NORDIC NANOVECTOR

First Quarter 2017

Nordic Nanovector ASA

Q1'17 Highlights

- **Progress continues towards start of Phase 2 PARADIGME trial in 2H 2017 as planned, with Betalutin® in patients with indolent NHL (FL and other subtypes)**

- **First patient dosed with Betalutin® in Phase 1 dose-escalation study in DLBCL**
  - The study is open for enrolment in the US and Europe

- **Decision made to initiate Phase 2 clinical studies to investigate the potential of Betalutin® combined with rituximab in 2nd line FL**
  - Phase 2 trial expected to begin in 2H 2017

- **Decision made to initiate Phase 1 clinical study of Humalutin™ in NHL**
  - Preclinical studies complete, Phase 1 trial expected to begin in 2H 2017

Events after Q1'17

- **Safety Review Committee (SRC) approved continued evaluation of 20 MBq/kg Betalutin® with 100 mg/m² lilotomab in a Phase 2 expansion cohort in Arm 4**

- **Updated results from LYMRIT 37-01 have been accepted for presentation at ICML in June**
  - Safety and preliminary efficacy data from all evaluable NHL patients

Key figures Nordic Nanovector Group

Amounts in MNOK (except earnings/loss per share)	First Quarter		Full Year
	2017	2016	2016
Total revenue	0.1	0.1	0.3
Total operating expenses	65.8	52.7	216.7
Operating profit (loss)	-65.7	-52.7	-216.4
Net financial items	10.0	-11.3	-18.8
Total comprehensive income (loss) for the period	**-55.8**	**-64.1**	**-235.8**
Basic and diluted earnings (loss) per share	**-1.14**	**-1.44**	**-5.26**
Number of employees	**31**	**26**	**28**
Net change in bank deposits, cash and equivalents	-84.9[1]	-71.5	274.9
Cash and equivalents at beginning of period	1 018.2	743.4	743.4
Cash and equivalents at end of period	**933.3**	**671.9**	**1 018.2**

1) Net cash flow from operating activities -62.0

Nordic Nanovector reported continued operational progress during the first quarter. The Phase 1/2 clinical trial with Betalutin® in relapsed iNHL advanced according to schedule. SRC's approval of continued clinical evaluation of 20 MBq/kg Betalutin® with 100 mg/m² lilotomab enables the company to build a robust database of clinical data. Management is confident on plans to initiate the pivotal Phase 2 PARADIGME study in the second half of 2017. The first patient was dosed in a Phase 1 dose-escalation study of Betalutin® in relapsed refractory DLBCL. The company also made the decision to expand investigations of its ARC therapeutics with initial preparations underway for a Phase 2 combination study of Betalutin® and rituximab, and a Phase 1 study of the chimeric anti-CD37 Antibody-Radionuclide Conjugate Humalutin™. Both studies are expected to start during the second half of 2017.

Operational review

Continued progress towards PARADIGME with Betalutin® in patients with relapsed/refractory iNHL

Nordic Nanovector continued to make progress with its Phase 1/2 clinical study (LYMRIT 37-01) during the first quarter of 2017. The study is an open label, single injection dose-escalation safety-study with four different treatment arms to investigate various Betalutin® doses and pre-dosing regimens in patients with relapsed/refractory (R/R) indolent NHL (iNHL). Results from this study are expected to enable selection of an optimal dosing regimen for evaluation in the pivotal Phase 2 PARADIGME study trial, which the company is on track to start in the second half of 2017.

In May, the Safety Review Committee (SRC) for the trial reviewed the safety data from Arm 4 of the study, which is investigating 15 and 20 MBq/kg Betalutin® following pre-dosing with 100 mg/m² lilotomab. The SRC approved the continued clinical evaluation of 20 MBq/kg Betalutin® administered after pre-dosing with 100 mg/m² lilotomab in a Phase 2 expansion cohort in Arm 4. The company will evaluate data from the full study to determine the dosing regimen for investigation in the pivotal Phase 2 PARADIGME trial, which is on track to start in the second half of 2017.

