First Quarter Report 2021

Q1
2021

NORDIC NANOVECTOR

Highlights

- Peter L. Braun was appointed Chief Executive Officer in March
  - Mr Braun is an experienced and entrepreneurial pharmaceutical leader with extensive commercialisation and innovative oncology experience from a career spanning nearly 30 years at Roche

- Successful Private Placement and oversubscribed Repair Offering completed in February and April, respectively, raised approximately NOK 422 million (USD 49.7 million) in gross proceeds
  - Extends the company's cash runway into H2'2022

- Operational improvements and protocol changes have improved PARADIGME recruitment rate in recent months, despite impact from the on-going COVID-19 pandemic
  - 83 patients enrolled as of 25 May 2021 (73 enrolled as of 17 February 2020)

  Company remains on track to report preliminary three-month top-line data by the end of 2021

- Promising Phase 1b data from the Archer-1 study evaluating Betalutin® in combination with rituximab in 2L FL

- Board changes
  - Hilde Hermansen Steineger, PhD, decided not to stand for re-election at AGM
  - Solveig Hellebust, PhD, appointed Non-executive Director at the AGM on 28 April 2021

Peter L. Braun, Chief Executive Officer of Nordic Nanovector, commented: "Nordic Nanovector has made important progress so far in 2021, including raising the money needed to deliver the preliminary top-line three-month data from the PARADIGME study and to prepare for a subsequent potential BLA filing for Betalutin®. The company has also implemented a range of initiatives aimed at improving patient recruitment into PARADIGME, and which we believe will further improve enrolment when the impact of COVID-19 recedes. I am convinced that effective and well-tolerated, targeted radiopharmaceuticals, such as Betalutin®, a one-time treatment, can make a real difference to NHL patients worldwide."

Key figures Nordic Nanovector Group

Amounts in MNOK (except earnings/loss per share)	**First Quarter**		**Full Year**
	2021	**2020**	**2020**
Total revenues	0.0	0.0	0.0
Total operating expenses	101.2	125.9	434.2
Operating profit (loss)	-101.2	-125.9	-434.2
Net financial items	-0.2	32.4	18.0
Total comprehensive income (loss) for the period	**-102.1**	**-91.7**	**-417.6**
Basic and diluted earnings (loss) per share	**-1.19**	**-1.42**	**-5.99**
Number of employees	**39**	**43**	**36**
Net change in bank deposits, cash and equivalents	203.9	-86.6	-176.8
Cash and equivalents at beginning of period	294.0	470.8	470.8
Cash and equivalents at end of period	**497.9**	**384.3**	**294.0**

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

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

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

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

Beyond Betalutin®, the company 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

Over the past few quarters, Nordic Nanovector has seen a significant improvement in the enrolment rate into PARADIGME because of a range of actions taken during the past year.

These actions include:

- Implementing protocol amendments to increase the number of eligible patients
- Additional initiatives to drive patient recruitment such as the implementation of patient recruitment tools and closer management of the CRO

Following the results of the interim analysis of PARADIGME in Q3'2020, protocol amendments proposed by the company and discussed with the US FDA, were submitted to the regulators in each of the 24 countries where PARADIGME is active.

The protocol amendments have now been approved in all participating countries, including the US.

The amendments broaden PARADIGME's inclusion criteria to expand the size of the potential pool of patients eligible to participate in the trial by an estimated 30-50%.

One of the key measures is to allow 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. ASCT is frequently used in some countries for treating 2L FL, and patients who have had an ASCT thus make up the majority of 3L FL patients in these countries. These patients were previously excluded from participation in PARADIGME.

The company has also implemented operational initiatives to improve the execution of PARADIGME. These include improving patient referral networks and interactions with study investigators and key opinion leaders (KOLs).

In addition, in recent months the company has engaged with US organisations that specialise in accelerating patient enrolment, including thorough use of targeted social media activities.

These recruitment initiatives have had a positive impact on the PARADIGME enrolment rate overall, despite the resurgence of the COVID-19 pandemic and tightening of restrictions seen in multiple countries. These restrictions have softened the patient enrolment growth rate in the latest few months, particularly in Europe. However, there has been a clear uplift in interest to enrol patients in the study in other regions where COVID-19 is under better control.

