 379
Joanna Horobin	NOK 340 000 [6]	2/3 RSUs	11 430	11 430
Jean-Pierre Bizzari	NOK 340 000 [7]	2/3 RSUs	11 430	11 430
Rainer Boehm	NOK 320 000 [8]	1/3 RSUs	5 379	11 281

A total of 40 625 RSUs have thus been allocated following the AGM. The RSUs will vest on 28 April 2022. For further information about the RSU Program see section 6.3.2 to the Company's financial statements for 2020, included in the Company's annual report for 2020 on page 95.

Exercise of restricted stock units

The two US-based board members of Nordic Nanovector ASA, Joanna Horobin and Jean-Pierre Bizzari resolved to settle a total number of 22 860 RSUs that were issued to them in June 2020 after they had elected to receive all or part of their remuneration for the period from the AGM in 2020 to the AGM in 2021 in RSUs. In addition, Hilde Steineger, who did not stand for re-election as board member at the annual general meeting in 2021, resolved to settle a total number of 29 106 RSUs previously issued as remuneration under the RSU-program. Each RSU gives the right to subscribe for one share in the Company at a subscription price of NOK 0.20.

Overview of outstanding RSUs

	Year to date 2021
	Number of RSUs
Balance at 01.01.2021	85 233
Granted during the year	40 625
Exercised during the year	51 966
Forfeited	0
Balance at 30.09.2021	**73 892**
Hereof vested RSUs	**33 267**

For further information about the RSU programme see note 6.3.2 to the company's annual accounts included in the company's annual report for 2020.

Note 7. Share capital and shareholder information

The share capital as at 30 September 2021 is NOK 19 615 676 (31 December 2020: NOK 15 878 122), being 98 078 380 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:	**Note**	**30.09.2021**	**31.12.2020**
Ordinary shares at beginning of the period		**79 390 612**	**66 143 363**
Issue of ordinary shares [1)]		18 577 402	13 228 670
Issue of ordinary shares under options [2)]	5	58 400	0
Issue of ordinary shares under RSUs [3)]	6	51 966	18 579
Ordinary shares at end of the period		**98 078 380**	**79 390 612**

[1] In February 2021 the company raised approximately NOK 361 million in gross proceeds through a private placement of 15 878 122 new shares. The private placement was completed at a subscription price of NOK 22.75 per share, which was determined through an accelerated book-building process. In April 2021 the company raised NOK 61 million in gross proceeds through a repair offering, which increased the company's share capital by NOK 539 856 through the issuance of 2 699 280 new shares.

[2] In June current and former employees exercised 58 400 share options.

[3] In June 2021 two US-based board members resolved to settled 22 860 RSUs. In addition, one former board member resolved to settle a total number of 29 106 RSUs previously issued as remuneration under the RSU-program. To fulfil the Company's obligations under the RSU agreements, the board of directors of the company solved to issue 51 966 new shares at a subscription price of NOK 0.20.

Nordic Nanovector ASA had 11 623 shareholders as of 30 September 2021

	Shareholders	Number of shares	Percentage of total shares
1	Folketrygdfondet	7 152 112	7.29%
2	HealthCap VI L.P.	6 834 095	6.97%
3	Fjarde AP-Fonden	4 000 000	4.08%
4	OM Holding AS	3 762 692	3.84%
5	Nordnet Livsforsikring AS	1 733 734	1.77%
6	Sundt AS	1 640 433	1.67%
7	Ro Invest AS	1 000 000	1.02%
8	Linux Solutions Norge	845 071	0.86%
9	Nordnet Bank AB	838 642	0.86%
10	Verdipapirfondet Nordea Kapital	834 968	0.85%
11	URBANIUM GRUPPEN AS	816 745	0.83%
12	USB Switzerland AG	808 655	0.82%
13	Birk Venture AS	800 000	0.82%
14	Verdipapirfondet Nordea Avkastning	703 480	0.72%
15	Must Invest AS	700 000	0.71%
16	Sciencons AS	650 000	0.66%
17	Myna AS	638 047	0.65%
18	Radiumhospitalets Forskningsstiftelse	624 972	0.64%
19	Boddco AS	600 454	0.61%
20	Inven2 AS	541 247	0.55%
	Total shares for top 20 shareholders	35 525 347	36.22%
	Total shares for other 11 603 shareholders	62 553 033	63.78%
	Total shares (11 623 shareholders)	98 078 380	100.00%