The Arm 1 dose regimen of 15 MBq/kg Betalutin® following pre-dosing with 40 mg lilotomab has already demonstrated a compelling preliminary safety and efficacy profile in the selected patient population. The most recent results were presented at the American Society of Hematology (ASH) annual meeting in December 2016 and showed:

- Significant anti-tumour activity: ORR of 62%, CR 38% in Arm 1 for all patients receiving 15MBq/kg Betalutin®; consistent with the 16 patients treated in Arm 1/Phase 2 (ORR 69%, CR 38%)
- Durable responses: median duration of response of 20.7 months for patients in Arm 1
- Well tolerated with predictable and manageable safety profile

Updated results from LYMRIT 37-01 have been accepted for presentation at the International Conference on Malignant Lymphoma (ICML), taking place June 14-17 in Lugano, Switzerland. The poster will be presented by Dr. Arne Kolstad, Senior Consultant in Medical Oncology and Radiation Therapy at the Oslo University Hospital, Norwegian Radium Hospital, and the study's Principal Investigator.

Initial preparations for the commercialisation of Betalutin® in 3rd line follicular lymphoma (FL) continued during the first quarter, including active engagement with relevant key opinion leaders. The company is gathering customer insights, with the intent to define the best market positioning for Betalutin® and to ensure the development programme delivers a product profile aligned to actual medical needs. In addition, the company is exploring treatment practices in the different settings of care, with a special focus on the US market, to optimize the referral pathway.

First DLBCL patient dosed with Betalutin®

In March, Nordic Nanovector announced that the first patient had been dosed in its Phase 1 study evaluating Betalutin® in patients with R/R diffuse large B-cell lymphoma (DLBCL) – the "LYMRIT 37-05" trial. The study is being conducted in Europe and the US.

The trial will assess the potential role of Betalutin® in the treatment of another NHL indication with high unmet medical need. DLBCL is an aggressive form of NHL and accounts for up to 43% of all NHL cases, making it the most common form of the disease. After 1st line combination treatment with rituximab-chemotherapy (R-CHOP) approximately 40% of DLBCL patients relapse and only 30-40% of relapsed patients respond with subsequent high-dose chemotherapy followed by stem cell transplant (SCT). There are currently very few therapeutic options for patients not eligible for SCT, which make this disease a serious unmet medical need, with a population of over 14 000 patients in the US, EU-5 and Japan (orphan drug indication). The market for treatment of DLBCL is estimated to be worth more than USD 4.5 billion by 2024[1].

LYMRIT 37-05 is an open-label, single-arm, dose-escalation study designed to assess the safety, tolerability, pharmacokinetic profile and preliminary anti-tumour activity of Betalutin®, with the intention of identifying a dosing regimen to advance into Phase 2 studies. Up to 24 patients are planned to be enrolled in the US and EU. Professor Timothy Illidge at the Manchester Cancer Research Centre, University of Manchester, is the Principal Investigator for the study.

The first read out from this study is expected in the second half of 2018.

Advancing Betalutin® into 2nd line FL in combination with rituximab

Nordic Nanovector has decided to initiate clinical studies with Betalutin® to address 2nd line FL, a market that is estimated to be worth USD 1.5 billion in 2014[1], nearly three times larger than that for 3rd line therapies.

Preparations for a Phase 2 clinical study of Betalutin® in combination with rituximab in 2nd line FL progressed during the first quarter, with the company aiming to initiate the study during the second half of 2017. The decision to initiate the study is supported by encouraging clinical results with Betalutin® in the LYMRIT 37-01 trial as well as preclinical results, presented at the ASH meeting in December 2016. These results demonstrated a synergistic anti-tumour effect of Betalutin® and rituximab in this combination, resulting in improved survival in preclinical NHL models.

Advancing the chimeric anti-CD37 Antibody-Radionuclide Conjugate Humalutin™ in NHL

In parallel, the company is preparing for the start of a Phase 1 clinical trial with Humalutin™, a novel Lu-177-conjugated chimeric anti-CD37 Antibody-Radionuclide Conjugate (ARC), which has the potential to target 1st line NHL. This ability further extends the potential reach of Nordic Nanovector's targeted therapies to a market estimated to be worth USD 1.4 billion in 2024[1].

Results presented in October 2016 at the European Association of Nuclear Medicine (EANM) conference from studies with Humalutin™ in preclinical lymphoma and leukaemia models confirm its potential to open the opportunity to 1st line treatment and provide the rationale for advancing this programme into clinical development.

