

Annual Report 2022



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Corporate Overview

Nordic Nanovector ASA is committed to develop and deliver innovative therapies to patients to address major unmet medical needs and advance cancer care.

The Company was established in Oslo, Norway in 2009 by Dr Roy H. Larsen and Inven2 AS on behalf of Prof Øyvind S. Bruland and Dr Jostein Dahle. The Company was founded with the aim to develop the radioimmunoconjugate Betalutin® (177Lu iliotomab satetraxetan) for the treatment of lymphoma. Betalutin® was invented by the three founders at the Norwegian Radium Hospital.

Nordic Nanovector was listed on the Oslo Stock Exchange in 2015 and has its headquarters and laboratories in Oslo, Norway.

The Company is engaged in the discovery and development of novel CD37 targeting radioimmunotherapies for different types of cancer. Betalutin®, previously the Company's lead asset, was being investigated in a global Phase 2b trial as a potential new treatment for patients with 3rd-line follicular lymphoma (3L R/R FL) patients, refractory to RTX/anti-CD20 based treatments (the PARADIGME trial). This trial was discontinued in July 2022 following a comprehensive review that revealed poor efficacy data and a non-competitive profile.

Nordic Nanovector has an extensive portfolio of patents that cover the Company's proprietary radioimmunotherapy technology including Betalutin® and other products in its early-stage pipeline. These include certain composition of matter patents, which have various expiry dates in the next decade and beyond as well as others that provide additional intellectual property protection.

The Company's broader pipeline consists of several CD37-targeting radioimmunoconjugates at preclinical and discovery stages of development.

- Humalutin®, a next-generation CD37-targeting radioimmunotherapies incorporating the beta emitter lutetium-177 to treat non-Hodgkin's lymphoma (NHL) - Humalutin® presents a low immunogenicity profile, which may allow for multiple dosing and improved therapeutic effect;

- Alpha37, a CD37-targeting radioimmunotherapy candidate incorporating the alpha-emitting radionuclide lead-212, currently being explored with partner Orano Med for chronic lymphocytic leukaemia - the project is close to reaching IND stage. Given the early preclinical data and the unmet patient need in CLL, Nordic Nanovector believes that a focus on high risk and/or ibrutinib resistant/refractory CLL would provide a meaningful entry indication for Alpha37;
- Multiple fully humanized anti-CD37 antibodies with potential in haematological cancers and autoimmune diseases; and
- A CD37 DOTA CAR-T cell opportunity in haematological cancers, which is being advanced via a research collaboration with the University of Pennsylvania.

WHY TARGET CD37

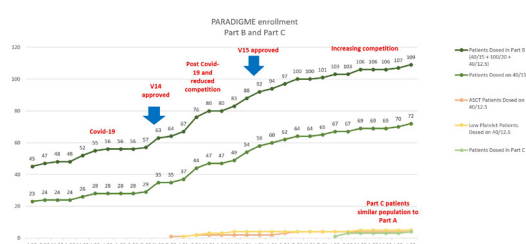
- CD37 is a protein found on the surface of immune cells and interacts with other proteins inside the cell. It is believed to play a role in both cell survival and cell death.
- CD37 is highly expressed on most B-cells and B-cell lymphomas and represents a novel target for several different agents in clinical development.
- Since most lymphoma patients will eventually become refractory to anti-CD20-based therapies, which are the mainstay of current treatment, targeting alternative pathways such as CD37 may represent a promising therapeutic approach.
- Combining different CD37-targeting entities with different therapeutic payloads presents multiple opportunities to target a range of B-cell malignancies.

History

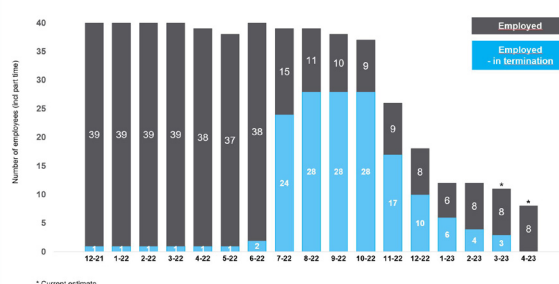
2009	<ul style="list-style-type: none"> Betalutin® was invented by Dr Roy H. Larsen, Professor Øyvind S. Bruland and Dr Jostein Dahle.
2010	<ul style="list-style-type: none"> 1st patent application was filed for Betalutin®.
2011	<ul style="list-style-type: none"> 1st patent application was approved by the Norwegian Patent Office. Offices and labs established in Oslo, Norway.
2012	<ul style="list-style-type: none"> First FL patient treated with Betalutin® in the LYMRIT 37-01 Phase 1/2a trial.
2013	<ul style="list-style-type: none"> Raised NOK 60 million in a private placement led by HealthCap VI L.P.
2014	<ul style="list-style-type: none"> LYMRIT 37-01 trial advances to Phase 2a. Orphan-drug designations granted in the US and in EU for FL. NOK 300 million raised in a private placement. Listing of shares on the Norwegian OTC.
2015	<ul style="list-style-type: none"> Initial public offering on Oslo Børs raising NOK 575 million.
2016	<ul style="list-style-type: none"> Collaboration agreement signed with Orano Med around Alpha37 for B-cell malignancies. NOK 499 million raised in a private placement.
2017	<ul style="list-style-type: none"> First patient dosed with Betalutin® in Phase 1 DLBCL trial (LYMRIT 37-05).
2018	<ul style="list-style-type: none"> Fast track designation granted in the US for Betalutin® for 3L FL. Phase 2a part of LYMRIT-37-01 completed. First patient dosed in Phase 2b PARADIGME trial of Betalutin® in 3L FL. First patient dosed in ARCHER-1 trial of Betalutin® plus rituximab in 2L FL (LYMRIT 37-07).
2019	<ul style="list-style-type: none"> NOK 445 million (~USD 48m) raised in private placements.
2020	<ul style="list-style-type: none"> Interim analysis for PARADIGME trial of Betalutin® in 3L FL with IRC recommendation to proceed with a single dose. NOK 215 million (~USD 26m) raised in private placement. Completion of enrolment into ARCHER-1 (2L FL) and LYMRIT 37-05 (DLBCL) trials.
2021	<ul style="list-style-type: none"> NOK 422 million (~USD 49.7m) raised in private placement and repair offering. Promising results announced from Phase 1 ARCHER-1 and LYMRIT 37-05 trials. Research collaboration signed with University of Pennsylvania around development of a CD37-targeting CAR-T.
2022 and post-period	<ul style="list-style-type: none"> NOK 250 million (~USD 28.4m) raised in private placement. PARADIGME trial discontinued following review that determined profile was no longer sufficiently competitive to bring Betalutin® to the market in the 3L R/R FL indication within a timeframe that made financial and commercial sense for the Company. Company restructuring conducted to reduce costs. Proposal to combine Nordic Nanovector with APIM Therapeutics agreed by Board of Directors of both companies but voted down by Shareholders. Former Board resigned and new Board appointed at EGM on 3 January 2023. Ludvik Sandnes, former Chairperson of Nordic Nanovector (2013-2019), was appointed interim CEO & CFO from 1 February 2023.

Key figures

PARADIGME enrollment

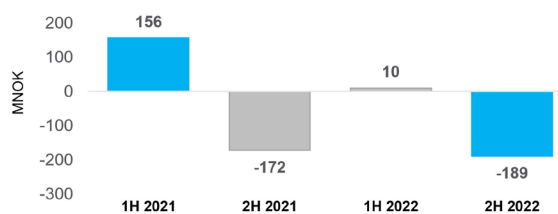


Personnel employed

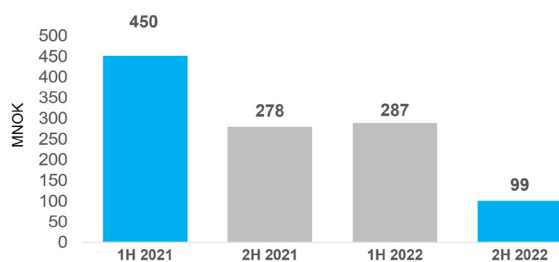


*Development costs: preclinical, clinical, medical affairs, regulatory affairs and CMC activities

Cash flow



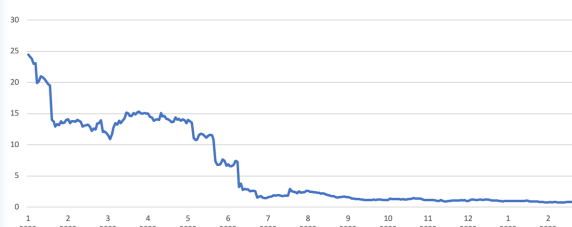
Cash position



The share

Share price development

01.01.2022 - 15.03.2023



Share information

Ticker:

NANOV (OSE/Oslo Stock Exchange)

Market Cap¹⁾ - at share price 0.878 NOK

102 NOK million / 10 USD million

Turnover 2022

Daily turnover
in number of shares
1 660 527

3 month turnover
in % of total shares
17%

¹⁾ 15 March 2023

Top 10 shareholders

Shareholders	No of shares	%
1. North Energy ASA	19 143 219	16.50%
2. Jon Magne Asmyr	3 750 000	3.23%
3. Bækkelaget Holding AS	2 085 041	1.80%
4. Nordnet Livsforsikring AS	2 009 724	1.73%
5. Sciencons AS	2 000 000	1.72%
6. Vegard Aavik Torsæter	1 730 583	1.49%
7. Danske Bank A/S	1 679 066	1.45%
8. Arne Hellestø AS	1 500 955	1.29%
9. Nordnet Bank AB	1 192 041	1.03%
10. Ro Invest AS	1 010 000	0.87%
Total 10 largest shareholders	36 100 629	31.11%
Others	79 934 669	68.89%
Total number of shares	116 035 298	100.00%

As per 15 March 2023

Governance



Annual statement on corporate governance

Nordic Nanovector is committed to healthy corporate governance practices, strengthening and maintaining confidence in the company, and thereby contributing to long-term value creation for shareholders and other stakeholders. Strong and sustainable corporate governance practices include ethical business practices, reliable financial reporting and compliance with legislation and regulations. The objective of corporate governance is to regulate the division of roles between shareholders, the board and executive management more comprehensively than is required by legislation.

Nordic Nanovector's principles for corporate governance are based on the following key elements:

- All shareholders are treated equally.
- Nordic Nanovector will provide open, reliable and relevant communication to shareholders, governmental bodies and the public about the company's activities and its corporate governance commitment.
- Nordic Nanovector's board is fully independent of the company's executive management.
- The majority of the members of the board of Nordic Nanovector are independent of major shareholders.
- Nordic Nanovector pays particular attention to ensuring that there are no conflicts between the interests of its shareholders, the members of its board and its executive management.
- Nordic Nanovector will ensure a clear division of responsibility between the board and the executive management.

1. Implementation and reporting on corporate governance

Nordic Nanovector ASA's board actively adheres to good corporate governance standards, in line with Norwegian laws and regulations, as well as international best practice standards. A corporate governance policy was adopted by the board in January 2015 and latest updated in December 2021. The policy is, in all material aspects based on the Norwegian Code of Practice for Corporate Governance (the Code), to which the board has resolved that the company shall adhere.

Nordic Nanovector ASA is a Norwegian-registered public limited liability company with its shares listed on the Oslo Stock Exchange. The Norwegian Accounting Act Section 3-3b, which the company is subject to, sets out certain corporate governance related information, which is to be disclosed and reported on through the issuance of an annual reporting document. This report meets the requirements provided by the Accounting Act. The Accounting Act is available on www.lovdata.no.

Further, the continuing obligations of stock exchange listed companies issued by the Oslo Stock Exchange requires listed companies to publish an annual statement of their practice related to their policy on corporate governance (cf. Oslo Rule Book II, section 4.4). In addition to setting out certain minimum requirements for such reporting (equivalent to those under the Accounting Act), the continuing obligations require that the company reports on its compliance with the recommendations of the Code. Both the continuing obligations and the Code require that an explanation is provided where a company has chosen an alternative approach to specific recommendations in the Code (i.e., the "comply or explain" principle). Nordic Nanovector complies with the current Code, most recently revised on 14 October 2021. The company provides a report on its principles for corporate governance in its annual report and on its website. The continuing obligations are available on www.oslobors.no and the Code is available on www.nues.no.

The board of Nordic Nanovector has, in close cooperation with the company's executive management, adopted several corporate governance guidelines:

- code of conduct and corporate social responsibility
- rules of procedure for the board
- instructions for the audit committee
- instructions for the compensation committee
- instructions for the nomination committee
- internal routines for handling takeover bids
- instruction for handling inside information
- insider policy for primary insiders and employees that are not primary insiders
- anti-corruption manual
- whistle blowing policy

The governance documents set out principles for how business should be conducted, and these also apply to Nordic Nanovector's subsidiaries. The Code covers 15 topics and this statement covers each of these topics and states Nordic Nanovector's adherence to the Code.

Deviations from the Code: None

2. Business

Nordic Nanovector's business is clearly defined in the company's articles of association as follows: "The objective of the company is to develop, market and sell medical products and equipment and to run business related thereto or associated therewith."

The board is responsible for defining the company's strategies, primary objectives and risk profiles and to support the company's value creation to shareholders in a sustainable manner. These are taking into account financial, social and environmental considerations, are evaluated yearly and described in the annual report.

Deviations from the Code: None

3. Equity and dividends

The board shall ensure that the company has a capital structure that is suitable for its objectives, strategy and risk profile. Total issued share capital at 31 December 2022 amounted to NOK 23 207 059.60, divided into 116 035 298 shares, each with a par value of NOK 0.20. The equity ratio at 31 December 2022 was 58.2 per cent.

The board has established a clear and predictable dividend policy: the financial resources of Nordic Nanovector are directed towards development of the company's product pipeline. The company does not anticipate paying any cash dividend until sustainable profitability is achieved. The mandate to the board to

increase Nordic Nanovector's share capital is tied to defined purposes and limited in time no later than the date of the next AGM.

The AGM held 28 April 2022 granted an authorisation to increase the share capital by an amount limited to 20 per cent of the share capital, to be used to strengthen the company's equity, for general corporate purposes, including but not limited to financing of acquisitions of other companies, businesses or assets including issuance of consideration shares in connection with the abovementioned transactions. In January 2022, the company completed a private placement, raising approximately gross NOK 250 million, through the use of the authorisation granted by the AGM held 28 April 2021. An EGM was held on 14 February 2022 to authorise a repair offering which was completed in March 2022, raising approximately gross NOK 0.8 million.

The AGM held 28 April 2022 further granted an authorisation to increase the share capital by an amount limited to NOK 50 000 at a subscription price corresponding to the par value of the shares. The authorisation may only be used to issue shares to members of the company's board, who have elected to receive all or part of their board remuneration in the form of restricted stock units (RSUs). The authorisation is valid until 28 April 2024. In 2022, the authorisation was not used to issue new shares. The number of RSUs currently outstanding is 72 315.

The extraordinary general meeting (the "EGM") held on 20 December 2017 approved the company's new share based incentive programme. In 2022, the AGM authorised the board to grant up to 1 500 000 performance share units (PSUs) to the company's employees. The AGM further resolved to issue up to 1 500 000 free-standing warrants to employees that were awarded PSUs. 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. The free-standing warrants do not give the PSU holders or the option holders a right to subscribe for any additional shares in the company. See note 6.3 in the annual accounts of this annual report for information about the number of options, PSUs and free-standing warrants that are outstanding and their terms and conditions.

Deviations from the Code: None

4. Equal treatment of shareholders

It is the company's policy to treat all shareholders equally. Nordic Nanovector has only one class of shares. Each share in the company carries one vote and all shares carry equal rights, including the right to participate in general meetings. The nominal value of each share is NOK 0.20.

If the board resolves to carry out a share issue without pre-emption rights for existing shareholders, then the justification shall be publicly disclosed in a stock exchange announcement issued in connection with the share issue.

Deviations from the Code: None

5. Shares and negotiability

There are no restrictions related to owning, trading or voting for shares in Nordic Nanovector..

Deviations from the Code: None

6. General meetings

The board ensures that the company's shareholders can participate in the company's general meetings, and that the general meetings are an effective forum for the views of shareholders and the board. The chair of the board, the CEO and CFO are present at the AGMs, along with the chair of the nomination committee and the company's auditor.

The board ensures that:

- resolutions and supporting information distributed are sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the meeting
- any deadline for shareholders to give notice of their intention to attend the meeting is set as close to the date of the meeting as possible
- the general meeting is able to elect an independent chair for the general meeting.

Shareholders who are unable to participate themselves may cast a vote on each agenda item electronically or vote by proxy.

The notice of the general meeting includes information regarding shareholders' rights and guidelines for registering and voting at the general meeting. The company provides information on the procedure for representation at the general meeting through proxy, and a proxy form which allows separate voting instructions for each individual matter, including on each individual candidate nominated for election, is attached to the notice.

Deviations from the Code: None

7. Nomination committee

The nomination committee is laid down in the company's articles of association and the general meeting has stipulated guidelines for the duties of the nomination committee.

The nomination committee consists of three members. The general meeting elects the members of the nomination committee, its chair and determines the committee's remuneration. The majority of the members shall be independent of the board and the management. The nomination committee shall not include any executive personnel or any member of the company's board of directors.

All shareholders are invited to propose candidates for the board and the nomination committee. Information about the procedure is available at

<https://www.nordicnanovector.com/our-company/leadership/nomination-committee>.

From the AGM held 28. April 2022 Johan Christenson was elected chair and Hans Peter Bøhn and Pål Erik Robinson as members of the nomination committee. On the EGM held 3. January 2023 Hans Peter Bøhn was elected chair and Jan-Tore Pedersen and Vegard Aavik as members of the nomination committee for a period until the AGM in 2023.

The nomination committee's duties include proposing candidates for election to the board and the nomination committee and proposing fees to be paid to such members.

Deviations from the Code: None

8. Composition and independence of the board

Article 5 of Nordic Nanovector's articles of association states that the company's board shall consist of three to nine members and that the members shall serve for a term that ends at the next AGM. All the board members are consequently up for election at the next AGM.

The composition of the board shall ensure that it can act independently of any special interests.

After the Annual General Meeting on 28. April 2022 the board consisted of six members; Jan H. Egberts (chair), Jean-Pierre Bizzari, Joanna Horobin, Thomas Ramdahl, Karin Meyer and Solveig Hellebust. After the decisions

to discontinue the PARADIGME study and restructure the company on 5 July 2022, Solveig Hellebust, Jean Pierre Bizzari and Thomas Ramdahl stepped down from the board with immediate effect on 15 September, 2022. All board members were independent of the company's executive personnel, material business contacts and the company's major shareholder(s). During 2022 the board held 27 meetings.

The rest of the former board resigned and the current board was elected on 3 January 2023 and consists of; Jon Magne Asmyr (chair), Tina Bjørnlund Bønsdorff after Eddie Berglund resigned on 19 January 2023. The Nomination Committee was immediately informed and will propose a new candidate at the upcoming AGM.

Tina Bjørnlund Bønsdorff is independent of the company's executive personnel, material business contacts and the company's major shareholder(s). Jon Magne Asmyr (chair) is independent of the company's executive personnel and material business contacts. He is currently one of the company's largest shareholders.

The biographies of the current and former board members are presented in the Annual Report 2022 on page 19 and 20 and 21 respectively. The current board members' shareholding in Nordic Nanovector ASA as per 17 March 2023 is presented on page 19.

Deviations from the Code: None

9. The work of the board

The board has issued instructions for its own work, as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties. These instructions state how the board and executive management shall handle agreements with related parties, including whether an independent valuation must be obtained. The board shall also present any such agreements in their annual report. The board evaluates annually its performance and expertise based on work performed and experiences gained in the previous year.

Members of the board and executive management are obliged to notify the board if they have a significant, direct or indirect, interest in items to be considered by the board. An overview of any transactions with related parties will be included in the annual report.

The former board had up till 15 September 2022 established three sub committees.

- Audit committee consisting of Karin Meyer (chair), Jan H. Egberts and Joanna Horobin for the thorough and independent handling of questions concerning accounting, audit and finance. The audit committee is also advisory and preparatory for the full board in questions related to accounting, audit and finance. All members participated in six meetings during 2022.
- Compensation committee consisting of Solveig Hellebust (chair), Jan H. Egberts and Joanna Horobin, which was a preparatory and advisory committee for the board in questions relating to the company's compensation of the executive management. All members participated in seven meetings during 2022.
- Clinical committee consisting of Jean-Pierre Bizzari (chair), Joanna Horobin and Thomas Ramdahl. The board has instructions for the committees and the CEO. All members participated in seven meetings during 2022.

