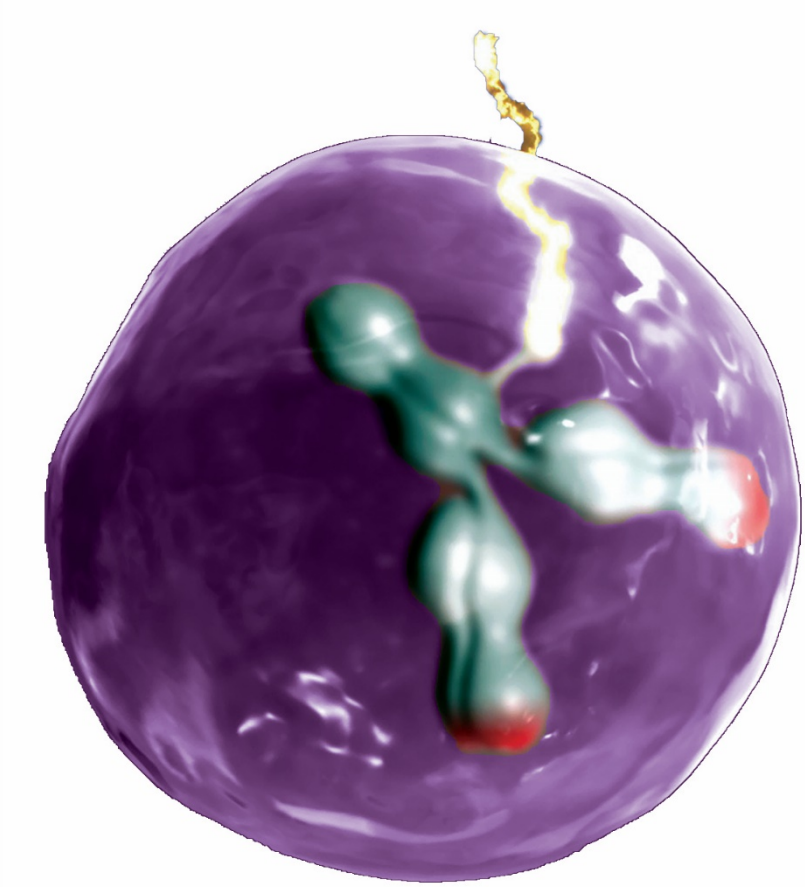
NORDIC NANOVECTOR

Fourth Quarter and Full Year Report 2019



Q4 2019

Highlights

Q4'19 Highlights

- Pivotal Phase 2b PARADIGME trial of Betalutin® in 3rd-line FL is progressing
  - 47 patients have been enrolled in the PARADIGME trial
  - The company continues to aim for patient enrolment to be completed in the second half of 2020
- A global agreement was signed with Isotope Technologies Garching GmbH (ITG) to ensure the supply of no-carrier-added lutetium-177, a key component of Betalutin®
- Successful completion of private placement of new shares raising approximately NOK 243 million (USD 26.4 million) (gross)
- DLBCL - 3 additional patients being enrolled into final dose cohort as one patient experienced a reversible DLT
- Alpha37 project received grant funding of NOK 6 million (~USD 0.65 million) from Eurostars and NOK 12 million (~USD 1.3 million) from the Norwegian Research Council
- New preclinical data offering insights to enhancing Betalutin®-based combination therapies in NHL presented at ASH

Events after Q4'19

- Dr. Lars Nieba, Nordic Nanovector's Chief Technology Officer, appointed interim Chief Executive Officer in February 2020 to replace Eduardo Bravo, who left the company to pursue other career opportunities

Jan H. Egberts, MD, Chairman of Nordic Nanovector, commented:
"The Board is very pleased to appoint Dr. Lars Nieba as Nordic Nanovector's interim CEO. We believe that his significant operational, development and product supply expertise will be crucial as we work towards completing the PARADIGME study and prepare for the planned filing for Betalutin® with the FDA. On behalf of the Board I would like to thank Eduardo for his contribution as CEO."
"We currently have 47 patients enrolled in our pivotal PARADIGME Phase 2b trial evaluating Betalutin®. The company will under its new management look into the current strategy and operational trial initiatives. We still aim to complete the patient enrolment in PARADIGME in the second half of 2020.

