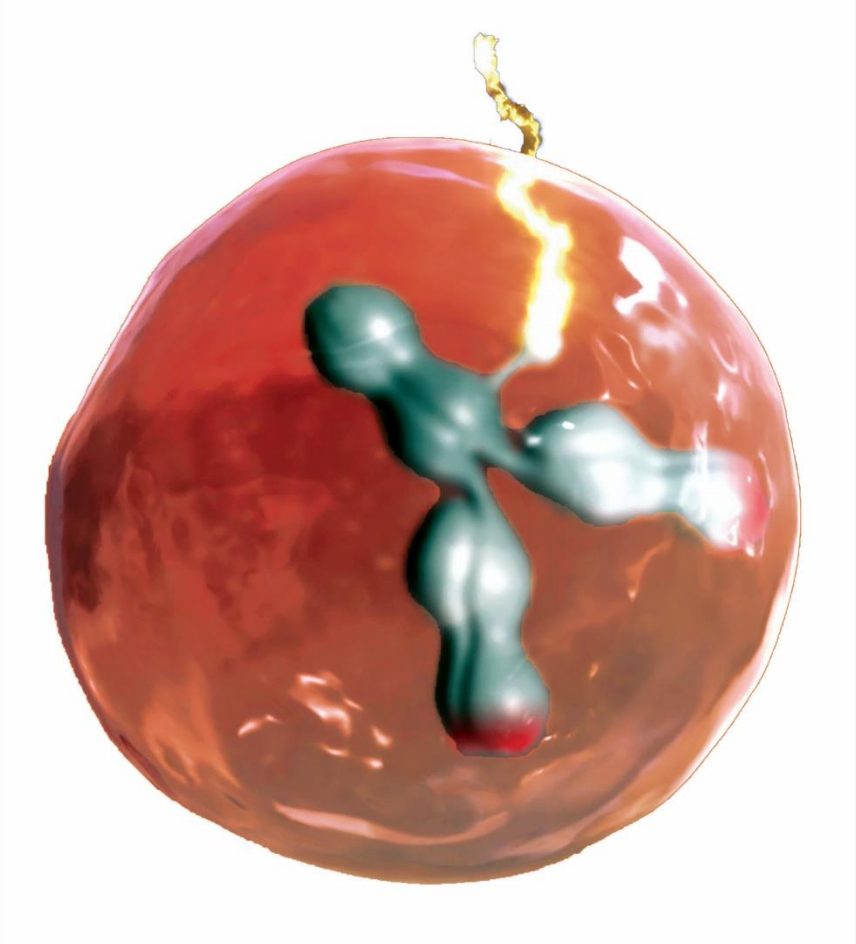
NORDIC NANOVECTOR

Second Quarter and First Half Report 2019



Q2 2019

Highlights

- **Preliminary analysis shows median duration of response (mDoR) of 13.5 months (formerly 9.0 months in December 2018) for Phase 1/2a LYMRIT 37-01 trial of Betalutin® in R/R FL**

- **Pivotal Phase 2b PARADIGME trial of Betalutin® in advanced recurrent follicular lymphoma (FL) progressing with 81 sites in 23 countries open for enrolment as of August 21st, 2019**
  - Patient recruitment has accelerated in recent months but not at the rate anticipated
  - Full enrolment now expected 2H 2020 compared with 1H 2020 as previously guided

- **Phase 1b Archer-1 trial of Betalutin® plus rituximab (RTX) in patients with relapsed/refractory (R/R) 2nd line FL advanced into second cohort**

- **Global patent portfolio strengthened with grant of European patent covering the use of Betalutin® (and other anti-CD37 targeting agents) in combination with anti-CD20 antibodies (including rituximab) for the treatment of non-Hodgkin's lymphoma (NHL)**

- **Promising preclinical results from R&D collaboration to develop a novel CD37-targeting alpha therapy for B-cell tumours presented at international scientific congresses (TAT11 and TRP19)**

- **Recruitment completed for dose escalation phase of LYMRIT 37-05 trial of Betalutin® in relapsed/refractory diffuse large B-cell lymphoma (DLBCL) – preliminary results expected in 2H 2019**

- **Dr Lars Nieba appointed as Chief Technology Officer to drive the company's CMC strategy**

Eduardo Bravo, CEO, commented: "We continue to progress our clinical development programmes with Betalutin® in major NHL indications. In PARADIGME, we have reached our target range in terms of activated sites and while the recruitment rate has accelerated in recent months, this has not been at the rate we anticipated. This has led us to reassess the trial timelines and we now estimate to complete patient enrolment in 2H 2020 rather than 1H 2020 as previously guided. We would expect the data read-out from the trial a few months after the final patient has been dosed. As a one-off treatment, Betalutin® has an exciting product profile, and we have been encouraged by the preliminary analysis of the extended median duration of response data that we have disclosed today. We remain focused on advancing PARADIGME and our other clinical programmes as quickly as possible given the clear benefits that Betalutin® could deliver to NHL patients around the globe."

Key figures Nordic Nanovector Group

Amounts in MNOK (except earnings/loss per share)	Second Quarter		First Half Year		Full Year
	2019	2018	2019	2018	2018
Total revenues	0.0	0.0	0.0	0.0	0.0
Total operating expenses	111.0	84.5	200.9	166.8	340.0
Operating profit (loss)	-111.0	-84.5	-200.9	-166.8	-340.0
Net financial items	0.9	1.9	-0.5	-6.3	3.0
Total comprehensive income (loss) for the period	**-110.4**	**-82.9**	**-202.0**	**-173.6**	**-336.8**
Basic and diluted earnings (loss) per share	**-2.05**	**-1.69**	**-3.75**	**-3.54**	**-6.88**
Number of employees	**49**	**40**	**49**	**40**	**38**
Net change in bank deposits, cash and equivalents	-95.0	-71.4	3.5	-186.4	-316.5
Cash and equivalents at beginning of period	538.5	641.6	440.1	756.6	756.6
Cash and equivalents at end of period	**443.5**	**570.1**	**443.5**	**570.1**	**440.1**

Operational review

Introduction

Nordic Nanovector is developing, and aims to commercialise, its wholly owned lead candidate Betalutin® (^{177}Lu-satetraxetan-lilotomab) as a new, targeted one-time treatment for patients with non-Hodgkin's lymphoma (NHL).

Betalutin® has been designed to offer a new chemotherapy-free treatment modality for NHL patients whose disease becomes resistant to RTX-based regimens. Betalutin® targets the CD37 receptor on the surface of B-cell malignancies and represents an alternative tumour target to CD20 on which the current standard-of-care NHL therapies (e.g. rituximab/RTX) are based. It has been reported that 40-60% of NHL patients treated with an RTX-containing regimen are either refractory to therapy or develop resistance within five years[1].

