

Second Half and Full Year Report 2022

2H



NORDIC
NANOVECTOR

H2'2022 Events

- **The Former Board of Directors decided to discontinue the PARADIGME global Phase 2b trial of Betalutin® (¹⁷⁷Lu lilotomab satetraxetan) in 3rd-line follicular lymphoma patients refractory to RTX/anti-CD20 based treatments (3L R/R FL)**
 - Betalutin® profile did not fully meet objectives set out for the PARADIGME study
 - Only one out of every three patients responded to treatment (ORR 31.1%) with median duration of response (DoR) of 6.4 months
 - Only one in seven patients had a complete response at three months (CRR 14.8%) with a median DoCR of 8.5 months
 - Both of the above results failed to meet the threshold for study success, which were minimum ORR of 40% and minimum CRR of 25%
 - Profile determined to be no longer sufficiently competitive to bring Betalutin® to the market in the 3L R/R FL indication within a timeframe that made financial and commercial sense for the Company
- **The former Board implemented a restructuring of the Company to reduce costs**
 - Staff numbers reduced to eight as at 28 February 2023 from 40 as at 30 June 2022
 - Formal close down of PARADIGME initiated and expected to be concluded by the end of Q1'2023. The study results will be published in the required public access databases thereafter
 - All larger contracts have been terminated
 - Further commitments related to the closure of PARADIGME during 2023 and transaction costs related to the proposed APIM merger bring the current uncommitted net cash level to approximately NOK 60m
- **Carnegie Investment Bank appointed to explore strategic options for the Company to optimise shareholder value**
 - Proposal to combine with APIM Therapeutics agreed by Board of Directors of both companies (announced 9 November 2022)
 - Proposal rejected by Shareholders at Extraordinary General Meeting (EGM) on 1 December 2022

Post-period events

- **Board and Management changes**
 - The former Board of Directors resigned at the EGM (3 January 2023) and a new Board consisting of Jon Magne Asmyr (Chairperson), Eddie Berglund and Tina Bjørnlund Bønsdorff was elected, as well as a new Nomination Committee consisting of Hans Peter Bøhn (Chairperson), Jan-Tore Pedersen and Vegard Aavik
 - Eddie Berglund resigned from the Board on 19 January 2023
 - Ludvik Sandnes, former Chairperson of Nordic Nanovector (2013-2019), was appointed interim CEO & CFO as from 1 February 2023 replacing Malene Brondberg, who transitioned out of the Company

Jon Magne Asmyr, Chair of the Board, commented: The Company's future is still unclear, and since the turn of the year the new Board has prioritised four important tasks: to get a new CEO/CFO in place; to reduce burn rate; to map the potential of the CD37-targeted immunotherapy platform and the early stage solid tumour project; and to find strategic solutions that safeguard the interests of shareholders. We are happy to have solved the CEO and CFO situation with the interim appointment of Ludvik Sandnes and to see that the cost base has been significantly reduced. We continue to evaluate Nordic Nanovector's pipeline and, at the same time, we are pursuing all potential strategic options. We hope that this process will materialise into a proposed transaction that would be acceptable to shareholders."

Ludvik Sandnes, Interim CEO & CFO, commented: "2022 was an extremely difficult year for Nordic Nanovector. The previous board and management made strong efforts to safeguard shareholder and company values, culminating in the agreed merger proposal with APIM Therapeutics that was not supported by the required majority of shareholders. The clear goal for 2023 is to ensure continued operation and to position the company for a possible future transaction that would benefit the current organisation, employees and shareholders. We continue to work hard, with our

financial advisors Carnegie, to assess strategic options that may be open to the company and will put forward any recommended proposals for resolution by the shareholders in due course.”