Deviations from the Code: Since 15 September 2022 the board have only consisted of 2-3 members, and will therefore conduct the roles of all committees in the meantime till the AGM of 2023.

10. Risk management and internal control

The board ensures that the company has sound internal controls in place and systems for risk management that are appropriate in relation to the extent and nature of the company's activities. In addition to the annual risk assessment, the management presents quarterly financial statements that will inform the board and shareholders on current business performance, including risks. These reports are reviewed by the board. Significant risks include strategic risks, financial risks, liquidity risks and operational risks including risks related to development of products. The company's significant risks are assessed on an ongoing basis and at least once a year by the board.

The company's finance function is responsible for the preparation of the financial statements and to ensure that these are prepared and reported according to applicable laws and regulations and in accordance with IFRS as adopted by EU. The audit committee performs reviews of the quarterly, half year and annual financial statements with special focus on transaction types, which includes judgments, estimates or issues with major impact on the financial statement. Management controls are performed at a senior level in the company.

Deviations from the Code: None

11. Remuneration of the board

The remuneration of the board is proposed by the nomination committee and decided by the shareholders at the AGM of the company. The level of remuneration of the board reflects the responsibility of the board, its expertise and the level of activity in both the board and any board committees. The company has not granted share options to board members. The company has, however, granted restricted stock units (RSUs) to board members that have elected to receive all or part of their remuneration determined by the AGM in advance in the form of restricted stock units. The number of restricted stock units allocated to the board members is determined based on the volume weighted share price ten trading days prior to the AGM. The remuneration of the board is thus not linked to the company's performance. If board members, or companies associated with board members, take on specific assignments for the company in addition to their appointments as board members, this will be reported to the board and the board will approve the remuneration for such additional duties.

Deviations from the Code: None

12. Salary and other remuneration of executive personnel

The board has established guidelines on the salary and other remuneration for executive personnel that are clear and easily understandable, and contribute to the company's commercial strategy, long-term interests and financial viability. The performance-related remuneration of the executive personnel, such as equity incentives and bonus programs was canceled by the former board. These guidelines are included in the Remuneration Report for 2022.

Deviations from the Code: None

13. Information and communications

Nordic Nanovector is committed to treat all shareholders equally and will provide timely and precise information about the company and its operations to its shareholders, the Oslo Stock Exchange and the financial markets in general through the Oslo Stock Exchange's information system. Such information will be given in the form of annual reports, half year reports, quarterly reports, press releases, notices to the stock exchange, capital market days and investor presentations.

The board has established several guidelines related to the company's disclosure of information to the financial markets and for the contact with shareholders, as mentioned in section 1 above.

The company publishes a financial calendar with an overview of the dates for important events, such as the AGMs and release of interim reports.

Deviations from the Code: None

14. Take-overs

The board has established guiding principles for how it will act in the event of a takeover offer. The board will not attempt to influence, hinder or complicate the submission of bids for the acquisition of the company's operations or shares, or prevent the execution thereof. The board will help ensure that shareholders are treated equally. If a takeover offer is made, the board will obtain a valuation from an independent expert and issue a recommendation as to whether shareholders should accept the offer.

Deviations from the Code: None

15. Auditor

The board ensures that the company's auditor on an annual basis presents to the audit committee the main features of the plan for the performance of the audit work. The auditor participates in meetings with the board that deals with the annual financial statements and, at least once a year, carries out a review of the company's procedures for internal control in collaboration with the audit committee. In addition, the external auditor meets with the board, without management being present, at least once per year..

Deviations from the Code: None

The governance documents are also listed on the web: <https://www.nordicnanovector.com/investors-and-media/corporate-governance/governance-documents>

Approved by the board, 22 March 2023



Corporate social responsibility policy

Nordic Nanovector's vision is to develop and deliver immunotherapies to patients to address their unmet medical needs across haematological cancers and immune diseases. As the reporting of sustainability metrics continues to evolve, the board of directors and the executive management team at Nordic Nanovector continue to adapt and improve related disclosures.

The CSR section in our annual report discloses the main highlights of our CSR initiatives but does not reflect all ongoing activities.

Our CSR strategy focus is on four main areas:

- 1. Safety and well-being of employees**
- 2. Conducting business ethically and transparently**
- 3. Research and Development ethics**
- 4. Environment and recycling**

We believe responsible behaviour is key to build trust and protect the reputation of the company, and our CSR framework provides an important means for us to prioritize our activities in this area.

Nordic Nanovector's ability to succeed also depends on the interest, trust, relationships and reputation among all key stakeholders including R&D partners, employees, regulatory authorities, and shareholders. This applies across the value chain of each product candidate and in every phase of the R&D cycle.

Nordic Nanovector is committed to build a responsible and credible business based on sustainable and sound business principles, with respect for people, the environment and society. Responsible behaviour plays a prominent role in all parts of our operations and in all interaction with our stakeholders.

In conducting our business, Nordic Nanovector complies with all relevant laws, regulations, standards and guidelines. Responsibility for our CSR policy is headed up by a member of our executive management in close collaboration with our human resources, investor relations/communications, legal, compliance, quality and R&D functions. This team ensures that Nordic Nanovector carries out its CSR activities effectively and communicates them clearly and openly.

The CSR policy is also listed on the web: <https://www.nordicnanovector.com/investors-and-media/corporate-governance/corporate-social-responsibility>.

Safety and well-being of employees

Attracting, developing, and retaining high-quality staff is paramount to our success in delivering innovative therapies to patients in our core disease areas. Our employees are at the heart of this purpose through their commitment, dedication and contribution every day.

The key to achieving our mission is to make Nordic Nanovector a great place to work. Nordic Nanovector's working culture is based on collaboration and a distinct sense of commitment to the company's vision and strategy.

Nordic Nanovector promotes a productive working environment and does not tolerate disrespectful behaviour. The company has a whistle blower strategy in place to deal with any staff concerns at any level within the organization.

The company is an equal opportunity employer. Discrimination in hiring, compensation, training, promotion, termination or retirement based on ethnic or national origin, religion, sex or other distinguishing characteristics is not accepted. Nordic Nanovector will not use force of any form or involuntary labour or employ any persons below the legal minimum age in line with accepted international standards.

Nordic Nanovector provides mandatory onboarding programs for all new employees. The parts of the onboarding program that adhere to non-employees are mandatory for part-time employees or consultants.

At the end of 2022, the group employed 18 people, of which two were part-time employees and five were employed in subsidiaries. Nordic Nanovector ASA employs 13 of the Nordic Nanovector group's 18 employees.

Nordic Nanovector aims to foster a workplace with equal opportunities for women and men in all areas. The group has traditionally recruited from environments with relatively equal representation of women and men. The team of employees consists of 50 per cent women and 50 per cent men, representing 7 different nationalities.

The current board consists of one man and one woman. The current executive management team consists of two men.

No employee accidents or injuries were registered in 2022.

Sick leave in Nordic Nanovector ASA amounted to 165 working days in 2022. The breakdown of sickness absence in 2022 corresponds to 2.0 per cent of total working days. This compares to the 114 working days and 1.3 per cent of sick leave (short-term and long-term sickness absence) reported in 2021.

Conducting business ethically and transparently

Nordic Nanovector is committed to lawful and ethical behaviour with all our stakeholders and requires all members of the board of directors and staff to comply with the applicable laws and regulations.

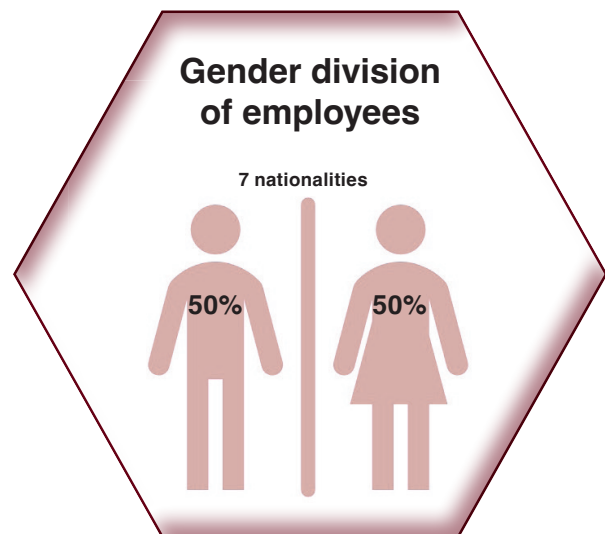
Nordic Nanovector has implemented several policies, guidelines and procedures for ethical and transparent interactions with stakeholders, such as suppliers and healthcare professionals. We expect our staff to exercise reasonable judgment when conducting our business. We encourage our staff to familiarize themselves with and refer to these guidelines and policies to ensure that they are acting in accordance with them.

We expect our third-party suppliers to conduct business with integrity, ethics and respect for human rights. We expect them to actively avoid conflicts of interest, corruption and fraud. Our suppliers are required to adhere to contractual terms that include anti-bribery and anti-corruption provisions.

As a public company it is also important that our staff understands the legal requirements of the rules of Oslo Børs. A mandatory training course for employees takes place every year to maintain the highest standards of integrity towards our shareholders.

Research and development ethics

The biotech pharmaceutical industry is governed by extensive global and European regulations and laws. Preclinical and clinical trials must be conducted in compliance with the relevant regulations and laws. Nordic Nanovector is committed to operate in accordance with responsible, ethical and sound corporate and business principles and will always strive to comply with applicable laws and regulatory requirements in all areas of research and development.



Nordic Nanovector complies with international regulations, laws, guidelines and standards for development of new drugs, such as:

- Good Laboratory Practice (GLP)
- Good Clinical Practice (GCP)
- Good Clinical Laboratory Practices (GCLP)
- Good Manufacturing Practice (GMP)

The company also complies with relevant regulations and guidelines issued by the Norwegian Medicines Agency (NOMA), European Medicines Agency (EMA), US Food and Drug Administration (FDA) and others.

We put our patients first and everything we do is driven by consideration for their safety, health and well-being. Mandatory training sessions are held annually to make sure that all staff comply with the latest regulations and understand the importance of patient safety in every aspect of our work.

Our clinical trials are only initiated if they are scientifically and medically justified, and have been externally validated by clinical experts, and after approval by the relevant regulatory authorities and ethics committees. Clinical trial subjects (and / or the legally authorised representative) must give written consent after being properly and fully informed of the trial, including its risks and potential benefits. Participants are duly informed that they can withdraw from the trial at any time, without any explanation, and then will receive appropriate standard care.

Nordic Nanovector and relevant authorities conduct regular site monitoring visits to ensure that clinical trials are conducted in accordance with the applicable approved study protocol.

All adverse events are monitored and reported to regulatory authorities and ethics committees as required, and appropriate actions are taken when needed. Our trials ensure all proper indemnification of participants in case a product candidate or trial procedure causes bodily harm.

We publish our trials on the appropriate clinical trial registries (e.g. www.clinicaltrials.gov) in a timely manner. We endeavor to publish results in peer-reviewed journals in accordance with Good Publication Practice and at relevant scientific meetings and congresses. In the interests of full disclosure, all our scientific posters and abstracts can be found on our website under Investors & Media – Scientific Papers.

As a publicly listed company, we also have the obligation to communicate important trial results in a timely manner to shareholders and the wider investor community via press releases.

Environment and recycling

It is Nordic Nanovector's mission to bring new innovative drugs to patients in the most sustainable way and with respect for the environment. We are committed to keeping our environmental impact to a minimum, reducing waste, and handling it in a safe and responsible way.

The company's business involves use of hazardous materials, chemical, biological and radioactive compounds and is thus exposed to environmental risks. It is our goal to minimise the environmental impact from our laboratories by controlling the waste treatment of all such chemicals. We maintain safety monitoring records in compliance with all applicable legislation. We treat our dangerous waste in accordance with local laws, and we ensure that training of employees takes place on all handling of hazardous materials, laboratory and other safety aspects, and on other relevant environmental policies for conducting our business.

Nordic Nanovector has no production sites, we do not own buildings, and our facilities have only minor environmental liabilities such as in waste handling. Nonetheless, we aim to continuously reduce our environmental impact, for example by recycling and replacing paper by digital means to the extent possible.

We also strive towards avoiding unnecessary travel and promote the use of online meeting facilities when possible, to reduce CO2 footprint to a minimum.

Approved by the board, 22 March 2023

The management



Ludvik Sandnes
Interim Chief Executive
Officer and Chief
Financial Officer

Ludvik Sandnes (74) has more than 45 years of experience from executive leadership positions and as international corporate finance advisor with large corporations and major investment banks. Mr. Sandnes has been a board chairman and member of more than 20 quoted and private companies and served at the Board of Nordic Nanovector from 2013-2019 of which the last 5 years as Chairman. Mr. Sandnes is a Norwegian citizen living in Norway. At the date of this annual report 2022 Mr. Sandnes and related parties holds 105 400 shares in the company.



Jostein Dahle, PhD
Chief Scientific Officer

Dr. Jostein Dahle (50) has more than 25 years of experience in cancer research and biotechnology. He is one of the inventors of Betalutin®, Humalutin, Alpha37 and humanized anti-CD37 Abs, and one of the founders of Nordic Nanovector. Dr Dahle has previously held the position of CEO of Nordic Nanovector, and leader of the radioimmunotherapy group at Institute for Cancer Research at the Norwegian Radium Hospital. He has published more than 60 papers in the fields of radiation biology and radionuclide therapy. Dr Dahle holds an MSc in biophysics from the Norwegian University for Science and Technology in Trondheim (1995), a PhD in radiation biology from University of Oslo (2000) and he received post-doctoral training in UV-carcinogenesis in the department of radiation biology at the Norwegian Radium Hospital (2001-2004). He has been with the company since incorporation in 2009 and is a Norwegian citizen living in Norway. At the date of this annual report 2022 Dr Dahle and related parties holds 212 191 shares in the company.

The board of directors



Jon Magne Asmyr
Chair

Jon Magne Asmyr (49) has an education from the National Police Academy and the Royal Norwegian Naval Academy, as well as an ongoing extension Master Business and Administration. He has experience from civilian police work, and 20 years of experience from the Armed Forces in military police service, intelligence, security, HR/leadership training and organizational development. Mr. Asmyr has headed a multinational military police department in international operations abroad. Mr. Asmyr has been an investor since 2008 and has assumed management responsibility in several shareholder groups, including Sevan Drilling, DOF and AG Nanovector. He is a Norwegian citizen and resides in Norway. At the date of this annual report 2022 Mr. Asmyr holds 3 750 000 shares in the company.



Tina Bjørnlund Bønsdorff,
PhD
Director

Dr. Tina B. Bønsdorff (52) has more than 10 years research experience within the field of radionuclide therapy. She holds a Ph.D. and postdoctoral experience working with molecular biology and genetics. Dr. Bønsdorff is one of the founders of Oncoinvent AS. Dr. Bønsdorff has been the Chief Scientific Officer from the start-up of the company in 2010 and held the position as CEO in a period of three years from 2013 till 2016. Dr. Bønsdorff is managing the research activities related to the discovery and pre-clinical development programs of the company. The programs include the development of Radspherin®, currently in clinical trials, and the proprietary antibodies of the company as candidates for radionuclide therapy. Dr. Bønsdorff has previously done consulting/experimental work for Nordic Nanovector related to the CD37 platform. She is a Norwegian citizen and resides in Norway. At the date of this annual report 2022 Dr. Bønsdorff holds 5 436 shares in the company.

Former board of directors



Jan H. Egberts, MD
Chair

Jan H. Egberts, MD (64) has over 25 years of experience in the pharmaceutical biotech and medical devices sector. Dr Egberts gained his medical qualifications from Erasmus University Medical School in the Netherlands and pursued the clinical part of his training at Harvard Medical School. He obtained his MBA from Stanford University after which he joined McKinsey & Co. as a strategic consultant in New York. From 1994 onwards, Dr Egberts held various business development and general management positions of increasing responsibility in the US at Merck & Co., and Johnson & Johnson. In 2000, he initiated the the BARRIER surgical business from Johnson & Johnson and the subsequent merger with Mölnlycke Health Care. After Mölnlycke, he became CEO of Novadeal Pharmaceuticals, Inc. Subsequently, Dr Egberts served as Senior Advisor, Healthcare Investments for 3i. Most recently Dr Egberts, served as CEO of OctoPlus. Dr Egberts currently serves as the Managing Director of Veritas Investments, a investment company focused on equity investments in Europe and US. During his career, Dr Egberts has held over 30 non-executive Supervisory board positions in both public and privately held healthcare companies. He attended 27 of 27 board meetings in 2022. He decided to step down from the board in January 2023. Dr Egberts is a Dutch citizen and resides in the Netherlands.



Jean-Pierre Bizzari, MD
Director

Dr Bizzari (68) has served as EVP, Group Head, and Clinical Oncology Development at Celgene from 2008 to 2015. Prior to this, he spent 15 years as Vice President Clinical Development at Rhône-Poulenc Rorer, Aventis and Sanofi-Aventis and has been involved in the clinical development of several anticancer agents such as Taxotere®, Eloxatin®, Revlimid®, Vidaza®, Abraxane®, Irinotecan® (CPT-11). Dr Bizzari is a world-renowned oncology expert. He is a member of the scientific advisory board of the French National Cancer Institute (INCa) and is chair of the New Drug Advisory Committee at the European Organisation of Research and Treatment of Cancer (EO-RTC). He serves as director of the boards of several biotech companies; Transgene, Onxeo, Oxford Bio-therapeutics, Halozyne Therapeutics, and Pieris Pharmaceuticals. Dr Bizzari has published more than 70 articles in peer-reviewed journals. Dr Bizzari holds a medical degree specialised in oncology from the University of Nice, France, and has trained successively at the Pitié-Salpêtrière hospital in Paris, at Ontario Cancer Institute, and Montreal McGill Cancer Center in Canada. Dr Bizzari has served as a director in the company since May 2016. He is an independent director of the board. He attended 18 of 20 board meetings held until he decided to step down from the board in September 2022. Dr Bizzari is a French and US citizen, and resides in the US.



Joanna C. Horobin
Director

Ms Horobin (68) has comprehensive experience within the biopharmaceutical industry. In addition to serving on the board of Nordic Nanovector, she is chair of the board of directors at iOnctura S.A., and an independent director of Liquidia Inc., Kymira Therapeutics and Vyant Bio. She was previously CMO of Idera Pharmaceuticals Inc. and of Verastem Inc, and CEO of Syndax Pharmaceuticals. Additionally, Ms Horobin has held several roles of increasing responsibility at global pharmaceutical companies such as Rhône-Poulenc Rorer (now Sanofi) where she led the global launch of Taxotere® (docetaxel) in breast cancer and Campto/Camptosar® (camptothecin) for colorectal cancer, and played significant leadership roles in the approvals of several successful products. She has a MB ChB degree from the University of Manchester. Ms Horobin has served as a director in the company since October 2016. She is an independent director of the board. She attended 26 of 27 board meetings in 2022. She decided to step down from the board in January 2023. Ms Horobin is a British citizen and resides in the US.



Karin Meyer, PhD
Director

Dr Meyer (56) has more than 25 years of experience in the pharmaceutical/life sciences area, holding senior management and operational roles in private and public/non-profit organisations. She is currently Chief Executive Officer of Center for Translational Research AB, and chair of the board of its subsidiaries. She has spent more than 10 years working in senior roles within Contract Research Organisations (CROs), including as CEO for PCG Clinical Services AB/PCG Solutions AB and vice president and managing director for Quintiles Scandinavia AB. She is also the former Deputy General Director of Uppsala University Innovations, with responsibility for the commercialisation of innovations from the University, as well as investments, management and exits of start-up companies. Dr Meyer has served as a director in the company since June 2020. She is an independent director of the board. She attended 27 of 27 board meetings in 2022. She decided to step down from the board in January 2023. Dr Meyer is a Swedish citizen and resides in Sweden.



**Solveig Hellebust, PhD
Director**

Dr Hellebust (55) started as a board member in April 2021. She has 20 years of business experience mainly in strategic human resources organisational development functions, but also including operations, digitalization and transformation for global businesses. She is currently Executive Vice President People, Process and Digitalization at Yara International ASA, a global agriculture company, and was previously Senior Vice President and CHRO in the same company. She has also been Group Executive Vice President People and Operations at DNB, Norway's largest financial services group with operations globally. Furthermore, she held roles at the biotech company Pronova BioPharma ASA and at Telenor Group, the international telecommunications group. During Dr Hellebust's career, she has held board roles at several organisations and institutions in Norway. Currently at Yara Pension Fund (January 2021 until present) and previously with Finansnæringens Arbeidsgiverforening - Norway's Financial Industry Employers' Association, Finanspersonell AS, Fafo Institute, Telenor Pension Fund, Norwegian Central Bank, and the Norwegian School of Management. She attended 20 of 20 board meetings held until she decided to step down from the board in September 2022. Dr Hellebust is a Norwegian citizen and resides in Norway.