The encouraging efficacy and safety profile demonstrated in the first part of the LYMRIT 37-01 Phase 1/2 trial with a single administration of Betalutin® give the Board and management confidence in its potential to become an important option for patients with non-Hodgkin's lymphoma (NHL). The company continues to build on its CMC activities and strengthen the organisation overall in preparation for filing. Crucially, the company has been successful in raising new funds totalling NOK 445 million (USD 48 million) during the year, providing the financial resources to complete PARADIGME and all ongoing clinical trials."

Key figures Nordic Nanovector Group

Amounts in MNOK (except earnings/loss per share)	Fourth Quarter		Full Year	
	2019	2018	2019	2018
Total revenues	0.0	0.0	0.0	0.0
Total operating expenses	139.3	96.3	440.4	340.0
Operating profit (loss)	-139.3	-96.3	-440.4	-340.0
Net financial items	1.7	7.8	7.7	3.0
Total comprehensive income (loss) for the period	**-137.5**	**-87.7**	**-433.2**	**-336.8**
Basic and diluted earnings (loss) per share	**-2.17**	**-1.80**	**-7.66**	**-6.88**
Number of employees	**48**	**38**	**48**	**38**
Net change in bank deposits, cash and equivalents	124.9	-59.6	30.8	-316.5
Cash and equivalents at beginning of period	345.9	499.7	440.1	756.6
Cash and equivalents at end of period	**470.8**	**440.1**	**470.8**	**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, many of whom become resistant to rituximab (RTX)-based regimens. Betalutin® is a radioimmunotherapy that targets the CD37 receptor on the surface of B-cell malignancies, which represents an alternative tumour target to CD20 upon which the current standard-of-care NHL therapies (such as RTX) are focused. 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 a market opportunity worth nearly USD 5 billion per year with Betalutin®.

The company's priority is to develop Betalutin® as a single administration treatment for advanced recurrent FL, the most common form of indolent NHL (iNHL). 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 later.

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 (R/R) FL after at least two prior systemic therapies and Promising Innovative Medicine (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 this combination is now being investigated in 2L FL in the Phase 1b Archer-1 trial. The success of this programme could pave the way for Betalutin® to improve outcomes in patients with 2L FL and access a larger patient population within recurrent FL than 3L FL alone.

The company is also conducting 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 NHL subtype.

In addition, 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 lead-212; preparations for an Investigational New Drug (IND) application to enable clinical trials for potential treatment of chronic lymphocytic leukaemia (CLL) are now advancing. This project has received funding from Eurostars and the Norwegian Research Council.

Clinical results highlight strong clinical profile of Betalutin® in R/R FL

Clinical results from the LYMRIT 37-01 trial demonstrate that a single administration of Betalutin® is well tolerated and indicates encouraging anti-tumour activity in patients with recurrent iNHL, especially in FL and marginal zone lymphoma (MZL).

The previously 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. Betalutin® treatment was well-tolerated with the most common adverse events reported being transient Grade 3/4 neutropenia and thrombocytopenia, with limited non-haematologic toxicity.

Encouraging anti-tumour activity was seen, with a 61%, Overall response rate (ORR) and 28% Complete response (CR), especially in the subset of FL patients (n=57) who received two or more previous treatments (ORR 65%, CR 28%). Median duration of response (mDoR), updated at the company's R&D Day in September 2019, was over one year (13.6 months) for all responders and nearly three years (32.0 months) for complete responders (vs 9.0 and 20.7 months, respectively, reported at ASH 2018). Median follow-up time for responders was 30.0 months (range: 12.0 - 60.7 months). Follow-up for mDoR is still ongoing.

These remarkable results are from a single administration of Betalutin® and in patients with advanced stage disease, who are increasingly difficult to treat and have few remaining options available.

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 130 relapsed, RTX/anti-CD20 antibody 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 ORR and secondary endpoints include DoR, progression-free survival (PFS), overall survival (OS), safety and quality of life.

94 sites are open for enrolment in 24 countries (as of 26th February 2020) and 47 patients have been enrolled in the trial. The company is working closely with the Contract Research Organization (CRO) managing the trial and with participating clinical investigators to recruit patients as quickly as possible. In addition, Lars Nieba has been appointed as interim CEO, from his previous role as Chief Technology Officer, to drive these activities forward. The company will, under its new management, look into the current strategy and operational trial initiatives. The company is still aiming to complete patient enrolment in the second half of 2020.

