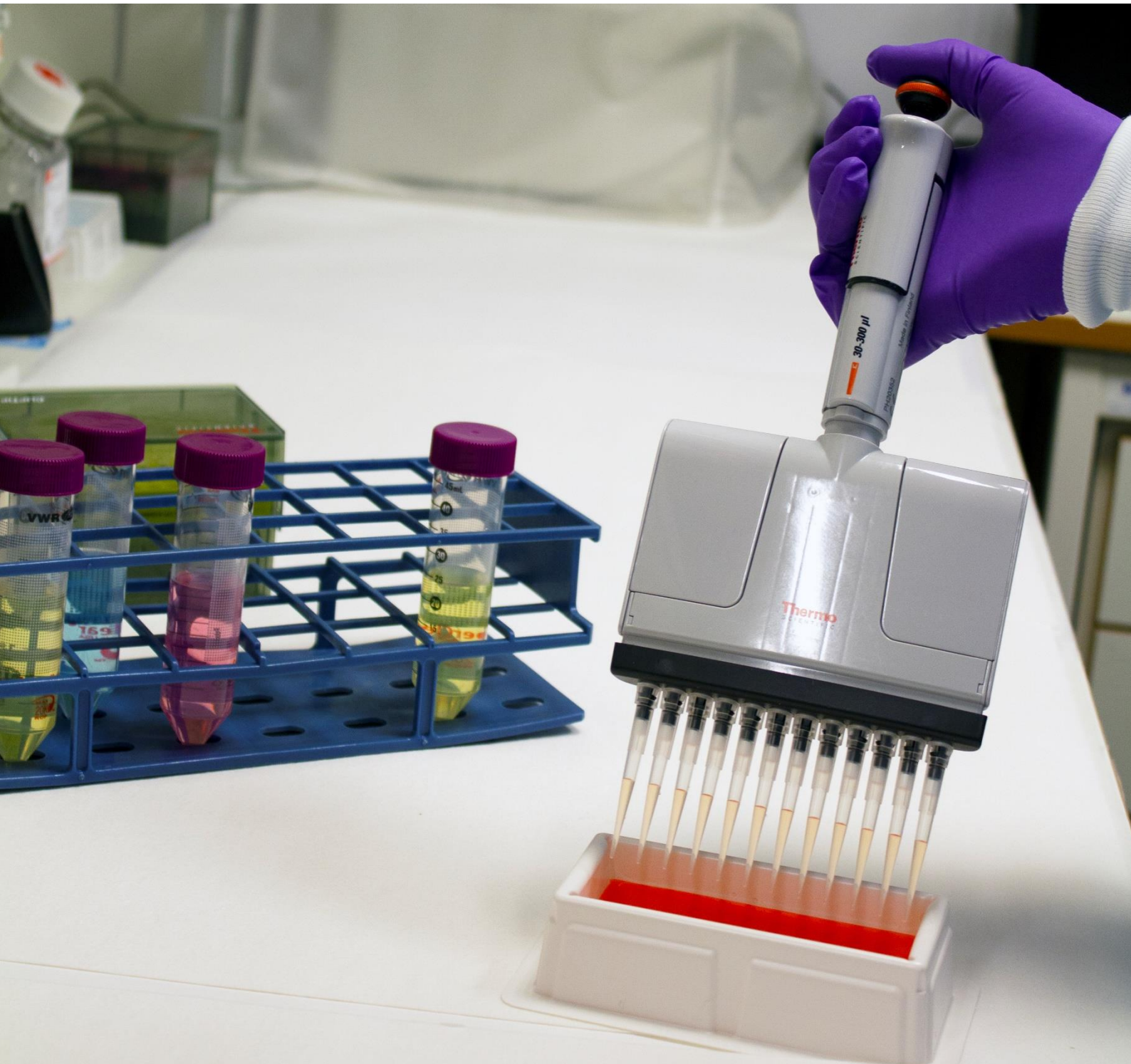
NORDIC NANOVECTOR

Q3

Third Quarter Report 2020



Q3'2020 Highlights

- Result of PARADIGME Interim Analysis: Independent Review Committee recommendation to focus on single arm investigating the "40/15" dosing regimen
    - Target set to report three-month top-line data in H2'2021
- Approval of amendments to PARADIGME protocol is proceeding as planned and completed in the best-recruiting countries
    - Designed to enlarge the eligible patient population and increase the rate of enrolment into the trial
- Pivotal Phase 2b PARADIGME trial of Betalutin® progressing in 3rd-line relapsed/refractory follicular lymphoma (3L R/R FL)
    - COVID-19 pandemic continues to have a negative impact on PARADIGME patient recruitment - the target patient population is a high-risk group for COVID-19
    - 59 patients enrolled as of 18 November 2020
- Private placement was oversubscribed and successfully completed raising approximately NOK 231 million (approximately USD 25 million) in gross proceeds, extending cash runway into Q3'2021
    - Funds to be used to advance PARADIGME study and conduct other essential activities to enable a timely filing pending top-line data
- Dr Christine Wilkinson Blanc appointed Chief Medical Officer

Events after Q3'2020

- Final two patients enrolled into Archer-1 Phase 1 safety trial of Betalutin® plus rituximab in 2L R/R FL
    - Preliminary data readout expected in H1'2021
    - Trial to be paused pending analysis of data and evaluation of plans for further development
- Results of preclinical studies demonstrating Betalutin® reverses tumour resistance to rituximab in NHL disease models published in *Journal of Nuclear Medicine*

Lars Nieba, Interim CEO of Nordic Nanovector, said: "Following the successful interim analysis in August and completion of our private placement in September, we are progressing towards the major value inflection point of three-month top-line data from the PARADIGME clinical study, which is targeted for H2'2021. Generating these data will require us to successfully navigate the latest challenges of increased COVID-19 restrictions. We remain confident in our ability to achieve this goal, aided by the protocol amendments, the possibility to reduce the patient sample, and all the other measures we are actively implementing to drive patient recruitment into PARADIGME."

Key figures Nordic Nanovector Group

Amounts in MNOK (except earnings/loss per share)	Third Quarter		Year to date		Full Year
	2020	2019	2020	2019	2019