Key figures Nordic Nanovector Group

Amounts in MNOK (except earnings/loss per share)	Second Half		Full Year	
	2022	2021	2022	2021
Total revenues	0.0	0.0	0.0	0.0
Total operating expenses	114.2	237.4	317.4	442.4
Operating profit (loss)	-114.2	-237.4	-317.4	-442.4
Net financial items	0.0	0.5	7.0	2.3
Total comprehensive income (loss) for the period	-111.0	-237.7	-307.1	-441.7
Basic and diluted earnings (loss) per share	-0.99	-2.41	-2.70	-4.65
Number of employees	18	40	18	40
Net change in bank deposits, cash and equivalents	-188.7	-172.4	-179.0	-16.3
Cash and equivalents at beginning of period	287.4	450.1	277.7	294.0
Cash and equivalents at end of period	98.7	277.7	98.7	277.7

Operational review

Discontinuation of PARADIGME Phase 2b trial with Betalutin®

2022 was a very challenging year for Nordic Nanovector as its most advanced study PARADIGME was discontinued. PARADIGME is a global Phase 2b trial of Betalutin® (¹⁷⁷Lu lilotomab satetraxetan) in 3rd-line follicular lymphoma patients refractory to rituximab/anti-CD20 based treatments (3L R/R FL).

In January 2022, Nordic Nanovector revised the timeline for the preliminary data readout from PARADIGME following a review of the rate of patient recruitment and discussions with its clinical advisors that also considered the continuing impact from the COVID pandemic.

Following this revision, Nordic Nanovector's new target was to deliver the readout of preliminary three-month top-line data during H2'2022.

However, during Q1'2022 the continuing impact from the COVID pandemic meant that patient recruitment did not accelerate as expected, with only two new patients enrolled during the period.

With no additional patients enrolled in May and June, the Company decided to conduct a comprehensive review of all aspects of the PARADIGME study. This review included an evaluation and analysis of the data collected to date by an Independent Expert Panel to determine the optimal path forward for Betalutin® in 3L R/R FL within a timeframe that would be financially and commercially viable for the Company.

Following the comprehensive review, an independent data evaluation of PARADIGME and a subsequent request for regulatory agency interaction, the Board of Directors took the difficult decision to discontinue the study with no further patients to be enrolled beyond the 109 patients recruited.

While Betalutin®, at the selected dose of 15 MBq/kg after a pre-dose of 40 mg lilotomab (40/15), displayed an attractive safety profile and positive signs of efficacy in some patients, the former Board considered that the observed profile did not fully meet the objectives set out for the PARADIGME study.

Only one out of every three patients (31.1%) responded to treatment with an average duration of response (DoR) of 6.4 months. A minimum overall response rate (ORR) of 40% was considered to be the lower threshold for a commercially viable product. In addition, a complete response (CR) was observed in only one out of every seven patients (14.8%) with a median duration of complete response (DoCR) of 8.5 months. A minimum complete response rate of 25% was considered to be the lower threshold for product viability. As a result, the former Board

determined that the demonstrated profile was no longer sufficiently competitive to bring Betalutin® to the market in the 3L R/R FL indication, within a timeframe that made financial and commercial sense for the Company.

Company restructuring completed

Following the decision in July to discontinue PARADIGME, the Board decided to implement a restructuring of the Company with immediate effect with the purpose of reducing costs where necessary to enable support of essential activities associated with development of the pipeline and maximising future value for shareholders.

The Board subsequently appointed Carnegie Investment Bank ("Carnegie") to explore all strategic options available to the Company to optimise shareholder value.

The senior leadership team was also consolidated, following which Chief Executive Officer (CEO) Erik Skullerud transitioned out of his role. Malene Brondberg, Chief Financial Officer (CFO), assumed the combined position of CFO and interim CEO.

The restructuring of the Company was completed during Q3'2022 which meant that all outstanding larger contract agreements were terminated and closed in accordance with good compliance practices. More than 70% of the Company's staff were made redundant following implementation of the restructuring plan.

The PARADIGME trial continues to be wound down and this is expected to conclude by end Q1'2023. The results will be published in the required public access databases.

Proposed merger agreement rejected by shareholders

Following the strategic review conducted with Carnegie, on 9 November 2022 the Company announced that it had entered into a merger agreement with private Norwegian oncology company APIM Therapeutics that was recommended by the Boards of both companies. This followed discussions with 25+ Nordic and international companies regarding merger & acquisition (M&A) opportunities.

On 1 December 2022, the Board's proposal for the merger was voted down by a majority of approximately 60% of the 40.75% of the total number of shares outstanding which were represented at the Extraordinary General Meeting (EGM) held to allow shareholders to vote on the proposed transaction.