Nordic Nanovector believes that by targeting the significant unmet needs in follicular lymphoma (FL) and diffuse large B-cell lymphoma (DLBCL), the two largest NHL types, it could access an opportunity worth nearly USD 5 billion per year with Betalutin®.

The company's priority is to develop Betalutin® as a one-time treatment for advanced recurrent FL, the most common form of indolent NHL. Following the encouraging efficacy and safety profile demonstrated in the first part of the LYMRIT-37-01 Phase 1/2 trial, two Betalutin® dosing regimens are being compared in a pivotal, global, randomised Phase 2b trial in 3L FL (PARADIGME) to identify the best regimen and support the application for market authorisation. The company expects to complete enrolment of patients into PARADIGME during the second half of 2020 and expects the data read-out from the trial a few months after the final patient has been dosed.

Based on the LYMRIT-37-01 trial data, Betalutin® has been granted Fast Track designation (June 2018) by the FDA in the US for the treatment of relapsed or refractory (R/R) FL after at least two prior systemic therapies and PIM designation in the UK (October 2018) for the treatment of patients with advanced R/R FL. Betalutin® received Orphan Drug designation for FL in the US and Europe in 2014.

Betalutin® in combination with RTX has shown promising anti-tumour activity and increased survival in preclinical NHL models and is now being investigated as a novel dual immunotherapy approach in second line (2L) FL in the Phase 1b Archer-1 trial. The success of this programme could pave the way for Betalutin® to access a larger patient population within recurrent FL than 3L FL alone.

The company is also advancing a Phase 1 trial (LYMRIT 37-05) of single-agent Betalutin® in patients with R/R DLBCL, an aggressive form of NHL and the most common subtype overall.

In addition, the company is beginning to see encouraging results from R&D collaborations with third parties that leverage its anti-CD37 targeting approach for the development of novel radioimmunotherapies and antibody drug conjugates for NHL and other types of haematological malignancies.

Clinical results to-date highlight strong clinical profile of Betalutin®

Clinical results to-date from the LYMRIT 37-01 trial demonstrate that a single administration of Betalutin® is well-tolerated and demonstrates encouraging anti-tumour activity in patients with recurrent iNHL, especially in FL patients, the primary NHL population for which Betalutin® is being developed.

Updated results from LYMRIT-37-01 were presented most recently in a poster at the 60th American Society of Hematology (ASH) Annual Meeting (December 2018). The published dataset included 74 heavily pre-treated elderly patients with advanced-stage disease; all patients received Betalutin® and had six or more months of follow-up.

The results from this study shows that Betalutin® treatment was well-tolerated with no unexpected safety findings. The most common adverse events were transient Grade 3/4 neutropenia and thrombocytopenia. Encouraging anti-tumour activity was seen in recurrent iNHL (n=74, ORR 61%, CR 28%), especially in FL patients who received two or more previous treatments (n=37, ORR 70%, CR 32%).

Update on preliminary analysis of median duration of response in LYMRIT 37-01

Preliminary analysis shows median duration of response (mDoR) of 13.5 months (formerly 9.0 months in December 2018) for Phase 1/2a LYMRIT 37-01 trial of Betalutin® in R/R FL. Final data will be presented at the R&D Day. Follow-up for mDoR is still ongoing.

PARADIGME update

Based on the results of LYMRIT-37-01, two promising Betalutin® dosing regimens were identified and are being compared in PARADIGME, a pivotal, global, randomised Phase 2b trial in relapsed, RTX/anti-CD20 refractory FL patients who have received two or more prior therapies.

The dosing regimens are:

- 15 MBq/kg Betalutin® with a pre-dose of 40 mg lilotomab, and
- 20 MBq/kg Betalutin® with a pre-dose of 100 mg/m^2 lilotomab

The primary endpoint for the trial is overall response rate (ORR) and secondary endpoints include duration of response (DoR), progression-free survival (PFS), overall survival (OS), safety and quality of life.

The trial aims to enrol 130 patients at 80–85 sites in more than 20 countries. As of August 21st, 2019, PARADIGME is open for patient enrolment at 81 sites in 23 countries, including the US and Canada.

The company has now reached its targeted range of active trial sites; however, this phase of the trial took longer than expected and while patient recruitment has accelerated over recent months, it has not done so at the anticipated rate. The company has been monitoring the situation closely and identified an increasingly competitive landscape for patient recruitment in 3L R/R FL as a contributing factor.

The company has implemented a number of initiatives designed to accelerate recruitment, including establishing patient referral networks and opening additional trial sites. The company has reassessed the trial timelines given the recent situation and now estimates patient enrolment will complete in 2H 2020, compared with 1H 2020 as previously guided.

An interim analysis for futility for PARADIGME is targeted for 1H 2020.

Archer-1 progressing: a novel dual-targeting approach by Betalutin® + RTX in 2L FL

Betalutin® and RTX used in combination significantly prolonged overall survival in a pre-clinical mouse model of NHL compared to treatment with either agent alone[2], possibly by reverting downregulation of CD20 and resistance to RTX. The combination of anti-CD37 and anti-CD20 modalities could therefore represent a novel dual immunotherapy approach for the treatment of 2L FL patients, and potentially avoid or delay the use of chemotherapy.

The company believes Betalutin® has great potential as a treatment for 3L FL and that the combination of Betalutin® with RTX could benefit FL patients in earlier stages of therapy based on exciting preclinical studies. For 2L relapsed FL this could mean access to a market worth an estimated USD 1.5 billion per year[4], more than twice of the opportunity in 3L R/R FL, the priority indication for single-agent Betalutin® in PARADIGME.

To assess the clinical safety and preliminary activity of this combination, Nordic Nanovector initiated Archer-1, a Phase 1b open-label, single-arm, multi-centre dose-escalation trial in 20–25 patients with R/R 2L FL. Following a review of safety data from the first cohort of patients receiving 10 MBq/kg Betalutin® and with a pre-dose of 40 mg lilotomab, the Betalutin® dose was increased to 15 MBq/kg for the next 3-6 patients. Data is expected during the second half of 2020.

Enrolment complete into Phase 1 trial with Betalutin® in DLBCL

DLBCL is an aggressive form of NHL and accounts for up to 43% of all cases, making it the most common type of NHL. The most widely used first-line treatment regimen for DLBCL is rituximab-CHOP (cyclophosphamide, doxorubicin, vincristine and prednisone). However, approximately 40% of patients relapse following 1L therapy, and only 30-40% of relapsed patients respond with subsequent high-dose chemotherapy followed by stem cell transplant (SCT)[3]. There are currently very few therapeutic options for patients not eligible for SCT, which makes relapsed DLBCL a serious unmet medical need. The number of diagnosed cases of DLBCL in the US and Europe in 2016 that relapse after 1L and 2L treatment was approximately 18,000 and 10,000, respectively[4].