Manufacturing and supply chain management

With PARADIGME underway, Nordic Nanovector has been increasing its focus and investment on its pre-commercialisation CMC (Chemistry, Manufacturing and Controls) strategy. As part of this strategy, the company has established and is validating the manufacturing and supply chain for Betalutin®, which involves experienced manufacturers in Norway and internationally, including the Institute for Energy Technology (IFE) and Diatec in Norway and 3P Biopharmaceuticals and Liof Pharma (previously called Praxis) in Spain.

The company has signed a long-term agreement with Isotope Technologies Garching GmbH (ITG) to ensure the supply of GMP (Good Manufacturing Practice) quality, no-carrier-added lutetium-177, a key component of Betalutin®, for clinical and commercial uses.

Strengthening the management team

During 2019, the company has been strengthening its organisation with a number of key hires particularly with respect to the commercial planning for Betalutin®. These include Dr Lars Nieba, who was appointed as Chief Technology Officer to drive the company's CMC strategy; Dr Gabriele Elbl joined as VP Global Regulatory Affairs to lead the company's regulatory affairs strategy for the US and other relevant global markets; Dr Mark Wright was appointed as Head of Manufacturing to lead production of Betalutin® for clinical trials and future commercialisation, and of other CD37-targeting candidates emerging from the company's pipeline; and Fredrik Haavind was appointed Head of Legal and Compliance bringing significant experience in domestic and international corporate law to the company.

In addition, in Q1, Jan H. Egberts, M.D. was elected new Chairman of the Board of Directors bringing over 25 years of experience in the pharmaceutical and medical devices sector and having held over 20 Supervisory Board positions both in the US and various European countries.

In February 2020, Lars Nieba was appointed interim Chief Executive Office replacing Eduardo Bravo, who left the company to pursue other opportunities. Dr Nieba joined Nordic Nanovector on 1 December 2019 from Bayer AG where he served in various operational and strategic roles, Dr Nieba was most recently responsible for driving Bayer's Chemistry, Manufacturing and Controls (CMC) strategy for biologicals. He joined Bayer in 2016 following 13 years at F. Hoffmann-La Roche Ltd., where he held various leadership roles in clinical, operations, supply planning, biologics technology and technical business development. Prior to that, Dr Nieba worked for Cytos Biotechnology where he served as Head of Therapeutic Vaccine Research.

Dr Nieba gained a PhD from the Max-Planck-Institute for Biochemistry, München and Institute for Biochemistry at the University of Zürich, and an Executive MBA from the University of St. Gallen, Switzerland.

New funds raised to support clinical development and pre-commercialisation activities for Betalutin®

Following on from the approximately NOK 225 million (~USD 26.4 million) (gross) raised in a private placement and subsequent repair offering in Q1 2019, Nordic Nanovector successfully raised a further approximately NOK 243 million (~USD 26.4 million) in gross proceeds in October through a private placement to institutional investors in Norway and internationally.

The company intends to use the new funds, alongside its existing cash resources, to support the continued clinical development of Betalutin® (including completion of enrolment of PARADIGME and all ongoing clinical trials), manufacturing and other activities in preparation for the US commercialisation of Betalutin®.

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 reversing 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.

The company believes that the combination of Betalutin® with RTX could benefit 2L FL patients based on these encouraging preclinical findings. For 2L relapsed FL this could mean access to a market worth an estimated USD 1.5 billion per year[3], more than twice 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.

In May, following a review of safety data from the first cohort of three patients receiving 10 MBq/kg Betalutin® with a pre-dose of 40 mg lilotomab, the trial was advanced into the second cohort of 3-6 patients for whom the Betalutin® dose was increased to 15 MBq/kg.

At the R&D Day in September, the company disclosed results from the first cohort following an evaluation for preliminary efficacy in which all three patients had a complete response (ORR 100%). Full data read out from this Phase 1b study is expected in the second half of 2020.

Phase 1 trial with Betalutin® in DLBCL – additional patients to be recruited

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)[4]. 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[3].

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 up to 24 patients with R/R DLBCL not eligible for SCT. The trial aims to identify a single dosing regimen for testing in an expansion cohort.