The company has successfully completed both the preclinical studies with Humalutin™ and the manufacturing process for the naked chimeric anti-CD37 antibody. The Phase 1 trial is expected to start during the second half of 2017.

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

Financial review

The interim consolidated financial statements for Nordic Nanovector Group[2] as of March 31st, 2017 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 2016 unless stated otherwise)

Revenues in the first quarter of 2017 amounted to NOK 0.078 million (NOK 0.078 million), primarily consisting of sales of incubator services and sublease of office and laboratory facilities.

Total operating expenses for the quarter came to NOK 65.8 million (NOK 52.7 million). Payroll and related expenses rose to NOK 17.6 million (NOK 12.9 million), driven primarily by an increase in costs related to granted options and a higher headcount. Other expenses increased to NOK 47.9 million during the quarter (NOK 39.5 million) as a result of higher clinical trial and commercial preparation activities.

Research and development (preclinical, clinical, regulatory and CMC activities) expenses accounted for 72.2 % of total operating expenses in the first quarter of 2017 (74.1 %).

Operating loss for the quarter was NOK 65.7 million (loss of NOK 52.7 million), for the reasons stated above.

Net financial items for the quarter came to NOK 10.0 million (negative NOK 11.3 million) mainly due to unrealised currency gains on bank accounts in foreign currencies.

Nordic Nanovector's comprehensive loss for the quarter amounted to NOK 55.8 million (loss of NOK 64.1 million), due to the reasons stated above.

Financial position

Total assets at March 31st, 2017 amounted to NOK 962.8 million, compared to NOK 1 044.7 million at December 31st, 2016. Total liabilities were NOK 62.6 million at the end of the first quarter, down from NOK 95.5 million at year end 2016 reflecting payment of costs related to the share issue in December 2016.

Total shareholders' equity at March 31st, 2017 was NOK 900.2 million (NOK 949.3 million at year end 2016), corresponding to an equity ratio of 93.5% (90.9 % at year end 2016).

Cash flow

Net cash flow from operating activities in the first quarter was negative NOK 62.0 million (negative NOK 58.5 million), reflecting research and development activities.

Net cash flow from investing activities in the first quarter was negative NOK 0.007 million (NOK 0.1 million).

Net cash flow from financing activities for the first quarter was negative NOK 31.3 million, reflecting payment of costs related to the equity issue in December 2016 and proceeds of NOK 1.6 million from the exercise of share options in January 2017 (no cash flow from financing activities in the first quarter of 2016).

Unrealised currency gains in the first quarter had a positive impact on cash and cash equivalents of NOK 8.4 million (negative NOK 12.9 million).

Cash and cash equivalents amounted to NOK 933.3 million at the end of March 2017, compared to NOK 1 018.2 million at the end of December 2016.

[2] "the group" refers to Nordic Nanovector ASA ("the parent company" or "the company") and its wholly owned subsidiaries

Outlook

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

Building on the progress made in 2016, Nordic Nanovector's operations remain on track. With a strengthened financial position, the company is expanding and extending its strategy towards achieving its broader long-term ambitions beyond Betalutin® in NHL. These are centred on maximising the value of its novel targeted biopharmaceutical candidates across all stages of NHL and other major haematological cancer indications; to prepare for the commercialisation of Betalutin®; and to selectively extend its pipeline.

The profile of Betalutin® is well differentiated within the competitive landscape. Encouraging preliminary results and good progress in the LYMRIT 37-01 clinical study give the company confidence that it is on track to initiate the pivotal Phase 2 PARADIGME trial during the second half of 2017. Management will continue to focus its efforts on the efficient execution of its plans and to meet clinical milestones.

Current cash resources are expected to be sufficient to take the company beyond a first regulatory submission for Betalutin® in FL in the first half of 2019 and to meet value-generating clinical milestones in its other programmes.