DLBCL tumour cells express CD37 on their surfaces and this offers a clear rationale for investigating Betalutin® as a single-administration therapy for R/R DLBCL, a market opportunity worth approximately USD 2.7 billion per year.

LYMRIT 37-05 is a Phase 1 open-label, single-arm, dose-escalation trial designed to assess the safety, tolerability, pharmacokinetic profile and preliminary anti-tumour activity of Betalutin® in patients with R/R DLBCL not eligible for SCT. Nordic Nanovector announced at the beginning of July that patient enrolment into this trial is complete.

To date, the trial has evaluated patient cohorts receiving 10 MBq/kg Betalutin® following 60 mg/m^2 or 100 mg/m^2 lilotomab, respectively and 15 MBq/kg with a lilotomab pre-dose of 100 mg/m^2. All regimens were found to be well tolerated with no unexpected safety issues. Patients in the final cohort, who received 20 MBq/kg Betalutin® with a lilotomab pre-dose of 100 mg/m^2, are currently being evaluated.

The first data read-out from the trial is expected in the second half of 2019. A single dosing regimen is expected to be selected for further testing in an expansion cohort based on the findings from this trial.

Manufacturing and supply chain management

Nordic Nanovector has established a manufacturing and supply chain for Betalutin® that includes experienced manufacturers in Norway and internationally. The finished Betalutin® drug product is manufactured at the Institute for Energy Technology (IFE) in Oslo, from which it is distributed to clinical sites globally.

The company raised approximately NOK 225 million (USD 26.4 million) in gross proceeds in the first quarter 2019 and is now increasing its investment in scale-up and process validation as part of its pre-commercialisation CMC (Chemistry, Manufacturing and Controls) strategy, which also includes the expansion of its manufacturing and quality assurance team.

Betalutin® is a radioimmunotherapy product comprising distinct components that need to be manufactured consistently and reliably to very high specification for clinical trials and future commercial use.

The core components are:

- Lilotomab – the anti-CD37 antibody
- Satetraxetan – the linker molecule
- Lutetium-177 – the radionuclide (no carrier added)

The process for the production of a new drug substance, the validation of such manufacturing process and the assessment of its quality at every stage forms the basis of the CMC documentation, which along with the clinical and preclinical data packages, comprises the bulk of the filing that is submitted to regulatory authorities to gain marketing approval. In order to execute the required validation of the manufacturing process for Betalutin® and its intermediates, Nordic Nanovector has supply and development agreements with specialist manufacturers including Diatec and IFE in Norway and 3P Biopharmaceuticals in Spain.

Encouraging preclinical results with CD37-targeting alpha-therapy emerging from R&D collaboration

The selective expression of CD37 on the surface of B-cell malignancies also provides Nordic Nanovector with an opportunity to develop targeted therapeutic approaches with other cytotoxic payloads, including radionuclides (radioimmunotherapies) and toxins (antibody drug conjugates; ADCs).

The company has several such collaborations underway, including with Orano Med (formerly known as AREVA Med) to develop and investigate a next-generation targeted alpha therapy comprising Nordic Nanovector's chimeric anti-CD37 antibody (NNV003) with the alpha-particle generator lead-212 (^{212}Pb), for the treatment of B-cell malignancies.

Alpha-emitting radionuclides have demonstrated good potential for targeted cancer therapies because their high energy is limited to a very short distance (50–100 µm or a few cell widths) resulting in localised cytotoxicity while sparing surrounding healthy tissues. The development of ^{212}Pb-conjugated CD37-targeted alpha therapy therefore offers the potential to treat leukaemias and lymphomas where there is no substantial tumour mass and tumour cells are near healthy tissues.

Recent posters presented at international scientific congresses have reported promising initial preclinical results with a novel CD37-targeting alpha therapy, which has been developed under the Orano Med collaboration. Conference presentations took place at Targeted Radiopharmaceuticals Summit (TRP19, June), at the 11th International Symposium on Targeted-Alpha-Therapy (TAT11, April) and at ASH (December 2018).

The preclinical studies investigated the tolerability and dose-dependent efficacy of ^{212}Pb-NNV003 in human cell and mouse models of chronic lymphocytic leukaemia (CLL) and Burkitt's lymphoma (a type of NHL). In the studies, ^{212}Pb-NNV003 was found to be well tolerated after a single intravenous injection and led to a 100% survival rate in mouse models of CLL and NHL five months after injection of ^{212}Pb-NNV003, while only 50% of control mice receiving cold antibody where alive after 1.5 months.

Other research collaborations and projects investigating the potential of Nordic Nanovector's CD37-targeting approach with radionuclide and cytotoxic payloads are ongoing.

Management team strengthened to support pre-commercialisation activities and expected growth

In August, the company announced the appointment of Dr Lars Nieba as Chief Technology Officer and a member of the executive management team. Dr Nieba brings 20 years of leadership experience in the development of multiple pharmaceutical product candidates and innovative technologies. His role at Nordic Nanovector will be to oversee all Chemistry, Manufacturing and Controls (CMC) strategic and operational aspects of Betalutin® and all other pharmaceutical products developed by the company.

Dr Nieba will join Nordic Nanovector on 1 December 2019 from Bayer AG, where he served as VP and Strategic Product Lead, responsible for driving Bayer's CMC strategy related to CMC product development, product supply and life cycle management. He joined Bayer in 2016 following 13 years at F. Hoffmann-La Roche Ltd., at which he held leadership roles in clinical supply planning, biologics technology and technical business development biologics.

Upcoming R&D Day

Nordic Nanovector is planning to host and R&D in September. During the event the senior management team and external speakers will provide updates and further information on the company's key activities. The R&D Day will take place in Oslo and will also be webcast live. Details on the date and how to register to attend will be announced within the next two weeks.

References

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

[2]*Repetto-Llamazares, A.H.V. et al. Combination of ^{177}Lu-lilotomab with rituximab significantly improves the therapeutic outcome in preclinical models of non-Hodgkin's lymphoma. Eur. J. Haematol., 2018 Oct;101(4):522-531.*

[3]*Raut, L.S. and Chakrabarti, P.P.: Management of relapsed-refractory diffuse large B cell lymphoma (2014) South Asian J. Cancer 3(1): 66–70*

[4]*Decision Resources, Non-Hodgkin's Lymphoma 2015*

Financial review

The interim consolidated financial statements for Nordic Nanovector Group[1] as of June 30th, 2019 have been prepared in accordance with the International Accounting Standard (IFRS) 34 interim financial reporting.