In December, the company announced that three additional patients are being enrolled for further evaluation of the final dose cohort as one patient experienced a reversible DLT (dose limiting toxicity). No safety issues were identified in the three completed cohorts and evidence of disease control has been noted in some of the enrolled patients.

New preclinical data with Betalutin® in DLBCL presented at ASH 2019 and published in Frontiers in Oncology[5]

In December, Nordic Nanovector presented a poster at the 61st Annual ASH meeting. Previously, a screen of more than 50 different NHL cell lines identified some cell lines that were resistant to Betalutin® (EHA 2018). Two of the cell lines were the double-hit/double-expressor ABC-DLBCL cell lines RIVA and U2932. In the poster presented at ASH these two cell lines have been used in a new screen where Betalutin® has been combined with 384 different anti-cancer drugs to identify the Betalutin®/drug combinations that could revert the resistance. Understanding the mechanisms of resistance to Betalutin®, and how to overcome them, is crucial for being able to deliver optimal treatment combinations to patients with difficult to treat tumours.

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

The company has an R&D collaboration underway with Orano Med to develop and investigate Alpha37, 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 the high energy of the alpha-particles is limited to a very short distance (50–100 µm or a few cell diameters) resulting in localised cytotoxicity while sparing surrounding healthy tissues. The development of Alpha37 therefore offers the potential to treat leukaemias and lymphomas where there is no substantial tumour mass and tumour cells are near healthy tissues.

In October, Nordic Nanovector and its collaborators at Orano Med presented data and analyses from preclinical studies with Alpha37 for the treatment of leukaemia and lymphoma at the 2019 Annual Congress of the European Association of Nuclear Medicine (EANM). In the study, the efficacy of Alpha37 was superior to ibrutinib in a CLL mouse model. Ibrutinib is a Bruton's tyrosine kinase (BTK) inhibitor that forms part of the standard of care for chronic lymphocytic leukaemia (CLL) and NHL, alongside chemotherapy and anti-CD20 immunotherapy. The study showed that a single injection of Alpha37 is safe and effective for the treatment of CD37-positive CLL and NHL in preclinical models, with promising efficacy in an ibrutinib-resistant CLL model.

Preparations for an IND application for potential treatment of chronic lymphocytic leukaemia (CLL) are now advancing. Nordic Nanovector has received grant funding of NOK 6 million (~USD 0.65 million) from Eurostars, a Europe-wide R&D funding programme, to advance the Alpha37 programme. The company has also received non-dilutive funding of NOK 12 million (~USD 1.3 million) from the Norwegian Research Council (Forskningsrådet) aimed at optimising the production yield of NNV003. This latter project will be conducted in partnership with SINTEF Biotechnology (Trondheim, Norway), one of Europe's largest independent research institutes.

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

[5]Rødland, G.E., Melhus, K., Generalov, R., Gilani, S., Bertoni, F., Dahle, J., Syljuåsen, R.G., Patzke, S. The Dual Cell Cycle Kinase Inhibitor JNJ-7706621 Reverses Resistance to CD37-Targeted Radioimmunotherapy in Activated B Cell Like Diffuse Large B Cell Lymphoma Cell Lines. Front Oncol. (2019), 9, 1301.

Financial review

The interim consolidated financial statements for Nordic Nanovector Group[1] as of December 31st, 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 fourth quarter of 2019 amounted to NOK 0.0 million (NOK 0.0 million). Revenues for the fiscal year 2019 were NOK 0.0 million (NOK 0.0 million).

Total operating expenses for the quarter came to NOK 139.3 million (NOK 96.3 million). Payroll and related expenses were NOK 29.9 million (NOK 23.1 million), reflecting the increase of employees from 38 at the end of fourth quarter 2018 to 48 at the end of fourth quarter 2019. Other expenses amounted to NOK 104.9 million during the quarter (NOK 72.6 million). The increase being driven by clinical and manufacturing development activities. Total operating expenses for the fiscal year 2019 increased to NOK 440.4 million (NOK 340.0 million), primarily reflecting manufacturing development activities to prepare for Biologics License Application (BLA) readiness for Betalutin®.

Research and development (preclinical, clinical, medical affairs, regulatory and CMC activities) expenses accounted for 80 % of total operating expenses in the fiscal year 2019 (73.9 %).