On 9 December 2022, the Company announced that, following the vote at the EGM, Malene Brondberg, interim CEO & CFO would transition out of Nordic Nanovector. The Company also announced that the former Board of Directors of Nordic Nanovector would resign and not stand for re-election at a new EGM.

Post-period updates

The Company held a subsequent EGM on 3 January 2023 at which a new Board of Directors consisting of Jon Magne Asmyr (Chairperson), Eddie Berglund and Tina Bjørnlund Bønsdorff was elected, as well as a new Nomination Committee consisting of Hans Peter Bøhn (Chairperson), Jan-Tore Pedersen and Vegard Aavik.

Board member Eddie Berglund resigned from the Board on 19 January 2023.

Shortly after, Ludvik Sandnes, former Chairperson of Nordic Nanovector (2013-2019), was appointed interim CEO & CFO as from 1 February 2023.

The new leadership has a clear goal for 2023 to ensure the Company's continued operation and to position it for a possible future transaction for the benefit of the current organisation, employees and shareholders. The Company continues to work with Carnegie to assess strategic options that may be open to the Company and will put forward any recommended proposals for resolution by shareholders in the coming months.

Financial review

The interim consolidated financial statements for Nordic Nanovector Group as of 31 December 2022 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 2021 unless stated otherwise)

Revenues in the second half of 2022 amounted to NOK 0.0 million (NOK 0.0 million). Revenues for the full year 2022 amounted to NOK 0.0 million (NOK 0.0 million).

Total operating expenses for the second half came to NOK 114.2 million (NOK 237.4 million). Payroll and related expenses decreased to NOK 33.8 million (NOK 48.3 million). Other expenses amounted to NOK 73.6 million during the second half of 2022 (NOK 183.0 million). Total operating expenses for the full year 2022 decreased to NOK 317.4 million (NOK 442.4 million). Costs are being reduced by the closing of the PARADIGME trial.

Research and development (preclinical, clinical, medical affairs, regulatory and CMC activities) expenses accounted for 77 percent of total operating expenses for the full year 2022 (85 percent).

Operating loss for the second half was NOK 114.2 million (loss of NOK 237.4 million). Operating loss for the full year of 2022 was NOK 317.4 million (NOK 442.4 million).

Net financial items for the second half came to NOK 0.0 million (NOK 0.5 million). Net financial items for the year amounted to NOK 7.0 million (NOK 2.3 million), mainly driven by increased value in NOK of cash deposited in foreign currency.

Nordic Nanovector's comprehensive loss for the second half of 2022 amounted to NOK 111.0 million (loss of NOK 237.7 million). Comprehensive loss for the year was NOK 307.1 (NOK 441.7 million).

Financial position

Total assets at 31 December 2022 amounted to NOK 109.6 million, down from NOK 296.7 million at year-end 2021, mainly driven by a reduced cash balance.

Total shareholders' equity at 31 December 2022 was NOK 63.8 million (NOK 140.5 million at year-end 2021), corresponding to an equity ratio of 58.2% (47.4 % at year-end 2021).

Total liabilities at 31 December 2022 were NOK 45.8 million, down from NOK 156.2 million from year-end 2021, mainly driven by closing contractual liabilities related to the PARADIGME clinical trial.

Cash flow

Net cash flow from operating activities in the second half and full year 2022 was negative NOK 182.6 million (negative NOK 167.2 million) and negative NOK 409.1 million (negative NOK 403.5 million), respectively, mainly reflecting changes described above and reduction in liabilities.

Net cash flow from investing activities in the second half and full year 2022 was negative NOK 2.6 million (NOK 1.0 million) and negative NOK 2.5 million (NOK 0.9 million), mainly driven by interest on bank deposits and investment in production equipment ordered in Q1 2022 aiming to optimise cost of goods sold.

Net cash flow from financing activities for the second half 2022 was negative NOK 1.2 million (negative NOK 5.9 million). Net cash flow from financing activities for the year 2022 was NOK 228.1 million (NOK 385.1 million).

Exchange rate fluctuations in the second half and full year 2022 were negative NOK 2.3 million (negative NOK 5.9) and NOK 4.4 million (NOK 1.2 million).

Cash and cash equivalents amounted to NOK 98.7 million at the end of the second half, compared to NOK 277.7 million at the end of December 2021 for reasons explained above. Further commitments related to the closure of PARADIGME during 2023 and transaction costs related to the proposed APIM transaction brings the uncommitted net cash level to approximately NOK 60 million.