Interim consolidated statement of profit or loss

(Figures in brackets = same period 2018 unless stated otherwise)

Revenues in the first quarter of 2019 amounted to NOK 0.0 million (NOK 0.0 million). Revenues for the first half of 2019 were NOK 0.0 (NOK 0.0 million).

Total operating expenses for the quarter came to NOK 111.0 million (NOK 84.5 million). Payroll and related expenses were NOK 19.7 million (NOK 19.8 million). Other expenses amounted to NOK 87.8 million during the quarter (NOK 64.2 million). The increase being driven by clinical trials and manufacturing development activities for Betalutin®. Total operating expenses for the first half of 2019 increased to NOK 200.9 million (NOK 166.8 million), primarily reflecting higher operational activities including scale-up and process validation as part of its pre-commercialisation CMC (Chemistry, Manufacturing and Controls) strategy.

Research and development (preclinical, clinical, medical affairs, regulatory and CMC activities) expenses accounted for 77 % of total operating expenses in the first half of 2019 (72.2 %).

Operating loss for the quarter was NOK 111.0 million (loss of NOK 84.5 million), for the reasons stated above. Operating loss for the first half of 2019 was NOK 200.9 million (loss of NOK 166.8 million).

Net financial items for the quarter came to NOK 0.9 million (NOK 1.9 million), mainly reflecting the effect of currency fluctuations and interests on bank deposits. Net financial items for the first half amounted to negative NOK 0.5 million (negative NOK 6.3 million), mainly due to non-cash negative currency fluctuations on bank deposits.

Nordic Nanovector's comprehensive loss for the quarter amounted to NOK 110.4 million (loss of NOK 82.9 million), due to the reasons stated above. Comprehensive loss for the first half was NOK 202.0 million (NOK 173.6 million).

Financial position

Total assets at June 30th, 2019, amounted to NOK 509.6 million, up from NOK 473.6 million at December 31st, 2018. The increase was primarily due to implementation of IFRS 16. Following this implementation, the group has recognised right-of-use assets of NOK 21.9 million (NOK 0.0 million) representing the value of the right to use the underlying assets for all leases where it is the lessee.

Total shareholders' equity at June 30th, 2019, was NOK 387.4 million (NOK 363.2 million at year-end 2018), corresponding to an equity ratio of 76.0 % (76.7 % at year-end 2018).

Total liabilities at the end of the second quarter were NOK 122.2 million, up from NOK 110.4 million from year-end 2018, driven by increase of accounts payable and implementation of IFRS 16. Following this implementation, the group has recognised NOK 10.7 million (NOK 0.0 million) in non-current lease liabilities to make lease payments.

Cash flow

Net cash flow from operating activities in the second quarter and first half of 2019 was negative NOK 102.2 million (negative NOK 72.4 million) and negative NOK 210.5 million (negative NOK 177.5 million), respectively, mainly reflecting the impact of higher research and development activities and fluctuations in the working capital.

Net cash flow from investing activities in the second quarter and first half of 2019 was positive NOK 0.2 million (negative NOK 1.0 million) and positive NOK 0.1 million (negative NOK 1.6 million), respectively.

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

Net cash flow from financing activities for the second quarter of 2019 was NOK 7.0 (NOK 1.2 million), caused by the exercise of share options. Net cash flow from financing activities for the first half of 2019 was NOK 216.8 (NOK 1.2 million) mainly due to the private placement and repair issue generating gross of NOK 225 million in proceeds announced in the first quarter 2019.

Exchange rate fluctuations in the second quarter and first half of 2019 of NOK 0.08 million and negative NOK 3.0 million, respectively.

Cash and cash equivalents amounted to NOK 443.5 million at the end of June 2019, compared to NOK 570.1 million at the end of June 2018 and NOK 440.1 million at the end of December 2018.

New funds raised

The company announced on January 25th, 2019 that it has raised approximately NOK 222 million (USD 26 million) in gross proceeds through a private placement of 4 943 094 new shares. The private placement was completed at a subscription price of NOK 45 per share, which was determined through an accelerated book-building process. The private placement, which was oversubscribed, attracted strong interest from both existing shareholders and new institutional investors, Norwegian as well as international.

Nordic Nanovector intends to use the net proceeds of the private placement for the following purposes:

- Manufacturing development activities (including process validation studies) for Betalutin®
- A scale-up of the company's clinical and commercial activities in preparation for a commercial launch of Betalutin®
- General corporate purposes

The company carried out a repair offering of 69 051 new shares and raised gross proceeds of approximately NOK 3.1 million (USD 0.4 million) in March 2019.

Risks and uncertainties

Nordic Nanovector is currently in a development phase involving activities which entail exposure to various risks. Nordic Nanovector's strategy is to continuously identify and manage risks. There are no significant changes in the risk factors which are described in the annual report for 2018 and published on the company's website: www.nordicnanovector.com

Outlook

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

Betalutin®, the company's most advanced product candidate, has a highly differentiated, competitive, clinical profile for recurrent FL, based on the promising results from the LYMRIT 37-01 Phase 1/2 clinical trial. The company's pivotal Phase 2b PARADIGME trial with a once-only administration of Betalutin® in 3L R/R FL is underway. Patient enrolment is expected to be completed in the second half of 2020. A data read-out is expected a few months after the final patient is dosed enabling filing for marketing approval in the first half of 2021.

The company maintains its guidance that current cash resources are expected to be sufficient to reach mid-2020.

Nordic Nanovector intends to maximize the value of Betalutin® across the major types of NHL (FL and DLBCL) and in earlier treatment lines in combination with standard treatments. The company is also evaluating opportunities with other CD37-targeting radioimmunotherapies and antibody drug conjugates across NHL and other haematological cancer indications.

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

Responsibility Statement

The Board of Directors and the CEO of Nordic Nanovector ASA have today considered and approved the condensed financial statements as at June 30th, 2019 and for the six-month period ended June 30th, 2019. The half year report has been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU and additional Norwegian regulations.