Operating loss for the quarter was NOK 139.3 million (loss of NOK 96.3 million), for the reasons stated above. Operating loss for the fiscal year 2019 was NOK 440.4 million (loss of NOK 340.0 million).

Net financial items for the quarter came to NOK 1.7 million (NOK 7.8 million), mainly due to interests on bank deposits. Net financial items for the fiscal year 2019 amounted to NOK 7.7 million (NOK 3.0 million), driven by currency fluctuations on bank deposits as well as interest income.

Nordic Nanovector's comprehensive loss for the quarter amounted to NOK 137.5 million (loss of NOK 87.7 million), due to the reasons stated above. Comprehensive loss for the fiscal year 2019 was NOK 433.2 million (NOK 336.8 million).

Financial position

Total assets at December 31st, 2019, amounted to NOK 515.7 million, up from NOK 473.6 million at December 31st, 2018. The increase was primarily due to higher cash and cash equivalents position.

Total shareholders' equity at December 31st, 2019, was NOK 388.0 million (NOK 363.2 million at year-end 2018), corresponding to an equity ratio of 75.2% (76.7 % at year-end 2018).

Total liabilities at the end of the fourth quarter were NOK 127.7 million, up from NOK 110.4 million from year-end 2018, driven by increase of accounts payables.

Cash flow

Net cash flow from operating activities in the fourth quarter of 2019 was negative NOK 100.5 million (negative NOK 77.6 million), mainly reflecting the impact of higher clinical and manufacturing development activities and fluctuations in the working capital. Net cash flow from operating activities in the fiscal year 2019 was negative NOK 410.6 million (negative NOK 326.6 million) due to higher operational activities.

Net cash flow from investing activities in the fourth quarter and fiscal year 2019 was NOK 4.7 million (NOK 4.3 million) and NOK 4.5 million (NOK 2.4 million), respectively.

[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 fourth quarter of 2019 was NOK 221.0 (NOK 6.4 million), caused by private placement in October. Net cash flow from financing activities for the fiscal year 2019 amounted to NOK 434.9 million (NOK 8.6 million), mainly due to the private placement announced in the first and the fourth quarter of 2019.

Exchange rate fluctuations in the fourth quarter of 2019 of negative NOK 0.2 million (NOK 7.4 million). The corresponding figure for the fiscal year 2019 was an impact of NOK 1.9 million (negative NOK 0.9 million).

Cash and cash equivalents amounted to NOK 470.8 million at the end of December 2019, compared to NOK 345.9 million at the end of September 2019 and NOK 440.1 million at the end of December 2018.

New funds raised to support clinical development and pre-commercialisation activities for Betalutin®

In October, Nordic Nanovector raised approximately NOK 243 million (USD 26.4 million) in gross proceeds through a private placement of 11,023,892 new shares to institutional investors in Norway and internationally.

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 radioimmunotherapies for haematological cancers by developing, manufacturing and commercialising innovative products to address major unmet medical needs and advance cancer care.

Betalutin®, the company's most advanced radioimmunotherapy candidate, is developing a highly differentiated, competitive, clinical profile. Nordic Nanovector is confident that Betalutin® could become an attractive and convenient once-only therapeutic option, which, based on detailed market research, has the potential to be commercially successful.

Betalutin® is being developed 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 Betalutin® in 3L R/R FL is underway. The company will, under its new management, look into the current strategy and operational trial initiatives. We still aim to complete patient enrolment into PARADIGME in the second half of 2020. The study's preliminary data read-out is planned a few months later. A BLA filing to gain marketing approval for Betalutin® is expected to start in the first half of 2021. Nordic Nanovector intends to retain marketing rights and to actively participate in the commercialisation of Betalutin® in core markets.

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 across NHL and other haematological cancer indications.