Oslo, May 23rd, 2017

The Board of Directors
Nordic Nanovector ASA

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
		2017	2016	2016
Revenues		**78**	**78**	**314**
Total revenues		**78**	**78**	**314**
Payroll and related expenses	4, 5, 6	17 572	12 944	62 362
Depreciation		279	261	1 160
Other operating expenses	4	47 914	39 538	153 154
Total operating expenses		**65 765**	**52 743**	**216 676**
Operating profit (loss)		**-65 687**	**-52 665**	**-216 362**
Finance income and finance expenses				
Finance income		10 153	1 608	10 248
Finance expenses		188	12 893	29 057
Net financial items		**9 965**	**- 11 285**	**-18 809**
Loss before income tax		**-55 722**	**-63 950**	**-235 171**
Income tax		-85	-31	-339
Loss for the period		**-55 807**	**-63 981**	**-235 510**
Other comprehensive income (loss), net of income tax to be reclassified to profit and loss in subsequent periods				
Translation effects		37	-121	-252
Total comprehensive income (loss) for the period		**-55 770**	**-64 102**	**-235 762**
Loss for the period attributable to owners of the company		-55 807	-63 981	-235 510
Total comprehensive income (loss) for the period attributable to owners of the company		-55 770	-64 102	-235 762
Earnings (loss) per share				
Basic and diluted earnings (loss) per share in NOK	9	-1.14	-1.44	-5.26

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	31.03.2017	31.12.2016
ASSETS			
Non-current assets			
Property, plant and equipment		2 935	3 145
Total property, plant and equipment		**2 935**	**3 145**
Current assets			
Receivables			
Other current receivables	4	26 579	23 377
Total receivables		**26 579**	**23 377**
Cash and cash equivalents		**933 323**	**1 018 217**
Total current assets		**959 902**	**1 041 594**
TOTAL ASSETS		**962 837**	**1 044 739**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	7	9 806	9 795
Share premium	7	1 434 974	1 433 743
Other paid in capital	5,6	25 288	19 826
Accumulated losses		-569 845	-514 075
Total shareholders' equity		**900 223**	**949 289**
Liabilities			
Current liabilities			
Accounts payable		18 191	53 160
Tax payable		179	377
Other current liabilities	11	44 244	41 913
Total current liabilities		**62 614**	**95 450**
Total liabilities		**62 614**	**95 450**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**962 837**	**1 044 739**

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**	**Equity-settled share-based payments**	**Accumulated losses**	**Translation effects**	**Total equity**
Balance at 1 January 2016		**8 904**	**969 175**	**12 973**	**-278 113**	**-201**	**712 738**
Loss for the year					-235 510	0	-235 510
Other comprehensive income (loss) for the year net of income tax						-252	-252
Total comprehensive income for the year		**0**	**0**	**0**	**-235 510**	**-252**	**-235 762**
Recognition of share-based payments	5,6	0	0	6 853	0	0	6 853
Issue of ordinary shares	5,7	875	497 789	0	0	0	498 664
Issue of ordinary shares under share options	7	16	581	0	0	0	597
Share issue costs	7	0	-33 802	0	0	0	-33 802
Balance at 31 December 2016		**9 795**	**1 433 743**	**19 826**	**-513 623**	**-452**	**949 289**
Loss for the period					-55 807	0	-55 807
Other comprehensive income (loss) for the year, net of income tax						37	37
Total comprehensive income for the year		**0**	**0**	**0**	**-55 807**	**37**	**- 55 770**
Recognition of share-based payments	5,6	0	0	5 462	0	0	5 462
Issue of ordinary shares under share options	7	11	1 613	0	0	0	1 624
Share issue costs	7	0	-382	0	0	0	-382
Balance at 31 March 2017		**9 806**	**1 434 974**	**25 288**	**-569 430**	**-415**	**900 223**

Amounts in NOK 1 000	**Note**	**Share capital**	**Share premium**	**Equity-settled share-based payments**	**Accumulated losses**	**Translation effects**	**Total equity**
Balance at 1 January 2016		**8 904**	**969 175**	**12 973**	**-278 113**	**-201**	**712 738**
Loss for the period					-63 980	0	-63 980
Other comprehensive income (loss) for the year net of income tax					0	-121	-121
Total comprehensive income for the year		**0**	**0**	**0**	**-63 980**	**-121**	**-64 100**
Recognition of share-based payments	5	0	0	1 703	0	0	1 703
Balance at 31 March 2016		**8 904**	**969 175**	**14 676**	**-342 093**	**-321**	**650 341**