Total revenues	0.0	0.0	0.0	0.0	0.0
Total operating expenses	88.1	100.2	327.3	301.1	440.4
Operating profit (loss)	-88.1	-100.2	-327.3	-301.1	-440.4
Net financial items	0.0	6.5	21.5	6.0	7.7
Total comprehensive income (loss) for the period	**-88.2**	**-93.6**	**-305.4**	**-295.6**	**-433.2**
Basic and diluted earnings (loss) per share	**-1.33**	**-1.70**	**-4.63**	**-5.45**	**-7.66**
Number of employees	**37**	**46**	**37**	**46**	**48**
Net change in bank deposits, cash and equivalents	134.4	-97.6	-90.2	-94.2	30.8
Cash and equivalents at beginning of period	246.2	443.5	470.8	440.1	440.1
Cash and equivalents at end of period	**380.7**	**345.9**	**380.7**	**345.9**	**470.8**

Operational review

Introduction

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

Betalutin® 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 tumours, and represents an alternative 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] and are in urgent need of new treatment options.

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

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

Beyond Betalutin®, the company leverages its R&D expertise and proprietary technologies to evaluate opportunities with other CD37-targeting immunotherapies across NHL and other haematological cancer indications.

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

Operational review

2020 has been a challenging year for Nordic Nanovector, particularly due to the measures taken by many governments in response to the COVID-19 pandemic, which have negatively impacted patient enrolment. Execution of virtually all non-COVID-19 related clinical studies have been hit hard globally due to COVID-19. The PARADIGME trial is no exception, and this has resulted in a much slower than anticipated patient enrolment rate during 2020 to date. The company reports that 59 patients have been enrolled as of November 18th, 2020.

Against this backdrop, Nordic Nanovector undertook a thorough review of its strategy and clinical operations. This process, which was completed in Q2 2020, resulted in a range of actions focused on the execution and recruitment of PARADIGME.

Focus on PARADIGME and initiatives to accelerate patient enrolment

The assessment of the clinical strategy by the management team, in tandem with the board's Clinical Strategy Committee and the Scientific Advisory Board, resulted in several key decisions, most notably to focus resources to ensure a timely completion of the PARADIGME trial in patients with 3L R/R FL.