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

Amounts in NOK 1 000	Note	Fourth Quarter		Full Year	
		2019	2018	2019	2018
Revenues		0	0	0	0
Total revenues		**0**	**0**	**0**	**0**
Payroll and related expenses	4, 5, 10	29 885	23 113	96 409	79 208
Depreciation		4 467	606	12 659	2 252
Other operating expenses	4, 6, 10	104 914	72 598	331 284	258 553
Total operating expenses		**139 266**	**96 317**	**440 352**	**340 013**
Operating profit (loss)		**-139 266**	**-96 317**	**-440 352**	**-340 013**
Net finance income	9, 10	1 690	7 828	7 693	3 041
Loss before income tax		**-137 576**	**-88 489**	**-432 659**	**-336 972**
Income tax		-294	-256	-938	-800
Loss for the period		**-137 870**	**-88 745**	**-433 597**	**-337 772**
Other comprehensive income (loss), net of income tax to be reclassified to profit and loss in subsequent periods					
Translation effects		226	404	326	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		101	633	101	633
Total comprehensive income (loss) for the period		**-137 543**	**-87 708**	**-433 170**	**-336 770**
Loss for the period attributable to owners of the company		-137 870	-88 745	-433 597	-337 772
Total comprehensive income (loss) for the period attributable to owners of the company		-137 543	-87 708	-433 170	-336 770
Earnings (loss) per share					
Basic and diluted earnings (loss) per share in NOK	8	-2.17	-1.80	-7.66	-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	31.12 2019	31.12 2018
ASSETS			
Non-current assets			
Property, plant and equipment		2 648	4 082
Right-of-use-assets	10	17 747	0
Total non-current assets		**20 395**	**4 082**
Current assets			
Receivables			
Other current receivables	4	24 499	29 435
Total receivables		**24 499**	**29 435**
Cash and cash equivalents		**470 824**	**440 069**
Total current assets		**495 323**	**469 504**
TOTAL ASSETS		**515 718**	**473 586**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	7	13 229	9 886
Share premium	7	335 336	593 399
Other paid in capital	5, 6	69 025	56 320
Accumulated losses		-29 582	-296 412
Total shareholders' equity		**388 008**	**363 193**
LIABILITIES			
Non-current liabilities			
Lease liability	10	4 571	0
Net employee defined benefit liabilities		3 348	3 371
Total non-current liabilities		**7 919**	**3 371**
Current liabilities			
Accounts payable		45 956	34 040
Tax payable		949	804
Other current liabilities	10	72 886	72 178
Total current liabilities		**119 791**	**107 022**
Total liabilities		**127 710**	**110 393**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**515 718**	**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 31.12.2019								
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					-433 597			-433 597
Other comprehensive income (loss) for the year, net of income tax						326	101	427
Total comprehensive income for the period		**0**	**0**	**0**	**-433 597**	326	**101**	**-433 170**
Recognition of share-based payments	5, 6			12 705				12 705
Issue of ordinary shares	7	3 207	464 865					468 072
Issue of ordinary shares under share options and RSUs	5, 6, 7	136	15 450					15 586
Share issue costs			-38 378					-38 378
Reclassification of accumulated losses			-700 000		700 000			0
Balance at 31.12.2019		**13 229**	**335 336**	**69 025**	**-28 806**	**329**	**-1 105**	**388 008**

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	Fourth Quarter		Full Year	
		2019	2018	2019	2018
Cash flow from operating activities					
Loss for the period before income tax		**-137 576**	**-88 489**	**-432 659**	**-336 972**
Adjustments for:					
Interests paid		246	0	771	0
Interest received		-4 885	-4 368	-5 611	-4 570
Share option and PSU expenses employees	5	3 057	3 837	11 271	10 271
Restricted share units (RSUs) expenses board	6	284	407	1 434	1 498
Taxes paid		-472	-121	-805	-487
Depreciation		4 467	606	12 659	2 252
Currency (gains) losses not related to operating activities		239	-7 357	-1 907	866
Changes in working capital and non-cash adjustments		34 102	17 863	4 226	515
Net cash flow from operating activities		**-100 538**	**-77 622**	**-410 621**	**-326 627**
Cash flow from investing activities					
Investments in property, plant and equipment and intangible assets		-195	-56	-1 066	-2 159
Interests received		4 885	4 368	5 611	4 570
Net cash flow from investing activities		**4 690**	**4 312**	**4 545**	**2 411**
Cash flows from financing activities					
Net proceeds from equity issue	7	224 899	6 372	445 279	8 580
Change in lease liabilities		-3 652	0	-9 584	0
Interests paid		-246	0	-771	0
Net cash flow from financing activities		**221 001**	**6 372**	**434 924**	**8 580**
Effects of exchange rate changes on cash and cash equivalents		**-239**	**7 357**	**1 907**	**-866**
Net change in bank deposits, cash and equivalents		124 914	-59 581	30 755	-316 502
Cash and equivalents at beginning of period		345 910	499 650	440 069	756 571
Cash and equivalents at end of period		**470 824**	**440 069**	**470 824**	**440 069**

The interim financial information has not been subject to audit.

