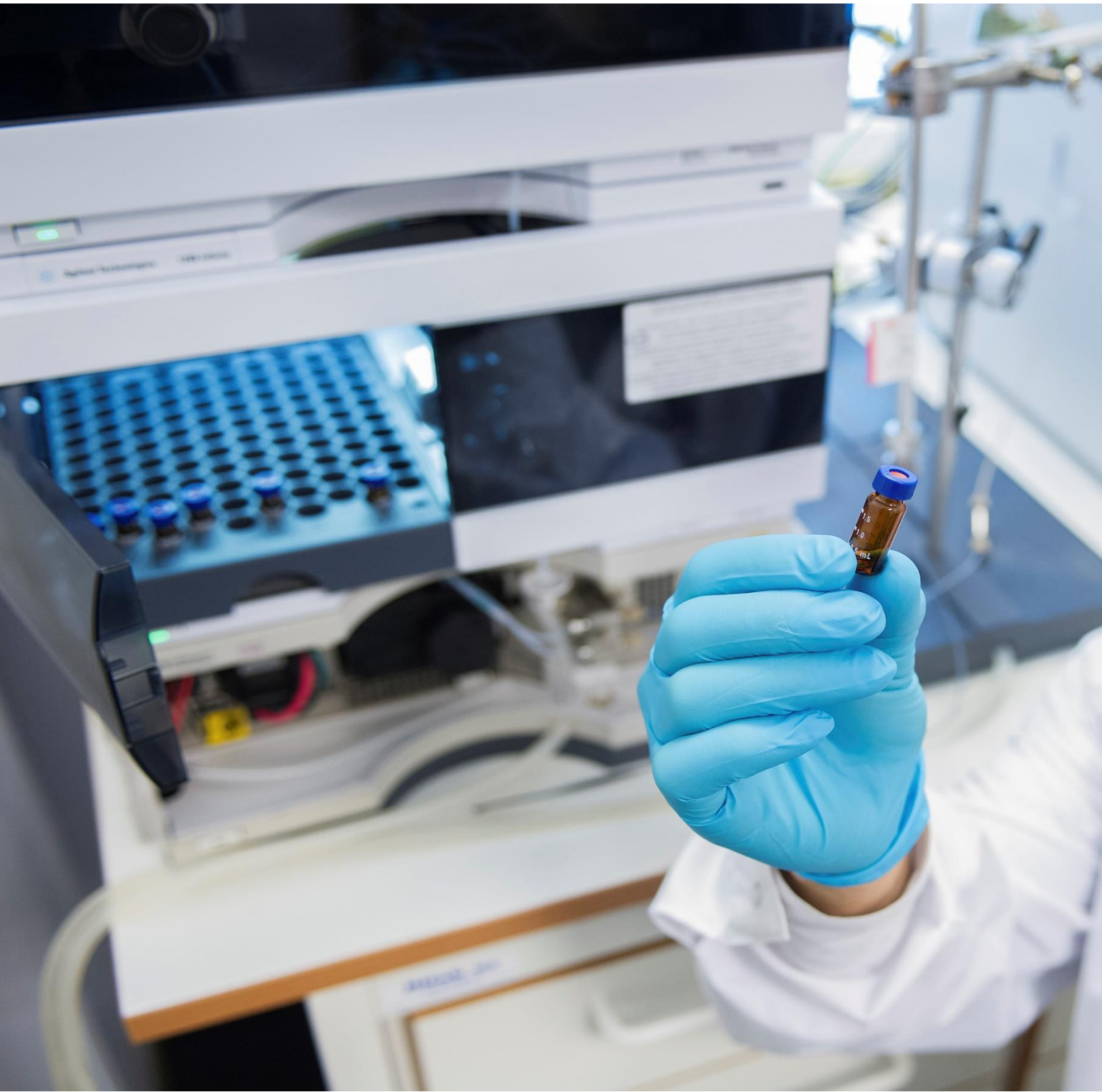
NORDIC NANOVECTOR

Q4

Fourth Quarter & Full Year Report 2020



Q4'2020 Highlights

- Operational improvements and protocol changes implemented during 2020 have resulted in a significant recent acceleration in PARADIGME recruitment rate
    - Recruitment rate increased from approx. two patients to approx. five patients per month despite COVID
    - After the expected lessening of COVID restrictions plus the ongoing operational improvements, this rate could further increase to at least seven patients on average per month by late spring
    - 73 patients enrolled as of 17 February 2021 (59 enrolled as of 18 November 2020)
    - 14 patients were enrolled from November 2020 to 17 February 2021 (3 patients from August to November 2020)
- Operational improvements that have significantly boosted PARADIGME recruitment include:
    - Much improved management of the study CRO
    - Appointment of a specialist firm focused on further improving the rate of recruitment
    - A broadening of the inclusion criteria based on safety data from the Interim Analysis is estimated to increase the size of the pool of eligible patients by 30–50%
- Following interactions with FDA and an internal review, the company believes that it has clarity on the clinical data set (safety and efficacy) needed to support a filing at the designated dosing regimen of "40/15" and that this can be achieved with a reduction of the initially targeted population from 130 to 120 patients
    - On this basis, 47 more patients are required to complete PARADIGME for regulatory submission of Betalutin®
- Increased confidence in target of reporting preliminary three-month top-line data in H2'2021
- Pipeline update: Final patients enrolled into second safety cohort of Archer-1 Phase 1 trial of Betalutin® plus rituximab in 2L R/R FL and into LYMRIT 37-05 Phase 1 trial of Betalutin® in patients with DLBCL
    - Preliminary data readouts expected in H1'2021
    - Both trials 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 Chief Executive Officer of Nordic Nanovector, commented: "The company has made significant efforts during 2020 to improve both the execution of PARADIGME and the chances of a viable regulatory filling outcome. The progress made, despite the challenging global environment, has been encouraging and we are pleased to see the enrolment rate into PARADIGME improving. We remain convinced of the commercial potential of Betalutin® based on the competitive efficacy data that was seen at the time of the Interim Analysis and in earlier studies, which could allow it to address an important unmet need in advanced FL. We continue to work hard to ensure that we complete PARADIGME in a timely fashion such that we can report preliminary three-month top-line data in H2'2021."