As part of this process, the PARADIGME trial protocol was reviewed and several modifications were introduced, that are projected to improve its enrolment rate and therefore the chance of a successful and timely outcome of the study.

As a result, the company engaged in discussions with the US Food and Drug Administration (FDA) to gain feedback on protocol amendments to broaden the inclusion criteria and thereby expand the pool of eligible patients. The company received positive feedback from the FDA regarding these proposals.

One of the measures to improve the recruitment rate is to allow for FL patients who have undergone autologous stem cell transplant (ASCT) or who have a lower platelet count at baseline to be included in the trial. In some countries (e.g. UK, Italy, Turkey, Israel and Spain), ASCT is frequently used for treating R/R FL and patients, previously excluded from

participation in PARADIGME, who have had an ASCT make up the majority of 3L FL patients in these countries. Once these and other ways to expand the inclusion criteria have been implemented, it is projected that the pool of eligible patients will expand significantly.

Following positive feedback from FDA and the positive outcome of a planned Interim Analysis on PARADIGME, the company has made the necessary protocol amendments and is seeking approvals from the regulators in each of the 24 countries where PARADIGME is active. This process is proceeding as planned and completed in the best-recruiting countries.

Furthermore, and as previously reported, the company has taken actions to improve the execution of PARADIGME, including enhancing the working relationship with the Clinical Research Organisation (CRO) managing the implementation of the trial, and improving patient referral networks and interactions with study investigators and Key Opinion Leaders (KOLs). These actions are expected to further improve recruitment once the amended protocol is approved by the various countries.

However, the impact of the COVID-19 pandemic on patient recruitment into non-COVID-19 clinical trials generally and PARADIGME specifically continues to be a major cause of uncertainty and may outweigh the positive developments and steps the company has taken.

PARADIGME Interim Analysis

In August, Nordic Nanovector announced that, following a planned Interim Analysis of PARADIGME, the Independent Review Committee (IRC) recommended the company to focus the study on one of the two dosage arms being investigated: the dosing regimen of 15 MBq/kg Betalutin® following a pre-dose of 40 mg lilotomab – the "40/15" arm.

The arm evaluating the regimen of 20 MBq/kg Betalutin® following a pre-dose of 100 mg/m2 lilotomab ("100/20") will be discontinued. Patients already dosed on the higher dose will continue to be monitored until completion. The resulting data will be added to the final data set for regulatory submission.

The Interim Analysis confirmed activity across both arms in this very difficult to treat patient population. Betalutin®, as a single administration, was found to be active based on key efficacy measures (Complete Response, Partial Response and Stable Disease). Betalutin® also demonstrated a well-tolerated and manageable safety profile in both arms, again confirming findings from earlier clinical studies.

Based on a comprehensive assessment, the IRC determined that the interim data set supported the selection of only the 40/15 dosage arm for the remainder of the PARADIGME trial. The 40/15 dose demonstrated consistent efficacy results across all patient sub-groups and was selected to advance to completion.

The recommendation from the IRC to advance the 40/15 arm of PARADIGME provides Nordic Nanovector with a clear path for the late-stage clinical development of Betalutin® in patients with 3L FL, especially those who are elderly and fragile and have no or limited treatment options and who are less able to tolerate side effects.

The decision to focus PARADIGME on a single arm, when combined with the implementation of the protocol amendments and the other initiatives to broaden the patient inclusion criteria, are expected to significantly improve the rate of enrolment into PARADIGME despite the challenging environment created by the COVID-19 pandemic.

Nordic Nanovector is currently targeting the readout of three-month top-line data from PARADIGME in H2'2021, paving the way for a planned regulatory filing with Betalutin® in 2022. However, with COVID-19 restrictions tightening again in many countries, patient enrolment could remain difficult and therefore it may take more time to complete enrolment and to deliver preliminary results as targeted.

Enrolment completed into second safety cohort of Archer-1

The company enrolled the final two patients into the second safety cohort of Archer-1 in Q4'2021. The three-month data readout from this cohort is expected in H1'2021. Data from this cohort will be analysed alongside the data generated from the first cohort of patients receiving 10 MBq/kg Betalutin®/40mg lilotomab.