We confirm, to the best of our knowledge, that:

- the condensed consolidated financial statements for the six months ending June 30th, 2019 have been prepared in accordance with applicable financial reporting standards
- the information provided in the financial statements gives a true and fair view of the group's assets, liabilities, financial position and result for the period
- the financial review includes a fair review of significant events during the first six months of the year and their impact on the financial statements, any major related party transactions, and a description of the principal risk and uncertainties for the remaining six months of the year

Oslo, August 21nd, 2019

The Board of Directors
Nordic Nanovector ASA

_____	_____
Jan H. Egberts Chairman of the Board	Jean-Pierre Bizzari Board Member
_____	_____
Rainer Boehm Board Member	Joanna Horobin Board Member
_____	_____
Per Samuelsson Board Member	Gisela Schwab Board Member
_____	_____
Hilde Hermansen Steineger Board Member	Eduardo Bravo CEO

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

Amounts in NOK 1 000	Note	Second Quarter		First Half Year		Full Year
		2019	2018	2019	2018	2018
Revenues		0	0	0	0	0
Total revenues		**0**	**0**	**0**	**0**	**0**
Payroll and related expenses	4, 5,	19 680	19 751	42 096	34 904	79 208
Depreciation	10	3 544	546	4 627	1 049	2 252
Other operating expenses	4, 6, 10	87 755	64 216	154 209	130 828	258 553
Total operating expenses		**110 979**	**84 513**	**200 932**	**166 781**	**340 013**
Operating profit (loss)		**-110 979**	**-84 513**	**-200 932**	**-166 781**	**-340 013**
Net finance income (expense)	9, 10	868	1 941	-525	-6 327	3 041
Loss before income tax		**-110 111**	**-82 572**	**-201 457**	**-173 108**	**-336 972**
Income tax		-234	-279	-397	-399	-800
Loss for the period		**-110 345**	**-82 851**	**-201 854**	**-173 507**	**-337 772**
Other comprehensive income (loss), net of income tax to be reclassified to profit and loss in subsequent periods						
Translation effects		-58	-36	-185	-124	369
Other comprehensive income (loss), net of income tax not to be reclassified to profit and loss in subsequent periods						
Re-measurement gains (losses) on defined benefit plans		0	0	0	0	633
Total comprehensive income (loss) for the period		**-110 403**	**-82 887**	**-202 039**	**-173 631**	**-336 770**
Loss for the period attributable to owners of the company		-110 345	-82 851	-201 854	-173 507	-337 772
Total comprehensive income (loss) for the period attributable to owners of the company		-110 403	-82 887	-202 039	-173 631	-336 770
Earnings (loss) per share						
Basic and diluted earnings (loss) per share in NOK	8	-2.05	-1.69	-3.75	-3.54	-6.88

The interim financial information has not been subject to audit.

Interim condensed consolidated statement of financial position
Nordic Nanovector Group

Amounts in NOK 1 000	Note	30.06 2019	31.12 2018
ASSETS			
Non-current assets			
Property, plant and equipment		3 239	4 082
Right-of-use-assets	10	21 902	0
Total non-current assets		**25 141**	**4 082**
Current assets			
Receivables			
Other current receivables	4	40 956	29 435
Total receivables		**40 956**	**29 435**
Cash and cash equivalents		**443 532**	**440 069**
Total current assets		**484 488**	**469 504**
TOTAL ASSETS		**509 629**	**473 586**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	7	11 023	9 886
Share premium	7	812 550	593 399
Other paid in capital	5, 6	62 319	56 320
Accumulated losses		-498 452	-296 412
Total shareholders' equity		**387 440**	**363 193**
LIABILITIES			
Non-current liabilities			
Lease liability	10	10 692	0
Net employee defined benefit liabilities		3 415	3 371
Total non-current liabilities		**14 107**	**3 371**
Current liabilities			
Accounts payable		40 748	34 040
Tax payable		828	804
Other current liabilities	10	66 506	72 178
Total current liabilities		**108 082**	**107 022**
Total liabilities		**122 189**	**110 393**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**509 629**	**473 586**

The interim financial information has not been subject to audit.

Interim condensed consolidated statement of changes in equity
Nordic Nanovector Group

For the period ended 30.06.2019								
Amounts in NOK 1 000	**Note**	**Share capital**	**Share premium**	**Equity-settled share-based payments**	**Accumulated losses**	**Translation effects**	**Remeasure-ment gains (losses)**	**Total equity**
Balance at 31.12 2017		**9 809**	**1 434 896**	**44 551**	**- 807 437**	**-366**	**-1 839**	**679 614**
Loss for the period					-337 772			-337 772
Other comprehensive income (loss) for the year, net of income tax						369	633	1 002
Total comprehensive income for the period		**0**	**0**	**0**	**-337 772**	**369**	**633**	**-336 770**
Recognition of share-based payments	5, 6			11 769				11 769
Issue of ordinary shares under share options and RSUs	5, 6, 7	77	8 599					8 676
Share issue costs			-96					-96
Reclassification of accumulated losses			-850 000		850 000			0
Balance at 31.12 2018		**9 886**	**593 399**	**56 320**	**-295 209**	**3**	**-1 206**	**363 193**
Loss for the period					-201 854			-201 854
Other comprehensive income (loss) for the year, net of income tax						**-185**		-185
Total comprehensive income for the period		**0**	**0**	**0**	**-201 854**	**-185**	**0**	**-202 039**
Recognition of share-based payments	5, 6			5 999				5 999
Issue of ordinary shares	7	1 002	224 544					225 546
Issue of ordinary shares under share options and RSUs	5, 6, 7	135	15 369					15 503
Share issue costs			-20 762					-20 762
Balance at 30.06.2019		**11 023**	**812 550**	**62 319**	**-497 064**	**-181**	**-1 206**	**387 440**

Amounts in NOK 1 000	**Note**	**Share capital**	**Share premium**	**Equity-settled share-based payments**	**Accumulated losses**	**Translation effects**	**Remeasure-ment gains (losses)**	**Total equity**
Balance at 31.12.2017		**9 809**	**1 434 896**	**44 551**	**- 807 437**	**-366**	**-1 839**	**679 614**
Loss for the period					-173 507			-173 507
Other comprehensive income (loss) for the year, net of income tax						-124	0	-124
Total comprehensive income for the period		**0**	**0**	**0**	**-173 507**	**-124**	**0**	**-173 631**
Recognition of share-based payments	5, 6			3 246				3 246
Issue of ordinary shares under share options and RSUs	5, 6	**8**	**1 188**					1 196
Share issue costs			**-11**					**-11**
Balance at 30.06.2018		**9 817**	**1 436 073**	**47 797**	**-980 944**	**-490**	**-1 839**	**510 414**

The interim financial information has not been subject to audit.