**Thomas Ramdahl, PhD
Director**

Dr Ramdahl (67) is a pharmaceutical executive with more than 20 years of clinical and development experience. In 2001, he became President and first CEO of Algeta ASA, a Norwegian biotech company that successfully developed and launched the radiopharmaceutical drug Xofigo® for prostate cancer. In addition to playing a key role in Algeta's 2007 IPO and in multiple fundraisings, he was instrumental in the acquisition of the company by Bayer AG for USD 2.9 billion in 2014. After the acquisition by Bayer, Dr Ramdahl held the position of Managing Director of Bayer in Norway, remaining in this role until October 2018. Dr Ramdahl is currently a Board Director at Precirix and Clarity Pharmaceuticals, both in the targeted radiopharmaceutical area, and Chairman at medical device company Appsens. He has authored more than 40 publications and is a co-inventor of several patents. He gained his PhD in environmental chemistry from the University of Oslo in 1984 and an MSc in organic chemistry from the Norwegian Institute of Technology in 1979.



Board of directors' report

2022 was a very challenging year for Nordic Nanovector as the Company's most advanced clinical study PARADIGME was discontinued. This global Phase 2b study was designed to investigate the efficacy and safety of Betalutin® in 3rd-line follicular lymphoma patients, refractory to rituximab/anti-CD20 based treatments (3L R/R FL).

OPERATIONAL REVIEW

In January 2022, Nordic Nanovector revised the timeline for the preliminary data readout from PARADIGME 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.

Following this revision, Nordic Nanovector's new target was to deliver the readout of preliminary three-month top line data during H2'2022.

However, during the first quarter only two new patients were enrolled.

With no additional patients enrolled in May and June, the Company decided to conduct a comprehensive review of all aspects of the PARADIGME study. This review included an evaluation and analysis of the data collected to date by an Independent Expert Panel to determine the optimal path forward for Betalutin® in 3L R/R FL within a timeframe that would be financially and commercially viable for the Company.

Following the comprehensive review and independent data evaluation of PARADIGME, the Board of Directors took the difficult decision to discontinue the study with no further patients to be enrolled beyond the 109 patients recruited to date.

While Betalutin®, at the selected dose of 15 MBq/kg after a pre-dose of 40 mg lilotomab (40/15), displayed an attractive safety profile and positive signs of efficacy in some patients, the Board considered that the observed profile did not fully meet the objectives set out for the PARADIGME study nor would it be commercially competitive.

Only one out of three patients responded to treatment with an average duration of response of approximately six months. As a result, the Board determined that the demonstrated profile was no longer sufficiently competitive to bring Betalutin® to the market in the 3L R/R FL indication, within a timeframe that made financial and commercial sense for the Company.

Following the decision to discontinue PARADIGME, the Board decided to implement a restructuring of the Company with immediate effect with the purpose of reducing costs where necessary to enable support of essential activities associated with development of the pipeline and securing future value for shareholders.

The Board subsequently appointed Carnegie Investment Bank ("Carnegie") to explore all strategic options available to the Company to optimise shareholder value.

The senior leadership team was also consolidated, following which Chief Executive Officer (CEO) Erik Skullerud transitioned out of his role. Malene Brondberg, Chief Financial Officer (CFO), assumed the combined position of CFO and interim CEO.

As part of the restructuring, a decision was made to close down the Group's wholly owned subsidiaries Nordic Nanovector GmbH in Zug, Switzerland, and Nordic Nanovector Ltd in London, UK as well as Nordic Nanovector DK, a branch of Nordic Nanovector ASA in Denmark.

The restructuring of the Company was completed during Q3 2022 and all outstanding larger contract agreements with third-party suppliers were terminated and closed in accordance with good compliance practices. More than 85% of the Company's staff were made redundant following implementation of the restructuring plan.

The PARADIGME trial continues to be wound down and this is expected to conclude by end Q1 2023. The results will be published in the required public access databases.

Following the strategic review conducted with Carnegie, on 9 November the Company announced that it had entered into a merger agreement with private Norwegian oncology company APIM Therapeutics that was recommended at the time by the Boards of both companies. This followed discussions with 25+ Nordic and international companies regarding potential merger & acquisition (M&A) opportunities.

On 1 December 2022, the Board's proposal for the merger was voted down at the Extraordinary General Meeting (EGM) held to allow shareholders to vote on the proposed transaction. 40.75% of all outstanding shares were present, of which approximately 60% voted against the merger agreement.

On 9 December, the Company announced that following the vote at the EGM, Malene Brondberg, interim CEO and CFO would transition out of Nordic Nanovector. The Company also announced that the former Board of Directors of Nordic Nanovector would resign and not stand for re-election at a new EGM.

OVERVIEW OF THE BUSINESS

The Board's report for the Nordic Nanovector group (Nordic Nanovector or the Group) embraces Nordic Nanovector ASA (the parent company or the Company) and its wholly owned subsidiaries.

Business and location

Nordic Nanovector ASA is a biopharmaceutical company, established in 2009 and listed on the Oslo Stock Exchange in 2015.

The objective of Nordic Nanovector is clearly defined in section 3 of the company's articles of association:

The objective of the company is to develop, market and sell medical products and equipment and to run business related thereto or associated therewith. The headquarters and laboratories are in Oslo, Norway.

Vision and strategy

Nordic Nanovector's vision is to significantly advance the treatment of cancer patients with innovative targeted therapies. Nordic Nanovector is committed to developing, manufacturing and delivering innovative therapies that address major unmet medical needs and advance cancer care.

Pipeline

In addition to Betalutin®, Nordic Nanovector has a pipeline of early-stage pre-clinical CD37-targeted immunotherapies consisting of Humalutin®, Alpha37 (partnered with Orano Med), a series of humanised anti-CD37 antibodies and a discovery phase CAR-T programme being developed in collaboration with Penn State University.

While these programmes may have potential value, they are all at early stages of development and none has any associated clinical data. Moreover, significant financial resources would be required to progress these assets into clinical development. The further development of these programmes will require external funding or out-licensing agreements.

INTELLECTUAL PROPERTY

Nordic Nanovector has an extensive portfolio of patents that cover the Company's proprietary radioimmunotherapy technology including Betalutin® and other anti-CD37 products in its early-stage pipeline. These include certain composition of matter patents that have various expiry dates in the next decade and beyond as well as others that provide additional intellectual property protection.

In terms of key intellectual property, Betalutin®, Humalutin® and Alpha37 are covered by a core composition of matter patent that expires in 2031. A solid tumor project has not yet reached the stage of issued patents.

A patent covering the up-regulation of CD20 on tumour cells when treated with Betalutin® expires in 2034.

The combination of Betalutin® and Humalutin® with different classes of drugs is covered by a pending patent expiring in 2038.

Furthermore, Nordic Nanovector has a chimeric antibody patent (co-owned with OranoMed) that covers Alpha37 in the European Union expiring in 2032, a patent application covering different ways of pre-dosing with lilotomab (expiry 2037) and two humanised antibody patent applications covering anti-CD37 humanised antibodies with different effector mechanisms (expiry 2042).

These patents are designed to secure the Company's proprietary intellectual property and erect barriers to competition, and as such are an important component of the potential value of Nordic Nanovector's pipeline.

FINANCIAL REVIEW

The consolidated financial statements of Nordic Nanovector ASA and its subsidiaries (the group) have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU on 31 December 2022.

Consolidated statement of profit or loss

(Figures in brackets = same period 2021 unless stated otherwise)

Revenues for full year 2022 amounted to NOK 0.0 million (NOK 0.0 million).

Total operating expenses for 2022 came to NOK 317.4 million (NOK 442.4 million). Payroll and related expenses decreased to NOK 78.5 million (NOK 91.6 million) driven by a reduction in the number of employees on payroll and lower imputed costs related to the company's share-based incentive scheme. Other operating expenses amounted to NOK 227.6 million during the year (NOK 339.4 million). The cost reduction is driven by closing of clinical and manufacturing development caused by the discontinuation of the PARADIGME Phase 2b trial with Betalutin®.

Operating loss for 2022 was NOK 317.4 million (loss of NOK 442.4 million).

Net financial items in 2022 amounted to NOK 7.0 million (NOK 2.3 million), mainly driven by increased value of cash deposited in foreign currency.

Comprehensive loss for the year was NOK 307.1 (NOK 441.7 million).

Cash flow and financial position

Net cash flow from operating activities in 2022 was negative NOK 409.0 million (negative 403.5 million), impacted by a reduction in short term liabilities and other changes in working capital.

Net cash flow from investing activities in 2022 was negative NOK 2.5 million (NOK 0.9 million).

Net cash flow from financing activities for 2022 was NOK 228.1 million (NOK 381.1 million).

Exchange rate fluctuations in 2022 were NOK 4.4 (NOK 1.2 million).



Cash and cash equivalents amounted to NOK 98.7 million at the end of December 2022, compared to NOK 277.7 million at the end of December 2021.

Total assets at 31 December 2022 amounted to NOK 109.6 million, down from NOK 296.7 million at year-end 2021. Total shareholders' equity at 31 December 2022 was NOK 63.8 million (NOK 140.5 million at year-end 2021), corresponding to an equity ratio of 58.2 per cent (47.4 per cent at year-end 2021).

Total liabilities at the end of the year were NOK 44.3 million, down from NOK 151.7 million from year-end 2021, driven by a decrease in account payables and other current liabilities.

Parent company

Nordic Nanovector ASA (the parent company) recorded a loss of NOK 310.3 million for 2022 (NOK 433.2 million). Total equity amounted to NOK 53.2 million at 31 December 2022 (NOK 130.3 million). The equity ratio of the parent company was 55.8 per cent (46.3 per cent).

Research and development

While the research and development strategy is designed in-house, the Company leverages its network of external Contract Research Organisations (CROs) and collaborates with academic institutions to execute its development strategy.

Expenditure on research activities is recognised as an expense in the period in which it was incurred. The criteria for capitalisation of research and development cost are not met until market authorisation is obtained from relevant regulatory authorities. The Group currently has no development expenditure that qualifies for recognition as an asset under IAS 38.

Research and development (preclinical, clinical, medical affairs, regulatory and CMC activities) expenses amounted to 247.3 million in 2022 (NOK 377.1 million), accounting for 77.9 per cent (85.2 per cent) of total operating expenses.

RISK AND RISK MANAGEMENT

Operational and market risks

Nordic Nanovector is currently in a development phase involving activities that entail exposure to various risks. Nordic Nanovector's strategy is to continuously identify, minimise and mitigate potential risks, and risk assessment and management are an integral part of Nordic Nanovector's operations.

The Company has not completed clinical development for any of its current product candidates and has not previously filed for or obtained marketing approval from any regulatory authority for any product candidate.

Delay or failure of the Company's clinical trials may adversely impact the Company's ability to obtain regulatory approval for and commercialise its current and future product candidates. The Company depends on the collaboration with CROs, medical institutions, laboratories and drug product manufacturers in order to conduct clinical testing in compliance with requirements from appropriate regulatory authorities in the relevant jurisdictions. The Company's ability to complete clinical trials in a timely fashion or at all may be impacted by several factors, including the following:

- delays in obtaining or failures to obtain regulatory approval to commence clinical trials because of safety concerns of regulators relating to the Company's product candidate or failure to follow regulatory guidelines and general safety issues;
- actions by regulators to suspend a clinical trial or to temporarily or permanently stop a trial for a variety of reasons, principally for safety concerns;
- delays in recruiting patients to participate in a clinical trial, and the rate of patient enrolment, which is itself a function of many factors, including size of the patient population, the proximity of patients to the clinical trial sites, the eligibility criteria for the trial and the nature of the protocol;
- compliance of patients and investigators with the protocol and applicable regulations; failure of clinical trials and clinical investigators to comply with relevant clinical protocol, or similar requirements in other jurisdictions;

- failure of third-party contractors/external service providers to satisfy their contractual duties, comply with regulations or meet expected deadlines;
- delays or failures in reaching agreement on acceptable terms with prospective trial sites;
- determination by regulators that the clinical design is not adequate; and
- delays or failures in obtaining sufficient clinical supplies for use in trials, due to failures in one or more steps of the manufacturing process and/or improper shipment/handling/delivery by the Contract Manufacturing Organisations (“CMOs”) to the clinical trial sites.

Even if the Company receives regulatory agency approval, the Company may not be successful in commercialising approved product candidates.

In most markets, drug prices and reimbursement levels are regulated or influenced by health authorities, other healthcare providers, insurance companies or health maintenance organisations. There is a risk that the Company’s drugs, following required approvals, will not obtain reimbursement in line with the selling prices or reimbursement levels anticipated by the Company. If actual prices and reimbursement levels granted to the Company’s products happen to be lower than anticipated, this may have a negative impact on the profitability of its products. and the overall business.

The Company has an IP-strategy to protect its intellectual property and know-how related to inter alia its products, methods, processes and other technologies, and trade secrets. Through its IP strategy the Company seeks to prevent third parties from infringing its proprietary rights and ensure that it operates without infringing the proprietary rights of third parties. As part of its IP strategy, the Company to date holds certain exclusive patent rights in major markets, however, the Company cannot predict the degree and range of protection any patents will afford against competitors and competing technologies. There is always a risk that third parties may find ways to invalidate or otherwise circumvent the patents. There is a risk that current or future patent applications submitted by the Company may be delayed or rejected, and a risk that others may obtain patents claiming aspects similar

to those covered by the Company’s patents and patents applications. There is also a risk that the Company may need to initiate or defend litigation or administrative proceedings, to protect its own patents. Litigation or proceedings may be costly and should the Company’s technology be found to infringe upon third parties’ rights, that could limit the Company’s freedom to operate or could subject the Company to significant damages or an injunction preventing the manufacture, sale or use of its affected products.

The Company currently maintains clinical trial liability insurance for each trial in each country. Any claims against the Company, regardless of their merit, could materially and adversely affect its financial condition, in addition to consuming the time and attention of the management.

The biopharma industry is highly competitive with many large players and subject to rapid and substantial technological change. Developments by others may render the Company’s product candidates or technologies obsolete or uncompetitive. The Company’s drug candidates may not gain the market acceptance required to be profitable even if they successfully complete clinical trials and receive approval for sale by the relevant regulatory authorities.

The Company is exposed to risk of relying upon third parties for clinical trials and manufacturing. The Company cannot be certain that it will be able to enter into or maintain satisfactory agreements with third-party suppliers, such as CROs or CMOs, for the conduct of clinical trials or product manufacturing, respectively. The Company’s need to recruit, amend or change providers for the conduct of clinical trials might impact the timelines of the conduct of such trials.

The Company’s failure to enter into agreements with such suppliers or manufacturers on reasonable terms, if at all, could have a material and adverse effect on the business, its financial condition and results of operations.

Poor manufacturing performance of third-party manufacturers, a disruption in the supply or the Company’s failure to accurately predict the demand for any future commercial sale of a product could have a significant adverse effect on the Company’s business, financial condition or results of operations.

The Company believes that its safety procedures for handling and disposing of all materials comply with the highest environmental and safety standards; however, there will always be a risk of accidental contamination or injury. By law, radioactive materials may only be disposed of at certain approved facilities. When handling and disposing of radioactive materials, there is a risk of accidental contamination or emission damage. Breach of rules for handling and disposing of radioactive materials may involve sanctions for the Company, as well as a negative reputation for the Company.

Financial risk

Interest rate risk

The Nordic Nanovector group has no interest-bearing debt except leasing liabilities, where the underlying interest rate is determined when the leasing agreement starts. Bank deposits are exposed to market fluctuations of interest rates, which impact the financial income. The Nordic Nanovector group had NOK 3.2 million (NOK 1.1 million) in interest income as of year-end.

Exchange rate risk

The value of non-Norwegian currency denominated revenues and costs will be affected by changes in currency exchange rates or exchange control regulations. The Group undertakes various transactions in foreign currencies and is consequently exposed to fluctuations in exchange rates. The exposure arises largely from research and development expenses. The group is mainly exposed to fluctuations in euro (EUR), pounds sterling (GBP), US dollar (USD) and Swiss franc (CHF).

Exchange rate fluctuations mainly impact cash and cash equivalents in the statement of financial position and financial items in the statement of profit and loss, reported as financial income or expenses.

Nordic Nanovector strives to identify and manage material foreign currency exposures and to minimise the potential effects of currency fluctuations on the cash flow. In order to achieve this, and to provide an operational hedge for purchases made in foreign currencies, the Company has made deposits in foreign currency bank accounts and continuously monitors the level of these funds. The parent's deposits in foreign currencies at year-end 2022 amounted to an equivalent of NOK 6.9 million (NOK 111.7 million).

Credit risk

The Nordic Nanovector group is primarily exposed to credit risk associated with accounts receivable and other current receivables. The Group has no revenues. The Nordic Nanovector group has not suffered any losses on receivables during 2022. Other current receivables are mainly related to grants from the government institution Research Council of Norway, and prepayments of services to suppliers. The Group considers its credit risk as low.

Liquidity risk

The Company closely monitors, plans and reports its cash flow, considering short- and long-term forecasts. The Group does not have any loan agreements.

The Company was successful in raising new funds totaling NOK 250 million in gross proceeds during the first quarter of 2022. Management will continue to focus on efficient operations, close monitoring and planning of the cash resources, and maintaining a clear business development strategy to position the Company for a possible future transaction that would benefit all of its stakeholders.

GOING CONCERN

Pursuant to section 3-3 (a) of the Norwegian Accounting Act, it is confirmed that the conditions for assuming that the Group is a going concern are present, and that the financial statements have been prepared based on this assumption.

Following the decisions in 2022 to discontinue the PARADIGME study and implement a restructuring of the company, Nordic Nanovector believes that the best interests of shareholders will be served by thoroughly exploring all strategic options that may be available. As a publicly quoted company with a listing in Norway, remaining cash resources and a pipeline of CD37-targeted assets, the company believes that there is an opportunity to crystallise value for shareholders through a potential strategic transaction. No assurances can be given as to the outcome or timing of the ongoing review process. Several measures have been implemented to reduce the burn rate and the company's current net cash is, under the current operating model, expected to finance its ongoing operations into the second quarter of 2024. The company has also identified additional costs reductions that can be implemented if needed to extend the cash runway or reallocate existing cash resources.

Major events that have occurred since the end of 2022 are included in the section "subsequent events", as well as in note 9.1 of the financial statements in this report.

ALLOCATION OF THE PARENT COMPANY'S NET RESULT

Nordic Nanovector ASA's loss for 2022 amounted to NOK 310.3 million (NOK 433.2 million). The board proposes that the loss is transferred to accumulated losses.

The financial resources of Nordic Nanovector are directed towards development of the Company's product pipeline. The Company does not anticipate paying any cash dividend until sustainable profitability is achieved.

SHARE INFORMATION

As of 31 December 2022, Nordic Nanovector ASA had 116 035 298 shares outstanding. The number of shareholders decreased to 11 168 (11 290). At year-end 2022, 9.2 per cent (18 per cent) of the shares were held by foreign investors. Please refer to note 5.5 for further information on shareholders.

The closing share price of the Nordic Nanovector ASA share on the last trading day of 2022 was NOK 1.17 (NOK 23.04), corresponding to a total market capitalisation for the Company of NOK 136 million (NOK 2260 million).

Please refer to note 6.3 for information on options and performance share units (PSUs).

SUBSEQUENT EVENTS

The former Board of Directors resigned at the EGM held on 3 January 2023 and a new Board consisting of Jon Magne Asmyr (Chairperson), Eddie Berglund and Tina Bjørnlund Bønsdorff was elected, as well as a new Nomination Committee consisting of Hans Peter Bøhn (Chairperson), Jan-Tore Pedersen and Vegard Aavik.

On 19 January Eddie Berglund decided to resign from the Board. The Board immediately contacted the Nomination Committee in order to have a new member elected at the AGM. The Board also received legal advice that it is still able to make decisions with only two members.

Ludvik Sandnes was announced as new Interim CEO and CFO for the Company on 31 January 2023.

CORPORATE GOVERNANCE

Nordic Nanovector is committed to healthy corporate governance practices, strengthening and maintaining confidence in the Company, and thereby contributing to long-term value creation for shareholders and other stakeholders. Strong and sustainable corporate governance practices include ethical business practices, reliable financial reporting and an environment of compliance with legislation and regulations.

Nordic Nanovector ASA's Board actively adheres to good corporate governance standards, in line with Norwegian laws and regulations, as well as international best practice standards. A corporate governance policy was adopted by the Board in January 2015 and updated in September 2018 for and on behalf of the Company. The policy is, in all material aspects based on the Norwegian Code of Practice for Corporate Governance (the Code), to which the Board has resolved that the Company shall adhere.