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
		2017	2016	2016 Restated*
Cash flow from operating activities				
Loss for the period before income tax		**-55 722**	**-63 950**	**-235 171**
Adjustments for:				
Interest received		-39	-40	-4 465
Share option expense employees	5	5 167	1 703	6 212
Restricted share units expenses	6	295	0	641
Taxes paid		-204	-67	-320
Depreciation		279	261	1 160
Currency (gains) losses not related to operating activities		-8 431	12 893	23 395
Changes in working capital and non-cash adjustments	10	-3 376	-9 272	4 565
Net cash flow from operating activities		**-62 031**	**-58 472**	**-203 983**
Cash flow from investing activities				
Investments in property, plant and equipment and intangible assets		-46	-150	-1 498
Interests received		39	40	4 465
Net cash flow from investing activities		**-7**	**-110**	**2 967**
Cash flows from financing activities				
Net proceeds from equity issue	7, 10	-31 287	0	499 261
Net cash flow from financing activities		**-31 287**	**0**	**499 261**
Effects of exchange rate changes on cash and cash equivalents		**8 431**	**-12 893**	**-23 395**
Net change in bank deposits, cash and equivalents		- 84 894	-71 475	274 850
Cash and equivalents at beginning of period		1 018 217	743 367	743 367
Cash and equivalents at end of period		**933 323**	**671 892**	**1 018 217**

The interim financial information has not been subject to audit.
* See note 10 for further information.

Nordic Nanovector– Notes to the condensed interim financial statements for the first quarter 2017

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 report are non-audited figures.

These financial statements were approved for issue by the board of directors on May 23rd 2017.

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 2016. 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, 2016, and Norwegian disclose requirements listed in the Norwegian Accounting Act as of December 31st, 2016. The 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, 2016.

Note 4. Government grants

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

Amounts in NOK 1 000	First Quarter and Year to date	
	2017	2016
Payroll and related expenses	1 080	431
Other operating expenses	2 159	1 504

1) In 2016, the company received a new grant of up to NOK 15 million grant from the Research Council of Norway's User-driven Research-based Innovation programme (in Norwegian; Brukerstyrt innovasjonsarena, BIA). The project period is from 2016 to 2018. The purpose of the grant is to support research and development of novel targeted therapeutics for leukemia and NHL. The grant will be distributed to the company over the course of three years. For the financial period ended March 31st, 2017, the company has recognised NOK 1.2 million (as of March 31st, 2016: NOK 0.8 million) classified partly as a reduction of payroll and related expenses, and partly as a reduction of other operating expenses.

2) The Research Council Eurostars has awarded a grant supporting a collaboration research agreement with Affibody AB for the period 2014 through 2017 of NOK 4 million in total. For the financial period ended March 31st, 2017, the company has recognised NOK 0.2 million (March 31st, 2016: NOK 0.3 million) partly as a reduction of payroll and related expenses, and partly as a reduction of other operating expenses.

3) R&D projects have been approved for SkatteFUNN grants for the period 2016 through 2017. For the financial period ended March 31st, 2017, the company has recognised NOK 1.6 million compared to NOK 0.7 million for the same period in 2016. The amount was recognised 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 2.1 million. For the financial period ended March 31st, 2017, the company recognised NOK 0.2 million as a reduction of payroll and related expenses, and partly as a reduction of other operating expenses.

5) The company was awarded a grant from The Research Council programme for user-managed innovation arena (BIA) of NOK 10.5 million in total for the period 2012 through 1H 2016. For the financial period ended March 31st, 2016, the company has recognised NOK 0.05 million classified partly as a reduction of payroll and related expenses and partly as a reduction of other operating expenses.

Note 5. Employee share option programme

The company has a share option scheme for all employees of the group. Each share option gives the right to acquire one ordinary share of the company on exercise. The company may settle options in cash.

Amounts in NOK	Year to date March 2017	
	Number of options	Weighted average exercise price
Balance at 1 January	2 846 701	29.70
Granted during the year	719 500	90.37
Exercised during the year	- 56 525	28.74
Forfeited	- 3 333	36.60
Balance at period end	**3 506 343**	**42.16**

Options in the second option program have been granted in the period 2014 - 2017 and vest in accordance with the following vesting schedule: (i) 25% of the options vest 12 months after the date of grant and (ii) 1/36 of the remaining options vest each month thereafter. It is a condition for vesting that the option holder is an employee of the group at the time of vesting. Vested options may be exercised in a period of 15 Norwegian business days from the day following the day of the company's release of its annual or quarterly results, unless the board of directors resolves otherwise. The options expire seven years from grant date.