Nordic Nanovector expects these initiatives to further improve the enrolment rate during late spring / early summer of this year as COVID-19 restrictions are expected to recede over time as a result of the global vaccination programme and the diminishing infection rate.

Data to support potential regulatory filing can be generated from a reduced number of patients

The decision to focus on the single "40/15" dose regimen of PARADIGME following recommendation from the Independent Monitoring Committee at the interim analysis led the company to re-evaluate the sample size required to generate a significant and robust clinical data set (safety and efficacy) on which the Betalutin® regulatory filing could be based.

Following discussions with the US FDA, the company estimates it is possible to reduce the current PARADIGME patient target number from 130 to 120 patients.

PARADIGME initial data timelines confirmed

Nordic Nanovector continues to intensify ongoing efforts aimed at identifying, screening and enrolling patients into PARADIGME. As a result, the company confirms its guidance for preliminary three-month data from the trial by end 2021, paving the way for a regulatory filing with Betalutin® in 2022.

These data would be a key value-generating milestone for the company, and the entire team is focused on achieving this goal.

Positive data from PARADIGME would also allow Nordic Nanovector to cement its position at the forefront of radioimmunotherapy development, a field of exceptional promise and one that is attracting increasing investor and industry attention.

Betalutin® opportunity – Profile could be attractive to majority of elderly or frail R/R FL patients

Nordic Nanovector has continued to develop its market knowledge as a basis for designing a commercialisation strategy for Betalutin®. The company is convinced that Betalutin® has an attractive profile for treating NHL based on extensive market research conducted over several years and the positive results from earlier clinical studies.

If PARADIGME confirms the positive earlier results, the company believes that Betalutin® will have a unique therapeutic profile allowing it to address the unmet needs of the approximately 70% of 3L FL patients who are elderly and/or frail. This is particularly the case for the many elderly patients whose disease is refractory to anti-CD20 immunotherapy and who have gone through multiple prior lines of treatment.

Many of these elderly and frail patients have significant co-morbidities that often prevent the use of chemotherapy, targeted or cell therapies, which are effective treatments yet associated with a high side-effect burden. In addition, most of these patients have developed resistance or have become refractory to anti-CD20 based regimens. Physicians caring for these elderly and frail late line patients are looking for treatment options that deliver durable responses with a gentler tolerability profile that preserve the patients' quality of life while maintaining remission. They also favour treatments that are easier to administer and do not require frequent visits to a clinic.

The company believes the safety and efficacy data generated to date from a single administration of Betalutin® would uniquely position this product to address these unmet needs and make it an attractive option for the difficult-to-treat patient population included in PARADIGME.

Given the unmet medical need in this targeted first-to-market indication and its Orphan Drug designation in the US and Europe, the company believes positive results from PARADIGME could allow a rapid path to approval for Betalutin®.

Betalutin® pipeline update

Given its strategic focus on PARADIGME, the company decided in 2020 to pause the Phase 1 Archer-1 trial investigating Betalutin® in combination with rituximab in 2L FL and the Phase 1 LYMRIT 37-05 trial of Betalutin® in R/R diffuse large B-cell lymphoma (DLBCL) once the ongoing cohorts had been completed.

Positive Archer-1 data

Across this patient group, Betalutin® in combination with rituximab showed a very good safety profile comparable to that of single agent Betalutin®, with no dose limiting toxicities observed.

Early signs of efficacy were also encouraging, with all seven patients responding to treatment (5 CR and 2 PR).

Archer-1 is a Phase 1b open-label, single-arm, multi-centre dose-escalation trial to assess the safety and preliminary activity of CD37-targeted Betalutin® in combination with CD20-targeted RTX in patients with relapsed/refractory FL who have received one or more prior therapies and were not refractory to rituximab.

The starting doses of Betalutin® and lilotomab were 10MBq/kg and 40mg, respectively, which were escalated to Betalutin® 15MBq/kg and lilotomab 40mg in the second cohort. Following Betalutin® dosing, patients received four weekly doses of RTX (375mg/m2) on days 7, 14, 21 and 28. Patients who did not progress (including CR, PR, SD) were scheduled to receive RTX maintenance for 2 years.

The primary objective of the study was to evaluate the safety and tolerability of Betalutin® in combination with RTX, while the secondary objective was to evaluate the preliminary anti-tumour activity of combination treatment.