Interim condensed consolidated statement of cash flow
Nordic Nanovector Group

Amounts in NOK 1 000	Note	Second Quarter		First Half Year		Full Year
		2019	2018	2019	2018	2018
Cash flow from operating activities						
Loss for the period before income tax		**-110 111**	**-82 572**	**-201 457**	**-173 108**	**-336 972**
Adjustments for:						
Interests paid		246	0	310	0	0
Interest received		-272	-66	-463	-142	-4 570
Share option and PSU expenses employees	5	2 876	-2 409	5 135	2 561	10 271
Restricted share units (RSUs) expenses board	6	468	343	865	685	1 498
Taxes paid		-3	0	-320	-211	-487
Depreciation		3 544	546	4 627	1 049	2 252
Currency (gains) losses not related to operating activities		-76	-797	2 984	8 564	866
Changes in working capital and non-cash adjustments		1 096	12 523	-22 168	-16 911	515
Net cash flow from operating activities		**-102 232**	**-72 432**	**-210 487**	**-177 513**	**-326 627**
Cash flow from investing activities						
Investments in property, plant and equipment and intangible assets		-115	-1 021	-353	-1 692	-2 159
Interests received		272	66	463	142	4 570
Net cash flow from investing activities		**157**	**-955**	**110**	**-1 550**	**2 411**
Cash flows from financing activities						
Net proceeds from equity issue	7	9 992	1 186	220 288	1 186	8 580
Change in lease liabilities		-2 718	0	-3 154	0	0
Interests paid		-246	0	-310	0	0
Net cash flow from financing activities		**7 028**	**1 186**	**216 824**	**1 186**	**8 580**
Effects of exchange rate changes on cash and cash equivalents		**76**	**797**	**-2 984**	**-8 564**	**-866**
Net change in bank deposits, cash and equivalents		-94 971	-71 404	3 463	-186 441	-316 502
Cash and equivalents at beginning of period		538 503	641 534	440 069	756 571	756 571
Cash and equivalents at end of period		**443 532**	**570 130**	**443 532**	**570 130**	**440 069**

The interim financial information has not been subject to audit.

Notes to the condensed interim financial statements for the first quarter 2019

Note 1. General information

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

The figures in this Second Quarter and First Half 2019 report are non-audited figures.

These financial statements were approved for issue by the board of directors on August 21st, 2019.

Note 2. Basis for preparation and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements can be found in the group's Annual Report 2018. These policies have been consistently applied in all periods presented. Amounts are in Norwegian kroner (NOK) unless stated otherwise. The functional currency of the group is NOK.

Basis of preparation of the annual accounts

The Nordic Nanovector Group's interim consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), which have been adopted by the EU and are mandatory for financial years beginning on or after January 1st, 2019, and Norwegian disclose requirements listed in the Norwegian Accounting Act. The interim consolidated condensed financial statements have been prepared on the historical cost basis, with the exception of receivables and other financial liabilities which are recognised at amortised cost.

IFRS 16 Leases (effective from 1 January 2019)

IFRS 16 supersedes IAS 17 Leases and IFRIC 4 Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases.

Lessees are required to account for most leases under a single on-balance sheet model, and the distinction between operating and finance leases for lessees as was required by IAS 17 has been eliminated. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17.

In accordance with IFRS 16, the group recognises a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset), and recognises depreciation of the right-of-use assets separately from interest on lease liabilities in the income statement.

The group has made the following accounting policy choices:

- Leases with a lease term of 12 months or shorter are not capitalised (short-term leases).
- Low-value leases, meaning mainly leased office equipment, are not capitalised.
- Fixed non-lease components embedded in the lease contract are separated and hence not recognised as lease liabilities or capitalised as right-of-use assets.
- Right-of-use assets and non-current lease liabilities are presented separately in the statement of financial position.

The group has further elected to apply the modified retrospective approach for transition to IFRS 16, meaning that comparatives for 2018 are not restated and the cumulative effect of initially applying the standard has been recognised as an adjustment to the opening balance of equity as of 1 January 2019. Right-of-use assets and liabilities have been measured at the same amount.

- Discount rate has been estimated to 2.9% for rental of facilities and 5.25% for office machines based on an evaluation of incremental borrowing rate.
- The group did not have any lease agreement classified as financial lease as of December 31st 2018.

New accounting principles

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.

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.

Significant judgement in 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.

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

Critical accounting estimates and judgments

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31st, 2018.

Note 4. Government grants

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

Amounts in NOK 1 000	Second Quarter		First Half Year	
	2019	2018	2019	2018
Payroll and related expenses	564	730	1 018	1 618
Other operating expenses	2 850	1 072	5 025	2 635

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

Amounts in NOK 1 000	30.06.2019	31.12.2018
Grants receivable	12 320	7 827

1) In 2016, the company received a new grant of up to NOK 15 million from the Research Council of Norway's User-driven Research-based Innovation programme (in Norwegian; Brukerstyrt innovasjonsarena, BIA). The project period is from 2016 to August 2019. The purpose of the grant is to support research and development of novel targeted therapeutics for leukaemia and NHL. The grant will be distributed to the company over the course of three years and eight months. For the financial period ended June 30th, 2019, the company has recognised NOK 1.1 million (as of June 30th, 2018: NOK 2.2 million) classified partly as a reduction of payroll and related expenses, and partly as a reduction of other operating expenses.

2) R&D projects have been approved for SkatteFUNN grants for the period 2017 through 2020. For the financial period ended June 30th, 2019, the company has recognised NOK 4.4 million compared to NOK 1.6 million for the same period in 2018. The amount was recognised partly as a reduction of payroll and related expenses and partly as a reduction of other operating expenses.

3) In 2016, The Research Council awarded a grant supporting a PhD for the period 2016 through 2019 of NOK 2.2 million. For the financial period ended June 30th, 2019, the company recognised NOK 0.3 million (June 30th, 2018: NOK 0.4 million) partly as a reduction of payroll and related expenses and other operating expenses.

4) In 2019, The Research Council awarded miscellaneous de minimis aid for first half of 2019 up to NOK 0.2 million. For the financial period ended June 30th, 2019, the company recognised NOK 0.2 million (June 30th, 2018: NOK 0.0 million) partly as a reduction of payroll and related expenses and other operating expenses.

Note 5. Employee share incentive programmes

Performance Share Units (PSUs)

The Board of Directors of Nordic Nanovector ASA decided on January 31st, 2019 to grant 259 000 PSUs to current and newly hired employees. On May 23rd an additional 10 000 were granted to a new employee.

Overview of outstanding PSUs

Amounts in NOK	Year to date 2019
	Number of PSUs
Balance at 01.01.2019	461 250
Granted during the period	269 000
Exercised during the period	0
Forfeited	-37 500
Balance at 30.06.2019	**692 750**
Hereof vested PSUs	**0**

For further information about the PSU programme see note 6.3.1 to the company's annual accounts included in the company's annual report for 2018.

Share options

Overview of outstanding options

Amounts in NOK	Year to date 2019	
	Number of options	Weighted average exercise price
Balance at 01.01.2019	2 659 174	43.09
Granted during the year	0	-
Exercised during the year	-624 645	24.82
Forfeited	-100 480	85.27
Balance at 30.06.2019	**1 934 049**	**46.81**
Hereof vested options	**1 588 593**	**41.46**

For further information about the share option programme see note 6.3.3 to the company's annual accounts included in the company's annual report for 2018.