As announced in April 2020, Archer-1 is expected to be paused pending this analysis to evaluate plans to progress Betalutin® development in 2L FL while the company focuses its resources on the timely completion of PARADIGME.

Extending the cash runway

As previously announced, the company has taken steps to conserve cash and, following the recent successful private placement raising gross proceeds of NOK 231 million (approximately USD 25 million), Nordic Nanovector has a cash runway that extends into Q3'2021. These funds will be used to advance the PARADIGME study and conduct other essential activities to enable a timely filing of Betalutin®, pending top-line data.

Management Changes

Christine Wilkinson Blanc was appointed as Chief Medical Officer (CMO) in August. She is a seasoned pharmaceutical physician with over 25 years clinical development experience in oncology and haematology with both large pharmaceutical and emerging biotechnology companies, including Roche, Pierre Fabre, Innate Pharma, IPSEN and Antisoma. She was also the CMO of UK-based Psioxus Therapeutics between 2013 and 2016.

Financial review

The interim consolidated financial statements for Nordic Nanovector Group as of September 30th, 2020 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 2019 unless stated otherwise)

Revenues in the third quarter of 2020 amounted to NOK 0.0 million (NOK 0.0 million). Revenues year to date 2020 amounted to NOK 0.0 million (NOK 0.0 million).

Total operating expenses for the quarter came to NOK 88.1 million (NOK 100.2 million). Payroll and related expenses were NOK 20.9 million (NOK 24.4 million) driven by a reduced number of employees on payroll. Other operating expenses amounted to NOK 63.5 million during the quarter (NOK 72.2 million). Total operating expenses for the first three quarters of 2020 increased to NOK 327.3 million (NOK 301.1 million). The increase was driven by clinical and 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 83 % of total operating expenses year to date 2020 (78 %).

Operating loss for the quarter was NOK 88.1 million (loss of NOK 100.2 million). Operating loss for the first three quarters of 2020 was NOK 327.3 million (NOK 301.1 million).

Net financial items for the third quarter came to NOK 0.0 million (NOK 6.5 million). Net financial items year to date 2020 amounted to NOK 21.5 million (6.0 million), mainly driven by increased value of cash deposited in foreign currency.

Nordic Nanovector's comprehensive loss for the quarter amounted to NOK 88.2 million (loss of NOK 93.6 million), due to the reasons stated above. Comprehensive loss for the first three quarters was NOK 305.4 (NOK 295.6 million).

Financial position

Total assets at September 30th, 2020, amounted to NOK 410.2 million, down from NOK 515.7 million at year-end 2019.

Total shareholders' equity at September 30th, 2020, was NOK 291.0 million (NOK 388.0 million at year-end 2019), corresponding to an equity ratio of 70.9% (75.2 % at year-end 2019).

Total liabilities at the end of the third quarter were NOK 119.2 million, down from NOK 127.7 million from year-end 2019, driven by decrease in account payables.

Cash flow

Net cash flow from operating activities in the third quarter and year to date 2020 was negative NOK 93.8 million (negative NOK 99.6 million), and negative NOK 333.0 million (negative 310.1 million), respectively, mainly reflecting the impact of higher clinical and manufacturing development activities and fluctuations in the working capital.

Net cash flow from investing activities in the third quarter and first half was NOK 0.0 million (negative NOK 0.3 million) and NOK 0.0 (negative NOK 0.1 million), respectively.

Net cash flow from financing activities for the third quarter of 2020 was NOK 227.8 million (negative NOK 2.9 million), driven by the private placement proceeds in September 2020. Net cash flow from financing activities year to date 2020 was NOK 220.8 million (NOK 213.9 million).

Exchange rate fluctuations in the third quarter and year to date 2020 was NOK 0.4 (NOK 5.1) and 22.0 million (NOK 2.1 million), respectively.

Cash and cash equivalents amounted to NOK 380.7 million at the end of September 2020, compared to NOK 470.8 million at the end of December 2019.

Outlook

The company continues to target the readout of three-month top line data from PARADIGME in H2'2021. Approval of protocol amendments is proceeding as planned and completed in the best-recruiting countries, and other initiatives to increase the rate of enrolment are underway. The company also targets the readout of three-month top line data from the second cohort of the Archer-1 trial in H1'2021.