The rationale for Archer-1 was provided by earlier preclinical data showing Betalutin® can up-regulate CD20 expression in different rituximab-sensitive NHL cell lines and act synergistically with rituximab in a rituximab-sensitive NHL animal model and, more recently, that Betalutin® has the potential to counteract resistance to rituximab in NHL models.

Nordic Nanovector is currently assessing the best approach to develop Betalutin® for the large 2L FL patient population.

Betalutin® - DLBCL and MZL

Data from the LYMRIT 37-05 trial in DLBCL is expected to be announced in the next several weeks.

Nordic Nanovector is also currently evaluating how to validate the possible role of Betalutin® as a single-agent treatment for relapsed marginal zone lymphoma (MZL), a rarer type of indolent NHL. Betalutin® demonstrated a very promising clinical response with 78% ORR, 44% CR effect in nine MZL patients in the Phase 1/2a LYMRIT 37-01 trial.

Betalutin® was granted Fast-track designation in the US and Orphan Drug designation in the European Union during H1'2020 for MZL, reflecting the clear need for new therapeutic options for MZL patients who no longer respond to anti-CD20 immunotherapy.

Private Placement and Repair Offering extend cash runway into H2'2021

In February, the company successfully completed a Private Placement that raised approximately NOK 361 million (equivalent to approximately USD 42.5 million) in gross proceeds. In April, the company raised an additional approximately NOK 61 million (equivalent to approximately USD 7.2 million) in gross proceeds via an oversubscribed Repair Offering.

The Private Placement and Repair Offering were completed at a subscription price of NOK 22.75 per share, which was determined through an accelerated book-building process in the Private Placement.

Nordic Nanovector intends to use the net proceeds raised for the following purposes:

- Conduct pharmacokinetics (PK) studies and execute CMC activities required for regulatory filing of Betalutin®
- Initiate the preparatory activities for the confirmatory Phase 3 trial and preparation for U.S. market launch
- General corporate purposes

The proceeds from the Private Placement and the Repair Offering have extended Nordic Nanovector's cash runway into H2'2022.

Management/Board Changes

In March, the company announced the appointment of Peter L. Braun as Chief Executive Officer (CEO). He took up this position on 6 April 2021 and is based in the company's office in Zug, Switzerland.

Mr Braun is an experienced and entrepreneurial pharmaceutical leader, with extensive commercialisation experience with innovative oncology products and deep knowledge of pharmaceutical markets worldwide from a career spanning nearly 30 years at Hoffmann-La-Roche ("Roche").

During this time, Mr Braun led the Lifecycle Management teams for the successful targeted cancer therapies Herceptin® (trastuzumab) and Tarceva® (erlotinib).

Mr Braun has also held various operational leadership positions including country general manager and multiple commercial roles in Europe, US and Latin America. He has developed expertise across multiple strategic and operational roles including development, manufacturing, business development and market access for innovative therapeutic products in several geographies and across other therapeutic areas, including rare diseases and infectious diseases.

In addition to his experience at Roche, Mr Braun has also held roles at an artificial intelligence (AI)-driven life sciences start-up and as strategy consultant to emerging healthcare companies.

Mrs Hilde Hermansen Steineger, PhD, who has served as a Non-executive Director on the Board of Nordic Nanovector since November 2014, decided not to stand for re-election at the AGM due to increased workload and other priorities.

In April, Mrs Solveig Hellebust, PhD, was appointed as a Non-executive Director at the company's Annual General Meeting (AGM).

Mrs Hellebust has 20 years of business experience mainly in strategic human resources organisational development functions for leading businesses in Norway. She is currently Senior Vice President and Chief HR Officer at Yara International ASA, a global agriculture company, and was previously Group Executive Vice President People and Operations at DNB, Norway's largest financial services group. She has also held roles at the biotech company Pronova BioPharma ASA and at Telenor Group, the international telecommunications group.

Financial review

The interim consolidated financial statements for Nordic Nanovector Group as of 31 March 2021 have been prepared in accordance with the International Accounting Standard (IFRS) 34 interim financial reporting.

Interim consolidated statement of profit or loss

(Figures in brackets = same period 2020 unless stated otherwise)

Revenues in the first quarter of 2021 amounted to NOK 0.0 million (NOK 0.0 million).