Notes to the condensed interim financial statements for the fourth quarter and Full Year 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 Fourth Quarter and Full Year 2019 report are non-audited figures.

These financial statements were approved for issue by the board of directors on February 26th, 2020.

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	Fourth Quarter		Full Year	
	2019	2018	2019	2018
Payroll and related expenses	53	482	1 480	2 502
Other operating expenses	3 989	4 211	10 319	9 308

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

Amounts in NOK 1 000	31.12.2019	31.12.2018
Grants receivable	10 212	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 was 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 December 31th, 2019, the company has recognised NOK 1.2 million (as of December 31th, 2018: NOK 3.5 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 December 31th, 2019, the company has recognised NOK 9.0 million compared to NOK 7.5 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 December 31th, 2019, the company recognised NOK 0.4 million (December 31th, 2018: NOK 0.7 million) partly as a reduction of payroll and related expenses and other operating expenses.

4) 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; preparations for an IND application for potential treatment of NHL and chronic lymphocytic leukemia (CLL) are now advancing. In 2019, Nordic Nanovector was granted EUR 0.6 million from Eurostars in funding for this project. For the financial period ended December 31th, 2019, the company recognised NOK 1.0 million partly as a reduction of payroll and related expenses and other operating expenses.

5) In 2019, The Research Council awarded miscellaneous de minimis aid year to date 2019 up to NOK 0.2 million. For the financial period ended December 31th, 2019, the company recognised NOK 0.2 million (December 31th, 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. During the year additional 95 000 PSUs has been were granted to new employees.

Overview of outstanding PSUs

	Full Year 2019
	Number of PSUs
Balance at 01.01.2019	461 250
Granted during the period	354 000
Exercised during the period	0
Forfeited	-40 000
Balance at 31.12.2019	**775 250**
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

The share option programme was discontinued in 2017 and no options have been granted in 2018 or 2019, but options granted under the programme will remain valid with its existing terms.

Overview of outstanding options

	Full Year 2019	
	Number of options	Weighted average exercise price, NOK
Balance at 01.01.2019	2 659 174	43.09
Granted during the year	0	0
Exercised during the year	-630 420	24.72
Forfeited	-223 628	60.52
Balance at 31.12.2019	**1 805 126**	**47.35**
Hereof vested options	**1 601 899**	**43.75**

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 in 2019

At the AGM in 2019, 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 agreement.

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 in 2019, i.e. NOK 45.76.

The board members have decided the following allocation of between cash and RSUs:

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 520 000 [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	2 331	15 732
Joanna Horobin	NOK 340 000 [6]	2/3 RSUs	4 953	4 953	8 857
Jean-Pierre Bizzari	NOK 340 000 [7]	1/3 RSUs	2 477	2 477	6 545
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.

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

	Full Year 2019
	Number of RSUs
Balance at 01.01.2019	68 391
Granted during the year	25 204
Exercised during the year	-45 961
Forfeited	-3 326
Balance at 31.12.2019	**44 308**
Hereof vested RSUs	**19 104**

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 December 31st, 2019 is NOK 13 228 673 (December 31st, 2018: NOK 9 886 189), being 66 143 363 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	31.12.2019	31.12.2018
Ordinary shares at beginning of the period		**49 430 945**	**49 044 402**
Issue of ordinary shares [1)]		16 036 037	0
Issue of ordinary shares under share options [2)]	5	630 420	380 508
Issue of ordinary shares under RSUs [3)]	6	45 961	6 035
Ordinary shares at end of the period		**66 143 363**	**49 430 945**

[1)] In January 2019, the company raised 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. The company's carried out a repair offering of 69 051 new shares and raised gross proceeds of NOK 3.1 million in March 2019.

[2)] In October 2019, Nordic Nanovector raised NOK 243 million in gross proceeds through a private placement of 11 023 892 new shares. The private placement was completed at a subscription price of NOK 22 per share.

[3)] Participants in Nordic Nanovector ASA's discontinued share option program, not being primary insiders, exercised a total number of 630 420 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.