Note 6. Restricted Stock Units (RSUs)

Allocation of restricted stock units (RSUs) to the board of directors May 10th, 2019

At the AGM, the shareholders approved the issuance of restricted stock units ("RSUs") to board members who elect to receive all or parts of their remuneration, for the period from the annual general meeting in 2019 to the annual general meeting in 2020, in the form of RSUs.

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

The board members may elect to either (i) receive 100% of the compensation in RSUs, (ii) receive 1/3 of the compensation in cash and 2/3 in RSUs, or (iii) receive 2/3 of the compensation in cash and 1/3 in RSUs. The

election made by each board member has been set out in the table below. The number of RSUs to be granted to the members of the board is calculated as the NOK amount of the RSU opted portion of total compensation to the board member, divided by the market price for the Nordic Nanovector share. The market price is calculated as volume weighted average share price 10 trading days prior to the date of the AGM, i.e. NOK 45.76.

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

Name	Remuneration for the period 2019-2020	Allocation between cash and RSUs	Number of RSUs for the period 2019-2020	Total number of RSUs	Total number of shares
Jan H. Egberts	NOK 540 000 [1]	2/3 RSUs	7 867	7 867	0
Per Samuelsson	NOK 360 000 [2]	100% Cash [3]	0	0	0
Hilde H.Steineger	NOK 360 000 [4]	2/3 RSUs	5 245	20 778	750
Gisela Schwab	NOK 320 000 [5]	1/3 RSUs	2 331	8 063	10 000
Joanna Horobin	NOK 340 000 [6]	2/3 RSUs	4 953	9 025	4 785
Jean-Pierre Bizzari	NOK 340 000 [7]	1/3 RSUs	2 477	4 513	4 509
Rainer Boehm	NOK 320 000 [8]	1/3 RSUs	2 331	5 902	0

1. NOK 500 000 as chairman of the Board, NOK 20 000 as a member of the audit committee and NOK 20 000 as a member of the compensation committee.

2. NOK 300 000 as board member, NOK 40 000 as chair of the compensation committee and NOK 20 000 as a member of the audit committee.

3. Per Samuelsson is not allowed to hold equity in the company due to his affiliation with HealthCap and will only receive cash.

4. NOK 300 000 as board member, NOK 40 000 as chair of the audit committee and NOK 20 000 as a member of the compensation committee.

5. NOK 300 000 as board member and NOK 20 000 as member of the clinical committee.

6. NOK 300 000 as board member, NOK 20 000 as member of the clinical committee and NOK 20 000 as member of the compensation committee.

7. NOK 300 000 as board member and NOK 40 000 as chair of the clinical committee.

8. NOK 300 000 as board member and NOK 20 000 as member of the clinical committee.

A total of 25 204 RSUs have thus been allocated following the AGM. The RSUs will vest on 25 April 2020.

Overview of outstanding RSUs

Amounts in NOK	Year to date 2019
	Number of RSUs
Balance at 01.01.2019	68 391
Granted during the year	25 204
Exercised during the year	-45 961
Forfeited	-2 679
Balance at 30.06.2019	**44 955**
Hereof vested RSUs	**19 751**

For further information about the RSU programme see note 6.3.2 to the company's annual accounts included in the company's annual report for 2018.

Note 7. Share capital and shareholder information

The share capital as at June 30th, 2019 is NOK 11 022 739.20 (December 31st, 2018: NOK 9 886 189), being 55 113 696 ordinary shares at a nominal value of NOK 0.20. All shares carry equal voting rights.

The change in the number of shares during the period was as follows:	Note	30.06.2019	31.12.2018
Ordinary shares at beginning of the period		**49 430 945**	**49 044 402**
Issue of ordinary shares [1)]		5 012 145	**0**
Issue of ordinary shares under share options [2)]	5	624 645	380 508
Issue of ordinary shares under RSUs [3)]	6	45 961	6 035
Ordinary shares at end of the period		**55 113 696**	**49 430 945**

[1)] On January 25th, 2019 the company raised approximately NOK 222 million in gross proceeds through a private placement of 4 943 094 new shares. The Private Placement was completed at a subscription price of NOK 45 per share, which was determined through an accelerated book-building process. The company's carried out a repair offering of 69 051 new shares and raised gross proceeds of approximately NOK 3.1 million in March 2019.

[2)] Participants in Nordic Nanovector ASA's previous share option program, not being primary insiders, exercised a total number of 624 645 options through exercise of a corresponding number of free-standing warrants. Each free-standing warrant gives the right to receive one share in the company.

[3)] On May 31st, 2019 three of the board members of Nordic Nanovector ASA, resolved to settle a total number of 11 840 RSUs that were issued to them in June 2018 after they had elected to receive all or part of their remuneration for the period from the annual general meeting in 2018 to the annual general meeting in 2019 in RSUs. In addition, a former board member has during the first half 2019 resolved to settle 34 121 RSUs that the Company previously issued as remuneration under the RSU-program. Each RSU gives the right to subscribe for one share in the Company at a subscription price of NOK 0.20.

Nordic Nanovector ASA had 8 645 shareholders as at June 30th, 2019

	Shareholders	Number of shares	Percentage of total shares
1	HealthCap VI L.P.	5 710 833	10.36 %
2	Folketrygdfondet	3 111 954	5.65 %
3	OM Holding AS	2 519 797	4.57 %
4	Nordnet Livsforsikring AS	1 624 719	2.95 %
5	Linux Solutions Norge AS	845 071	1.53 %
6	Sciencons AS (Roy Hartvig Larsen)	725 000	1.32 %
7	Must Invest AS	700 000	1.27 %
8	VPF Nordea Kapital	695 807	1.26 %
9	Radiumhospitalets Forskningsstiftelse	639 518	1.16 %
10	VPF Nordea Avkastning	592 251	1.07 %
11	Inven2 AS	541 247	0.98 %
12	SEB Prime Solutions Sissener Canopus	500 000	0.91 %
13	Ro Invest AS	472 222	0.86 %
14	Roy Hartvig Larsen	454 801	0.83 %
15	UBS Switzerland AG	450 216	0.82 %
16	Birk Venture AS	450 000	0.82 %
17	Interactive Brokers LLC	417 321	0.76 %
18	Nordnet Bank AB	365 726	0.66 %
19	KLP Aksje Norge	362 500	0.66 %
20	DNB Bank AB	358 672	0.65 %
	Total shares for top 20 shareholders	**21 537 655**	**39.08 %**
	Total shares for other 8 625 shareholders	33 576 041	60.92 %
	Total shares (8 645 shareholders)	**55 113 696**	**100.00 %**

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

Note 8. Earnings per share

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

Amounts in NOK	First Half 2019	First Half 2018
Loss for the period	-201 854 000	- 173 507 000
Average number of outstanding shares during the year	53 813 373	49 045 319
Earnings (loss) per share - basic and diluted	**-3.75**	**-3.54**

Share options issued have a potential dilutive effect on earnings per share. No dilutive effect has been recognised as potential ordinary shares only shall be treated as dilutive if their conversion to ordinary shares would decrease

earnings per share or increase loss per share from continuing operations. As the company is currently loss-making an increase in the average number of shares would have anti-dilutive effects.