Total operating expenses for the quarter came to NOK 101.2 million (NOK 125.9 million). Payroll and related expenses increased to NOK 22.5 million (NOK 19.8 million). The increase is driven by a significant change in imputed costs (non-

cash) related to the company's share-based incentive scheme, which more than offset the cost reduction caused by reduction in the number of employees. Other operating expenses amounted to NOK 78.0 million during the quarter (NOK 102.4 million). Costs are 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 85.9 % of total operating expenses year to date 2021 (80.8 %).

Operating loss for the quarter was NOK 101.2 million (loss of NOK 125.9 million).

Net financial items for the first quarter came to negative NOK 0.2 million (NOK 32.4 million).

Nordic Nanovector's comprehensive loss for the quarter amounted to NOK 102.1 million (loss of NOK 91.7 million), due to the reasons stated above.

Financial position

Total assets at 31 March 2021 amounted to NOK 517.0 million, up from NOK 314.6 million at year-end 2020. The increase was driven by the private placement in February 2021.

Total shareholders' equity at 31 March 2021 was NOK 416.9 million (NOK 178.7 million at year-end 2020), corresponding to an equity ratio of 80.7% (56.8 % at year-end 2020).

Total liabilities at 31 March 2021 were NOK 100.0 million, down from NOK 135.9 million from year-end 2020, driven by decrease in account payables.

Cash flow

Net cash flow from operating activities in the first quarter 2021 was negative NOK 133.5 million (negative NOK 116.0 million), the change mainly caused by down payment of accounts payables.

Net cash flow from investing activities in the first quarter was negative NOK 0.1 million (NOK 0.1 million).

Net cash flow from financing activities for the first quarter of 2021 was NOK 337.9 million (negative NOK 3.5 million), driven by the private placement completed in February 2021.

Exchange rate fluctuations in the first quarter 2021 were negative NOK 0.4 (NOK 32.9 million).

Cash and cash equivalents amounted to NOK 497.9 million at the end of March 2021, compared to NOK 294.0 million at the end of December 2020 for reasons explained above.

Outlook

Nordic Nanovector's current focus is to complete patient enrolment into PARADIGME and the target is to announce the preliminary readout of three-month top line data from PARADIGME by end 2021.

Following the recent successful Private Placement and Repair Offering, the company has extended its cash runway into H2'2022, which in addition to allowing it to deliver the top line data from PARADIGME, will enable further preparatory work on the potential Betalutin® BLA filing to be undertaken.

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

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

Amounts in NOK 1 000	Note	First Quarter		Full Year
		2021	2020	2020
Revenues		0	0	0
Total revenues		**0**	**0**	**0**
Payroll and related expenses	4, 5	22 454	19 781	78 301
Depreciation		749	3 714	14 895
Other operating expenses	4, 6	77 984	102 382	340 965
Total operating expenses		**101 187**	**125 877**	**434 161**
Operating profit (loss)		**-101 187**	**-125 877**	**-434 161**
Net finance income (expenses)	9	-203	32 429	18 000
Loss before income tax		**-101 390**	**-93 448**	**-416 161**
Income tax		-216	-294	-914
Loss for the period		**-101 606**	**-93 742**	**-417 075**
Other comprehensive income (loss), net of income tax to be reclassified to profit and loss in subsequent periods				
Translation effects		-523	2 090	423
Other comprehensive income (loss), net of income tax not to be reclassified to profit and loss in subsequent periods				
Re-measurement gains (losses) on defined benefit plans		0	0	-912
Total comprehensive income (loss) for the period		**-102 129**	**-91 652**	**-417 564**
Loss for the period attributable to owners of the company		-101 606	-93 742	-417 075
Total comprehensive income (loss) for the period attributable to owners of the company		-102 129	-91 652	-417 564
Earnings (loss) per share				
Basic and diluted earnings (loss) per share in NOK	8	-1.19	-1.42	-5.99

The interim financial information has not been subject to audit.