On January 24th, 2017, the board of directors of the company resolved to increase the company's share capital to fulfil the company's obligations under the option agreements. The share capital was increased by NOK 11 305 through the issuance of 56 525 new shares, each with a nominal value of NOK 0.20, against payment of a total subscription price of NOK 1 624 650. Following this the company's share capital is NOK 9 806 228.60 divided into 49 031 143 shares, each with a nominal value of NOK 0.20.

On February 1st, 2017, the board granted 719 500 share options to employees as resolved at the annual general meeting held on May 19th, 2016.

Note 6. Restricted Stock Units (RSUs)

At the general meeting, the company resolved to issue 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 2016 to the annual general meeting in 2017, in the form of RSUs pursuant to the respective restricted share units agreements ("RSU Agreement") entered into between the company and the relevant board members.

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

The board members who elect to receive RSUs, must 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 the 10 trading days prior to the grant date.

Pursuant to the RSU programme, the board members and primary insiders of the company held the following number of RSUs as of March 31st, 2017:

Name	Remuneration for the period 2016-2017	Allocation between cash and RSUs	Number of RSUs for the period 2016-2017	Total number of RSUs outstanding	Total number of shares
Ludvik Sandnes	NOK 490 000 [1]	100% RSU	21 604	21 604	126 000
Per Samuelsson	NOK 300 000 [2]	[3]	0	0	0
Hilde Hermansen Steineger	NOK 300 000 [4]	2/3 RSU	8 818	8 818	750
Gisela Schwab	NOK 240 000	2/3 RSU	7 054	7 054	0
Jean-Pierre Bizzari	NOK 240 000	1/3 RSU	3 527	3 527	0
Joanna Horobin	NOK 144 000 [6]	100% RSU	2 678	2 678	0
Renee P. Tannenbaum	NOK 44 055 [5]	1/3 RSU	647	647	0
Total			**44 328**	**44 328**	**126 750**

[1] NOK 450 000 as chairman of the board, NOK 20 000 as a member of the audit committee and NOK 20 000 as a member of the compensation committee.
[2] NOK 240 000 as board member, NOK 40 000 as chairman 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 240 000 as board member, NOK 40 000 as chairman of the audit committee and NOK 20 000 as a member of the compensation committee.
[5] Renee P. Tannenbaum stepped down from the board of directors on October 12th, 2016.
[6] Joanna Horobin elected as board member on October 12th, 2016.

A total of 44 328 RSUs have thus been granted as of March 31st, 2017. The RSUs vested on May 19th, 2017.

Note 7. Share capital and shareholder information

Share capital as at March 31st, 2017 is NOK 9 806 229 (December 31st, 2016: NOK 9 794 924), being 49 031 143 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:	31.03.2017	31.12.2016
Ordinary shares at 1 January	**48 974 618**	44 519 041
Issue of ordinary shares [1)]	0	4 374 244
Issue of ordinary shares under share options [2)]	56 525	81 333
Ordinary shares	**49 031 143**	**48 974 618**

1) Nordic Nanovector raised NOK 498 663 816 in gross proceeds in December 2016 through a private placement of 4 374 244 new shares. The Private Placement was completed at a subscription price of NOK 114 per share, which was determined through an accelerated book-building process. NOK 32.5 million of the cost related to the share issue was paid in Q1 2017.

2) Participants in Nordic Nanovector ASA's second share option programme has on January 25th, 2017 exercised a total number of 56 525 options at an average strike price of NOK 25.85 per share. Each option gives the right to receive one share in the company. The board of directors of the company has approved the exercise of the options and resolved to increase the company's share capital by NOK 11 305 through the issuance of 56 525 new shares, each at a nominal or par value of NOK 0.20.

Participants in Nordic Nanovector ASA's first share option programme from 2011/2012 have on April 20th, 2016 exercised a total number of 30 000 options at a strike price of NOK 6.25, and 48 333 options at a strike price of NOK 6.75. Each option gives the right to receive one share in the company. The board of directors of the company approved the exercise of the options and resolved to increase the company's share capital by NOK 15 666.6 through the issuance of 78 333 new shares, each at a nominal or par value of NOK 0.20.