However, the impact of the COVID-19 pandemic on patient recruitment has worsened in light of the emergence of a second wave resulting in severe travel restrictions being implemented in the various countries where we are executing our clinical studies. These restrictions and uncertainty around the duration, severity and geographic scope of the COVID-19 outbreak are projected to slow down the enrolment of patients due to re-prioritisation of hospital activities towards COVID-19 patients and away from clinical studies such as PARADIGME. In addition, travel restrictions could create logistical challenges for the shipment of clinical supplies. Several proactive actions have been taken to minimize the impact of these travel restrictions which could blunt further delays in completing enrolment and delivering preliminary results as targeted.

The company has taken steps to conserve cash and following the recent successful private placement, Nordic Nanovector has a cash runway that extends into Q3'2021.

Despite the challenging times, the many positive actions the company has made in the last nine months have improved the prospects of delivering pivotal results from PARADIGME in H2'2021.

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

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

Amounts in NOK 1 000	Note	Third Quarter		Year to date		Full Year
		2020	2019	2020	2019	2019

Revenues		0	0	0	0	0
Total revenues		**0**	**0**	**0**		**0**
Payroll and related expenses	4, 5	20 898	24 428	60 880	66 524	96 409
Depreciation		3 725	3 565	11 162	8 192	12 659
Other operating expenses	4, 6	63 467	72 161	255 301	226 370	331 284
Total operating expenses		**88 090**	**100 154**	**327 343**	**301 086**	**440 352**
Operating profit (loss)		**-88 090**	**-100 154**	**-327 343**	**-301 086**	**-440 352**
Net finance income	9	38	6 528	21 507	6 003	7 693
Loss before income tax		**-88 052**	**-93 626**	**-305 836**	**-295 083**	**-432 659**
Income tax		-143	-247	-728	-644	-938
Loss for the period		**-88 195**	**-93 873**	**-306 564**	**-295 727**	**-433 597**
Other comprehensive income (loss), net of income tax to be reclassified to profit and loss in subsequent periods						
Translation effects		8	285	1 139	100	326
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	101
Total comprehensive income (loss) for the period		**-88 187**	**-93 588**	**-305 425**	**-295 627**	**-433 170**
Loss for the period attributable to owners of the company		-88 195	-93 873	-306 564	-295 727	-433 597
Total comprehensive income (loss) for the period attributable to owners of the company		-88 187	-93 588	-305 425	-295 627	-433 170
Earnings (loss) per share						
Basic and diluted earnings (loss) per share in NOK	8	-1.33	-1.70	-4.63	-5.45	-7.66

The interim financial information has not been subject to audit.

Interim condensed consolidated statement of financial position
Nordic Nanovector Group

Amounts in NOK 1 000	Note	30.09 2020	31.12 2019
ASSETS			
Non-current assets			
Property, plant and equipment		1 744	2 648
Right-of-use-assets		7 654	17 747
Total non-current assets		**9 398**	**20 395**
Current assets			
Receivables			
Other current receivables	4	20 175	24 499
Total receivables		**20 175**	**24 499**
Cash and cash equivalents		**380 670**	**470 824**
Total current assets		**400 845**	**495 323**
TOTAL ASSETS		**410 243**	**515 718**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	7	15 878	13 229
Share premium	7	248 479	335 336
Other paid in capital	5, 6	61 675	69 025
Retained earnings		-35 007	-29 582
Total shareholders' equity		**291 025**	**388 008**
LIABILITIES			
Non-current liabilities			
Lease liability		2 922	4 571
Net employee defined benefit liabilities		3 782	3 348
Total non-current liabilities		**6 704**	**7 919**
Current liabilities			
Accounts payable		17 466	45 956
Tax payable		1 356	949
Other current liabilities		93 692	72 886
Total current liabilities		**112 514**	**119 791**
Total liabilities		**119 218**	**127 710**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**410 243**	**515 718**

The interim financial information has not been subject to audit.