Interim condensed consolidated statement of financial position
Nordic Nanovector Group

Amounts in NOK 1 000	Note	31.03.2021	31.12.2020
ASSETS			
Non-current assets			
Property, plant and equipment		1 240	1 394
Right-of-use-assets		3 754	4 290
Total non-current assets		**4 994**	**5 684**
Current assets			
Receivables			
Other current receivables	4	14 080	14 951
Total receivables		**14 080**	**14 951**
Cash and cash equivalents		**497 900**	**293 975**
Total current assets		**511 980**	**308 926**
TOTAL ASSETS		**516 974**	**314 610**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	7	19 054	15 878
Share premium	7	453 659	118 371
Other paid in capital	5, 6	63 507	61 565
Retained earnings		-119 275	-17 146
Total shareholders' equity		**416 945**	**178 668**
LIABILITIES			
Non-current liabilities			
Lease liability		1 781	2 356
Net employee defined benefit liabilities		4 244	5 025
Total non-current liabilities		**6 025**	**7 381**
Current liabilities			
Accounts payable		24 302	65 862
Tax payable		574	803
Other current liabilities		69 128	61 896
Total current liabilities		**94 004**	**128 561**
Total liabilities		**100 029**	**135 942**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**516 974**	**314 610**

The interim financial information has not been subject to audit.

Interim condensed consolidated statement of changes in equity
Nordic Nanovector Group

For the period ended 31 March Amounts in NOK 1 000	Note	Share capital	Share premium	Other paid in capital	Accumulated losses	Trans-lation effects	Remeasure-ment gains (losses)	Total equity
Balance at 1 January 2020		**13 229**	**335 336**	**69 025**	**-28 806**	**329**	**-1 105**	**388 008**
Loss for the period					-417 075			-417 075
Other comprehensive income (loss) for the year, net of income tax						423	-912	-489
Total comprehensive income for the period		**0**	**0**	**0**	**-417 075**	**423**	**-912**	**-417 564**
Recognition of share-based payments	5, 6			-7 460				-7 460
Issue of ordinary shares	5, 6	2 646	228 856					231 502
Issue of ordinary shares under share options and RSUs	5, 6, 7	4						4
Share issue costs			-15 821					-15 821
Reclassification of accumulated losses			-430 000		430 000			0
Balance at 31 December 2020		**15 878**	**118 371**	**61 565**	**-15 881**	**752**	**-2 017**	**178 668**
Loss for the period					-101 606			-101 606
Other comprehensive income (loss) for the year, net of income tax						-523	0	-523
Total comprehensive income for the period		**0**	**0**	**0**	**-101 606**	**-523**	**0**	**-102 129**
Recognition of share-based payments	5, 6			1 942				1 942
Issue of ordinary shares	5, 6	3 176	358 052					361 228
Share issue costs			-22 763					-22 763
Balance at 31 March 2021		**19 054**	**453 659**	**63 507**	**-117 487**	**229**	**-2 017**	**416 945**

Amounts in NOK 1 000	Note	Share capital	Share premium	Other paid in capital	Accumulated losses	Trans-lation effects	Remeasure-ment gains (losses)	Total equity
Balance at 1 January 2020		**13 229**	**335 336**	**69 025**	**-28 806**	**329**	**-1 105**	**388 008**
Loss for the period					-93 742			-93 742
Other comprehensive income (loss) for the year, net of income tax						2 090		2 090
Total comprehensive income for the period		**0**	**0**	**0**	**-93 742**	**2 090**	**0**	**-91 652**
Recognition of share-based payments	5, 6			-7 838				-7 838
Balance at 31 March 2020		**13 229**	**335 336**	**61 187**	**-122 548**	**2 419**	**-1 105**	**288 518**

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	First Quarter		Full Year
		2021	2020	2020
Cash flow from operating activities				
Loss for the period before income tax		**-101 390**	**-93 448**	**-416 161**
Adjustments for:				
Interests paid		35	175	471
Interest received		-6	-161	-1 590
Share option and PSU expenses employees	5	1 649	-8 119	-8 484
Restricted share units (RSUs) expenses board	6	293	281	1 024
Taxes paid		-424	-433	-1 068
Depreciation		749	3 714	14 895
Currency (gains) losses not related to operating activities		400	-32 925	-18 490
Changes in working capital and non-cash adjustments		-34 818	14 878	31 197
Net cash flow from operating activities		**-133 512**	**-116 038**	**-398 206**
Cash flow from investing activities				
Investments in property, plant and equipment and intangible assets		-58	-111	-185
Interests received		6	161	1 590
Net cash flow from investing activities		**-52**	**50**	**1 405**
Cash flows from financing activities				
Net proceeds from equity issue	7	338 464	0	215 684
Payment of principle portion of lease liabilities		-540	-3 326	-13 751
Interests paid		-35	-175	-471
Net cash flow from financing activities		**337 889**	**-3 501**	**201 462**
Effects of exchange rate changes on cash and cash equivalents		**-400**	**32 925**	**18 490**
Net change in bank deposits, cash and equivalents		203 925	-86 564	-176 849
Cash and equivalents at beginning of period		293 975	470 824	470 824
Cash and equivalents at end of period		**497 900**	**384 260**	**293 975**

The interim financial information has not been subject to audit.