Nordic Nanovector ASA is a Norwegian-registered public limited liability company with its shares listed on the Oslo Stock Exchange. The Norwegian Accounting Act Section 3-3b, which the Company is subject to, sets out certain corporate governance related information, which is to be disclosed and reported on through the issuance of an annual reporting document. This report meets the requirements provided by the Accounting Act. The Accounting Act is available on www.lovdata.no.

Further, the continuing obligations of stock exchange listed companies issued by the Oslo Stock Exchange requires listed companies to publish an annual statement of their practice related to their policy on corporate governance. In addition to setting out certain minimum requirements for such reporting (equivalent to those under the Accounting Act), the continuing obligations require that the company reports on its compliance with the recommendations of the Code. Both the continuing obligations and the Code require that an explanation is provided where a company has chosen an alternative approach to specific recommendations in the Code (i.e. a "comply or explain" basis). Nordic Nanovector complies with the current Code, most recently revised on 17 October 2018. The Company provides a report on its principles for corporate governance in its annual report and on its website. The continuing obligations are available on www.oslobors.no and the Code is available on www.nues.no.

The company has taken out Directors & Officers (D&O) Insurance with reputable insurers. The cover is in line with industry practice and at market terms. The insurance covers personal legal liabilities including defense and legal costs. The coverage also includes employees in managerial positions or employees who become named in a claim or investigation.

The annual statement on corporate governance can be found on page 9 in this report and on the Company's web page. The Board's signatures in the annual report shall be deemed to include the statement of corporate governance.

CORPORATE SOCIAL RESPONSIBILITY

Nordic Nanovector is subject to corporate social responsibility reporting requirements under section 3-3c of the Norwegian Accounting Act. Nordic Nanovector's mission is to extend and improve the lives of cancer patients by developing and commercialising innovative targeted therapies.

This business idea has an aspect of shared value, in the sense that creating value for patients will create value for society, as well as for the shareholders of the Company. To ensure that patients, research and development partners, employees, shareholders and other stakeholders feel confident about Nordic Nanovector's commitment to operate this business in accordance with responsible, ethical and sound corporate and business principles, the Company has established a policy for corporate social responsibility (CSR) and a code of conduct. Both documents are approved by the Company's Board. The code of conduct applies to all employees and Board directors in the Group. By agreement it may also apply to independent consultants, intermediaries, or others acting on behalf of Nordic Nanovector. The document provides a framework for what Nordic Nanovector considers as responsible conduct and defines the individual responsibilities of employees through a combination of broad principles and specific requirements. The code of conduct is a guiding instrument, outlining the principles on which the everyday work is based.

The CSR policy and the full code of conduct can be found on the Company's website, www.nordicnanovector.com – under the corporate governance part of the investor section.

The implementation of specific goals, strategies or action plans related to CSR has not yet been prioritised but will be developed along with the continuous development of Nordic Nanovector's products and operations. The Board's signatures in the annual report shall be deemed to include the statement of corporate social responsibility.

The board will prepare and publish a report according to the Transparency Act and make this available on the Company's website, www.nordicnanovector.com within 30 June 2023.

HEALTH, SAFETY AND THE ENVIRONMENT

Nordic Nanovector aims for zero harm to people, the environment and society. The Company works purposefully and systematically to reduce its environmental impact and strives not to pollute the external environment. All production and distribution activities are outsourced. The Group's operations shall always be subject to strict requirements in terms of quality, safety and impact on personal health and the environment.

The working environment in Nordic Nanovector is good. No accidents or injuries were registered in 2022. Sick leave in Nordic Nanovector ASA totaled 165 working days in 2022. The breakdown of sickness absence in 2022 corresponds to 2.0 per cent of total working days. This compares to the 114 working days and 1.3 per cent of sick leave (short-term and long-term sickness absence) reported in 2021.

Nordic Nanovector's working culture is based on collaboration and a distinct sense of commitment to the company's mission and strategy.

EMPLOYEES, ORGANISATION AND EQUAL OPPORTUNITIES

At the end of 2022, the Group employed 18 people, of which 2 were part-time employees and 5 employed in subsidiaries. Nordic Nanovector ASA employs 13 of the Nordic Nanovector group's 18 employees. Of the total 18 employees, 10 employees were in termination at year end.

Nordic Nanovector aims to foster a workplace with equal opportunities for women and men in all areas. The current Board consists of one woman and one man. The current executive management team consists of two men.

Nordic Nanovector promotes a productive working environment and does not tolerate disrespectful behaviour. The Group is an equal opportunity employer. Discrimination in hiring, compensation, training, promotion, termination or retirement based on ethnic or national origin, religion, sex or other distinguishing characteristics is not accepted.

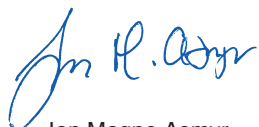
Nordic Nanovector will not use force of any form or involuntary labour or employ any persons below the legal minimum age.

OUTLOOK

The new leadership has a clear goal for 2023 to ensure the Company's continued operation and to position it for a possible future transaction for the benefit of the current organisation, employees and shareholders. The Company continues to work with Carnegie to assess strategic options that may be open to the Company and will put forward any recommended proposals for resolution by shareholders in the coming months.

Oslo, 22 March 2023

The board of directors and the Chief Executive Officer of Nordic Nanovector ASA



Jon Magne Asmyr
Chair



Tina B. Bønsdorff
Director



Ludvik Sandnes
Interim CEO & CFO

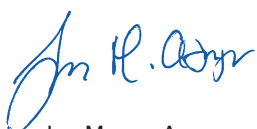
RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the financial statements for the period from 1 January to 31 December, 2022 have been prepared in accordance with IFRS as adopted by the European Union and generally accepted accounting practice in Norway, and give a true and fair view of the assets, liabilities and financial position and results of Nordic Nanovector ASA and the Nordic Nanovector group.

We also confirm, to the best of our knowledge, that the board' report includes a true and fair overview of the development, performance and financial position of Nordic Nanovector ASA and the Nordic Nanovector group, together with a description of the principal risks and uncertainties they face.

Oslo, 22 March 2023

The board of directors and the Chief Executive Officer of Nordic Nanovector ASA



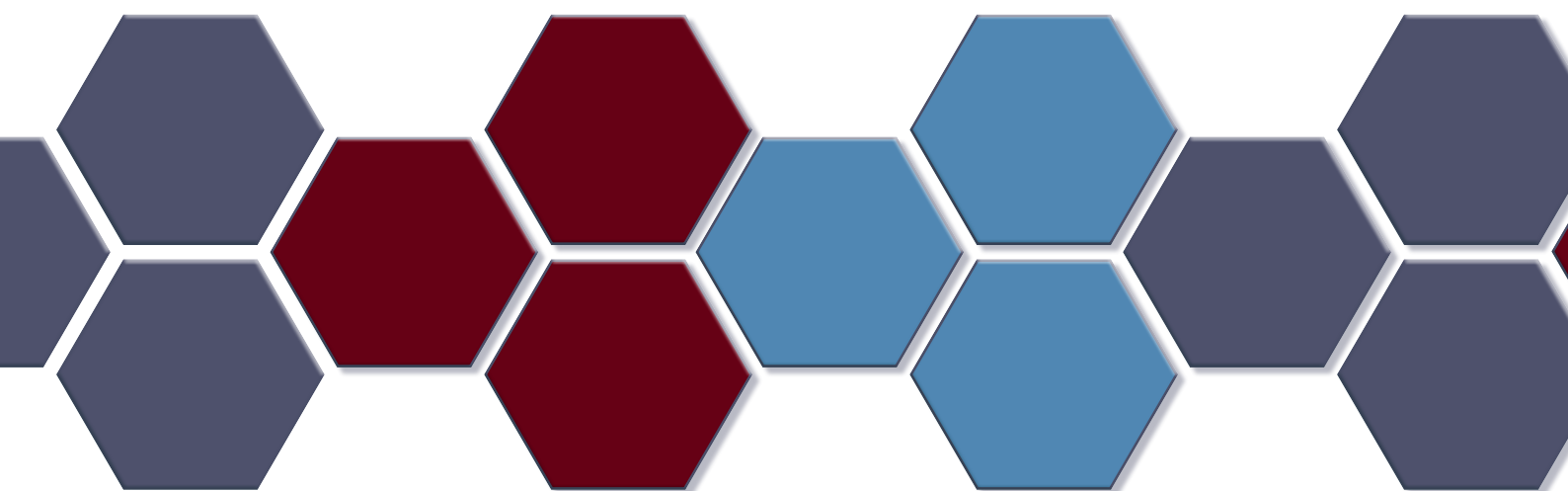
Jon Magne Asmyr
Chair



Tina B. Bønsdorff
Director



Ludvik Sandnes
Interim CEO & CFO



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Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December

PARENT		(Amounts in NOK 1 000)	Note	GROUP	
2021	2022			2022	2021
0	0	Revenues		0	0
0	0	Total operating revenue		0	0
37 250	30 745	Payroll and related expenses	3.2	78 527	91 638
11 371	11 202	Depreciation and impairment	4.1, 4.2	11 202	11 371
396 543	283 376	Other operating expenses	3.1	227 632	339 425
445 164	325 323	Total operating expenses		317 361	442 434
-445 164	-325 323	Operating profit (loss)		-317 361	-442 434
Finance income and finance expenses					
11 257	11 483	Finance income	5.6	3 289	1 219
629	253	Finance expenses	5.6	259	636
1 521	3 949	Net currency gains (loss)	5.6	3 959	1 713
12 149	15 179	Net finance income (expenses)		6 989	2 296
-433 015	-310 144	Loss before income tax		-310 372	-440 138
-136	-107	Income tax	7.1	-869	-1 165
-433 151	-310 251	Loss for the year		-311 241	-441 303
Other comprehensive income (loss), net of income tax that may be reclassified to profit and loss in subsequent periods					
0	0	Translation effects		542	-362
Other comprehensive income (loss), net of income tax not to be reclassified to profit and loss in subsequent periods					
0	0	Remeasurement gains (losses) on defined benefit plans	6.5	3 614	-20
-433 151	-310 251	Total comprehensive income (loss) for the year		-307 085	-441 685
-433 151	-310 251	Loss for the year attributable to owners of the parent		-311 241	-441 303
-433 151	-310 251	Total comprehensive income (loss) for the year attributable to owners of the parent		-307 085	-441 685
Earnings (loss) per share					
-4.57	-2.69	Basic and diluted earnings (loss) per share	5.7	-2.70	-4.65

The accompanying notes are an integral part of these financial statements.

Consolidated statement of financial position

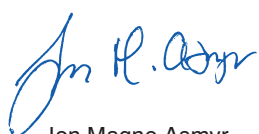
For the year ended 31 December

PARENT				GROUP	
2021	2022	(Amounts in NOK 1 000)	Note	2022	2021
ASSETS					
Non-current assets					
766	379	Property, plant and equipment	4.1	379	766
5 177	158	Right-of-use assets	4.2	158	5 177
137	137	Shares in subsidiaries	8.1	0	0
6 080	674	Total non-current assets		537	5 943
Current assets					
Receivables					
12 518	9 686	Other current receivables and prepayments	3.4	10 392	13 023
12 518	9 686	Total current receivables		10 392	13 023
262 930	84 941	Cash and cash equivalents	5.3	98 716	277 706
275 448	94 627	Total current assets		109 108	290 729
281 528	95 301	TOTAL ASSETS		109 645	296 672
EQUITY AND LIABILITIES					
Equity					
19 616	23 207	Share capital	5.5	23 207	19 616
110 573	695	Share premium		695	110 573
32 302	31 722	Other paid in capital		65 855	69 157
-32 152	-2 402	Retained earnings		-25 915	-58 830
130 339	53 222	Total equity		63 842	140 516
Liabilities					
Non-current liabilities					
0	0	Net employee defined benefit liabilities	6.5	1 520	4 461
0	0	Total non-current liabilities		1 520	4 461
Current liabilities					
65 214	8 065	Accounts payable	5.4	9 093	65 960
14 414	8 703	Current liabilities to group companies	5.4, 8.2	0	0
0	-22	Tax payable	5.4, 7.1	759	1 068
5 508	159	Lease liability	4.2	159	5 508
66 053	25 174	Other current liabilities	3.6, 5.4	34 272	79 159
151 189	42 079	Total current liabilities		44 283	151 695
151 189	42 079	Total liabilities		45 803	156 156
281 528	95 301	TOTAL EQUITY AND LIABILITIES		109 645	296 672

The accompanying notes are an integral part of these financial statements.

Oslo, 22 March 2023

The board of directors and the Chief Executive Officer of Nordic Nanovector ASA



Jon Magne Asmyr
Chair



Tina B. Bønsdorff
Director



Ludvik Sandnes
Interim CEO & CFO

Consolidated statement of changes in equity – Group

For the year ended 31 December

GROUP								
(Amounts in NOK 1 000)	Note	Share capital	Share premium	Other paid in capital	Accumulated losses	Translation effects	Remeasurement gains (losses)	Total equity
Balance at 01.01.2021		15 878	118 371	61 565	-15 881	752	-2 017	178 668
Loss for the year					-441 303	0	0	-441 303
Other comprehensive income (loss) for the year, net of income tax					0	-362	-20	-382
Total comprehensive income for the year					-441 303	-362	-20	-441 685
Recognition of share based payments - options and PSUs	3.2, 6.3			6 313				6 313
Recognition of share based payments - RSUs	3.1, 6.3			1 279				1 279
Issue of ordinary shares	5.5	3 715	418 921					422 636
Issue of ordinary shares under share options and RSUs	5.5	22	910					932
Share issue costs			-27 629					-27 629
Reclassification of accumulated losses			-400 000		400 000			0
Balance at 31.12.2021		19 616	110 573	69 157	-57 184	390	-2 036	140 516
Loss for the year					-311 241	0	0	-311 241
Other comprehensive income (loss) for the year, net of income tax					0	542	3 614	4 156
Total comprehensive income for the year					-311 241	542	3 614	-307 085
Recognition of share based payments - options and PSUs	3.2, 6.3			-4 209				-4 209
Recognition of share based payments - RSUs	3.1, 6.3			907				907
Issue of ordinary shares	5.5	3 583	247 217					250 799
Issue of ordinary shares under share options and RSUs	5.5	9	0					9
Share issue costs			-17 095					-17 095
Reclassification of accumulated losses			-340 000		340 000			0
Balance at 31.12.2022		23 207	695	65 855	-28 425	932	1 578	63 842

The accompanying notes are an integral part of these financial statements.

Consolidated statement of changes in equity – Parent

For the year ended 31 December

PARENT						
(Amounts in NOK 1 000)	Note	Share capital	Share premium	Other paid in capital	Accumulated losses	Total equity
Balance at 01.01.2021		15 878	118 370	28 527	1 000	163 775
Loss for the year					-433 151	-433 151
Other comprehensive income (loss) for the year, net of income tax						0
Total comprehensive income for the year					-433 151	-433 151
Recognition of share based payments - options and PSUs	3.2, 6.3			2 495		2 495
Recognition of share based payments - RSUs	3.1, 6.3			1 279		1 279
Issue of ordinary shares	5.5	3 715	418 921			422 636
Issue of ordinary shares under share options and RSUs	5.5	22	910			932
Share issue costs			-27 629			-27 629
Reclassification of accumulated losses			-400 000		400 000	0
Balance at 31.12.2021		19 616	110 573	32 302	-32 152	130 339
Loss for the year					-310 251	-310 251
Other comprehensive income (loss) for the year, net of income tax						0
Total comprehensive income for the year					-310 251	-310 251
Recognition of share based payments - options and PSUs	3.2, 6.3			-1 487		-1 487
Recognition of share based payments - RSUs	3.1, 6.3			907		907
Issue of ordinary shares	5.5	3 583	247 217			250 800
Issue of ordinary shares under share options and RSUs	5.5	9	0			9
Share issue costs			-17 095			-17 095
Reclassification of accumulated losses			-340 000		340 000	0
Balance at 31.12.2022		23 207	695	31 722	-2 402	53 222

The accompanying notes are an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December

PARENT			GROUP		
2021	2022	(Amounts in NOK 1 000)	Note	2022	2021
Cash flows from operating activities					
-433 015	-310 144	Loss before income tax		-310 372	-440 138
Adjustments for:					
414	66	Interest paid	5.6	66	414
-1 122	-3 091	Interest received	5.6	-3 164	-1 122
-10 135	-8 394	Received dividend	5.6	0	0
10 135	8 394	Recognised dividend	5.6	0	0
2 495	-1 487	Share based payment expense employees	3.2, 6.3	-4 209	6 313
1 279	907	Share based payment expense restricted share units (RSUs) board	3.1, 6.3	907	1 279
-159	0	Taxes paid	7.1	-1 102	-844
11 371	11 202	Depreciation and impairment	4.1, 4.2	11 202	11 371
-1 229	-4 428	Currency (gains) losses not related to operating activities (unrealised)	5.6	-4 428	-1 229
19 831	-101 030	Change in net working capital e.g.		-97 979	20 498
-400 135	-408 005	Net cash flows from operating activities		-409 079	-403 458
Cash flows from investing activities					
-259	-5 628	Investment in property plant and equipment	4.1	-5 628	-259
1 122	3 091	Interest received	5.6	3 164	1 122
863	-2 537	Net cash flows from investing activities		-2 464	863
Cash flows from financing activities					
423 568	250 808	Gross proceeds from equity issue	5.5	250 808	423 568
-27 629	-17 095	Share issue cost		-17 095	-27 629
-10 429	-5 522	Payment of principle portion of lease liabilities	4.2	-5 522	-10 429
-414	-66	Interest paid	5.6	-66	-414
385 096	228 125	Net cash flows from financing activities		228 125	385 096
1 229	4 428	Effects of exchange rate changes on cash and cash equivalents	5.6	4 428	1 229
-12 946	-177 989	Net change in bank deposits, cash and equivalents		-178 990	-16 269
275 876	262 930	Cash and equivalents at beginning of year		277 706	293 975
262 930	84 941	Cash and equivalents at end of year	5.3	98 716	277 706

The accompanying notes are an integral part of these financial statements.

Section 1 - Background

1.1 CORPORATE INFORMATION

Nordic Nanovector ASA (the company) is a limited company incorporated and domiciled in Norway. The parent company, Nordic Nanovector ASA, is in the annual accounts referred to as "PARENT".

The address of the registered office is: Kjelsåsveien 168 B, 0884 Oslo.

Nordic Nanovector is a leader in the development of CD37-targeted radionuclide therapies for haematological cancers.

Nordic Nanovector's pipeline includes:

- Betalutin®, clinically safe and effective CD37-targeting radioimmunotherapy incorporating the beta emitter lutetium-177 and the murine antibody lilotomab for treatment of non-Hodgkin's lymphoma (NHL)
- Humalutin®, IND ready CD37-targeting radioimmunotherapy incorporating the beta emitter lutetium-177 and the chimeric antibody NNV003 for treatment of non-Hodgkin's lymphoma (NHL)
- 89Zr-NNV003, CD37-targeting companion PET diagnostic for detection and dosimetry of CD37 expressing tumors
- Alpha37, a CD37-targeting radioimmunotherapy candidate incorporating the alpha-particle generating radionuclide lead-212, currently being explored with partner Orano Med for chronic lymphocytic leukaemia
- Multiple fully humanized anti-CD37 antibodies with different effector mechanisms for treatment of haematological cancers and autoimmune diseases; and A CD37-targeting CAR-T cell opportunity in haematological cancers, which is being advanced via a research collaboration with the University of Pennsylvania
- Undisclosed discovery projects in solid tumor indications

Section 2 - General accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in all periods presented. Amounts are in Norwegian kroner (NOK) unless stated otherwise. The functional currency of Nordic Nanovector ASA is NOK.

2.1 BASIS FOR PREPARATION OF THE ANNUAL ACCOUNTS

The consolidated financial statements for the group and the parent have been prepared in accordance with EU-approved International Financial Reporting Standards (IFRS) and Interpretations issued by the International Accounting Standards Board (IASB) and disclosure requirements in accordance with the Norwegian Accounting Act. Only standards that are effective for the fiscal year ended 31 December 2022 have been applied.

The financial statements have been prepared on the historical cost basis. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in applying the group's accounting policies.

Areas involving a high degree of judgment or complexity, and areas in which assumptions and estimates are significant to the financial statements are disclosed in note 2.4. The consolidated financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

Going concern

The company works continuously to ensure financial flexibility in the short and long-term to achieve its strategic and operational objectives. To date, the company has financed its operations through private placements, grants, repair offerings and the initial public offering in connection with the listing of the company's shares on Oslo Børs in 2015. In January 2022 the company raised approximately NOK 250 million in gross proceeds in a private placement.