The shares of Nordic Nanovector ASA have been traded on the Oslo Stock Exchange since 23 March 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	Year to date 2021	Year to date 2020
Loss for the period	-307 357 000	-306 564 000
Average number of outstanding shares during the year	93 716 243	66 266 511
Earnings (loss) per share - basic and diluted	**-3.28**	**-4.63**

Share options and PSUs 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	Third Quarter		Year to date		Full year
	2021	2020	2021	2020	2020
Finance income	265	69	882	1 318	1 610
Finance expenses	161	202	506	742	860
Net currency gains (losses) on cash and cash equivalents	815	393	2 302	22 049	18 490
Net other currency gains (losses) related to operating items	15	-222	22	-1 118	-1 239
Net finance income	**934**	**38**	**2 700**	**21 507**	**18 000**

Finance expenses include interest expenses on lease liabilities.

Note 10. Subsequent events

On 19 October 2021, the company announced it had entered a research collaboration with the University of Pennsylvania to generate a novel CD37-targeting CAR-T cell therapy approach as a potential treatment for patients with B-cell malignancies.

On 8 November 2021, the company announced that Pierre Dodion MD had been appointed as Chief Medical Officer.

On 9 November, Nordic Nanovector announced its support for The Health Policy Partnership's initiative to improve readiness for the use of radioimmunotherapy and to facilitate appropriate integration of this innovative cancer treatment modality in lymphoma.

Additional information

Glossary of terms

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

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

ASH: American Society of Hematology

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

CR: Complete Response

DLBCL: Diffuse Large B-Cell Lymphoma

DoR: Duration of Response

FDA: Food and Drug Administration (US)

FL: Follicular Lymphoma

GMP: Good Manufacturing Practice

Haem-Oncs: Haematologist-oncologist

IND: Investigational New Drug

iNHL: Indolent non-Hodgkin Lymphoma

KOL: Key Opinion Leader

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

Lu-177: Radionuclide lutetium-177

mAb: Monoclonal antibody

MBq: Megabecquerel (radioactivity measurement unit)

MZL: Marginal zone lymphoma

NDA: New Drug Application

NHL: Non-Hodgkin's Lymphoma

ODD: Orphan Drug Designation

ORR: Overall Response Rate (CR plus PR)

OS: Overall Survival

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

PD: Progressive Disease

PFS: Progression Free Survival

PR: Partial Response

QoL: Quality of Life

R/R: Relapsed/refractory

RTX: Rituximab

SAB: Scientific Advisory Board

SCT: Stem cell transplant

SD: Stable Disease

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

Financial calendar

Q4/FY 2021 results: February 2022

The date, time and location of the presentations will be announced in due course.

In accordance with its corporate disclosure policies, the company has 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).

Investor contact

Contact person: Malene Brondberg, CFO

Phone: (+ 44) 7561 431 762

E-mail: ir@nordicnanovector.com

Web: www.nordicnanovector.com/investors-and-media

Forward-looking statements

This report contains certain forward-looking statements. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances, 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 statements. These forward-looking statements are not historic facts. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied in the 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 product 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.

This information is subject to the disclosure requirements pursuant to Section 5-12 the Norwegian Securities Trading Act

Notes

Head office

Nordic Nanovector ASA
Kjelsåsveien 168 B
0884 Oslo
Norway
Phone: (+47) 22 18 33 01
E-mail: mail@nordicnanovector.com

Subsidiary

Nordic Nanovector GmbH
Dammstrasse 19
6300 Zug
Switzerland
Phone: (+47) 22 18 33 01
E-mail: mail@nordicnanovector.com

Subsidiary

Nordic Nanovector Ltd
1 Brassey Road
Old Potts Way
Shrewsbury SY3 7FA
United Kingdom
Phone: (+47) 22 18 33 01
E-mail: mail@nordicnanovector.com

Nordic Nanovector Denmark
branch of Nordic Nanovector ASA, Norway
Th. Bergs Gade 12
9900 Frederikshavn
Denmark
Phone: (+47) 22 18 33 01
E-mail: mail@nordicnanovector.com

www.nordicnanovector.com

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 26 billion by 2028. Nordic Nanovector retains global marketing rights to Betalutin® and intends to actively participate in the commercialisation of Betalutin® in the US and other major markets.