[4)] On May 31st, 2019 three of the board members of Nordic Nanovector ASA, resolved to settle a total number of 11 840 RSUs issued to them in June 2018 after they had chosen to receive all or part of their remuneration in RSUs. In addition, a former board member has during 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 10 401 shareholders as at December 31st, 2019

	Shareholders	Number of shares	Percentage of total shares
1	HealthCap VI L.P.	6 165 378	9.32 %
2	Folketrygdfondet	3 716 865	5.62 %
3	OM Holding AS	2 953 433	4.47 %
4	Nordnet Livsforsikring AS	1 842 123	2.79 %
5	Linux Solutions Norge AS	845 071	1.28 %
6	VPF Nordea Kapital	778 910	1.18 %
7	Ro Invest AS	725 000	1.10 %
7	Sciencons AS (Roy Hartvig Larsen)	725 000	1.10 %
9	Must Invest AS	700 000	1.06 %
10	Radiumhospitalets Forskningsstiftelse	684 972	1.04 %
11	VPF Nordea Avkastning	656 251	0.99 %
12	Birk Venture AS	650 000	0.98 %
13	Inven2 AS	541 247	0.82 %
14	SEB Prime Solutions Sissener Canopus	500 000	0.76 %
15	KLP Aksje Norge	483 027	0.73 %
16	Equinor Pensjon	480 874	0.73 %
17	Nordnet Bank AB	459 307	0.69 %
18	Roy Hartvig Larsen	454 801	0.69 %
19	F2 Funds AS	450 000	0.68 %
20	UBS Switzerland AG	447 057	0.68 %
	Total shares for top 20 shareholders	24 259 316	36.68 %
	Total shares for other 10 381 shareholders	41 884 047	63.32 %
	Total shares (10 401 shareholders)	**66 143 363**	**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	Full Year 2019	Full Year 2018
Loss for the period	-433 597 000	- 337 772 000
Average number of outstanding shares during the year	56 592 292	49 114 764
Earnings (loss) per share - basic and diluted	**-7.66**	**-6.88**

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	Fourth Quarter		Full Year	
	2019	2018	2019	2018
Finance income	1 760	1 074	5 635	4 584
Finance expenses	294	1	1 018	2
Net currency gains (losses) on cash and cash equivalents	-239	7 357	1 907	-866
Net other currency gains (losses) related to operating items	463	-602	1 169	-675
Net finance income	**1 690**	**7 828**	**7 693**	**3 041**

Finance expenses year to date December 2019 include interest expenses on lease liabilities of NOK 0.8 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 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**	**Full year 2019** **IFRS 16**	**Impact** **IFRS 16**	**Full year 2019** **IAS 17**
Revenues	0	0	0
Total operating revenue	**0**	**0**	**0**
Payroll and related expenses	96 409	0	96 409
Depreciation	12 659	-10 159	2 500
Other operating expenses	331 284	10 354	341 638
Total operating expenses	**440 352**	**195**	**440 547**
Operating profit (loss)	**-440 352**	**-195**	**-440 547**
Net finance income	7 693	-770	8 463
Loss before income tax	**-432 659**	**575**	**-432 084**

Interim consolidated statement of financial position **Amounts in NOK 1 000**	**31.12.2019** **IFRS 16**	**Impact IFRS 16**	**31.12.2019** **IAS 17**
Total non-current assets	20 395	-17 747	2 648
Total non-current receivables	0	0	0
Total current assets	24 499	0	24 499
Cash and cash equivalents	470 824	0	470 824
TOTAL ASSETS	**515 718**	**-17 747**	**497 971**
Total shareholders'equity	388 008	575	388 583
Total non-current liabilities	7 919	-4 571	3 348
Total current liabilities	119 791	-13 751	106 040
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**515 718**	**-17 747**	**497 971**

Note 11. Subsequent events

Dr. Lars Nieba, Nordic Nanovector's Chief Technology Officer, appointed interim Chief Executive Officer in February 2020 to replace Eduardo Bravo, who left the company to pursue other career opportunities

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

Annual report 2019:	27 March 2020
Annual General Meeting:	17 April 2020
Q1 2020 results:	26 May 2020
Q2 and 1H 2020 results:	27 August 2020
Q3 2020 results:	19 November 2020

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

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

Investor contact

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

Forward-looking statements

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

Notes

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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.