Interim condensed consolidated statement of changes in equity
Nordic Nanovector Group

For the period ended 30.09.2020								
Amounts in NOK 1 000	**Note**	**Share capital**	**Share premium**	**Other paid in capital**	**Accumulated losses**	**Trans-lation effects**	**Remeasure-ment gains (losses)**	**Total equity**
Balance at 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**
Loss for the period					-306 564			-306 564
Other comprehensive income (loss) for the year, net of income tax						1 139	0	1 139
Total comprehensive income for the period		**0**	**0**	**0**	**-306 564**	1 139	**0**	**-305 425**
Recognition of share-based payments	5, 6			-7 350				-7 350
Issue of ordinary shares	5, 6	2 646	228 856					231 502
Issue of ordinary shares under share options and RSUs	5, 6, 7	4						4
Share issue costs			-15 712					-15 712
Reclassification of accumulated losses			-300 000		300 000			0
Balance at 30.09.2020		**15 878**	**248 479**	**61 675**	**-35 370**	**1 468**	**-1 105**	**291 025**

Amounts in NOK 1 000	Note	Share capital	Share premium	Other paid in capital	Accumulated losses	Trans-lation effects	Remeasure-ment gains (losses)	Total equity
Balance at 31.12 2018		**9 886**	**593 399**	**56 320**	**-295 209**	**3**	**-1 206**	**363 193**
Loss for the period					-295 727			-295 727
Other comprehensive income (loss) for the year, net of income tax						100		100
Total comprehensive income for the period		**0**	**0**	**0**	**-295 727**	100	**0**	**-295 627**
Recognition of share-based payments	5, 6			9 363				9 363
Issue of ordinary shares	7	1 002	224 544					225 546
Issue of ordinary shares under share options and RSUs	5, 6, 7	136	15 450					15 586
Share issue costs			-20 752					-20 752
Balance at 30.09.2019		**11 024**	**812 641**	**65 683**	**-590 936**	**103**	**-1 206**	**297 309**

The interim financial information has not been subject to audit.

Interim condensed consolidated statement of cash flow
Nordic Nanovector Group

Amounts in NOK 1 000	Note	Third Quarter		Year to date		Full Year
		2020	2019	2020	2019	2019
Cash flow from operating activities						
Loss for the period before income tax		**-88 052**	**-93 626**	**-305 836**	**-295 083**	**-432 659**
Adjustments for:						
Interests paid		100	215	413	525	771
Interest received		-9	-263	-212	-726	-5 611
Share option and PSU expenses employees	5	1 340	3 079	-8 074	8 214	11 271
Restricted share units (RSUs) expenses board	6	300	285	724	1 150	1 434
Taxes paid		0	-13	-433	-333	-805
Depreciation		3 725	3 565	11 162	8 192	12 659
Currency (gains) losses not related to operating activities		-393	-5 130	-22 049	-2 146	-1 907
Changes in working capital and non-cash adjustments		-10 812	-7 708	-8 736	-29 876	4 226
Net cash flow from operating activities		**-93 801**	**-99 596**	**-333 041**	**-310 083**	**-410 621**
Cash flow from investing activities						
Investments in property, plant and equipment and intangible assets		0	-518	-165	-871	-1 066
Interests received		9	263	212	726	5 611
Net cash flow from investing activities		**9**	**-255**	**47**	**-145**	**4 545**
Cash flows from financing activities						
Net proceeds from equity issue	7	231 403	92	231 407	220 380	445 279
Change in lease liabilities		-3 477	-2 778	-10 203	-5 932	-9 584
Interests paid		-100	-215	-413	-525	-771
Net cash flow from financing activities		**227 826**	**-2 901**	**220 791**	**213 923**	**434 924**
Effects of exchange rate changes on cash and cash equivalents		**393**	**5 130**	**22 049**	**2 146**	**1 907**
Net change in bank deposits, cash and equivalents		134 427	-97 622	-90 154	-94 159	30 755
Cash and equivalents at beginning of period		246 243	443 532	470 824	440 069	440 069
Cash and equivalents at end of period		**380 670**	**345 910**	**380 670**	**345 910**	**470 824**

The interim financial information has not been subject to audit.

Notes to the condensed interim financial statements for the Third Quarter report 2020

Note 1. General information

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

The figures in this Third Quarter 2020 report are non-audited figures.