Notes to the condensed interim financial statements for the First Quarter report 2021

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 First Quarter 2021 report are non-audited figures.

These financial statements were approved for issue by the board of directors on 25 May 2021.

Note 2. Basis for preparation and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements can be found in the group's Annual Report 2020. These policies have been consistently applied in all periods presented. Amounts are in Norwegian kroner (NOK) unless stated otherwise. The functional currency of the group is NOK.

Basis of preparation of the annual accounts

The Nordic Nanovector Group's interim consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), which have been adopted by the EU and are mandatory for financial years beginning on or after 1 January 2021, and Norwegian disclose requirements listed in the Norwegian Accounting Act. The interim consolidated financial statements have been prepared on the historical cost basis, with the exception of receivables and other financial liabilities which are recognised at amortised cost.

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

Critical accounting estimates and judgments

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2020.

Note 4. Government grants

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

Amounts in NOK 1 000	First Quarter		Full Year
	2021	2020	2020
Payroll and related expenses	261	207	959
Other operating expenses	1 194	1 730	6 791

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

Amounts in NOK 1 000	31.03.2021	31.12.2020
Grants receivable	6 205	5 750

1) R&D projects have been approved for SkatteFUNN grants for the period 2017 through 2021. For the financial period ended 31 March 2021, the company has recognised NOK 1.2 million compared to NOK 1.2 million for the same period in 2020. The amount was recognised partly as a reduction of payroll and related expenses and partly as a reduction of other operating expenses.

2) The company has finalised the discovery phase of its Alpha37 R&D collaboration with Orano Med. Alpha37 leverages Nordic Nanovector's chimeric anti-CD37 antibody, NNV003, chelated with the alpha particle generating radionuclide ^{212}Pb; preparations for an IND application for potential treatment of NHL and chronic lymphocytic leukaemia (CLL) are now advancing. In 2019, Nordic Nanovector was granted EUR 0.6 million from Eurostars in funding for this project. For the financial period ended 31 March 2021, the company recognised NOK 0.3 million partly as a reduction of payroll and related expenses and other operating expenses, compared to NOK 0.8 million for the same period in 2020.

Note 5. Employee share incentive programmes

Performance Share Units (PSUs)

The board of directors of Nordic Nanovector ASA decided on 26 March 2021 to grant 1 070 000 PSUs to current and newly hired employees.

Overview of outstanding PSUs

	Year to date 2021	
	Number of PSUs	Weighted average exercise price, NOK
Balance at 01.01.2021	774 750	0.2
Granted during the period	1 070 000	0.2
Exercised during the period	-35 524	0.2
Forfeited	-64 726	0.2
Balance at 31.03.2021	**1 744 500**	**0.2**
Hereof vested PSUs	**0**	**0.2**

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

Share options

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

Overview of outstanding options

	Year to date 2021	
	Number of options	Weighted average exercise price, NOK
Balance at 01.01.2021	1 351 967	40.74
Granted during the year	0	0
Exercised during the year	-7 500	14.24
Forfeited	-21 088	45.58
Balance at 31.03.2021	**1 323 379**	**40.82**
Hereof vested options	**1 323 379**	**40.82**

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

Note 6. Restricted Stock Units (RSUs)

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

At the 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 2021, in the form of RSUs. A total of 59 504 RSUs was allocated following the 2020 AGM. These RSUs will vest on 10 June 2021.

Overview of outstanding RSUs

	Year to date 2021
	Number of RSUs
Balance at 01.01.2021	85 233
Granted during the year	0
Exercised during the year	0
Forfeited	0
Balance at 31.03.2021	**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 2020.