Outlook

Following the decisions in 2022 to discontinue the PARADIGME study and implement a restructuring of the Company, Nordic Nanovector believes that the best interests of shareholders will be served by thoroughly exploring all strategic options that may be available with the help of Carnegie as expert financial advisor.

As a publicly quoted company with a listing in Norway, remaining cash resources and a pipeline of CD37-targeted assets, the Company believes that there is an opportunity to crystallise value for shareholders through a potential strategic transaction.

No assurances can be given as to the outcome or timing of the ongoing review process. The Company will put forward any recommended proposals for resolution by shareholders in the coming months.

Several measures have been implemented to reduce the burn rate and the Company's current net cash is, under the current operating model, expected to finance its ongoing operations into the second quarter of 2024.

Responsibility statement

The Board of Directors and the interim CEO of Nordic Nanovector ASA have today considered and approved the condensed financial statements for the 12-month period ended 31 December 2022. The full year report has been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU and additional Norwegian regulations.

We confirm, to the best of our knowledge, that:

- the condensed consolidated financial statements for the 12 months ending 31 December 2022 have been prepared in accordance with applicable financial reporting standards
- the information provided in the financial statements gives a true and fair view of the group's assets, liabilities, financial position and result for the period
- the financial review includes a fair review of significant events during the 12 months of the year and their impact on the financial statements, any major related party transactions, and a description of the principal risk and uncertainties for the remaining twelve months of the year.

Oslo, 27 February 2023

The Board of Directors
Nordic Nanovector ASA

Jon Magne Asmyr
Chairman

Tina B. Bønsdorff
Board Member

Ludvik Sandnes
Interim CEO

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

Nordic Nanovector Group

Amounts in NOK 1 000	Note	Second Half		Full Year	
		2022	2021	2022	2021
Revenues		0	0	0	0
Total revenues		0	0	0	0
Payroll and related expenses	4, 5	33 828	48 256	78 527	91 638
Depreciation		6 849	6 074	11 202	11 371
Other operating expenses	4, 6	73 565	183 042	227 632	339 425
Total operating expenses		114 242	237 372	317 361	442 434
Operating profit (loss)		-114 242	-237 372	-317 361	-442 434
Net finance income (expenses)	9	11	529	6 989	2 296
Loss before income tax		-114 231	-236 843	-310 372	-440 138
Income tax		-466	-752	-869	-1 165
Loss for the period		-114 697	-237 595	-311 241	-441 303
Other comprehensive income (loss), net of income tax to be reclassified to profit and loss in subsequent periods					
Translation effects		108	-96	542	-362
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		3 614	-19	3 614	-20
Total comprehensive income (loss) for the period		-110 975	-237 710	-307 085	-441 685
Loss for the period attributable to owners of the company		-114 697	-237 595	-311 241	-441 303
Total comprehensive income (loss) for the period attributable to owners of the company		-110 975	-237 710	-307 085	-441 685
Earnings (loss) per share					
Basic and diluted earnings (loss) per share in NOK	8	-0.99	-2.41	-2.70	-4.65

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	31.12.2022	31.12.2021
ASSETS			
Non-current assets			
Property, plant and equipment		379	766
Right-of-use-assets		158	5 177
Total non-current assets		537	5 943
Current assets			
Receivables			
Other current receivables	4	10 392	13 023
Total receivables		10 392	13 023
Cash and cash equivalents		98 716	277 706
Total current assets		109 108	290 729
TOTAL ASSETS		109 645	296 672
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	7	23 207	19 616
Share premium	7	695	110 573
Other paid in capital	5, 6	65 855	69 157
Retained earnings		-25 915	-58 830
Total shareholders' equity		63 842	140 516
LIABILITIES			
Non-current liabilities			
Net employee defined benefit liabilities		1 520	4 461
Total non-current liabilities		1 520	4 461
Current liabilities			
Accounts payable		9 093	65 960
Tax payable		759	1 068
Other current liabilities		34 431	84 667
Total current liabilities		44 283	151 695
Total liabilities		45 803	156 156
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		109 645	296 672