Following the decisions in 2022 to discontinue the PARADIGME study and implement a restructuring of the company, Nordic Nanovector believes that the best interests of shareholders will be served by thoroughly exploring all strategic options that may be available. As a publicly quoted company with a listing in Norway, remaining cash resources and a pipeline of CD37-targeted assets, the company believes that there is an opportunity to crystallise value for shareholders through a potential strategic transaction. The company will continue as an R&D company until it finds a new owner or partner that can secure new funding and support the ongoing programmes. The board and management continue to explore all strategic options and are in close contact with potential partners. However, if the company is not successful in finding a new partner or funding, the board will have no option other than to wind up the business. No assurances can be given as to the outcome or timing of the ongoing review process.

Several measures have been implemented to reduce the burn rate and the company's current net cash is, under the current operating model, expected to finance its ongoing operations into the second quarter of 2024. The company has also identified additional cost reductions by scaling down R&D project costs and staff, admin staff and other advisory costs that can be implemented if needed, to extend the cash runway or reallocate existing cash resources.

The board of directors has confirmed that the conditions for assuming that the group is a going concern are present, and that the financial statements have been prepared based on this assumption.

2.2 CONSOLIDATION PRINCIPLES

The group's consolidated financial statements comprise the parent company and its subsidiaries as of 31 December 2022. An entity has been assessed as being controlled by the group when the group is exposed for or has the rights to variable returns from its involvement with the entity, and has the ability to use its decision over the entity to affect the amount of the group's returns.

Thus, the group controls an entity if, and only if, the group has all the following:

- Power over the entity.
- The exposure, or rights, to variable returns from its involvement with the entity.
- The ability to use its power over the entity to affect the amount of the group's returns.

There is a presumption that if the group has the majority of the voting rights in an entity, the entity is considered as a subsidiary. To support this presumption and when the group has less than a majority of the voting or similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over the entity, including ownership interests,

voting rights, ownership structure and relative power, as well as options controlled by the group and shareholder's agreement or other contractual agreements. The assessments are done for each individual investment. The group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

2.3 FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The functional currency is determined in each entity in the group based on the currency within the entity's primary economic environment. Transactions in foreign currency are translated to functional currency using the exchange rate at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated using the closing rate. Currency gains or losses are classified as financial items. Non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction, and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Changes in the exchange rate are recognised continuously in the accounting period.

The group's presentation currency is NOK. This is also the parent company's functional currency. The statement of financial position figures of entities with a different functional currency are translated at the exchange rate prevailing at the end of the reporting period for balance sheet items, and the exchange rate at the date of the transaction for profit and loss items. The monthly average exchange rates are used as an approximation of the transaction exchange rate. Exchange differences are recognised in other comprehensive income (OCI).

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Critical accounting estimates and judgements

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements 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.

Critical judgements in applying the group's accounting policies

Deferred tax

The company considers that a deferred tax asset related to accumulated tax losses cannot be recognised in the statement of financial position until the product under development has been approved for marketing by the relevant authorities. However, this assumption is continually assessed and changes could lead to significant deferred tax asset being recognised in the future. This assumption requires significant management judgment. See note 7.1.

Development costs

Research and development costs are recognised in the income statement as incurred. Internal development costs related to the group's development of products are recognised in the income statement in the year in which it is incurred, unless it meets the recognition criteria of IAS 38 intangible assets. Uncertainties related to the regulatory approval process and other factors generally means that the criteria are not met until the time when the marketing authorisation is obtained with the regulatory authorities. This assessment requires significant management judgement.

Key sources of estimation uncertainty - critical accounting estimates

Share-based payments

Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. Calculation of fair value involves estimates and assumptions. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends, and the risk-free interest rate. At the end of each reporting period, the group revises its estimates of the number of equity instruments that are expected to vest. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. Changes to the estimates may significantly influence the expense recognised during a period. The assumptions and models used for estimating fair value for share based payment transactions are disclosed in note 6.3.

Section 3 - Operating activities

3.1 OTHER OPERATING EXPENSES

Accounting policy

Other operating expenses are recognised in the statement of profit and loss in the period which the related costs are incurred or services are provided. For additional information on calculation of costs related to share based payments as RSUs see note 6.3 and 6.3.2.

PARENT			Note	GROUP	
2021	2022	(Amounts in NOK 1 000)		2022	2021
313 023	197 869	Research and development costs	3.5	202 541	317 981
-4 725	-4 589	Government grants	3.3	-4 589	-4 725
1 279	907	Cost of share based payment (RSUs)	6.3	907	1 279
64 571	62 340	Charges from group companies	8.2	0	0
22 395	26 849	Other administrative costs		28 773	24 890
396 543	283 376	Total other operating expenses		227 632	339 425

Other administrative costs include NOK 7.2 million in expenses directly related to the proposed merger with APIM Therapeutics AS, which was voted down on the EGM in December 2022

3.2 PAYROLL AND RELATED EXPENSES

Accounting policy

Payroll and related expenses are recognised in the statement of profit and loss in the period which the related costs are incurred or services are provided. For additional information on calculation of costs related to share based payments as options and PSUs see note 6.3, 6.3.1 and 6.3.3.

PARENT			Note	GROUP	
2021	2022	(Amounts in NOK 1 000)		2022	2021
28 250	27 129	Salaries and bonus	6.2, 6.3	68 760	71 017
3 895	3 984	Social security tax		8 676	8 575
1 673	1 701	Pension expense	6.5	4 907	3 165
2 495	-1 487	Share based payment employees	6.3	-4 209	6 313
539	-869	Accrued employer's social security on share based payment	6.3	-1 640	1 000
850	498	Other		2 244	2 020
-452	-211	Government grants	3.3	-211	-452
37 250	30 745	Total payroll and related expenses		78 527	91 638
22.3	21.4	Average number of full-time equivalent employees		35.9	38.9

3.3 GOVERNMENT GRANTS

Accounting policy

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The grant is recognised in the income statement in the same period as the related costs, which are presented net.

Government grants are normally related to either reimbursements of employee costs and classified as a reduction of payroll and related expenses or related to other operating activities and thus classified as a reduction of other operating expenses.

PARENT			GROUP		
2021	2022	(Amounts in NOK 1 000)	Note	2022	2021
Government grants have been recognised in the statement of profit or loss as a reduction for the related expenses with the following amounts:					
452	211	Payroll and related expenses	3.2	211	452
4 725	4 589	Other operating expenses	3.1	4 589	4 725
5 177	4 800	Total		4 800	5 177
Grants receivable are detailed as follows:					
4 750	4 750	Grants from SkatteFUNN		4 750	4 750
4 750	4 750	Total 31.12	3.4	4 750	4 750

1) Research and development projects have been approved for SkatteFUNN grants through 2023. For the financial period ended 31 December 2022, the company has recognised NOK 4.8 million compared to NOK 4.8 million for the same period in 2021. 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 ²¹²Pb; for potential treatment of NHL and chronic lymphocytic leukemia (CLL). For the financial period ended 31 December 2021, the company recognised NOK 0.4 million partly as a reduction of payroll and related expenses and other operating expenses.

3) For the financial period ended 31 December 2022, the company has recognised NOK 0.1 million compared to NOK 0.0 million for the same period in 2021, for grants received for a collaboration project with Thor Medical.

3.4 OTHER CURRENT RECEIVABLES AND PREPAYMENTS

Accounting policy

In determining the recoverability of other receivable, the company performs a risk analysis considering the type and the age of the outstanding receivable and the creditworthiness of the counterparties.

PARENT			Note	GROUP	
2021	2022	(Amounts in NOK 1 000)		2022	2021
4 750	4 750	Government grants	3.3	4 750	4 750
4 163	2 732	Refundable VAT		2 906	4 182
1 956	641	Prepaid expenses		877	2 182
1 548	1 548	Rental deposits		1 588	1 576
101	15	Other receivables		271	333
12 518	9 686	Other current receivables and prepayments 31.12		10 392	13 023

3.5 RESEARCH AND DEVELOPMENT EXPENSES

Accounting policy

The group's products are still in the research and development phase, and there are no revenue from sales of products yet.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Internal development costs related to the group's development of products are recognised in the income statement in the year incurred unless it meets the asset recognition criteria of IAS 38 "Intangible Assets". An internally generated asset arising from the development phase of a research and development project is recognised if, and only if, all of the following has been demonstrated:

- Technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The intention to complete the intangible asset and use or sell it.
- The ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and use or sell the intangible asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Uncertainties related to the regulatory approval process and results from ongoing clinical trials, generally, indicate that the criteria are not met until the time when marketing authorisation is obtained from relevant regulatory authorities. The group has currently no development expenditure that qualifies for recognition as an asset under IAS 38.

Research and development expenses are presented net, after deduction of government grants.

Research and development expenses

Cost related to research and development is expensed. During the financial year 2022 expenses for research and development were NOK 247.3 million whereas, NOK 202.5 million is classified as other operating expenses, NOK 3.5 is classified as depreciation and NOK 41.3 million is classified as payroll. In 2021 the research and development expenses were NOK 375.0 million whereas NOK 318.0 million is classified as operating expenses, NOK 8.8 is classified as depreciation and NOK 48.3 million is classified as payroll respectively. Research and development expenses above are presented as gross amounts, before deduction of government grants. Total cost does not include cost related to share-based payments. See note 3.3 for more information about government grants presented as a reduction of operating costs.

3.6 OTHER CURRENT LIABILITIES

Accounting policy

Other liabilities are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Accounts payable and other financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Restructuring provisions are recognised only when the group has a constructive obligation, which is when there is a detailed formal plan that identifies the business or part of the business concerned, the location and number of employees affected, the detailed estimate of the associated costs, and the timeline; and the employees affected have been notified of the plan's main features.

PARENT		(Amounts in NOK 1 000)	Note	GROUP	
2021	2022			2022	2021
2 213	3 098	Unpaid duties and charges		3 483	2 844
2 388	1 425	Unpaid vacation pay		1 425	2 919
878	9	Accrued social security related to outstanding non exercised options, PSUs and RSUs		9	1 649
0	16 409	Restructuring costs		25 022	0
60 574	4 233	Other accrued costs		4 333	71 747
66 053	25 174	Other current liabilities 31.12		34 272	79 159

Social security contributions on share options

The provision for social security contributions on share options, PSUs and RSUs are calculated based on the number of options and PSUs outstanding at the reporting date that are expected to be exercised. The provision is based on market price of the shares at the reporting date 31 December 2022 of NOK 1.17 per share (2021: NOK 23.04 per share), which is the best estimate of the market price at the date of exercise.

Other accrued costs

Other accrued costs for period ended 31 December 2022 are mainly related to closing down of the Paradigme trial and the restructuring of the group.

Restructuring provision

Following the decision to discontinue PARADIGME in July 2022, the company decided to implement a restructuring of the company with immediate effect with the purpose of reducing costs where necessary to enable support of essential activities associated with development of the pipeline. The company recorded a restructuring provision on 31 December 2022. The total provision is mainly related to contractual binding settlement agreements with CROs and suppliers which has contributed in- or to the wrap-up of the study and employees in termination. Total restructuring provision in the group as per 31 December 2022 was NOK 25.0 million and is included as other current liabilities in the statement of financial position in the group. In the parent the total provision was NOK 25.0 million whereas NOK 16.4 million is classified as other current liabilities and NOK 8.6 million as intercompany liabilities in the statement of financial position.

Nordic Nanovector has appointed Carnegie Investment Bank to explore strategic options for the company to optimise shareholder value. The engagement is agreed to be on “no-cure – no pay” terms. If a transaction is completed Carnegie is entitled to a payment as agreed in the contract. As per 31 December 2022, no provision has been made as the proposed transaction was voted down on the extraordinary assembly 1 December 2022.

3.7 AUDITORS FEE

Accounting policy

Auditors fee is expensed and recognised in the statement of profit and loss in the period which the related costs are incurred or services are provided. Amounts are presented exclusive of VAT.

Fees to auditors for the year ended 31 December

PARENT			GROUP	
2021	2022	(Amounts in NOK 1 000)	2022	2021
330	370	Audit fee	423	378
66	535	Audit related work	535	66
9	34	Tax services	34	9
405	939	Total	992	453

Audit fee in the table above is the agreed audit fee for the accounting year and does not necessarily correspond to actual expensed audit fee for the period as some of the services performed incurred after year-end.

Audit related work in 2022 was services due to the suggested merger with APIM Therapeutics AS.

In 2022 audit fees and non-audit services to auditors other than the group auditor was NOK 0.05 million and NOK 0.15 million respectively (2021: NOK 0.05 million and NOK 0.18 million respectively)

3.8 SEGMENTS

Accounting policy

For management purposes, the group is organised as one business unit and the internal reporting is structured in accordance with this. The group has thus only one operating segment. The Executive Leadership Team is the Chief Operating Decision Maker (CODM) and monitors the operating results for the purpose of making decisions about resource allocation and performance assessment.

In the tables below non-current assets broken down by geographical areas based on the location of the companies:

As per 31 December 2022

Assets	(Amounts in NOK 1 000)	Norway	Switzerland	United Kingdom
Non-current assets		537	0	0

As per 31 December 2021

Assets	(Amounts in NOK 1 000)	Norway	Switzerland	United Kingdom
Non-current assets		5 943	0	0

Section 4 - Asset base

4.1 PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Acquisition cost includes expenditures that are directly attributable to the acquisition of the individual item. Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of the asset. If significant individual parts of the assets have different useful lives, they are recognised and depreciated separately. Depreciation commences when the assets are ready for their intended use. The estimated useful lives of the assets are as follows:

- Office equipment: Two to three years
- Laboratory equipment: Three to five years
- Permanent building fixtures: Two to five years
- Furniture and fittings: Three to five years
- Software: Three years

The estimated useful life of fixed assets related to the laboratory equipment, is based on the company's assessment of operational risk. Due to scientific and regulatory reasons there is a risk of termination of the projects. This has been taken into account when determining the estimated useful life of the individual assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised. The residual values, useful lives and methods of depreciation of the property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

All the fixed assets in the group are owned by Nordic Nanovector ASA, thus the disclosure for Nordic Nanovector ASA is identical to the disclosure for the group.

PARENT (Amounts in NOK 1 000)	Laboratory equipment	Office equipment	Permanent building fixtures	Furniture & fittings	Total
Cost at 01.01.2021	3 917	3 095	4 027	1 408	12 447
Additions in the year	58	201	0	0	259
Disposals in the year					0
Cost at 31.12.2021	3 975	3 296	4 027	1 408	12 707
Additions in the year	5 503	125	0	0	5 628
Disposals in the year	-5 503	-1 976			-7 479
Cost at 31.12.2022	3 975	1 445	4 027	1 408	10 856
Accumulated depreciations 01.01.2021	2 876	2 847	3 949	1 381	11 053
Depreciations in the year	551	277	39	21	888
Disposals in the year					0
Accumulated depreciation at 31.12.2021	3 427	3 124	3 988	1 402	11 941
Depreciations in the year	310	150	39	6	505
Impairment in the year	5 503				5 503
Disposals in the year	-5 503	-1 971			-7 474
Accumulated depreciation at 31.12.2022	3 737	1 303	4 027	1 408	10 475
Net carrying amount at 31.12.2021	548	172	39	6	766
Net carrying amount at 31.12.2022	238	142	0	0	379
Estimated useful life	3-5 years	2-3 years	2-5 years	3-5 years	
Depreciation method	straight-line	straight-line	straight-line	straight-line	

4.2 LEASES

Accounting policy

Right-of-use assets

The group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

The company applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. The company applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The group remeasures the lease liability upon the occurrence of certain events (e.g. a change in the lease term, or a change in future lease payments resulting from a change in an index or rate used to determine those payments). Generally, the amount of remeasurement of the lease liability is recognised as an adjustment to the right-of-use asset.

Short-term leases and leases of low-value assets

The group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The group also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Incremental borrowing rate

In calculating the present value of lease payments, the group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Determining the lease term of contracts with renewal options

The group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The group applies judgement in evaluating whether it is reasonably certain to exercise an option to renew a lease contract, considering all relevant factors that create an economic incentive for the group to exercise the renewal or not exercise an option to terminate.

The main part of the group's lease contracts relates to production and office facilities.

Lease contracts

During 2022 Nordic Nanovector ASA had lease contracts related to external production facilities at one of the CMO's manufacturing sites office facilities and offices machines. These contracts were registered as a right-of-use-asset with a lease liability. All leases except related to office machines have expired as per 31 December 2022. The group also lease office facilities in Switzerland and Denmark with a lease term of 12 months or less. The lease in Denmark expired in October 2022 and was not renewed. The lease in Switzerland will expire in April 2023 and will not be renewed. The group applies the 'short-term lease' recognition exemptions for these leases.

The company and the group has no significant lease contract that includes an extension option. Undiscounted potential future rental payment related to periods following the exercise date of extension and termination options that are not included in the lease term, was NOK 2.2 million in 2021. All payments are within a one year period. Management exercise significant judgement in determining whether extension options are reasonable to be exercised.

Carrying amount of right-of-use assets and movements.

PARENT (Amounts in NOK 1 000)				
	Production facilities and equipment	Office facilities	Office machines	Total
Cost at 01.01.2021	19 367	7 995	545	27 907
Additions in the year	11 370	0	0	11 370
Disposals in the year	0	0	0	0
Cost at 31.12.2021	30 737	7 995	545	39 277
Additions in the year	0	0	174	174
Disposals in the year	-21 116	0	0	-21 116
Cost at 31.12.2022	9 621	7 995	719	18 335
Accumulated depreciation at 01.01.2021	19 367	3 977	272	23 616
Depreciation and impairment in the year	8 338	2 009	136	10 483
Accumulated depreciation at 31.12.2021	27 705	5 986	408	34 099
Depreciation and impairment in the year	3 033	2 009	153	5 195
Disposals in the year	-21 117			-21 117
Accumulated depreciation at 31.12.2022	9 621	7 995	561	18 177
				0
Net carrying amount at 31.12.2021	3 032	2 009	137	5 177
Net carrying amount at 31.12.2022	0	0	158	158
Interest rate applied	4.35% - 5.25%	2.9%	5.25%	

All the right-of-use assets in the group are owned by Nordic Nanovector ASA, thus the disclosure for Nordic Nanovector ASA is identical to the disclosure for the group.

Carrying amount of lease liabilities and movements during the period.

PARENT (Amounts in NOK 1 000)		
	2021	2022
Liabilities at 01.01	4 567	5 508
Additions	11 370	174
Accretion of interests	414	66
Payments	-10 843	-5 589
Liabilities at 31.12	5 508	159
Current	5 508	159
Non-current	0	0

The table below summarises the maturity profile of leasing liabilities. All lease liabilities in the group is registered in the parent company, therefore the disclosure for Nordic Nanovector ASA is identical to the disclosure for the group.

As per 31 December 2022

PARENT		Less than 3 months	3 to 12 months	13 to 24 months	25 to 36 months	Total
(Amounts in NOK 1 000)						
Lease liabilities		25	134	0	0	159

There are no non-current liabilities related to leasing agreements payable as per 31 December 2022

As per 31 December 2021

PARENT		Less than 3 months	3 to 12 months	13 to 24 months	25 to 36 months	Total
(Amounts in NOK 1 000)						
Lease liabilities		2 931	2 577	0	0	5 508

There are no non-current liabilities related to leasing agreements payable as per 31 December 2021.

The following are the amounts recognised in the profit and loss.

PARENT			GROUP	
2021	2022	(Amounts in NOK 1 000)	2022	2021
10 483	5 195	Depreciation and impairment of right-of-use assets	5 195	10 483
414	66	Interest expense on lease liabilities	66	414
85	75	Expense related to short-term lease	366	263
10 982	5 336	Total amount recognised in profit and loss	5 627	11 160

Total cash outflow for leases:

PARENT			GROUP	
2021	2022	(Amounts in NOK 1 000)	2022	2021
10 928	5 663	Total cash outflow for leases	5 957	11 107

The group also had NOK 0.2 million in non-cash additions to right-of-use assets and lease liabilities in 2022 (NOK 11.4 million in non-cash additions in 2021).

Section 5 - Risk management, financial instruments, capital structure and equity

5.1 RISK MANAGEMENT OBJECTIVES AND POLICIES

Operational and market risks

Nordic Nanovector is currently in a development phase involving activities that entail exposure to various risks. Nordic Nanovector's strategy is to continuously identify, minimise and mitigate potential risks, and risk assessment and management are an integral part of Nordic Nanovector's operations.

The Company has not completed clinical development for any of its current product candidates and has not previously filed for or obtained marketing approval from any regulatory authority for any product candidate.