Key figures Nordic Nanovector Group

Amounts in MNOK (except earnings/loss per share)	Fourth Quarter		Full Year	
	2020	2019	2020	2019
Total revenues	0.0	0.0	0.0	0.0
Total operating expenses	106.8	139.3	434.2	440.4
Operating profit (loss)	-106.8	-139.3	-434.2	-440.4
Net financial items	-3.5	1.7	18.0	7.7
Total comprehensive income (loss) for the period	**-112.1**	**-137.5**	**-417.6**	**-433.2**
Basic and diluted earnings (loss) per share	**-1.39**	**-2.17**	**-5.99**	**-7.66**
Number of employees	**36**	**48**	**36**	**48**
Net change in bank deposits, cash and equivalents	-86.7	124.9	-176.8	30.8
Cash and equivalents at beginning of period	380.7	345.9	470.8	440.1
Cash and equivalents at end of period	**294.0**	**470.8**	**294.0**	**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, 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 was a challenging year for Nordic Nanovector, particularly due to the necessary but restrictive public health measures taken by many governments in response to the COVID-19 pandemic. These measures negatively impacted the execution of virtually all non-COVID-19 related clinical studies globally, including PARADIGME, which saw a much slower than anticipated patient enrolment rate during the year.

To maximise its chances of completing PARADIGME in a timely manner, and in light of the emerging COVID-19 situation, the company initiated a detailed review of its strategy and clinical operations. The decisive action was taken in close collaboration with the board's Clinical Strategy Committee and the Scientific Advisory Board and was completed in Q2'2020. The process resulted in a range of actions focused on improving the execution of and recruitment into PARADIGME, while conserving financial resources:

- An evolved and streamlined strategy with all resources focused on PARADIGME to ensure the timely completion of the study
- A clear plan to broaden PARADIGME's inclusion criteria via several protocol amendments based on its 'benign' safety profile and the continued implementation of initiatives designed to improve clinical trial execution globally
- Pausing all other clinical trials once enrolment of patients into the current cohorts were completed. Investment into pre-clinical programmes was also halted

In parallel, several additional cost-saving initiatives were undertaken to extend the company's cash runway including a restructuring that reduced staffing levels by approximately 20% and consolidated several staff functions.