Note 9. Net finance income (expense)

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

Amounts in NOK 1 000	Second Quarter		First Half Year		Full Year
	2019	2018	2019	2018	2018
Finance income	1 353	1 180	2 797	2 440	4 584
Finance expenses	306	0	454	1	2
Net currency gains (losses) on cash and cash equivalents	76	797	-2 984	-8 564	-866
Net other currency gains (losses) related to operating items	-255	-36	116	-202	-675
Net finance income (expense)	**868**	**1 941**	**-525**	**-6 327**	**3 041**

Finance expenses in the first half of 2019 include interest expenses on lease liabilities of NOK 0.3 million, as an effect of IFRS 16.

Note 10. IFRS 16 Leases

The effects of adoption of IFRS 16

The group has lease contracts related to external production facilities at one of the CMO's manufacturing sites, office facilities and offices machines. Before the adoption of IFRS 16 Leases 1 January 2019, the group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. As of December 31st, 2018 the group had no agreements that classified as financial lease. In an operating lease, the leased asset was not capitalised, and the lease payments were recognised in the income statement on a straight-line basis over the lease terms. Any prepaid rent and accrued rent were recognised under other current receivables and accounts payables, respectively. Upon adoption of IFRS 16, the group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets for all leases where it is the lessee, except for short-term leases and leases of low-value assets. The tables below show the impacts arising from IFRS 16 on the opening balance and for the first half of 2019.

Implementation effect of IFRS 16 as per January 1st, 2019.

Consolidated statement of financial position Amounts in NOK 1 000	31.12 2018	Implementation effect of IFRS 16	01.01 2019
Non-current assets Property, plant and equipment	4 082	6 631	10 713
Non-current liabilities Lease liability	0	5 136	5 136
Current liabilities Other current liabilities	72 178	1 495	73 673

Reconciliation of lease commitments to lease liabilities **Amounts in NOK 1 000**	
Finance lease liabilities at 31.12.2018	0
+/- Sublease reclassifications and short-term lease exemptions	0
Non-cancellable operating lease commitments at 31.12.2018	3 980
+ Extension options reasonably certain to be exercised	3 111
- Discounting using the incremental borrowing rate	-460
Lease liabilities recognised at initial application 01.01.2019	**6 631**
The weighted average incremental borrowing rate applied:	3,1%
Right-of-use assets recognized at initial application 01.01.2019	**6 631**
Amount recognised in retained earnings at initial application	**0**

Interim consolidated income statement **Amounts in NOK 1 000**	**First Half 2019** **IFRS 16**	**Impact** **IFRS 16**	**First Half 2019** **IAS 17**
Revenues	0	0	0
Total operating revenue	**0**	**0**	**0**
Payroll and related expenses	42 096	0	42 096
Depreciation	4 627	-3 431	1 196
Other operating expenses	154 209	3 463	157 672
Total operating expenses	**200 932**	**32**	**200 964**
Operating profit (loss)	**-200 932**	**-32**	**-200 964**
Finance income and finance expenses			
Finance income	6 003	0	6 003
Finance expenses	6 528	310	6 838
Financial items, net	**-525**	**-310**	**-835**
Loss before income tax	**-201 457**	**-278**	**-201 799**

Interim consolidated statement of financial position **Amounts in NOK 1 000**	**30.06.2019** **IFRS 16**	**Impact IFRS 16**	**30.06.2019** **IAS 17**
Total non-current assets	25 141	-21 902	3 239
Total non-current receivables	0	0	0
Total current assets	40 956	0	40 956
Cash and cash equivalents	443 532	0	443 532
TOTAL ASSETS	**509 629**	**-21 902**	**487 727**
Total shareholders'equity	387 440	278	387 718
Total non-current liabilities	14 107	-10 692	3 415
Total current liabilities	108 082	-11 488	96 594
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**509 629**	**-21 902**	**487 727**

Additional information

Glossary of terms

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

ADC: Antibody-Drug-Conjugate

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 specialized receptor protein allows a B-cell to bind to a specific antigen.

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

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

chHH1: Chimeric version of the HH1 antibody

CLL: Chronic Lymphocytic Leukemia

CR: Complete Response

DLBCL: Diffuse Large B-Cell Lymphoma

DoR: Duration of Response

EANM: European Association of Nuclear Medicine

EMA: European Medicines Agency

EMEA: Europe, Middle East, and Africa

FDA: Food and Drug Administration (US)

FL: Follicular Lymphoma

GMP: Good Manufacturing Practice

Haem-Oncs: Haematologist-oncologist

HH1: Lilotomab

Humalutin®: Chimeric anti-CD37 ARC

IND: Investigational New Drug

iNHL: Indolent non-Hodgkin Lymphoma

KI: Kinase Inhibitor

KOL: Key Opinion Leader

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

Lu-177: Radionuclide lutetium-177

M.D: Medical Doctor

mAb: Monoclonal antibody

MBq: Megabecquerel (radioactivity measurement unit)

MCL: Mantle Cell Lymphoma

MSL: Medical science liaison

MZL: Marginal zone lymphoma

NDA: New Drug Application

NHL: Non-Hodgkin's Lymphoma

NNV003: Chimeric anti-CD37 antibody developed by Nordic Nanovector

ODD: Orphan Drug Designation

ORR: Overall Response Rate (CR plus PR)

OS: Overall Survival

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

PD: Progressive Disease

PFS: Progression Free Survival

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

PR: Partial Response

QoL: Quality of Life

R/R: Relapsed/refractory

R: Rituximab

RIT: Radioimmunotherapy

RTX: Rituximab

SAB: Scientific Advisory Board

SCT: Stem cell transplant

SD: Stable Disease

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

TAT11: 11th International Symposium on Targeted-Alpha-Therapy

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

TRP11: Targeted Radiopharmaceuticals Summit

US: United States

Financial calendar

R&D Day	September 2019, date to be announced
Q3 2019 results:	November 19th, 2019
Q4 and FY 2019 results:	February 2020

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

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

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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.

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About Nordic Nanovector

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

Nordic Nanovector's lead clinical-stage candidate is Betalutin®, a novel CD37-targeting radioimmunotherapy designed to advance the treatment of non-Hodgkin's lymphoma (NHL). NHL is an indication with substantial unmet medical need, representing a growing market forecast to be worth nearly USD 29 billion by 2026. Nordic Nanovector intends to retain marketing rights and to actively participate in the commercialisation of Betalutin® in core markets.