A participant in Nordic Nanovector ASA's second share option programme has on August 30th, 2016 exercised a total number of 3 000 options at a strike price of NOK 28 per share. Each option gives the right to receive one share in the company. The board of directors of the company approved the exercise of the options and resolved to increase the company's share capital by NOK 600 through the issuance of 3 000 new shares, each at a nominal or par value of NOK 0.20.

The annual general meeting held May 19th, 2016 granted an authorisation to increase the share capital limited to 10% of the share capital, to be used in connection with the share based incentive programmes for the group's employees. Of the authorised 4 897 461 shares, 3 506 343 shares are granted (ref. note 5). The authorisation is valid until the next annual general meeting, but no longer than June 30th, 2017.

The annual general meeting held May 19th, 2016 granted an authorisation to increase the share capital limited to NOK 20 000 at par value. The authorisation may only be used to issue shares to members of the company's board of directors against contributions in NOK. Of the authorised 100 000 shares, 44 328 shares are granted (ref. note 6).

Nordic Nanovector ASA had 8 214 shareholders as at March 31st, 2017.

	Shareholders	Number of shares	Percentage of total shares
1	HealthCap VI L.P.	5 445 833	11.11 %
2	Folketrygdfondet	4 103 736	8.37 %
3	OM Holding AS	1 856 366	3.79 %
4	Nordnet Livsforsikring AS	1 657 108	3.38 %
5	Sciencons AS (Roy Hartvig Larsen)	900 000	1.84 %
6	Linux Solutions Norge AS	894 200	1.82 %
7	Radiumhospitalets Forskningsstiftelse	803 518	1.64 %
8	Must Invest AS	659 142	1.34 %
9	Inven2 AS	613 401	1.25 %
10	Netfonds Livsforsikring AS	544 558	1.11 %
11	Roy Hartvig Larsen	501 777	1.02 %
12	VPF Nordea Avkastning	484 235	0.99 %
13	Ro Invest AS	450 000	0.92 %
14	Birk Venture AS	400 015	0.82 %
15	VPF Nordea Kapital	392 054	0.80 %
16	Boddco AS	305 000	0.62 %
17	Skandinaviska Enskilda Banken AB	300 000	0.61 %
18	Nordnet Bank AB	291 531	0.59 %
19	Statoil Pensjon	291 300	0.59 %
20	KLP Aksje Norge Index	250 000	0.51 %
	Total shares for top 20 shareholders	**21 143 774**	**43.12 %**
	Total shares for other 8 194 shareholders	27 887 369	56.88 %
	Total shares (8 214 shareholders)	**49 031 143**	**100.00 %**

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

Note 8. Information about subsidiaries

The interim consolidated financial statements of the Group include:		% Equity interest	
Name	**Country of incorporation**	**2017**	**2016**
Nordic Nanovector GmbH	Switzerland	100	100
Nordic Nanovector Ltd	United Kingdom	100	100

Nordic Nanovector is a public limited company incorporated and domiciled in Norway. The company is the parent company in the group. The group's operations are carried out by the company and its wholly owned subsidiaries Nordic Nanovector GmbH and Nordic Nanovector Ltd. Nordic Nanovector GmbH is incorporated in Zug, Switzerland, with its registered address at *Grafenauweg 10, 6301 Zug, Switzerland*. Nordic Nanovector Ltd is incorporated in London, England, with its registered address *at Paternoster House, 65 St. Paul's Churchyard, London EC4M 8AB, United Kingdom.*

Note 9. 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:

	Q1 2017	Q1 2016
Loss for the period (in NOK)	-55 807 000	-63 981 000
Average number of outstanding shares during the year	49 010 819	44 519 041
Earnings (loss) per share - basic and diluted	**-1.14**	**-1.44**

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 10. Restated consolidated statement of cash flow 2016

In the consolidated cash flow for 2016 the change in accounts payable related to the equity issue in December 2016 was classified as a change in working capital. In the restated consolidated cash flow, this change is reclassified and restated as part of the net proceeds from equity issue.