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 Dec								
Amounts in NOK 1 000	Note	Share capital	Share premium	Other paid in capital	Accumulated losses	Translation effects	Remeasurement gains (losses)	Total equity
Balance at 1 January 2021		15 878	118 371	61 565	-15 881	752	-2 017	178 668
Loss for the period					-441 303			-441 303
Other comprehensive income (loss) for the year, net of income tax						-362	-20	-382
Total comprehensive income for the period		0	0	0	-441 303	-362	-20	-441 685
Recognition of share-based payments	5, 6			7 592				7 592
Issue of ordinary shares	5, 6	3 715	418 921					422 636
Issue of ordinary shares under share options and RSUs	5, 6, 7	22	910					932
Share issue costs			-27 629					-27 629
Reclassification of accumulated losses			-400 000		400 000			0
Balance at 31 December 2021		19 616	110 573	69 157	-57 184	390	-2 036	140 516
Loss for the period					-311 241			-311 241
Other comprehensive income (loss) for the year, net of income tax						542	3 614	4 156
Total comprehensive income for the period					-311 241	542	3 614	-307 085
Recognition of share-based payments	5, 6			-3 302				-3 302
Issue of ordinary shares	5, 6	3 583	247 217					250 800
Issue of ordinary shares under share options and RSUs		9						9
Share issue costs			-17 095					-17 095
Reclassification of accumulated losses			-340 000		340 000			0
Balance at 31 Dec 2022		23 207	695	65 855	-28 425	932	1 578	63 842

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	Second Half		Full Year	
		2022	2021	2022	2021
Cash flow from operating activities					
Loss for the period before income tax		-114 231	-236 843	-310 372	-440 138
Adjustments for:					
Interests paid		12	172	66	414
Interest received		-3 019	-1 088	-3 164	-1 122
Share option and PSU expenses employees	5	-8 105	3 288	-4 209	6 313
Restricted share units (RSUs) expenses board	6	371	562	907	1 279
Taxes paid		-745	-412	-1 102	-844
Depreciation		6 849	6 074	11 202	11 371
Currency (gains) losses not related to operating activities		2 269	258	-4 428	-1 229
Changes in working capital and non-cash adjustments		-66 039	60 786	-97 979	20 498
Net cash flow from operating activities		-182 638	-167 203	-409 079	-403 458
Cash flow from investing activities					
Investments in property, plant and equipment and intangible assets		-5 614	-136	-5 628	-259
Interests received		3 019	1 088	3 164	1 122
Net cash flow from investing activities		-2 595	952	-2 464	863
Cash flows from financing activities					
Net proceeds from equity issue	7	0	-15	233 713	395 939
Payment of principle portion of lease liabilities		-1 210	-5 687	-5 522	-10 429
Interests paid		-12	-172	-66	-414
Net cash flow from financing activities		-1 222	-5 874	228 125	385 096
Effects of exchange rate changes on cash and cash equivalents		-2 269	-258	4 428	1 229
Net change in bank deposits, cash and equivalents		-188 724	-172 383	-178 990	-16 269
Cash and equivalents at beginning of period		287 440	450 089	277 706	293 975
Cash and equivalents at end of period		98 716	277 706	98 716	277 706

The interim financial information has not been subject to audit.

Notes to the condensed interim financial statements

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 Second Half 2022 report are non-audited figures.

These financial statements were approved for issue by the board of directors on 27 February 2023.

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 2021. 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 2022, 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 2021.

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	Second Half		Full Year	
	2022	2021	2022	2021
Payroll and related expenses	49	53	211	452
Other operating expenses	2 326	2 322	4 589	4 725

Grant's receivable presented as other current receivables in the statement of financial position:

Amounts in NOK 1 000	31.12.2022	31.12.2021
Grant's receivable	4 750	4 750

- 1) R&D projects have been approved for SkatteFUNN grants for the period 2022 through 2023. For the financial period ended 31 December 2022, the company has recognised NOK 4.8 million compared to NOK 4.8 million for the same period in 2021. The amount was recognised partly as a reduction of payroll and related expenses and partly as a reduction of other operating expenses.
- 2) In 2019, Nordic Nanovector was granted EUR 0.6 million from Eurostars in funding for this for Alpha37 for the potential treatment of NHL and chronic lymphocytic leukemia (CLL). For the financial period ended 31 December 2021, the company recognised NOK 0.4 million partly as a reduction of payroll and related expenses and other operating expenses.
- 3) For the financial period ended 31 December 2022, the company has recognised NOK 0.1 million compared to NOK 0.0 million for the same period in 2021, for grants received for a collaboration project with Thor Medical.