Delay or failure of the Company's clinical trials may adversely impact the Company's ability to obtain regulatory approval for and commercialise its current and future product candidates. The Company depends on the collaboration with CROs, medical institutions, laboratories and drug product manufacturers in order to conduct clinical testing in compliance with requirements from appropriate regulatory authorities in the relevant jurisdictions. The Company's ability to complete clinical trials in a timely fashion or at all may be impacted by several factors, including the following:

- delays in obtaining or failures to obtain regulatory approval to commence clinical trials because of safety concerns of regulators relating to the Company's product candidate or failure to follow regulatory guidelines and general safety issues;
- actions by regulators to suspend a clinical trial or to temporarily or permanently stop a trial for a variety of reasons, principally for safety concerns;
- delays in recruiting patients to participate in a clinical trial, and the rate of patient enrolment, which is itself a function of many factors, including size of the patient population, the proximity of patients to the clinical trial sites, the eligibility criteria for the trial and the nature of the protocol;
- compliance of patients and investigators with the protocol and applicable regulations; failure of clinical trials and clinical investigators to comply with relevant clinical protocol, or similar requirements in other jurisdictions;
- failure of third-party contractors/external service providers to satisfy their contractual duties, comply with regulations or meet expected deadlines;
- delays or failures in reaching agreement on acceptable terms with prospective trial sites;
- determination by regulators that the clinical design is not adequate; and
- delays or failures in obtaining sufficient clinical supplies for use in trials, due to failures in one or more steps of the manufacturing process and/or improper shipment/handling/delivery by the Contract Manufacturing Organisations ("CMOs") to the clinical trial sites.

Even if the Company receives regulatory agency approval, the Company may not be successful in commercialising approved product candidates.

In most markets, drug prices and reimbursement levels are regulated or influenced by health authorities, other healthcare providers, insurance companies or health maintenance organisations. There is a risk that the Company's drugs, following required approvals, will not obtain reimbursement in line with the selling prices or reimbursement levels anticipated by the Company. If actual prices and reimbursement levels granted to the Company's products happen to be lower than anticipated, this may have a negative impact on the profitability of its products. and the overall business.

The Company has an IP-strategy to protect its intellectual property and know-how related to inter alia its products, methods, processes and other technologies, and trade secrets. Through its IP strategy the Company seeks to prevent third parties from infringing its proprietary rights and ensure that it operates without infringing the proprietary rights of third parties. As part of its IP strategy, the Company to date holds certain exclusive patent rights in major markets, however, the Company cannot predict the degree and range of protection any patents will afford against competitors and competing technologies. There is always a risk that third parties may find ways to invalidate or otherwise circumvent the patents. There is a risk that current or future patent applications submitted by the Company may be delayed or rejected, and a risk that others may obtain patents claiming aspects similar to those covered by the Company's patents and patents applications. There is also a risk that the Company may need to initiate or defend litigation or administrative proceedings, to protect its own patents. Litigation or proceedings may be costly and should the Company's technology be found to infringe upon third parties' rights, that could limit the Company's freedom to operate or could subject the Company to significant damages or an injunction preventing the manufacture, sale or use of its affected products.

The Company currently maintains clinical trial liability insurance for each trial in each country. Any claims against the Company, regardless of their merit, could materially and adversely affect its financial condition, in addition to consuming the time and attention of the management.

The biopharma industry is highly competitive with many large players and subject to rapid and substantial technological change. Developments by others may render the Company's product candidates or technologies obsolete or uncompetitive. The Company's drug candidates may not gain the market acceptance required to be profitable even if they successfully complete clinical trials and receive approval for sale by the relevant regulatory authorities.

The Company is exposed to risk of relying upon third parties for clinical trials and manufacturing. The Company cannot be certain that it will be able to enter into or maintain satisfactory agreements with third-party suppliers, such as CROs or CMOs, for the conduct of clinical trials or product manufacturing, respectively. The Company's need to recruit, amend or change providers for the conduct of clinical trials might impact the timelines of the conduct of such trials.

The Company's failure to enter into agreements with such suppliers or manufacturers on reasonable terms, if at all, could have a material and adverse effect on the business, its financial condition and results of operations.

Poor manufacturing performance of third-party manufacturers, a disruption in the supply or the Company's failure to accurately predict the demand for any future commercial sale of a product could have a significant adverse effect on the Company's business, financial condition or results of operations.

The Company believes that its safety procedures for handling and disposing of all materials comply with the highest environmental and safety standards; however, there will always be a risk of accidental contamination or injury. By law, radioactive materials may only be disposed of at certain approved facilities. When handling and disposing of radioactive materials, there is a risk of accidental contamination or emission damage. Breach of rules for handling and disposing of radioactive materials may involve sanctions for the Company, as well as a negative reputation for the Company.

Financial risk

Interest rate risk

The Nordic Nanovector group has no interest-bearing debt except leasing liabilities, where the underlying interest rate is determined when the leasing agreement starts. Bank deposits are exposed to market fluctuations of interest rates, which impact the financial income. The Nordic Nanovector group had NOK 3.2 million (NOK 1.1 million) in interest income as of year-end.

Exchange rate risk

The value of non-Norwegian currency denominated revenues and costs will be affected by changes in currency exchange rates or exchange control regulations. The Group undertakes various transactions in foreign currencies and is consequently exposed to fluctuations in exchange rates. The exposure arises largely from research and development expenses. The group is mainly exposed to fluctuations in euro (EUR), pounds sterling (GBP), US dollar (USD) and Swiss franc (CHF).

Exchange rate fluctuations mainly impact cash and cash equivalents in the statement of financial position and financial items in the statement of profit and loss, reported as financial income or expenses.

Nordic Nanovector strives to identify and manage material foreign currency exposures and to minimise the potential effects of currency fluctuations on the cash flow. In order to achieve this, and to provide an operational hedge for purchases made in foreign currencies, the Company has made deposits in foreign currency bank accounts and continuously monitors the level of these funds. The parent's deposits in foreign currencies at year-end 2022 amounted to an equivalent of NOK 6.9 million (NOK 111.7 million).

Credit risk

The Nordic Nanovector group is primarily exposed to credit risk associated with accounts receivable and other current receivables. The Group has no revenues. The Nordic Nanovector group has not suffered any losses on receivables during 2022. Other current receivables are mainly related to grants from the government institution Research Council of Norway, and prepayments of services to suppliers. The Group considers its credit risk as low.

Liquidity risk

The Company closely monitors, plans and reports its cash flow, considering short- and long-term forecasts. The Group does not have any loan agreements.

The Company was successful in raising new funds totaling NOK 250 million in gross proceeds during the first quarter of 2022. Management will continue to focus on efficient operations, close monitoring and planning of the cash resources, and maintaining a clear business development strategy to position the Company for a possible future transaction that would benefit all of its stakeholders.

Financial instruments' sensitivity for changes in exchange rate at year-end is shown in the table below. Based on historic variation in exchange rates, management considers the percentages applied in the calculation as a reasonably possibly change.

GROUP (Amounts in NOK 1 000)		Effect on profit/loss before tax ³⁾	
Currency ¹⁾	Change in exchange rate ²⁾	2022	2021
EUR	-10%	-160	-7 337
	+10%	160	7 337
GBP	-10%	-330	-2 238
	+10%	330	2 238
USD	-10%	-99	-1 218
	+10%	99	1 218
CHF	-10%	-103	-382
	+10%	103	382

1) The group's cash reserves are deposited in NOK, EUR, USD, CHF and GBP.

2) Positive change represents an increased cost in NOK to purchase foreign currency.

3) Positive figure represents reduced loss while negative figures increases loss.

5.2 FINANCIAL INSTRUMENTS

Accounting policy

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets at amortised cost

This category is the most relevant to the group. The group measures financial assets at amortised cost if both of the following conditions are met: The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. The group does not have any financial assets at fair value through profit or loss.

Impairment of financial assets

The group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred).

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The group's financial liabilities include accounts and other payables

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

The group only has financial liabilities measured at amortised cost

GROUP		31.12.2022			31.12.2021		
(Amounts in NOK 1 000)	Note	Financial assets at amortised costs	Other liabilities	Total	Financial assets at amortised costs	Other liabilities	Total
ASSETS							
Cash and cash equivalents	5.3	98 716		98 716	277 706		277 706
Other current receivables and prepayments	3.3, 3.4	10 392		10 392	13 023		13 023
Total financial assets		109 108		109 108	290 729		290 729
LIABILITIES							
Other financial liabilities							
Accounts and other payables	5.4		44 124	44 124		146 187	146 187
Total liabilities		0	44 124	44 124	0	146 187	146 187

PARENT		31.12.2022			31.12.2021		
(Amounts in NOK 1 000)	Note	Financial assets at amortised costs	Other liabilities	Total	Financial assets at amortised costs	Other liabilities	Total
ASSETS							
Cash and cash equivalents	5.3	84 941		84 941	262 930		262 930
Other current receivables and prepayments	3.3, 3.4	9 686		9 686	12 518		12 518
Total financial assets		94 627		94 627	275 448		275 448
LIABILITIES							
Other financial liabilities							
Accounts and other payables	5.4		41 920	41 920		145 681	145 681
Total financial liabilities		0	41 920	41 920	0	145 681	145 681

Changes in liabilities arising from financing activities

As per 31 December 2022

PARENT					
(Amounts in NOK 1 000)	01.01.2022	Cash flows	New leases	Other	31.12.2022
Current lease liabilities	5 508	-5 523	174	0	159
Total liabilities from financing activities	5 508	-5 523	174	0	159

As per 31 December 2021

PARENT					
(Amounts in NOK 1 000)	01.01.2021	Cash flows	New leases	Other	31.12.2021
Current lease liabilities	2 211	-10 429	11 370	2 356	5 508
Non-current lease liabilities	2 356	0	0	-2 356	0
Total liabilities from financing activities	4 567	-10 429	11 370	0	5 508

All lease liabilities in the group, with a recognised right-of-use asset associated, are related to leases in Nordic Nanovector ASA, thus the disclosure for Nordic Nanovector ASA is identical to the disclosure for the group.

5.3 CASH AND CASH EQUIVALENTS

Accounting policy

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition.

PARENT			GROUP	
2021	2022	(Amounts in NOK 1 000)	2022	2021
997	2 164	Employee withholding tax	2 164	997
261 933	82 777	Variable interest rate bank accounts	96 552	276 709
262 930	84 941	Total cash and cash equivalents 31.12	98 716	277 706

Of the total balance of cash and cash equivalents, NOK 2.2 million (2021: NOK 1.0 million) relates to restricted funds for employee withholding taxes. The remainder of the group's cash is deposited in various banks on variable interests rate terms. In the group NOK 20.7 million (2021: NOK 125.5 million) are placed in bank accounts with a different currency than NOK as of 31 December 2022. Of this total, NOK 6.9 million (2021: NOK 111.7) are placements in the parent.

In the group, bank deposits related to office lease of NOK 1.6 million is classified as other current receivables (2021: NOK 1.6 million), hereof NOK 1.5 million is related to the parent in 2022 and NOK 1.5 million in 2021.

5.4 CURRENT LIABILITIES

Accounting policy

The group's financial liabilities consist of accounts payable and other current liabilities and are classified as "current liabilities". Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Accounts payable and other financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments:

As per 31 December 2022

GROUP		On demand	Less than 3 months	3 to 12 months	Total
(Amounts in NOK 1 000)					
Accounts payable			9 093		9 093
Unpaid duties and charges			3 483		3 483
Unpaid vacation pay				1 425	1 425
Tax payable				759	759
Accrued social security expenses related to outstanding non exercised options, PSUs and RSUs ¹⁾		9			9
Lease liabilities			27	132	159
Other accrued costs			18 117	11 238	29 355
Total current liabilities 31.12.22		9	30 720	13 554	44 283

As per 31 December 2021

GROUP (Amounts in NOK 1 000)	On demand	Less than 3 months	3 to 12 months	Total
Accounts payable		65 960		65 960
Unpaid duties and charges		2 844		2 844
Unpaid vacation pay			2 919	2 919
Tax payable			1 068	1 068
Accrued social security related to outstanding non exercised options, PSUs and RSUs *)	1 649			1 649
Lease liabilities		2 931	2 577	5 508
Other accrued costs		67 260	4 487	71 747
Total current liabilities 31.12.21	1 649	138 995	11 051	151 695

The table below summarises the maturity profile of the parent's financial liabilities based on contractual undiscounted payments:

As per 31 December 2022

PARENT (Amounts in NOK 1 000)	On demand	Less than 3 months	3 to 12 months	Total
Accounts payable		8 065		8 065
Unpaid duties and charges		3 098		3 098
Unpaid vacation pay			1 425	1 425
Tax payable			-22	-22
Accrued social security expenses related to outstanding non exercised options, PSUs and RSUs ¹⁾	9			9
Current liabilities to group companies		8 703		8 703
Lease liabilities		27	132	159
Other accrued costs		9 404	11 238	20 642
Total current liabilities 31.12.22	9	29 297	12 773	42 079

As per 31 December 2021

PARENT (Amounts in NOK 1 000)	On demand	Less than 3 months	3 to 12 months	Total
Accounts payable		65 214		65 214
Unpaid duties and charges		2 213		2 213
Unpaid vacation pay			2 388	2 388
Tax payable			0	0
Accrued social security expenses related to outstanding non exercised options, PSUs and RSUs ¹⁾	878			878
Current liabilities to group companies		14 414		14 414
Lease liabilities		2 931	2 577	5 508
Other accrued costs		56 087	4 487	60 574
Total current liabilities 31.12.21	878	140 859	9 452	151 189

* Social security is payable when the equity instruments are exercised. See note 6.3 for additional information.

5.5 SHARE CAPITAL AND SHAREHOLDER INFORMATION

As at 31 December 2022 the company's share capital is NOK 23 207 060 (31 December 2021: NOK 19 615 676), being divided into 98 078 380 ordinary shares, each with a nominal value of NOK 0.20. All shares carry equal voting rights.

PARENT	Note	2022	2021
Ordinary shares at 01.01		98 078 380	79 390 612
Issue of ordinary shares ¹⁾		17 914 243	18 577 402
Issue of ordinary shares under share options ²⁾		42 675	58 400
Issue of ordinary shares under RSU		0	51 966
Ordinary shares at 31.12		116 035 298	98 078 380

1) In January 2022 the company raised approximately NOK 250 million in gross proceeds through a private placement of 17 857 143 new shares. The private placement was completed at a subscription price of NOK 14.00 per share. In March 2022 the company raised NOK 1 million in gross proceeds through a repair offering, which increased the company's share capital by NOK 11 420 through the issuance of 57 100 new shares.

2) The share capital increase pertaining to settled PSUs was registered in the Norwegian Register of Business Enterprises on 25 March 2022.

The 2022 AGM granted an authorisation to the board to increase the share capital by 20 per cent of the company's share capital at the time the authorisation is used. The authorisation has not been utilised. The 2022 AGM also granted an authorisation to the board to increase the share capital with up to NOK 50 000 through the issuance of new shares at par value. The authorisation may only be used to issue shares to members of the board as part of the RSU programme. The 2022 AGM also resolved to issue up to 1 500 000 free-standing warrants to employees that were awarded PSUs.

The general meetings have since December 2017 resolved to issue free-standing warrants to employees awarded performance share units (PSUs), and employees awarded options under the discontinued option programme. Each free-standing warrant shall, subject to specific terms, give the right to subscribe for one new share in the company with nominal value NOK 0.20. The sole purpose of these free-standing warrants is to ensure delivery of shares in the company upon exercise of PSUs or options. As per 31 December 2022, 298 000 warrants related to options are exercisable under specific terms and can be converted into shares. See note 6.3 for further information about the share based incentive programme.

Nordic Nanovector ASA had 11 168 shareholders as at 31 December 2022

	Shareholders	Number of shares	Percentage of total shares
1	North Energy ASA	18 347 870	15.81%
2	OM Holding AS	3 779 477	3.26%
3	Jon Magne Asmyr	3 000 000	2.59%
4	Vegard Aavik Torsæter	2 031 260	1.75%
5	Bækkelaget Holding AS	1 261 118	1.09%
6	Nordnet Livsforsikring AS	1 231 976	1.06%
7	Danske Bank A/S	1 075 045	0.93%
8	Nordnet Bank AB	1 033 946	0.89%
9	Ro Invest AS	1 010 000	0.87%
10	Skandinaviske Enskilda Banken AB	948 088	0.82%
11	Sky High Risk AS	889 200	0.77%
12	Linux Solution Norge AS	845 071	0.73%
13	Arne Hellestø AS	800 955	0.69%
14	Arne Hellestø	795 000	0.69%
15	Eivind Opedal	700 500	0.60%
16	Must Invest AS	700 000	0.60%
17	Lucellum AS	650 000	0.56%
18	Sciencons AS	625 000	0.54%
19	Audun Bakke	609 000	0.52%
20	Inven2 AS	541 247	0.47%
	Total shares for top 20 shareholders	40 874 753	35.23%
	Total shares for other 11 148 shareholders	75 160 545	64.77%
	Total shares (11 168 shareholders)	116 035 298	100.00%

The shares of Nordic Nanovector ASA have been traded on the Oslo Stock Exchange since 23 March 2015. The shareholder base has decreased from 11 290 shareholders as of 31 December 2021 to 11 168 shareholders as of 31 December 2022.

5.6 FINANCE INCOME AND FINANCE EXPENSES

Accounting policy

The group and parent company's finance income largely relates to interest received on bank deposits. Net currency gain or loss related to operating items includes gain or losses on accounts payable and accounts receivable.

PARENT				GROUP	
2021	2022	(Amounts in NOK 1 000)	Note	2022	2021
Finance income					
0	10	Interest income on tax repaid		36	0
1 122	3 081	Interest income on bank deposits	5.3	3 153	1 141
10 135	8 394	Dividends from subsidiaries		0	0
0	-2	Other finance income		100	78
11 257	11 483	Total finance income		3 289	1 219
Finance expense					
Other interest expense					
414	66	Interest expense leasing		66	414
215	187	Other fees, charges		193	222
629	253	Total finance expense		259	636
Net currency gains (losses)					
292	-479	Net currency gains related to operating items		-469	484
1 229	4 428	Net currency gains (losses) related to foreign exchange differences of currency bank accounts		4 428	1 229
1 521	3 949	Net currency gains (loss)		3 959	1 713
12 149	15 179	Net finance income (expenses)		6 989	2 296

Net currency gains (losses) related to revaluation of bank deposits in other currencies than NOK is specified in the table below.

PARENT		(Amounts in NOK 1 000)	Note	GROUP	
2021	2022			2022	2021
-535	2 608	EUR	5.3	2 608	-535
655	1 140	USD	5.3	1 140	655
487	1 232	CHF	5.3	1 232	487
622	-552	GBP	5.3	-552	622
1 229	4 428	Net currency gains (loss)		4 428	1 229

5.7 EARNINGS PER SHARE (EPS)

Accounting policy

Earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share are calculated as profit or loss attributable to ordinary shareholders of the company, adjusted for the effects of all dilutive potential options. Issued share options, performance share units and restricted stock units have a potential dilutive effect on earnings per share (see note 6.3 for details on share based payments). 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 effect.

The calculation of basic and diluted earnings per share attributable to the ordinary shareholders of the parent is based on the data presented in the table below.

PARENT		(Amounts in NOK, except number of shares)	Note	GROUP	
2021	2022			2022	2021
-433 151 000	-310 251 000	Loss for the year		-311 241 000	-441 303 000
94 818 761	115 129 972	Average number of outstanding shares during the year ¹⁾	5.5	115 129 972	94 818 761
-4.57	-2.69	Earnings (loss) per share - basic and diluted (in NOK per share)		-2.70	-4.65

1) The weighted number of shares takes into account the weighted average effect of changes in shares during the year.

Exercise of all outstanding PSUs and options as per 31 December 2022 would increase the total number of shares in the company by 298 000. See note 6.3 for more details.

Section 6 - Remuneration

6.1 REMUNERATION TO MANAGEMENT

Compensation of management

(Amounts in NOK 1 000)	2022	2021
Short term employment benefits ¹⁾	22 391	30 743
Post-employment pension ²⁾	1 465	1 148
Termination benefits ³⁾	1 016	-
Total compensation of management personnel of the group in cash	24 872	31 891
Imputed share based payment expense ⁴⁾	-2 473	4 044
Total compensation of management personnel of the group expense	22 399	35 935

1) Short term employment benefits: Includes base salary and benefits, vacation pay if relevant and short term incentives including annual bonus.

2) Post-employment pension: Represents company's share of payment to pension contribution or benefit plan during the period. See note 6.5 for more details on pensions.

3) Termination benefits: As of 31 Desember 2022 two members of management have received termination benefits. In addition four members of management will receive termination benefits in 2023 as agreed in individual severance agreements. The total payable in 2023 is amounted to NOK 1 991 thousand. This amount has been expensed in 2022, but not included in the table above. Depending on the employees duration of employment termination benefit represents severance payment of two or three months contractual pay.