Amounts in NOK 1 000	Full Year		
	2016 as Reported	Reclassification	2016 as Restated
Cash flow from operating activities			
Changes in working capital and non-cash adjustments	38 367	-33 802	4 565
Net cash flow from operating activities	**-170 181**	**- 33 802**	**-203 983**
Cash flows from financing activities			
Net proceeds from equity issue	465 459	33 802	499 261
Net cash flow from financing activities	**465 459**	**33 802**	**499 261**

Note 11. Other current liabilities

Other accrued costs for period ended March 31st, 2017 are mainly related to development cost of the lead product candidate Betalutin®, preclinical activities and accrued social security related to outstanding options.

Amounts in NOK 1 000	31.03.2017	31.12.2016
Unpaid duties and charges	2 266	2 211
Unpaid vacation pay	3 200	2 345
Other accrued costs	38 778	37 357
Other current liabilities	**44 244**	**41 913**

Additional information

Glossary of terms

- **1L, 2L, 3L**: first, second and third line of treatment
- **ADC**: Antibody-Drug Conjugate
- **ARC:** Antibody-Radionuclide Conjugate
- **(A)SCT**: (Autologous) stem cell transplant
- **ASH:** American Society of Hematology annual meeting
- **B-cell:** A type of lymphocyte (white blood cell) in the humoral immunity of the body's adaptive immune system. Can be distinguished from other lymphocytes by the presence of a protein on the B-cell's outer surface known as a B cell receptor (BCR). This specialised receptor protein allows a B-cell to bind to a specific antigen.
- **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
- **CR:** Complete response
- **DLBCL**: Diffuse Large B-Cell Lymphoma
- **FL:** Follicular Lymphoma
- **FDA:** Food and Drug Administration
- **Humalutin™:** Chimeric anti-CD37 ARC
- **IFRS:** International Financial Reporting Standard
- **IND**: Investigational New Drug
- **iNHL**: Indolent non-Hodgkin Lymphoma
- **IPO**: Initial Public Offering
- **KOL**: Key opinion leader
- **LCM:** Lifecycle management
- **Lilotomab:** Betalutin® consists of the radionuclide lutetium-177 conjugated to the B-cell seeking anti-CD37 antibody lilotomab (formerly referred to as HH1).
- **Lu-177:** Radionuclide lutetium-177
- **mAb:** Monoclonal antibody
- **MBq:** Megabecquerel (radioactivity measurement unit)
- **MD:** Medical doctor
- **nASCT:** Not eligible for autologous stem cell transplant
- **NNV003**: chimeric anti-CD37 antibody developed by Nordic Nanovector
- **NHL:** non-Hodgkin Lymphoma
- **OSE**: Oslo Stock Exchange
- **ORR**: Overall response rate (the CR and PR, jointly)
- **PARADIGME:** Name of Nordic Nanovector's pivotal Phase 2 study
- **PFS**: Progression free survival
- **PR:** Partial response
- **QoL**: Quality of life
- **R:** Rituximab
- **RIT:** Radioimmunotherapy
- **SAB:** Scientific Advisory Board
- **SD:** Stable disease
- **SRC:** Safety Review Committee
- **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.

Financial calendar

Q2-2017 results:	August 23rd, 2017
Capital markets day:	September 27th, 2017
Q3-2017 results:	November 22nd, 2017

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

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Forward–looking statements

This report may contain certain forward-looking statements and forecasts based on uncertainty, 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", "will", "would" or, in each case, their negative, or other variations or comparable terminology are used to identify forward-looking statements. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied in a forward-looking statement or affect the extent to which a particular projection is realised. Factors that could cause these differences include, but are not limited to, implementation of Nordic Nanovector's strategy and its ability to further grow, risks associated with the development and/or approval of Nordic Nanovector's products candidates, ongoing clinical trials and expected trial results, the ability to commercialise Betalutin®, technology changes and new products in Nordic Nanovector's potential market and industry, the ability to develop new products and enhance existing products, the impact of competition, changes in general economy and industry conditions and legislative, regulatory and political factors.

No assurance can be given that such expectations will prove to have been correct. Nordic Nanovector disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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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-Conjugates (ARC) 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 20 billion by 2024.

The Company aims to rapidly develop Betalutin®, alone and in combination with other therapies, for the treatment of major types of NHL, targeting first regulatory submission in relapsed/refractory follicular lymphoma in 1H 2019. Nordic Nanovector intends to retain marketing rights and to actively participate in the commercialisation of Betalutin® in core markets.

The company is also advancing a pipeline of ARCs and other immunotherapies for multiple cancer indications.