Note 5. Employee share incentive programmes

Performance Share Units (PSUs)

The board of directors of Nordic Nanovector ASA decided on 10 March 2022 to grant 934 000 PSUs to current and newly hired employees.

Overview of outstanding PSUs

	Year to date 2022	
	Number of PSUs	Weighted average exercise price, NOK
Balance at 01.01.2022	1 580 000	0.2
Granted during the period	934 000	0.2
Exercised or settled during the period	-70 796	0.2
Forfeited	-2 443 204	0.2
Balance at 31.12.2022	0	-
Hereof vested PSUs	0	-

In March 2022, 42 675 PSUs were exercised. To be able to terminate the share based payment programme and reduce costs associated with it, 28 121 PSUs earned but not vested were settled for a total payment of NOK 28 000.

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 2021.

Share options

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

Overview of outstanding options

	Year to date 2022	
	Number of options	Weighted average exercise price, NOK
Balance at 01.01.2022	676 300	42.64
Exercised during the year	0	0
Forfeited	-378 300	32.70
Balance at 31.12.2022	298 000	55.24
Hereof vested options	298 000	55.24

No options are held by staff members still employed at 31 December 2022. Outstanding options will expire during 2023. 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 2021.

Note 6. Restricted Stock Units (RSUs)

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

At the annual general meeting (AGM), 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 AGM in 2022 to the AGM in 2023, in the form of RSUs.

The RSUs are non-transferable and each RSU give the right and obligation to acquire one share in the Company at a price of NOK 0.20 per share (corresponding to the nominal value of the 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 minimum 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 14.28.

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

Name	Remuneration for the period 2022-2023	Allocation between cash and RSUs	Number of RSUs granted for the period 2022-2023	Total number of RSUs out standing
Board members 31 December 2022				
Jan H. Egberts ^{1) 7)}	NOK 640 000	1/3 RSUs	14 939	39 593
Joanna Horobin ^{2) 7)}	NOK 390 000	1/3 RSUs	9 103	13 905
Karin Meyer ^{3) 7)}	NOK 370 000	1/3 RSUs	8 636	18 817
Former members of the board				
Solveig Hellebust ^{4) 8)}	NOK 370 000	100% RSUs	25 910	
Jean-Pierre Bizzari ^{5) 8)}	NOK 370 000	1/3 RSUs	8 636	
Thomas Ramdahl ^{6) 8)}	NOK 350 000	1/3 RSUs	8 169	

1. NOK 600 000 as chairman of the Board, NOK 20 000 as a member of the audit committee and NOK 20 000 as member of the compensation committee.
2. NOK 330 000 as board member, NOK 20 000 as member of the audit committee, NOK 20 000 as member of the compensation committee and NOK 20 000 as member of the clinical committee.
3. NOK 330 000 as board member and NOK 40 000 as chair of the audit committee.
4. NOK 330 000 as board member and NOK 40 000 as chair of the compensation committee.
5. NOK 330 000 as board member and NOK 40 000 as chair of the clinical committee.
6. NOK 330 000 as board member and NOK 20 000 as member of the clinical committee.
7. The board member did not stand for re-election at the extraordinary general meeting on 3 January, 2023 and have received pro-rate board fee for the actual period in service.
8. In September 2022 the company announced that following the decisions to discontinue the PARADIGME study for its lead asset Betalutin® and restructure the company, three members of the company's board have decided to step down. Solveig Hellebust, Jean Pierre Bizzari and Thomas Ramdahl stepped down from the Board with immediate effect. The board members received pro-rate board fee for the actual period in service.

See also subsequent events in note 10

A total of 75 393 RSUs have thus been allocated following the AGM.