During Q4'2020 and into 2021, the company has seen a significant improvement in the enrolment rate into PARADIGME as a result of the actions taken with the rate increasing to approx. five patients per month in the past quarter.

After the expected lessening of COVID restrictions plus the ongoing operational improvements, this rate could further increase to at least seven patients on average per month by late spring.

73 patients have been enrolled as of 17 February 2021 compared with 59 patients enrolled as of 18 November 2020 with visibility on increasing numbers of patients in screening.

Furthermore, following interactions with the US Food and Drug Administration (FDA) and an internal review, the company has clarity on the clinical data set (safety and efficacy) needed to support a filing at the designated dosing regimen of 15 MBq/kg Betalutin® following a pre-dose of 40 mg lilotomab (the "40/15" regimen) and that this can be achieved with a reduction of the initially targeted population from 130 to 120 patients. On this basis, 47 more patients are required to complete PARADIGME for regulatory submission of Betalutin®.

Based on this modest reduction in trial size combined with the company's expectations that the pace of recruitment will continue improving due to ongoing operational improvements and anticipated reduction in COVID restrictions, the company has increased confidence that it can deliver preliminary three-month top-line data from PARADIGME in H2'2021.

Protocol amendments to increase eligible trial population

Protocol amendments to PARADIGME, proposed by the company following its review of the trial and discussions with US FDA, were submitted in Q3'2020 to the regulators in each of the 24 countries where PARADIGME is active. These amendments were submitted following the positive outcome of a planned Interim Analysis on PARADIGME.

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

The amendments, based on Betalutin®'s benign safety profile, are aimed at broadening the trial's inclusion criteria to expand the size of the potential pool of patients eligible to participate in PARADIGME by an estimated 30-50% once all trial sites have been activated according to the amended protocol.

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.

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

PARADIGME – positive Interim Analysis

In August, Nordic Nanovector further amended PARADIGME following a successful Interim Analysis and the recommendation from the trial's Independent Review Committee (IRC) to focus the study on one of the two dosage regimens being investigated.

The company decided to adopt the IRC recommendation and amended the trial to focus on the dosing regimen of the "40/15" arm for the remainder of the trial.

The arm evaluating the regimen of 20 MBq/kg Betalutin® following a pre-dose of 100 mg/m^2 lilotomab ("100/20") has been discontinued. Patients who have received this regimen are continuing to be monitored as per protocol.

The Interim Analysis confirmed activity across both arms in this very difficult to treat patient population. In both arms, Betalutin®, as a single administration, was found to be active based on key efficacy measures, and was well-tolerated with a manageable safety profile, confirming findings from earlier clinical studies.

Further ongoing initiatives to accelerate patient enrolment

The company has been implementing operational initiatives to improve the execution of PARADIGME, including enhancing the working relationship with the Clinical Research Organisation (CRO) managing the trial, and improving patient referral networks and interactions with study investigators and Key Opinion Leaders (KOLs).

Furthermore, in the US, the company has recently engaged with organisations that specialise on focused patient enrolment campaigns, including through use of targeted social media activities.

The company continues to look at ways to further improve the rate of enrolment.

These recruitment initiatives, which were actioned in the second half of 2020 and continue to be implemented, are already having a positive impact on the PARADIGME enrolment rate despite the resurgence of COVID-19 and tightening of restrictions seen in multiple countries.

Nordic Nanovector expects the enrolment rate to continue improving over the remaining duration of the trial as the initiatives it has implemented start having a greater effect and on the basis that COVID-19 restrictions recede over time as the roll out of global vaccination programmes takes effect.

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

The decision to focus on the 40/15 dose regimen of PARADIGME has meant the company has defined a new objective for the trial and re-evaluated the sample size required to generate a significant and robust clinical data set (safety and efficacy) on which a regulatory filing could be based.

Following discussions with the US FDA, the company believes it will be possible to reduce the current PARADIGME patient target number in support of a regulatory filing. As a result, 47 patients are needed to complete the PARADIGME trial bringing the total trial size down from 130 to 120 patients.