Note 7. Share capital and shareholder information

The share capital as at 31 March 2021 is NOK 19 053 747 (31 December 2020: NOK 15 878 122), being 95 268 734 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**	**31.03.2021**	**31.12.2020**
Ordinary shares at beginning of the period		**79 390 612**	**66 143 363**
Issue of ordinary shares [1)]		15 878 122	13 228 670
Issue of ordinary shares under RSUs	6	0	18 579
Ordinary shares at end of the period		**95 268 734**	**79 390 612**

[1] On 23 February 2021 the company announced that it had raised approximately NOK 361 million in gross proceeds through a private placement of 15 878 122 new shares. The Private Placement was completed at a subscription price of NOK 22.75 per share, which was determined through an accelerated book-building process.

Nordic Nanovector ASA had 12 045 shareholders as of 31 March 2021

	Shareholders	Number of shares	Percentage of total shares
1	Folketrygdfondet	8 458 940	8.88%
2	HealthCap VI L.P.	6 834 095	7.17%
3	OM Holding AS	3 524 692	3.70%
4	Fjarde AP-Fonden	3 472 563	3.65%
5	Sundt AS	1 640 433	1.72%
6	Nordnet Livsforsikring AS	1 422 430	1.49%
7	Ro Invest AS	1 000 000	1.05%
8	Urbanium Gruppen AS	930 000	0.98%
9	Linux Solutions Norge	845 071	0.89%
10	Birk Venture AS	800 000	0.84%
11	Verdipapirfondet Nordea Kapital	778 910	0.82%
12	Nordnet Bank AB	723 709	0.76%
13	Must Invest AS	700 000	0.73%
14	Radiumhospitalets Forskningsstiftelse	684 972	0.72%
15	Alden AS	660 000	0.69%
16	Verdipapirfondet Nordea Avkastning	656 251	0.69%
17	Boddco AS	600 454	0.63%
18	Sciencons AS	600 000	0.63%
19	Myna AS	581 025	0.61%
20	Inven2 AS	541 247	0.57%
	Total shares for top 20 shareholders	35 454 792	37.22%
	Total shares for other 12 025 shareholders	59 813 942	62.78%
	Total shares (12 045 shareholders)	95 268 734	100.00%

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

Note 8. Earnings per share

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

Amounts in NOK	Year to date 2021	Full Year 2020
Loss for the period	-101 606 000	-417 075 000
Average number of outstanding shares during the year	85 456 411	69 574 504
Earnings (loss) per share - basic and diluted	**-1.19**	**-5.99**

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	First Quarter		Full year
	2021	2020	2020
Finance income	368	1 006	1 610
Finance expenses	59	296	860
Net currency gains (losses) on cash and cash equivalents	-400	32 925	18 490
Net other currency gains (losses) related to operating items	-112	-1 206	-1 239
Net finance income	**-203**	**32 429**	**18 000**

Finance expenses include interest expenses on lease liabilities.

Note 10. Subsequent events

Repair offering

In April the company raised approximately NOK 61 million (equivalent to approximately USD 7.2 million) in gross proceeds through a repair offering. The company's share capital was increased with NOK 539 856 through the issuance of the new shares. Following registration of the share capital increase related to the new shares, the company has an issued share capital of NOK 19 593 602.80, divided into 97 968 014 shares, each with a par value of NOK 0.20. Each share represents one vote in the Company's general meeting. The proceeds from the repair offering extend the company's cash runway into H2 2022.

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

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)

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

US: United States

Financial calendar

Q2 and 1H 2021 results:	27 August 2021
Q3 2021 results:	18 November 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).

Investor contact

Contact person:	Malene Brondberg, CFO
Phone:	(+ 44) 7561 431 762
E-mail:	ir@nordicnanovector.com
Web:	www.nordicnanovector.com/investors-and-media

Forward-looking statements

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

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

Notes

Head office

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

Subsidiary

Nordic Nanovector GmbH
Grafenauweg 8
6300 Zug
Switzerland
Phone: (+47) 22 18 33 01
E-mail: mail@nordicnanovector.com

Subsidiary

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

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

www.nordicnanovector.com

NORDIC NANOVECTOR

About Nordic Nanovector

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

Nordic Nanovector's lead clinical-stage candidate is Betalutin®, a novel CD37-targeting antibody-radionuclide-conjugate designed to advance the treatment of non-Hodgkin's lymphoma (NHL). NHL is an indication with substantial unmet medical need, representing a growing market forecast to be worth nearly USD 26 billion by 2028. Nordic Nanovector retains global marketing rights to Betalutin® and intends to actively participate in the commercialisation of Betalutin® in the US and other major markets.