Overview of outstanding RSUs

	2022
	Number of RSUs
Balance at 01.01.2022	73 892
Granted during the year	75 393
Exercised/settled during the year	-52 776
Forfeited	-24 194
Balance at 31.12.2022	72 315
Hereof vested RSUs	39 637

In the second half, 2022 the company exercised its right in accordance with the RSU agreements, to settle 52 776 RSUs in cash to board members leaving the board during 2022. RSUs settled was calculated pro-rata based on actual service period on the board. The cash amount paid per RSU settled was equal to the current market price of the shares in the company (10 days VWAP prior to settlement date) less the nominal value of the shares. The RSUs were settled at NOK 1.1254 per share, less nominal value of NOK 0.2 per share. As a result 52 776 RSUs was settled for a payment of NOK 48 838.

For further information about the RSU Program see section 6.3.2 to the Company's financial statements for 2021, included in the Company's annual report for 2021 on page 89.

Note 7. Share capital and shareholder information

The share capital as at 31 December 2022 is NOK 23 207 060 (31 December 2021: NOK 19 615 676), being 116 035 298 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	31.12.2022	31.12.2021
Ordinary shares at beginning of the period		98 078 380	79 390 612
Issue of ordinary shares ¹⁾		17 914 243	18 577 402
Issue of ordinary shares under options ²⁾	5	42 675	58 400
Issue of ordinary shares under RSUs	6	0	51 966
Ordinary shares at end of the period		116 035 298	98 078 380

¹ On 19 January 2022, the company announced that it had completed a successful private placement of 17 857 143 shares, which raised gross proceeds of NOK 250 million, at a subscription price of NOK 14 per share.

On 14 February 2022, an EGM resolved to grant an authorisation to the company's board of directors to carry out a repurchase offering following the private placement in January 2022 at a subscription price of NOK 14 per share.

² The share capital increase pertaining to settled PSUs was registered in the Norwegian Register of Business Enterprises on 25 March 2022. The Company's share capital was increased with NOK 8 535 through the issuance of 42 675 new shares. Reference is made to the stock exchange announcement made by Nordic Nanovector ASA's (OSE: NANO) (the "Company") on 31 January 2019, regarding allocation of 259 000 PSUs to employees in accordance with the authorisation granted at the Company's annual general meeting held 30 May 2018 (the "2018 AGM"). Each vested PSU gives the holder the right to receive one share in the Company at an exercise price corresponding to the par value of the shares being NOK 0.20. The total program ended at 42 675 vested PSUs which were exercised on 22 March 2022. Out of the 42 675 vested PSUs, 14 466 PSUs were exercised by primary insiders. Malene Brondberg, CFO exercised 7 233 PSUs and Jostein Dahle, CSO exercised 7 233 PSUs.

Nordic Nanovector ASA had 11 168 shareholders as of 31 December 2022

	Shareholders	Number of shares	Percentage of total shares
1	North Energy ASA	18 347 870	15.81 %
2	OM Holding AS	3 779 477	3.26 %
3	Jon Magne Åsmyr	3 000 000	2.59 %
4	Vegard Aavik Torsæter	2 031 260	1.75 %
5	Bækkelaget Holding AS	1 261 118	1.09 %
6	Nordnet Livsforsikring AS	1 231 976	1.06 %
7	Danske Bank A/S	1 075 045	0.93 %
8	Nordnet Bank AB	1 033 946	0.89 %
9	Ro Invest AS	1 010 000	0.87 %
10	Skanaviske Enskilda Banken AB	948 088	0.82 %
11	Sky High Risk AS	889 200	0.77 %
12	Linux Solution Norge AS	845 071	0.73 %
13	Arne Hellestø AS	800 955	0.69 %
14	Arne Hellestø	795 000	0.69 %
15	Eivind Opedal	700 500	0.60 %
16	Must Invest As	700 000	0.60 %
17	Lucellum AS	650 000	0.56 %
18	Sciencons AS	625 000	0.54 %
19	Audun Bakke	609 000	0.52 %
20	Inven2 AS	541 247	0.47 %
	Total shares for top 20 shareholders	40 874 753	35.23 %
	Total shares for other 11 148 shareholders	75 160 545	64.77 %
	Total shares (11 168 shareholders)	116 035 298	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	2022	2021
Loss for the period	-311 241 000	-441 303 000
Average number of outstanding shares during the year	115 129 972	94 818 761
Earnings (loss) per share - basic and diluted	-2.70	-4.65

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	Second Half		Full Year	
	2022	2021	2022	2021
Finance income	1 953	602	3 289	1 219
Finance expenses	14	291	259	636
Net currency gains (losses) on cash and cash equivalents	-2 269	-258	4 428	1 229
Net other currency gains (losses) related to operating items	341	476	-469	484
Net finance income	11	529	6 989	2 296

Finance expenses include interest expenses on lease liabilities.