These financial statements were approved for issue by the board of directors on November 18th, 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 2019. 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, 2020, and Norwegian disclose requirements listed in the Norwegian Accounting Act. The interim consolidated financial statements have been prepared on the historical cost basis, with the exception of receivables and other financial liabilities which are recognised at amortised cost.

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

Critical accounting estimates and judgments

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31st, 2019.

Note 4. Government grants

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

Amounts in NOK 1 000	Third Quarter		Year to date	
	2020	2019	2020	2019
Payroll and related expenses	267	408	572	1 427
Other operating expenses	1 671	1 305	5 241	6 330

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

Amounts in NOK 1 000	30.09.2020	31.12.2019
Grants receivable	12 813	10 213

1) R&D projects have been approved for SkatteFUNN grants for the period 2017 through 2020. For the financial period ended September 30th, 2020, the company has recognised NOK 3.6 million compared to NOK 5.7 million for the same period in 2019. The amount was recognised partly as a reduction of payroll and related expenses and partly as a reduction of other operating expenses. The reduction reflects the changes introduced in 2020 by the Norwegian government for the SkatteFunn scheme.

2) The company has finalised the discovery phase of its Alpha37 R&D collaboration with Orano Med. Alpha37 leverages Nordic Nanovector's chimeric anti-CD37 antibody, NNV003, chelated with the alpha particle generating radionuclide ^{212}Pb; preparations for an IND application for potential treatment of NHL and chronic lymphocytic leukaemia (CLL) are now advancing. In 2019, Nordic Nanovector was granted EUR 0.6 million from Eurostars in funding for this project. For the financial period ended September 30th, 2020, the company recognised NOK 2.3 million partly as a reduction of payroll and related expenses and other operating expenses, compared to NOK 0.0 million for the same period in 2019.

3) The company received a new grant in 2016 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 was to support research and development of novel targeted therapeutics for leukaemia and NHL. The grant was distributed to the company over the course of three years and eight months. For the financial period ended September 30th, 2019, the company recognised NOK 1.5 million classified partly as a reduction of payroll and related expenses, and partly as a reduction of other operating expenses.

4) 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 September 30th, 2019, the company recognised NOK 0.4 million as a reduction of payroll and related expenses, and partly as a reduction of other operating expenses.

5) In 2019, The Research Council awarded miscellaneous de minimis aid for the financial period ended September 30th up to NOK 0.2 million.

Note 5. Employee share incentive programmes

Performance Share Units (PSUs)

The board of directors of Nordic Nanovector ASA decided on March 24th, 2020 to grant 561 500 PSUs to current and newly hired employees.

Overview of outstanding PSUs

	Year to date 2020
	Number of PSUs
Balance at 01.01.2020	775 250
Granted during the period	561 500
Exercised during the period	0
Forfeited	-552 000
Balance at 30.09.2020	**784 750**
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 2019.

Share options

The share option programme was discontinued in 2017 and no options have been granted in the 2018, 2019 or 2020, but options granted under the programme will remain valid with its existing terms.

Overview of outstanding options

	Year to date 2020	
	Number of options	**Weighted average exercise price, NOK**
Balance at 01.01.2020	1 805 126	47.35
Granted during the year	0	0
Exercised during the year	-5 000	14.24
Forfeited	-448 159	68.14
Balance at 30.09.2020	**1 351 967**	**40.74**
Hereof vested options	**1 331 902**	**39.99**

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 2019.

Note 6. Restricted Stock Units (RSUs)

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

At the AGM in 2020, 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 2020 to the annual general meeting in 2020, in the form of RSUs.

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

The board members may elect to either (i) receive 100% of the compensation in RSUs, (ii) receive 1/3 of the compensation in cash and 2/3 in RSUs, or (iii) receive 2/3 of the compensation in cash and 1/3 in RSUs. The election made by each board member has been set out in the table below. The number of RSUs to be granted to the members of the board of directors is calculated as the NOK amount of the RSU opted portion of total 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 19.83.

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

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

1. NOK 500 000 as chairman of the board and 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.
5. NOK 300 000 as board member and NOK 20 000 as member of the compensation 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 59 504 RSUs have thus been allocated following the AGM. The RSUs will vest on 10 June 2021.