4) Imputed share based payment expense: This amount represents calculated cost related to the PSUs granted to the executives, which will be charged to the statement of financial income in that year. These costs are estimated based on a calculation of fair value measured at grant date. The calculation is performed in accordance with IFRS 2 share-based payments. The actual benefit/gain related to the PSUs are dependent on actual amount of PSUs vesting, the share price at time of exercise and the exercise price. The realised benefit/gain at vesting may be different than the imputed costs associated with the grants.

Shares in the company are held by the members of the management group 31 December 2022.

Name	Current position within the Company	Employed with the Company since	Number of shares 2022 ¹⁾	Number of shares 2021 ¹⁾
Management at year end				
Malene Brondberg	Interim Chief Executive Officer and Chief Financial Officer	February 2018	32 000	21 196
Erik Skullerud	Former Chief Executive Officer	September 2021	3 571	0
Lars Nieba	Chief Technology Officer	December 2019	15 713	15 713
Jostein Dahle	Chief Scientific Officer	January 2011	212 191	204 958
Total shares owned by management			263 475	241 867

1) Overview includes only management still employed at 31 December 2022. Shareholding including shares held by related parties.

Performance Share Units (PSUs) and options held by members of the management on 31 December 2022

Management has no outstanding PSUs or options as per 31 December 2022. All PSUs and options held by management have forfeited or been settled. See note 6.3.1 and 6.3.3 for more information on the share based payment programs.

6.2 COMPENSATION FOR LEADERSHIP TEAM MEMBERS

This section provides an overview of the members of the compensation committee and an overview of elements in the compensation of the leadership team. Further information on the compensation of the leadership team members and the board can be found in the remuneration report.

Overview of the compensation policy

Nordic Nanovector's remuneration of the leadership team is proposed by the compensation committee and approved by the board.

The members of the Nordic Nanovector compensation committee were, up until 15 September:

- Solveig Hellebust – chair
- Joanna Horobin
- Jan H. Egberts

The Compensation Committee played a vital role in the restructuring of the Company and the reduction of staff numbers. After the reduction of the Board on the 15 September, the Compensation Committee's tasks were moved to the remaining Board.

Compensation for leadership team members

Nordic Nanovector seeks to entertain a performance-oriented culture, where the individual achievement is clearly aligned with the company's overall strategic objectives. The company evaluates and rewards the leadership team based on their contributions to the achievement of the corporate priorities set early in the year. The performance of each member of the leadership team is reviewed on an annual basis.

Nordic Nanovector's performance-based compensation programme consists of five components:

- base salary
- pension benefits and –
- other benefits
- short-term cash bonus
- long-term equity award

The board's view is that these five components best align the interests of the executive leadership team with those of the company's shareholders. This alignment is achieved by keeping a substantial portion of the total compensation allocated to "at-risk" performance-based incentives using short- and long-term incentive compensation. An appropriate level and mix of compensation components are determined with independent and relevant compensation data as important input. The guidelines apply to the financial year 2022 and until new guidelines are adopted by the general meeting.

Following the discontinuation of PARADIGME in July 2022, the annual cash bonus plan for 2022 was cancelled and as result no bonuses was paid out under this plan for the year 2022.

6.3 SHARE-BASED PAYMENTS AND INCENTIVE PROGRAM

Accounting policy - Share-based payments

The company operates equity-settled, share based compensation plans, under which the entity receives services from employees and board directors, and as consideration the employees or board members receive an equity instrument (options, performance stock units (PSUs) or restricted stock units (RSUs)) in the company. Equity-settled share based payments are measured at the fair value of the equity instruments at the grant date.

The fair value of the employee services received in exchange for the grant of the equity instrument are recognised as an expense, based on the company's estimate of equity instruments that will eventually vest. The total amount to be expensed is determined by the fair value of the instrument granted, excluding the impact of any non-market service and performance vesting conditions. The grant date fair value of the instrument granted is recognised as an expense with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the equity instrument (vesting period). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

At the end of each reporting period, the group revises its estimates of the number of equity instruments that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the equity instrument is exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are recognised as share capital (nominal value) and share premium. The company will be liable for social security on the gain from the share based incentive programme. The social security is accrued until the award is exercised/released. The social security is accrued over the corresponding vesting period.

6.3.1 PERFORMANCE SHARE UNITS (PSUs)

Accounting policy

Vesting of PSUs are dependent on two factors. 50 per cent of the PSUs will vest given that internal performance conditions are met. The other 50 per cent will vest given that Nordic Nanovector shares deliver a total shareholder return (TSR) above 20 per cent. This leads to a 33 per cent vesting, while a TSR of 60 per cent or higher leads to a vesting of 100 per cent. TSR between 20 and 60 per cent will lead to a linear vesting structure.

The fair value of the granted PSUs with market condition is measured using the Monte-Carlo model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility, vesting period, expected dividends, the risk-free interest rate and the share price appreciation condition. The expected volatility is calculated based on the historic data of the Nordic Nanovector share price that corresponds to the expected life of the PSU. The Monte-Carlo model simulates future share prices in the risk-neutral framework, which results in simulated payoff of PSU. The average discounted simulated payoff across simulations is the calculated fair value of one PSU with market condition. The fair value of the granted PSUs with operational performance is measured using the share price at grant date minus the nominal value of the Nordic Nanovector share.

Overview

The annual general meeting on 28 April 2022 approved to continue the company's share based incentive programme and authorised the board of directors to grant up to 1 500 000 PSUs from the date of the annual general meeting in 2022 to the annual general meeting in 2023.

During 2022, 934 000 new PSUs have been granted. 2 443 204 PSUs have forfeited during 2022 and 42 675 PSUs was exercised in January 2022. To be able to close down the share-based payment program and reduce administration cost for the program, remaining outstanding PSUs was settled in December 2022. In total NOK 28 000 was paid out to settle remaining outstanding PSUs. As per 31 December 2022 no PSUs are outstanding.

In accordance with the resolution at the EGM in December 2017, AGM in May 2018, April 2019, June 2020 and April 2021 and 2022, the PSUs are secured by a corresponding number of free-standing warrants. The sole purpose of these warrants is to ensure delivery of shares in the company upon exercise of the PSUs. The warrants do not give the PSU holders a right to subscribe for any additional shares in the company. See note 6.2 for more information.

The PSUs are granted without consideration. The PSUs are non-transferable and will vest three years after the date of grant, subject to satisfaction of the applicable vesting conditions. Upon vesting, the holder of the PSUs will receive Nordic Nanovector ASA shares (if any), with the number of shares issuable determined by multiplying the number of PSUs granted by a factor of between 0 per cent and 100 per cent. Vesting of half of the granted PSUs will be determined by an operational factor and vesting of the other half will be determined by a share price factor (see note 6.2 for more information about how these factors are determined). Upon vesting of PSUs the holder of the PSUs will have a right to subscribe for one new share in the company for each vested PSU, at a subscription price per share corresponding to the par value of the company's shares currently being NOK 0.20. Share based payment expenses related to options and PSU's are recognised in the income statement and disclosed in note 3.2.

Overview of outstanding PSUs

The number of PSUs and average exercise prices:	Number of PSUs	2022		Number of PSUs	2021	
		Weighted average exercise price in NOK	Weighted average fair value in NOK		Weighted average exercise price in NOK	Weighted average fair value in NOK
Balance at 01.01	1 580 000	0.20	18,45	774 750	0.20	23,85
Granted during the year	934 000	0.20	11,46	1 420 000	0.20	19,66
Exercised or released during the year ^{*)}	-70 796	0.20	33,79	-42 611	0.20	74,91
Forfeited	-2 443 204	0.20	15,06	-572 139	0.20	24,51
Balance at 31.12	0	0.20	-	1 580 000	0.20	18,45
Hereof vested PSUs	-			0		
Weighted average remaining years to vesting	-			1,83		

^{*)} 42 675 PSUs were exercised in March 2022. Weighted average share price on the time of exercise was NOK 14.57 per share. To be able to terminate the share based payment programme, 28 121 PSUs earned but not vested were settled for a total payment of NOK 28 000 in December 2022. Weighted average shareprice on the time of settlement was NOK 1.13 per share.

Remaining contractual lifetime of outstanding performance stock units per 31 December

	Number of PSUs	2022		Number of PSUs	2021
		Weighted average exercise price in NOK			Weighted average exercise price in NOK
0 - 1 year	0	-	213 000	0.20	
1 - 2 years	0	-	428 250	0.20	
2 - 3 years	0	-	938 750	0.20	
Total	0		1 580 000	0.20	

The table below shows input and assumptions that have been used for the calculation of fair value of PSUs

	2022	2021
Dividends (NOK)	0	0
Expected volatility (%)	89.62%	88.78%-90.13%
Exercise price (NOK)	0.2	0.2
Value weighted average share price	14.51	25.45
Share price (NOK)	13.44	23.21
Risk-free interest rate (%)	2.03%	0.71%-1.03%
Vesting date	3 years	3 years

6.3.2 RESTRICTED STOCK UNITS (RSUs)

Accounting policy

The fair value of the granted RSUs without market condition is measured using the share price at grant date.

Overview

At the AGM in 2022, the company resolved to issue restricted stock units (RSUs) to board directors who elected to receive all or parts of their remuneration, in the form of RSUs. Each board member must make such election immediately following the AGM resolution i.e. at the beginning of the board period. The RSUs are non-transferable and each RSU gives 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 agreement. RSUs vest on the first anniversary of the AGM that they were granted. For the non-US citizens the RSUs shall be settled no later than on the third anniversary of the vesting date. For the US citizens the RSUs shall as a general rule be settled upon vesting.

The board directors who elect to receive RSUs, must elect to either (i) receive 100 per cent 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 number of RSUs to be granted to the board is calculated as the NOK amount of the RSU opted portion of total compensation to the board director, divided by the market price for the Nordic Nanovector share. The market price is calculated as volume weighted average share price the 10 trading days prior to the grant date.

Following the AGM in April 2022, 75 393 RSUs were allocated. At 31 December 2022 there are 32 678 RSUs remaining as three board members have left the board during 2022 after grant.

Share based payment expenses related to RSUs are recognised in the income statement and disclosed in note 3.1.

As per 31 December 2022

Name	Remuneration for the period 2022-2023 in NOK	Allocation between cash and RSUs	Remuneration for the period 2022-2023 in cash	Number of RSUs for the period 2022-2023	Market price on grant date ⁷⁾ in NOK	Number of RSUs exercised/ settled in 2022 ⁸⁾	Tot number of RSUs outstanding 31 Dec 2022
Jan H. Egberts ¹⁾	640 000	1/3 RSU	426 667	14 939	14,28	0	39 593
Joanna Horobin ²⁾	390 000	1/3 RSU	260 000	9 103	14,28	0	13 905
Karin Meyer ³⁾	370 000	1/3 RSU	246 667	8 636	14,28	0	18 817
Former members of the board							
Jean-Pierre Bizzari ⁴⁾	370 000	1/3 RSU	246 667	8 636	14,28	8 712	-
Thomas Ramdahl ⁵⁾	350 000	1/3 RSU	233 333	8 169	14,28	3 443	-
Solveig Hellebust ⁶⁾	370 000	100% RSU	0	25 910	14,28	24 797	-
Total	2 490 000		1 413 333	75 393		36 952	72 315

1) NOK 600 000 as chairman of the board, NOK 20 000 as a member of the audit committee and NOK 20 000 as member of the compensation committee.

2) NOK 330 000 as board member, NOK 20 000 as member of the audit committee, NOK 20 000 as member of the compensation committee and NOK 20 000 as member of the clinical committee.

3) NOK 330 000 as board member and NOK 40 000 as chair of the audit committee.

4) NOK 330 000 as board member and NOK 40 000 as chair of the clinical committee.

5) NOK 330 000 as board member and NOK 20,000 as member of the clinical committee.

6) NOK 330,000 as board member and NOK 40,000 as chair of the compensation committee.

7) The market price is calculated as volume weighted average share price the 10 trading days prior to the date of the AGM on 28 April 2022, i.e. NOK 14.28.

8) The company also settled previous board member Rainer Boehm's 15 824 vested RSUs. See table below for details about the settlement.

RSUs outstanding:	2022			2021		
	Number of RSUs	Weighted average exercise price in NOK	Weighted average fair value in NOK	Number of RSUs	Weighted average exercise price in NOK	Weighted average fair value in NOK
Balance at 01.01	73 892	0.20	29.21	85 233	0.20	29.97
Granted during the year	75 393	0.20	13.50	40 625	0.20	27.44
Exercised or settled during the year*	-52 776	0.20	24.41	-51 966	0.20	29.07
Forfeited	-24 194	0.20	13.50	0	0.20	-
Balance at 31.12	72 315	0.20	21.59	73 892	0.20	29.21
Hereof vested RSUs	39 637	0.20	28.26	33 267	0.20	31.37

*) In 2022 the company exercised its right in accordance with the RSU agreements, to settle 52 776 RSUs in cash to board members leaving the board during 2022. RSUs settled was calculated pro-rata based on actual service period on the board. The cash amount paid per RSU settled was equal to the current market price of the shares in the company (10 days VWAP prior to settlement date) less the nominal value of the shares. The RSUs were settled at NOK 1.1254 per share less nominal value of NOK 0.2 per share.

The table below shows input and assumptions that have been used for the calculation of fair value of RSUs

	2022	2021
Dividends (NOK)	0	0
Expected volatility (%)	69.19%	87.42%
Exercise price (NOK)	0.2	0.2
VWAP (10 days prior to AGM)	14.28	25.68
Share price (NOK)	13.70	27.64
Risk-free interest rate (%)	1.60%	0.30%
Vesting date	1 years	1 years

6.3.3 SHARE OPTION PROGRAMME

Accounting policy

The fair value of the equity instrument granted is measured using the Black-Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends, and the risk free interest rate. At last grant of options historic volatility of the Nordic Nanovector share price did not provide sufficient historic data that corresponds to the expected life of the option. The expected volatility was therefore estimated based on the volatility of comparable listed companies. Risk free interest rates should be equal to the expected term of the option being valued. For the options quoted in NOK, rates from Norges Bank on grant date are used (bonds and certificates). The rates are interpolated in order to match the expected term. For calculation of fair value of the options it is assumed that expected exercise is one year after vesting date on all grants except for options granted before March 2015. For options granted before March 2015 expected exercise date is vesting date.

Overview

The share option programme was discontinued in 2017 and no options have been granted since it was discontinued. Options granted under the programme will remain valid with its existing terms. In accordance with the resolution at the EGM held on 20 December 2017, the options previously granted are secured by a corresponding number of free-standing warrants. The sole purpose of these warrants is to ensure delivery of shares in the company upon exercise of the options. The warrants do not give the option holders a right to subscribe for any additional shares in the company.

It is a condition for vesting that the option holder is an employee of the group at the time of vesting. Vested options may be exercised in a period of 15 Norwegian business days from the day following the day of the company's release of its quarterly results, unless the board resolves otherwise. The options expire seven years from grant date. Share based payment expenses related to options and PSU's are recognised in the income statement and disclosed in note 3.2.

The number of employee share options and average exercise prices	2022		2021	
	Number of options	Weighted average exercise price in NOK	Number of options	Weighted average exercise price in NOK
Balance at 01.01	676 300	42.64	1 351 967	40.74
Granted during the year	0		0	
Exercised during the year*	0		-65 900	15.61
Forfeited / cancelled	-378 300	32.70	-609 767	41.36
Balance at 31.12	298 000	55.24	676 300	42.64
Hereof vested options	298 000	55.24	676 300	42.64

*) Weighted average share price on the time of exercise was NOK 26.41 per share in 2021.

Remaining contractual lifetime of outstanding share options per 31 December 2022

	Number of options	Exercise price in NOK
0 - 1 years	298 000	55,24
Total	298 000	55,24

6.4 REMUNERATION TO THE BOARD

The AGM held on 28 April 2022 resolved remuneration to the board and the nomination committee for the period from the 2022 AGM until the AGM in 2023 as shown in the table below. On 15 September 2022 the company announced that following the decision to discontinue the PARADIGME study three board members had decided to step down. Solveig Hellebust, Jean Pierre Bizzari and Thomas Ramdahl left the company's board with immediate effect. For the remainder of 2022 the board consisted of Jan H. Egberts (Chair), Joanna Horobin and Karin Meyer. At the same time the compensation-, audit- and clinical committee's tasks were moved to the remaining board.

(Amounts in NOK 1 000, exclusive of social security)	Board of directors	Audit committee	Compensation committee	Clinical committee	Nomination committee
Chair	600	40	40	40	45
Members	330	20	20	20	25

Board of directors and their roles

Board member	Board of directors	Audit committee	Compensation committee	Clinical committee
Jan H. Egberts	Chair	Member	Member	
Karin Meyer	Member	Chair		
Joanna Horobin	Member	Member	Member	Member
Jean-Pierre Bizzari ¹⁾	Member			Chair
Thomas Ramdahl ¹⁾	Member			Member
Solveig Hellebust ¹⁾	Member		Chair	

¹⁾ Board member until September 2022

Members of the board committees, such as the audit committee, the compensation committee and the clinical committee shall receive remuneration of NOK 4 000 per committee meeting, but not less than NOK 20 000 for each committee member. The chair of each committee will receive NOK 8 000 per meeting and minimum NOK 40 000. In order to attract international board members, it was approved to pay board members EUR 100 per lost working hour when traveling to attend board meetings.

At the 2022 AGM, the shareholders approved the issuance of restricted stock units (RSUs) to board members, who elected to receive all or parts of their remuneration in the form of RSUs. The board members' election of RSUs as part of their remuneration is disclosed in note 6.3.2.

Remuneration to the board for the 12 month period from AGM to AGM the following year

(Amounts in NOK 1 000, except number of shares)	Board fee and fees for committee work ²⁾		
	Served since / period on the board	2022	2021
Board per 31 December 2022			
Jan H. Egberts ¹⁾	February 2019	640	620
Joanna Horobin	October 2016	390	370
Karin Meyer	June 2020	370	370
Former member of the board			
Jean-Pierre Bizzari ⁴⁾	May 2016 - September 2022	370	370
Solveig Hellebust ⁴⁾	April 2021 - September 2022	370	350
Thomas Ramdahl ⁵⁾	April 2022 - September 2022	350	-
Per Samuelsson	November 2014 - April 2022	0	390
Rainer Boehm	May 2018 - April 2022	0	350
Total		2 490	2 820

Shares held by the board at year end

Number of shares as of 31.12 ³⁾	
2022	2021
32 617	29 046
25 240	25 240
1 286	571
-	20 452
-	-
-	-
-	0
-	5 904
59 143	81 213

1) In 2022 and 2021 the group has used the professional services of its chairperson in relation to consulting services. The consulting services is related to work beyond regular board duties. See section 8.2 for details.

2) Minimum fees for committee work included i.e. five meetings per period.

3) Shareholdings are not included for representatives who are no longer members as of 31 December 2022.

4) In September the company announced that following the decision to discontinue the PARADIGME study three board members had decided to step down. Solveig Hellebust, Jean Pierre Bizzari and Thomas Ramdahl left the company's Board with immediate effect. They received pro-rata board fee for their actual service period as board member. For the remainder of 2022 the board consisted of Jan H. Egberts (Chair), Joanna Horobin and Karin Meyer.

5) In 2022 the group has used the professional services from Thomas Ramdahl related to the proposed merger with APIM. The consulting services is related to work beyond regular board duties. See note 8.2 for details.

The total remuneration for the board recognised as expense in the accounts for 2022 was NOK 2.4 million (NOK 3.4 million), hereof NOK 1.5 million in fees payable in cash (NOK 2.4 million) and NOK 0.9 million (NOK 1.3 million) for imputed costs related to share based payments (RSUs), which has no cash effect. Total remuneration to the board is classified as other operating expenses and includes fees for committee work and compensation for lost working hours when traveling to attend the board meetings.

6.5 PENSION

Accounting policy

Defined contribution plans

The pension premiums related to defined contribution plans are charged to expenses as they are incurred.

Defined benefit plans

Defined benefit plans are valued at the present value of accrued future pension benefits at the end of the reporting period. Pension plan assets are valued at their fair value.

The current service cost and net interest income/costs are recognised immediately and are presented as payroll and related expenses in the income statement. Net interest income/costs are calculated by using the discount rate of the liability at the beginning of the period on the net liability, but classified as part of payroll and related costs. Changes in net pension liabilities as a result of payments of premiums and pension payments have been taken into consideration. The difference between the actual return and the accounted return is recognised continuously through other comprehensive income. The pension costs are affecting the payroll and related expenses in the income statement. Actuarial gains and losses, including changes in value, both for assets and liabilities, are recognised through other comprehensive income. Actuarial gains and losses are not reclassified over profit and loss.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognised through profit and loss when the curtailment or settlement occurs.