As a result of all the activities noted above and the expected increased enrolment rate, Nordic Nanovector believes it is well placed to deliver preliminary three-month data from PARADIGME in H2'2021, 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® profile could be attractive to majority of elderly or frail R/R FL patients

In parallel with its clinical trial activities during 2020, Nordic Nanovector has continued to develop its market knowledge as a basis for designing a commercialisation strategy for Betalutin®. The company remains convinced that Betalutin® has an attractive profile for treating NHL based on extensive market research conducted over several years and the clinical data from earlier studies, which were published in September 2020 in *Blood Advances,* an official publication of the American Society of Hematology (ASH).[2]

If PARADIGME is positive and confirms these earlier results, the company believes that Betalutin® will have a unique therapeutic profile and be well positioned to address the unmet needs of the approximately 70% of 3L FL patients who are elderly/frail, in particular those whose disease is refractory to anti-CD20 immunotherapy and who have gone through many lines of treatment.

The company views the safety and efficacy data generated to date from a single administration of Betalutin® as very promising in the difficult-to-treat patient population included in PARADIGME. Given the unmet medical need in the 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®.

[2] A. Kolstad et al. Phase I/IIa study of ^{177}Lu-lilotomab satetraxetan in relapsed/refractory indolent non-Hodgkin's lymphoma, Blood Advances, vol. 4, issue 17, 2020, 10.1182/ bloodadvances.2020002583.

Pipeline developments with Betalutin® during 2020

Given its clear strategic focus on PARADIGME, the company took the decision to pause its other ongoing Phase 1 trials after the current cohorts had been completed. These trials are the Archer-1 trial investigating the combination of Betalutin® and rituximab in 2L FL; and the LYMRIT 37-05 trial of Betalutin® in R/R DLBCL.

During Q4'2020, patient enrolment into the active cohorts in both trials was completed. Both trials have now been paused while the data is analysed, and the company evaluates its plans for the development of Betalutin® in these two significant indications. Preliminary results from both trials are expected in H1'2021.

Exploring the opportunity for Betalutin® in Marginal Zone Lymphoma

An additional opportunity that the company is evaluating is the possible use of Betalutin® as a single-agent treatment for advanced marginal zone lymphoma (MZL), a rare type of indolent NHL. Betalutin® demonstrated a very promising clinical effect in nine MZL patients in the Phase 1/2a LYMRIT 37-01 trial. This indication was also granted Fast-track designation in the US and Orphan Drug designation in the European Union during H1'2020, reflecting the clear need for new therapeutic options for MZL patients who no longer respond to anti-CD20 immunotherapy.

The evaluation is ongoing and further development of Betalutin® in MZL will be dependent on available funds to support the clinical development plan.

Corporate developments focused on extending the cash runway

As a result of its strategic review, Nordic Nanovector undertook a significant restructuring during H1'2020 designed to extend cash resources into 2021, improve organisational efficiency and focus the business on delivering results from PARADIGME.

Investment and human resources have been prioritised on core clinical operations and Chemistry, Manufacturing and Controls (CMC), with spending on CMC aligned with clinical progress and investment into commercialisation of Betalutin® delayed into 2022.

Headcount was reduced by approximately 20%, with a number of roles being consolidated, and talented staff reassigned to new functional roles.

Overall, the restructuring will result in approximately NOK 35 million in savings on an annual basis.

In September 2020, the company raised approximately NOK 231 million (approximately USD 25 million) in gross proceeds through a private placement. These new funds will be used to continue to progress PARADIGME and to conduct the pharmacokinetics (PK) studies and other activities required for the planned Biological License Application (BLA) filing of Betalutin®.

With this funding, Nordic Nanovector's cash runway is extended into Q3'2021.

Management Changes

In February 2020, and prior to the strategic review, Lars Nieba was appointed interim Chief Executive Officer replacing Eduardo Bravo, who left the company to pursue other opportunities. Dr Nieba joined Nordic Nanovector as Chief Technology Officer in December 2019.

Following the strategic review, the number of Executive Officers was reduced from nine to seven.

In May 2020, Malene Brondberg was appointed Chief Financial Officer (CFO) with responsibilities for the areas of Finance, Human Resources and Investor Relations. Ms Brondberg joined Nordic Nanovector in February 2018 as Vice

President Investor Relations and Corporate Communications bringing over 20 years' operational experience in the financial services sector.