Overview of outstanding RSUs

	Year to date 2020
	Number of RSUs
Balance at 01.01.2020	44 308
Granted during the year	59 504
Exercised during the year	18 579
Forfeited	0
Balance at 30.09.2020	**85 233**
Hereof vested RSUs	**25 729**

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 2019.

Note 7. Share capital and shareholder information

The share capital as at September 30th, 2020 is NOK 15 878 122 (December 31st, 2019: NOK 13 228 673), being 79 390 612 ordinary shares at a nominal value of NOK 0.20. All shares carry equal voting rights.

The change in the number of shares during the period was as follows:	Note	30.09.2020	31.12.2019
Ordinary shares at beginning of the period		**66 143 363**	**49 430 945**
Issue of ordinary shares [1)]		13 228 670	16 036 037
Issue of ordinary shares under share options	5	0	630 420
Issue of ordinary shares under RSUs	6	18 579	45 961
Ordinary shares at end of the period		**79 390 612**	**66 143 363**

[1] On September 23rd, 2020 the Company announced that it had raised approximately NOK 231 million in gross proceeds through a private placement of 13,228,670 new shares. The Private Placement was completed at a subscription price of NOK 17,50 per share, which was determined through an accelerated book-building process.

Nordic Nanovector ASA had 11 762 shareholders as at September 30th, 2020

	Shareholders	Number of shares	Percentage of total shares
1	HealthCap VI L.P.	6 607 260	8.32 %
2	Folketrygdfondet	4 722 115	5.95 %
3	OM Holding AS	2 665 352	3,36 %
4	Nordnet Livsforsikring AS	1 343 812	1.69 %
5	Fjarde AP-Fonden	1 000 000	1.26 %
6	Linux Solutions Norge AS	845 071	1.06 %
7	Ro Invest AS	800 000	1.01 %
8	VPF Nordea Kapital	778 910	0.98 %
9	Sciencons AS (Roy Hartvig Larsen)	733 000	0.92 %
10	Nordnet Bank AB	708 146	0.89 %
11	Must Invest AS	700 000	0.88 %
11	Birk Venture AS	700 000	0.88 %
13	Radiumhospitalets Forskningsstiftelse	684 972	0.86 %
14	VPF Nordea Avkastning	656 251	0.83 %
15	VPF Delphi Nordic	630 388	0.79 %
16	Sundt AS	600 000	0.76 %
17	Equinor Pensjon	598 302	0.75 %
18	Inven2 AS	541 247	0.68 %
19	ABN AMRO Global Custody Services	534 848	0.67 %
20	Myna AS	490 398	0.62 %
	Total shares for top 20 shareholders	26 340 072	33.18%
	Total shares for other 10 742 shareholders	53 050 540	66.82 %
	Total shares (10 762 shareholders)	**79 390 612**	**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	Year to date 2020	Year to date 2019
Loss for the period	-306 564 000	-295 727 000
Average number of outstanding shares during the year	66 266 511	54 253 422
Earnings (loss) per share - basic and diluted	**-4.63**	**-5.45**

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

Note 9. Net finance income (expense)

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

Amounts in NOK 1 000	Third Quarter		Year to date		Full Year
	2020	2019	2020	2019	2019
Finance income	69	1 078	1 318	3 875	5 635
Finance expenses	202	270	742	724	1 018
Net currency gains (losses) on cash and cash equivalents	393	5 130	22 049	2 146	1 907
Net other currency gains (losses) related to operating items	-222	590	-1 118	706	1 169
Net finance income	**38**	**6 528**	**21 507**	**6 003**	**7 693**

Finance expenses year to date September 2020 include interest expenses on lease liabilities of NOK 0.4 million (NOK 0.5 million), as an effect of IFRS 16.

Note 10. Subsequent events

On October 21st, 2020 the Company decided not to proceed with the Repair Offering. Since the announcement of completion of the Private Placement, the Company's shares have traded on the Oslo Stock Exchange, with significant trading volume, at prices close to or below the subscription price in the Private Placement of NOK 17.50. Accordingly, any shareholders wishing to neutralize the dilutive effect of the Private Placement have had the opportunity to purchase shares in the Company in the market, at prices close to or below what would have been the subscription price in a Repair Offering.

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

Q4 and FY 2020 results: February 2021

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).

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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.

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.