A curtailment occurs when the group decides to make a material reduction in the number of employees covered by a plan or amends the terms of a defined benefit plan, such that a considerable part of the current employees' future earnings will no longer qualify for benefits or will qualify only for reduced benefits.

The introduction of a new defined benefit plan or an improvement to the current defined benefit plan will lead to changes in the pension liabilities. These will be charged to expenses in a straight line during the period until the effect of the change has been accrued. The introduction of new plans or changes to existing plans, which take place with retroactive effect so that the employees immediately accrue a paid-up policy (or a change in a paid-up policy) are recognised in the statement of comprehensive income immediately. Gains or losses linked to curtailments or terminations of pension plans are recognised in the statement of comprehensive income when they arise.

Total pension expense (recognised in the consolidated statement of profit or loss)

PARENT			Note	GROUP	
2021	2022	(Amounts in NOK 1 000)		2022	2021
1 673	1 701	Pension contributions		3 111	2 777
0	0	Defined benefit plan in Nordic Nanovector GmbH ¹⁾		1 796	388
1 673	1 701	Total pension expense	3.2	4 907	3 165

** From 1 January 2022, the retirement conversion rates was reduced for both the mandatory and the over-mandatory portions of the defined benefit plan members account balances. This change is treated as plan amendment leading to a plan change income of NOK 583k for the financial year 2021.*

Defined contribution plan

The parent company has a defined contribution pension scheme that complies with the requirements of Norwegian occupational pension legislation (OTP). 13 employees are included in this scheme as of 31 December 2022 (2021: 19 employees). Nordic Nanovector Ltd has a statutory pension scheme as required by the UK government, which has three active participants at year-end 2022 (2021: 12 employees). Nordic Nanovector's Danish Branch was closed down in December 2022. The branch had a defined contribution scheme with four active members in 2021.

Defined benefit plan

Nordic Nanovector's subsidiary in Switzerland has a pension scheme with the requirements of the Swiss Federal Social Insurance Legislation (BSV). The plan is classed as a cash balance plan, valued as a defined benefit plan for IFRS purposes (IAS 19). The plan has two active participants and no pensioners as at 31 December, 2022 (2021: six active employees).

Description of plan characteristics and associated risks

Nordic Nanovector GmbH meets its obligations to provide retirement and risk benefits to employees via a (fully insured) contract with Sammelstiftung BVG Allianz Suisse Lebensversicherungs-Gesellschaft (Allianz). The company has overall responsibility for deciding on the level and structure of plan benefits subject to certain minimum legal requirements. The plan is governed by Allianz. The company has a pension committee which is equally represented by employees and employer representatives. The duties of the pension committee are expressed in the organisational rules of Allianz and mainly cover choice of appropriate plan design, control of contributions into the plan, periodic information to its plan members, use of excess assets if any and others.

The company and employees pay fixed contributions to the plan. Each employee has an account balance which consists of accumulated contributions and interest credited by Allianz. The level of interest granted each year is discretionary and determined by Allianz considering the minimum legal requirements for interest. At retirement, employees can choose whether to take their benefits as a lump sum or receive an annual pension. The amount of annual pension depends on the factor in force at the time of retirement that is set by Allianz.

The plan includes a number of guarantees which expose the company to risks. The main risks that the plan has include:

- Investment risk: There is a guaranteed return on employees' account balances of at least 0 per cent p.a. on the total account balance. The investment strategy is set by Allianz and therefore the asset held by the company is effectively the insurance contract rather than the underlying assets.
- Pensioner longevity and investment risk: The pension plan offers a lifelong pension in lieu of the cash lump sum at retirement. The plan has defined rates for converting the lump sum to a pension and there is the risk that the members live longer than implied by these conversion rates and / or that the pension assets don't achieve the investment return implied by these conversion rates.

The nature of the risks of Swiss pension plans means that plans can become underfunded if assumptions are not borne out in practice; however, these risks are borne by Allianz and effectively the company's plan has constantly a funding level of 100 per cent according to funding requirements. The company remains responsible for providing benefits to members if the Allianz contract is cancelled or Allianz is unable to meet its obligations. If the contract is cancelled, or Allianz is unable to meet its obligations, it could be possible to take out an equivalent contract with a different provider. The Allianz contract is automatically renewed each year.

Determination of economic benefit available

No determination of economic benefit available has been made since the plan has a deficit according to the IAS 19 valuation.

Balance sheet position (Amounts in NOK 1 000)	GROUP	
	31.12.2022	31.12.2021
Defined benefit obligation	-13 560	-19 648
Plan assets	12 040	15 187
Defined benefit (liability)	-1 520	-4 461

Assumptions	2022	2021
Discount rate	2.30%	0.30%
Interest credit rate	2.30%	0.45%
Annual salary increase	2.50%	2.50%
Actuarial tables	BVG 2020 (CMI)	BVG 2020 (CMI)
Turnover rates	200% BVG 2020	200% BVG 2020

Change in plan assets during the period	GROUP	
(Amounts in NOK 1 000)	2022	2021
Plan asset at fair value at 1 January	15 187	14 977
Employer contribution	1 480	1 044
Employee contribution	1 480	1 044
Actual return on plan assets	70	103
Benefits paid, transferred balances	-7 360	-2 023
Interest income	60	9
Expected admin expense	-70	-66
Exchange differences	1 193	99
Plan asset at fair value at 31 December	12 040	15 187

Change in defined benefit obligation during the period	GROUP	
(Amounts in NOK 1 000)	2022	2021
Defined benefit obligation at 1 January	19 647	20 002
Interest costs	60	9
Current service costs (net of employee contributions)	1 651	969
Employee contribution	1 480	1 044
Benefit paid, transferred balances	-7 360	-2 023
Plan amendments	0	-583
Actuarial (gain)/loss	-3 363	122
Exchange differences	1 445	108
Defined benefit obligation at 31 December	13 560	19 648

Reconciliation of the balance sheet position	GROUP	
(Amounts in NOK 1 000)	2022	2021
Net liability / (asset) in the balance sheet at start of year	4 461	5 025
Net periodic pension cost of employer	1 796	388
Contributions by the employer	-1 542	-977
Amounts recognised in OCI - not reversable	-3 614	20
Amounts recognised in OCI - reversable	419	6
Net liability / (asset) in the balance sheet at end of the year	1 520	4 461

Section 7 - Tax

7.1 INCOME TAX

Accounting policy

Income tax expense represents the sum of taxes currently payable and deferred tax. Deferred taxes are recognised based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for taxable temporary differences, and deferred tax assets arising from deductible temporary differences are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

The company is in the research phase of its product development and has incurred significant tax losses related to its operations. The deferred tax asset has not been recognised in the statement of financial position, as the company does not consider that taxable income in the short-term will sufficiently support the use of a deferred tax asset.

Basis for tax calculation

PARENT			GROUP	
2021	2022	(Amounts in NOK 1 000)	2022	2021
-433 151	-310 251	Total comprehensive income (loss) for the period	-307 085	-441 685
3 828	-187	Non-deductible expenses	-187	3 691
-14 635	-12 981	Non-taxable income	-12 981	-14 635
0	10 346	Correction in taxable income from previous year	10 346	0
-27 629	-17 094	Share issue costs	-17 094	-27 629
93	18 001	Change in temporary differences	18 001	93
-471 494	-312 166	Basis for tax calculation	-309 000	-480 165
136	107	Income tax expense	869	1 165

Reconciliation of tax expense and the accounting profit/(loss)

PARENT			GROUP	
2021	2022	(Amounts in NOK 1 000)	2022	2021
-95 157	-68 255	Expected tax expense	-67 493	-94 102
842	-41	Non-deductible expenses	-41	816
-3 220	-580	Non-taxable income	-580	-3 220
-6 078	-3 761	Share issue costs	-3 761	-6 078
103 749	72 744	Change in deferred tax assets not recognised	72 744	103 749
136	107	Income tax expense	869	1 165

The corporate tax rate in Norway was 22 per cent in 2022 and 2021. In Switzerland the tax rate in 2022 and 2021 was 11.90 per cent and 11.85 per cent respectively. In UK, the tax rate was 19 per cent in both periods.

PARENT			GROUP	
2021	2022	(Amounts in NOK 1 000)	2022	2021
2 600 387	2 913 068	Tax losses carried forward	2 912 552	2 600 386
832	991	Property, plant and equipment	991	832
331	1	Leasing agreements	1	331
878	19 073	Liabilities	19 073	878
135	112	Tax payable	112	135
2 602 563	2 933 245	Temporary differences and tax loss carry forward	2 932 729	2 602 562
572 564	645 314	Deferred tax assets - not recognised in statement of financial position	645 200	572 564

Deferred tax assets as of 31 December 2022 and 2021 have been calculated using a tax rate of 22 per cent.

The group is in the research phase of its product development and has incurred significant tax losses related to its operations. The parent company has a total tax loss carried forward of NOK 2 913.2 million at 31 December 2022. At 31 December 2021 the total tax loss carried forward was NOK 2 600.4 million. The tax losses can be carried forward indefinitely.

The group nor the parent company have recognised a deferred tax asset in the statement of financial position, as the parent company does not consider that taxable income in the near term will sufficiently support the utilization of a deferred tax asset. No current or deferred tax charge or liability has been recognised for 2022 and 2021.

The income tax expense in the parent relates to profit before income tax in Nordic Nanovector DK, branch of Nordic Nanovector ASA. Profit before tax in the subsidiaries in UK and Switzerland leads to a tax expense for the group.

The correction in 2021 is mainly related to tax treatment on dividend received from Nordic Nanovector GmbH.

Section 8 - Group structure

8.1 INFORMATION ABOUT SUBSIDIARIES

Accounting policy

Shares and investments intended for long-term ownership are reported in the parent company's statement of financial position as long-term investments and valued at cost. The company determines at each reporting date whether there is any objective indication that the investment in the subsidiary is impaired. If this is the case, the amount of impairment is calculated as the difference between the recoverable amount of the subsidiary and its carrying value and recognises the amount in the income statement. Any realised and unrealised losses and any write-downs relating to these investments will be included in the parent's statement of comprehensive income as financial items.

The consolidated financial statements of the group include

(Amounts in NOK 1 000)			Equity of interest	
Name	Country of incorporation	Book value	2022	2021
Nordic Nanovector GmbH	Switzerland	137	100%	100%
Nordic Nanovector Ltd	United Kingdom	0	100%	100%

Nordic Nanovector ASA is a public limited company incorporated and domiciled in Norway and is the parent company of the group. The group's operations are carried out by the parent company and its wholly-owned subsidiaries Nordic Nanovector GmbH and Nordic Nanovector Ltd. Nordic Nanovector GmbH is incorporated in Zug, Switzerland, with its registered address at Dammstrasse 19, 6300 Zug, Switzerland. Nordic Nanovector Ltd is incorporated in London, England, with its registered address at 1 Brassey Road, Shrewsbury SY3 7FA, United Kingdom.

Nordic Nanovector also had operations in Denmark through Nordic Nanovector DK, a branch of Nordic Nanovector ASA. The branch was established in October 2017 and is reported as costs incurred in the parent. The branch was closed down in December 2022.

8.2 TRANSACTIONS WITH RELATED PARTIES

Accounting policy

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Transactions and balances between companies, which are a member of the group, have been eliminated in the consolidated accounts for the group. Note 8.1 provides information about the group's structure.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

(Amounts in NOK 1 000)	Note	Purchases (included in other operating expenses)	
		2022	2021
Subsidiary - Nordic Nanovector GmbH	3.1	30 213	28 866
Subsidiary - Nordic Nanovector Ltd	3.1	32 127	35 705
Purchase of professional services from Veritas Investments B.V. ¹⁾	6.4	415	399
Purchase of specialised IT consultancy from Phi Innovate Ltd ²⁾		25	112
Purchase of professional services from CETIUM AS ³⁾	6.4	49	0
Purchase of specialised consultancy from ELEMENT consulting GmbH ⁴⁾		28	0

The following table provides overview of amounts owed to and by related parties for the relevant financial year.

(Amounts in NOK 1 000)	Note	Amounts owed to related parties (included in current liabilities to group companies)	
		31.12.2022	31.12.2021
Subsidiary - Nordic Nanovector GmbH	5.4	4 716	6 591
Subsidiary - Nordic Nanovector Ltd	5.4	3 987	7 823

1) In 2022 and 2021 the group has used the professional services of its chairman in relation to consulting services. The consulting services are related to work beyond regular board duties. The contract for these services is based on market rates and conditions for such services. These services have been invoiced by Veritas Investments B.V., a company controlled by the chairman of the board.

2) Phi-Innovate Limited is managed by close member of the family of a related party of the previous CMO, Christine Wilkinson Blanc. Services are based on market rates and conditions for such services.

3) In 2022 the group has used the professional services from Thomas Ramdahl related to the proposed merger with APIM. The contract for these services is based on market rates and conditions for such services. These services have been invoiced by Cetium AS, a company controlled by previous member of the board Thomas Ramdahl.

4) In 2022 the group has used the professional services from Element Consulting GmbH a company co-founded by previous CEO Erik Skullerud. The contract for these services is based on market rates and conditions for such services.

For information on remuneration and shareholding to the board of directors and management see note 6.4 and note 6.1 respectively.

Section 9 - Other disclosures

9.1 EVENTS AFTER REPORTING DATE

Accounting policy

New information on the company's financial position at the end of the reporting period which becomes known after the reporting period is recorded in the annual accounts. Events after the reporting period that do not affect the company's financial position at the end of the reporting period, but which will affect the company's financial position in the future, are disclosed if significant.

Extraordinary general meeting

On 3 January 2023, an extraordinary general meeting ("EGM") was held. A new board of directors consisting of Jon Magne Asmyr (chairperson), Eddie Berglund and Tina Bjørnlund Bønsdorff was elected by the EGM, as well as a new Nomination Committee consisting of Hans Peter Bøhn (chairperson), Jan-Tore Pedersen and Vegard Aavik.

Change in the board of directors

Eddie Berglund informed the board that he will resign from the board with immediate effect on 19 January 2023.

New interim CEO and CFO

On 31 January 2023 the company announced that Ludvik Sandnes, former chairperson of Nordic Nanovector, has been appointed interim Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the company as from 1 February 2023. At the same time Malene Brondberg, former interim CEO and CFO, transitioned out of the company, as previously announced on 9 December 2022. It was further announced that the board, together with management and the company's financial advisors, Carnegie, will assess the strategic options that may be open to the company and put forward any recommended proposals for resolution by the company's shareholders in the coming months.

9.2 STANDARDS ISSUED BUT NOT YET ADOPTED

IASB has published certain new standards and interpretations and amendments to existing standards and interpretations that are not effective for the annual period ending 31 December 2022, and that are not applied when preparing these financial statements. New and amended standards and interpretations expected to be relevant the group's financial position, performance or disclosures are disclosed below.

Changes / improvements	Standard
New standards	No new standards in issue but not yet adopted that is expected to have material impact on the financial statements.
Amendments	<p>• Amendments to IAS 1 - Classification of liabilities as current or non-current</p> <p>The amendments updated the reference to the Conceptual Framework.</p> <p><i>The amendments will have accounting effect from 1 January 2023. The implementation is not expected to have material impact on the financial statements.</i></p> <p>• Amendments to IAS 1 - Classification of liabilities as current or non-current</p> <p>A narrow-scope amendments to IAS 1 Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. The amendments clarify, not change, existing requirements, and so are not expected to affect companies' financial statements significantly.</p> <p><i>The amendments will have accounting effect from 1 January 2023. The implementation is not expected to have material impact on the financial statements.</i></p> <p>• Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting policies</p> <p>Following feedback that more guidance was needed to help companies decide what accounting policy information should be disclosed, IASB has issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements. The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.</p> <p><i>The amendments will have accounting effect from 1 January 2023. The implementation is not expected to have material impact on the financial statements.</i></p> <p>• Amendments to IAS 8 - Definition of Accounting Estimates</p> <p>IASB has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.</p> <p><i>The amendments will have accounting effect from 1 January 2023. The implementation is not expected to have material impact on the financial statements.</i></p>

9.3 CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

Changes / improvements	Standard
New standards	No new standards have been implemented in 2022.
Amendments	<ul style="list-style-type: none">• Amendments to IFRS 3 - Updating a reference to the conceptual Framework <p>The amendments updated the reference to the Conceptual Framework.</p> <p><i>The implementation did not have any material impact on the financial statements.</i></p>

Auditor's report



Statsautoriserte revisorer
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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Nordic Nanovector ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Nordic Nanovector ASA (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the statement of financial position as at 31 December 2022 and statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 9 years from the election by the general meeting of the shareholders for the accounting year 2014.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2022. We have determined that there are no key audit matters to communicate in our report.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance



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and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, the statement on corporate governance or the statement on corporate social responsibility, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if



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such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Nordic Nanovector ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name "*NordicNanovectorASA-2022-12-31-en.zip*", have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance



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Engagements (ISAE) 3000 – “Assurance engagements other than audits or reviews of historical financial information”. The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company’s processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management’s use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 23 March 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Anja Maan
State Authorised Public Accountant (Norway)

Other information

Financial calendar

- Annual General Meeting: 26 April 2023
- Half year report 31 August 2023

A two-week quiet period takes place ahead of full year and quarterly reports. During the quiet periods, the company will not participate in meetings, seminars or engage with external individuals or groups (including analysts, investors and media).

- Half year 2023 – Quiet period: 16 – 30 August 2023

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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. The information and opinions in this report is provided as at the date hereof and subject to change without notice. It is not the intention to provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of the company's financial or trading position or prospects. This report does not constitute investment, legal, accounting, regulatory, taxation or other advice and does not take into account your investment objectives or legal, accounting, regulatory, taxation or financial situation or particular needs. You are solely responsible for forming your own opinions and conclusions on such matters and for making your own independent assessment of the company. You are solely responsible for seeking independent professional advice in relation to the company. No responsibility or liability is accepted by any person for any of the information or for any action taken by you or any of your officers, employees, agents or associates on the basis of such information.

Notes

Glossary of terms

- **¹⁷⁷Lu**: Lutetium-177 radionuclide
- **1L, 2L, 3L**: 1st, 2nd and 3rd line of treatment
- **AGM**: Annual general meeting
- **ARC**: Antibody-radionuclide-conjugate
- **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 specialised receptor protein allows a B-cell to bind to a specific antigen.
- **Betalutin[®]**: Nordic Nanovector's lead clinical-stage candidate
- **BLA**: Biologics license applications
- **CAR-T**: Chimeric antigen receptor T-cell
- **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
- **CLL**: Chronic lymphocytic leukaemia
- **CMC**: Chemistry, manufacturing and control
- **CMO**: Contract manufacturing organisation
- **COVID-19**: An infectious disease caused by severe acute respiratory syndrome coronavirus 2
- **CR**: Complete response
- **CRO**: Contract research organisation
- **CSR**: Corporate social responsibility
- **DLBCL**: Diffuse large B-cell lymphoma
- **EGM**: Extraordinary general meeting
- **EIP**: Long-term equity incentive plan
- **EIR**: Effective interest rate
- **EMA**: European Medicines Agency

- **FL:** Follicular lymphoma
- **Humalutin®:** Chimeric anti-CD37 ARC
- **IAS:** International accounting standards
- **IAS 38:** International accounting standard for intangible assets
- **IFRS:** International financial reporting standards
- **IFRS 16:** International financial reporting standard for leases
- **iNHL:** Indolent non-Hodgkin lymphoma
- **IPO:** Initial public offering
- **Lilotomab (Ilo):** Betalutin® consists of the radionuclide lutetium-177 conjugated to the B-cell seeking anti-CD37 antibody lilotomab
- **Lu-177:** Radionuclide lutetium-177
- **Lymphoma:** Cancer of the immunosystem and white blood cells
- **LYMRIT 37-01:** Clinical study for Betalutin® in 3L R/R FL
- **LYMRIT 37-05:** Clinical study for Betalutin® in DLBCL
- **MBq:** Megabecquerel (radioactivity measurement unit)
- **NHL:** non-Hodgkin lymphoma
- **OCI:** Other comprehensive income
- **OTP:** Mandatory occupational pension scheme
- **PARADIGME:** Name of Nordic Nanovector's pivotal Phase 2b study
- **PSU:** Performance share units
- **R&D:** Research and development
- **R/R:** Relapsed/refractory
- **R-CHOP:** Rituximab, hydroxydaunorubicin (doxorubicin), oncovin (vincristine), prednisolone
- **RSU:** Restricted share units

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