Christine Wilkinson Blanc was appointed as Chief Medical Officer (CMO) in August 2020. 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.

Financial review

The interim consolidated financial statements for Nordic Nanovector Group as of 31 December 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 fourth quarter of 2020 amounted to NOK 0.0 million (NOK 0.0 million). Revenues full year 2020 amounted to NOK 0.0 million (NOK 0.0 million).

Total operating expenses for the quarter came to NOK 106.8 million (NOK 139.3 million). Payroll and related expenses decreased to NOK 17.4 million (NOK 29.9 million) driven by a reduction in the number of employees on payroll and lower imputed costs related to the company's share-based incentive scheme. Other operating expenses amounted to NOK 85.7 million during the quarter (NOK 104.9 million). Total operating expenses for year 2020 decreased to NOK 434.2 million (NOK 440.4 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 84 % of total operating expenses in 2020 (80 %).

Operating loss for the quarter was NOK 106.8 million (loss of NOK 139.3 million). Operating loss for the year 2020 was NOK 434.2 million (NOK 440.4 million).

Net financial items for the fourth quarter came to negative NOK 3.5 million (NOK 1.7 million). Net financial items in 2020 amounted to NOK 18.0 million (7.7 million), mainly driven by increased value of cash deposited in foreign currency.

Nordic Nanovector's comprehensive loss for the quarter amounted to NOK 112.1 million (loss of NOK 137.5 million), due to the reasons stated above. Comprehensive loss for the year was NOK 417.6 (NOK 433.2 million).

Financial position

Total assets at 31 December 2020 amounted to NOK 314.6 million, down from NOK 515.7 million at year-end 2019.

Total shareholders' equity at 31 December 2020 was NOK 178.7 million (NOK 388.0 million at year-end 2019), corresponding to an equity ratio of 56.8% (75.2 % at year-end 2019).

Total liabilities at the end of the year were NOK 135.9 million, up from NOK 127.7 million from year-end 2019, driven by increase in account payables.

Cash flow

Net cash flow from operating activities in the fourth quarter and full year 2020 was negative NOK 65.2 million (negative NOK 100.5 million), and negative NOK 398.2 million (negative 410.6 million), respectively, mainly reflecting the impact of higher clinical and manufacturing development activities and fluctuations in working capital.

Net cash flow from investing activities in the fourth quarter and full year 2020 was NOK 1.4 million (NOK 4.7 million) and NOK 1.4 (NOK 4.5 million), respectively. The decrease due to reduced interest rates on deposits.

Net cash flow from financing activities for the fourth quarter of 2020 was negative NOK 19.3 million (NOK 221.0 million), driven by payment of expenses related to the private placement in September 2020. Net cash flow from financing activities in 2020 was NOK 201.5 million (NOK 434.9 million).

Exchange rate fluctuations in the fourth quarter and full year 2020 was negative NOK 3.6 (negative NOK 0.2 million) and 18.5 million (NOK 1.9 million), respectively.

Cash and cash equivalents amounted to NOK 294.0 million at the end of December 2020, compared to NOK 470.8 million at the end of December 2019.

Outlook

Nordic Nanovector will continue to focus its resources on completing PARADIGME and continues to target the preliminary readout of three-month top line data from PARADIGME in H2'2021.

The company believes 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 radioimmunotherapy that can address the unmet needs of R/R FL patients.

The company has streamlined its organisation and taken further steps to conserve cash. Following the successful private placement in September 2020, Nordic Nanovector has a cash runway that extends into Q3'2021.

Despite the challenging times, the many positive actions the company has taken during 2020 have improved the prospects of delivering preliminary readout of three-month top line data from PARADIGME in although the future impact of COVID-19 remains uncertain and may still impact the trial timelines. However, the recent improvements in recruitment pace for PARADIGME, while the COVID-19 pandemic has been severe, are encouraging.

The company also expects the readout of three-month top line data from the second cohort of the Archer-1 trial and the LYMRIT 37-05 trial in DLBCL in H1'2021. As stated, the company will assess these data and evaluate its plans for further development in these important NHL indications.