Note 10. Restructuring provisions

Restructuring provisions are recognised only when the group has a constructive obligation, which is when:

- there is a detailed formal plan that identifies the business or part of the business concerned, the location and number of employees affected, the detailed estimate of the associated costs, and the timeline; and
- the employees affected have been notified of the plan's main features.

Following the decision to discontinue PARADIGME in July 2022, the company decided to implement a restructuring of the company with immediate effect with the purpose of reducing costs where necessary to enable support of essential activities associated with development of the pipeline. The company recorded a restructuring provision on 31 December 2022. The total provision is mainly related to contractual binding settlement agreements with CROs and suppliers which has contributed in- or to the wrap-up of the study and employees in termination. Total restructuring provision as per 31 December 2022 was NOK 25.0 million and included as other current liabilities in the statement of financial position.

Nordic Nanovector has appointed Carnegie Investment Bank to explore strategic options for the company to optimise shareholder value. The engagement is agreed to be on “no-cure – no pay” terms. If a transaction is completed Carnegie is entitled to a payment as agreed in the contract. As per 31 December 2022, no provision has been made as the proposed transaction was noted down on the extraordinary assembly 1 December 2022.

Note 11. Subsequent events

On 3 January 2023, an extraordinary general meeting (“EGM”) was held. A new board of directors consisting of Jon Magne Asmyr (chairperson), Eddie Berglund and Tina Bjørnlund Bønsdorff was elected by the EGM, as well as a new Nomination Committee consisting of Hans Peter Bøhn (chairperson), Jan-Tore Pedersen and Vegard Aavik.

Eddie Berglund informed the board that he will resign from the board with immediate effect on 19 January 2023.

On 31 January 2023 the company announced that Ludvik Sandnes, former chairperson of Nordic Nanovector, has been appointed interim Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company as from 1 February 2023. At the same time Malene Brondberg, former interim CEO and CFO, transitioned out of the Company, as previously announced on 9 December 2022.

Additional information

Glossary of terms

1L, 2L, 3L: First, second and third line of treatment

ARCHER-1: Name of Nordic Nanovector's combination study; Betalutin® and rituximab

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

CR: Complete Response

DLBCL: Diffuse Large B-Cell Lymphoma

DoR: Duration of Response

DoCR: Duration of Complete Response

FDA: Food and Drug Administration (US)

FL: Follicular Lymphoma

iNHL: Indolent non-Hodgkin Lymphoma

Lilotomab (Ilo): Betalutin® consists of the radionuclide lutetium-177 conjugated to the B-cell seeking anti-CD37 antibody lilotomab

Lu-177: Radionuclide lutetium-177

mAb: Monoclonal antibody

MBq: Megabecquerel (radioactivity measurement unit)

MZL: Marginal zone lymphoma

NDA: New Drug Application

NHL: Non-Hodgkin Lymphoma

ORR: Overall Response Rate (CR plus PR)

PARADIGME: name of Nordic Nanovector's pivotal Phase 2b trial

R/R: Relapsed/refractory

RTX: Rituximab

SCT: Stem cell transplant

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

Annual Report 2022 23 March 2023

Annual General Meeting 26 April 2023

H1 2023 results 31 August 2023

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

Investor contact

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Forward-looking statements

This report contains certain forward-looking statements relating to inter alia to the business and strategies, financial performance and results of the Company. Forward-looking statements concern future circumstances and results and other statements that are not historical facts. These statements are based on Nordic Nanovector's current expectations and are subject to uncertainty and changes in circumstances. Any forward-looking statements contained in this release, including assumptions, opinions and views of Nordic Nanovector or cited from third party sources, are subject to risks, uncertainties and other factors that may cause actual results and events to be materially different from those expected or implied by the forward-looking statements. Nordic Nanovector cannot provide any assurance that the assumptions underlying such forward-looking statements are free from errors nor accept any responsibility for the future accuracy of opinions expressed in this release or the actual occurrence of any forecasted developments. Nordic Nanovector disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise

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

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