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

Amounts in NOK 1 000	Note	Fourth Quarter		Full Year	
		2020	2019	2020	2019
Revenues		0	0	0	0
Total revenues		**0**	**0**	**0**	**0**
Payroll and related expenses	4, 5	17 421	29 885	78 301	96 409
Depreciation		3 733	4 467	14 895	12 659
Other operating expenses	4, 6	85 664	104 914	340 965	331 284
Total operating expenses		**106 818**	**139 266**	**434 161**	**440 352**
Operating profit (loss)		**-106 818**	**-139 266**	**-434 161**	**-440 352**
Net finance income	9	-3 507	1 690	18 000	7 693
Loss before income tax		**-110 325**	**-137 576**	**-416 161**	**-432 659**
Income tax		-186	-294	-914	-938
Loss for the period		**-110 511**	**-137 870**	**-417 075**	**-433 597**
Other comprehensive income (loss), net of income tax to be reclassified to profit and loss in subsequent periods					
Translation effects		-716	226	423	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		-912	101	-912	101
Total comprehensive income (loss) for the period		**-112 139**	**-137 543**	**-417 564**	**-433 170**
Loss for the period attributable to owners of the company		-110 511	-137 870	-417 075	-433 597
Total comprehensive income (loss) for the period attributable to owners of the company		-112 139	-137 543	-417 564	-433 170
Earnings (loss) per share					
Basic and diluted earnings (loss) per share in NOK	8	-1.39	-2.17	-5.99	-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	31.12 2020	31.12 2019
ASSETS			
Non-current assets			
Property, plant and equipment		1 394	2 648
Right-of-use-assets		4 290	17 747
Total non-current assets		**5 684**	**20 395**
Current assets			
Receivables			
Other current receivables	4	14 951	24 499
Total receivables		**14 951**	**24 499**
Cash and cash equivalents		**293 975**	**470 824**
Total current assets		**308 926**	**495 323**
TOTAL ASSETS		**314 610**	**515 718**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	7	15 878	13 229
Share premium	7	118 371	335 336
Other paid in capital	5, 6	61 565	69 025
Retained earnings		-17 146	-29 582
Total shareholders' equity		**178 668**	**388 008**
LIABILITIES			
Non-current liabilities			
Lease liability		2 356	4 571
Net employee defined benefit liabilities		5 025	3 348
Total non-current liabilities		**7 381**	**7 919**
Current liabilities			
Accounts payable		65 862	45 956
Tax payable		803	949
Other current liabilities		61 896	72 886
Total current liabilities		**128 561**	**119 791**
Total liabilities		**135 942**	**127 710**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**314 610**	**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 31 December								
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 December 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 December 2019		**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**

The interim financial information has not been subject to audit.

Interim condensed consolidated statement of cash flow
Nordic Nanovector Group

Amounts in NOK 1 000	Note	Fourth Quarter		Full Year	
		2020	2019	2020	2019
Cash flow from operating activities					
Loss for the period before income tax		**-110 325**	**-137 576**	**-416 161**	**-432 659**
Adjustments for:					
Interests paid		58	246	471	771
Interest received		-1 378	-4 885	-1 590	-5 611
Share option and PSU expenses employees	5	-410	3 057	-8 484	11 271
Restricted share units (RSUs) expenses board	6	300	284	1 024	1 434
Taxes paid		-635	-472	-1 068	-805
Depreciation		3 733	4 467	14 895	12 659
Currency (gains) losses not related to operating activities		3 559	239	-18 490	-1 907
Changes in working capital and non-cash adjustments		39 933	34 102	31 197	4 226
Net cash flow from operating activities		**-65 165**	**-100 538**	**-398 206**	**-410 621**
Cash flow from investing activities					
Investments in property, plant and equipment and intangible assets		-20	-195	-185	-1 066
Interests received		1 378	4 885	1 590	5 611
Net cash flow from investing activities		**1 358**	**4 690**	**1 405**	**4 545**
Cash flows from financing activities					
Net proceeds from equity issue	7	-15 723	224 899	215 684	445 279
Payment of principle portion of lease liabilities		-3 548	-3 652	-13 751	-9 584
Interests paid		-58	-246	-471	-771
Net cash flow from financing activities		**-19 329**	**221 001**	**201 462**	**434 924**
Effects of exchange rate changes on cash and cash equivalents		**-3 559**	**-239**	**18 490**	**1 907**
Net change in bank deposits, cash and equivalents		-86 695	124 914	-176 849	30 755
Cash and equivalents at beginning of period		380 670	345 910	470 824	440 069
Cash and equivalents at end of period		**293 975**	**470 824**	**293 975**	**470 824**

The interim financial information has not been subject to audit.

Notes to the condensed interim financial statements for the Fourth 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 Fourth Quarter 2020 report are non-audited figures.

These financial statements were approved for issue by the board of directors on 17 February 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 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 1 January 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 31 December 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	Fourth Quarter		Year to date	
	2020	2019	2020	2019
Payroll and related expenses	387	53	959	1 480
Other operating expenses	1 550	3 989	6 791	10 319

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

Amounts in NOK 1 000	31.12.2020	31.12.2019
Grants receivable	5 750	10 213

1) R&D projects have been approved for SkatteFUNN grants for the period 2017 through 2020. For the financial period ended 31 December 2020, the company has recognised NOK 4.8 million compared to NOK 9.0 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 31 December 2020, the company recognised NOK 3.0 million partly as a reduction of payroll and related expenses and other operating expenses, compared to NOK 1.0 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 31 December 2019, the company recognised NOK 1.2 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 December 31st, 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 31 December 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

	Full Year 2020
	Number of PSUs
Balance at 01.01.2020	775 250
Granted during the period	561 500
Exercised during the period	0
Forfeited	-562 000
Balance at 31.12.2020	**774 750**
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

	Full Year 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	67.67
Balance at 31.12.2020	**1 351 967**	**40.74**
Hereof vested options	**1 343 937**	**40.45**

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

	Full Year 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 31.12.2020	**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 31 December 2020 is NOK 15 878 122 (31 December 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	31.12.2020	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 23 September 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 11 387 shareholders as of 31 December 2020

	Shareholders	Number of shares	Percentage of total shares
1	HealthCap VI L.P.	6 607 960	8.32%
2	Folketrygdfondet	5 427 115	6.84%
3	OM Holding AS	2 665 352	3.36%
4	Nordnet Livsforsikring AS	1 676 480	2.11%
5	Ro Invest AS	900 000	1.13%
6	Fjarde AP-Fonden	872 610	1.10%
7	Linux Solutions Norge AS	845 071	1.06%
8	Verdipapirfondet Nordea Kapital	778 910	0.98%
9	Birk Venture AS	750 000	0.94%
10	Nordnet Bank AB	704 011	0.89%
11	Must Invest AS	700 000	0.88%
11	Sciencons AS	700 000	0.88%
13	Sundt AS	690 433	0.87%
14	Radiumhospitalets Forskningsstiftelse	684 972	0.86%
15	Verdipapirfondet Nordea Avkastning	656 251	0.83%
16	Verdipapirfondet KLP AksjeNorge	588 992	0.74%
17	Inven2 AS	541 247	0.68%
18	Myna AS	485 254	0.61%
19	Lucellum AS	480 000	0.60%
20	UBS Switzerland AG	465 740	0.59%
	Total shares for top 20 shareholders	27 220 398	34.29%
	Total shares for other 11 367 shareholders	52 170 214	65.71%
	Total shares (11 387 shareholders)	79 390 612	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	Full Year 2020	Full Year 2019
Loss for the period	-417 075 000	-433 597 000
Average number of outstanding shares during the year	69 574 504	56 592 292
Earnings (loss) per share - basic and diluted	**-5.99**	**-7.66**

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	Fourth Quarter		Full Year	
	2020	2019	2020	2019
Finance income	292	1 760	1 610	5 635
Finance expenses	118	294	860	1 018
Net currency gains (losses) on cash and cash equivalents	-3 559	-239	18 490	1 907
Net other currency gains (losses) related to operating items	-122	463	-1 240	1 169
Net finance income	**-3 507**	**1 690**	**18 000**	**7 693**

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

Note 10. Subsequent events

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

Q1 2021 results:	26 May 2021
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).

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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.