

Nordic Nanovector Remuneration Report 2021



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1. Introduction

This report on remuneration to senior executives (the “report”) is prepared by the board of directors of Nordic Nanovector ASA (the “company”). The report has been prepared in accordance with the Norwegian Public Limited Liability Companies Act 1997, section 6-16 b, the Norwegian regulation on guidelines and report on remuneration of leading employees of 2020 (*Nw.: Forskrift om retningslinjer og rapport om godtgjørelse for ledende personer*), section 6 and the Norwegian Accounting Act, section 7-31b.

The report comprises remuneration to the company’s CEO, CFO and other members of the executive leadership team who report directly to the CEO (“senior executives” or the “leadership team”), as well as members of the board of directors who are or have been employed by, or held office in, the company during the financial year 2021. The purpose of the report is to provide a comprehensive, clear and understandable overview of awarded and due gross salary and remuneration to the senior executives and board members for the last financial year, how the remuneration is in accordance with the guidelines for remuneration of senior executives adopted by the company’s annual general meeting in 2021 (the “remuneration guidelines”), and to what extent the remuneration is linked to the performance of the company. The report provides details, both in total and individualised, on the remuneration of the company’s senior executives, as well as the remuneration of the members of the company’s board of directors in their capacity as board members in the company.

Remuneration of the members of the board of directors of the company is covered in section 7 of this report.



2. Company highlights in 2021

Nordic Nanovector enjoyed a strong start to 2021 thanks to the great efforts and progress made in 2020 under challenging conditions caused by COVID-19.

With the impact of COVID-19 receding in the early part of the year, the company began to see increased patient enrolment into its pivotal Phase 2b clinical trial PARADIGME resulting from the changes to the trial design and improvements to its overall execution.

These changes and improvements were based on:

- Amendments to the study design to increase the size of the eligible trial population
- The positive interim analysis enabling the trial to continue as a single arm study
- A reduced target number of patients for enrolment following the move to a single arm study
- A range of further initiatives designed to improve execution of PARADIGME

Good progress continued during the first half of 2021 when the company raised NOK 422 million gross (~USD 49.7 million) in new equity, providing additional financial resources to continue to progress PARADIGME and to conduct initial preparatory activities required for the planned regulatory filing and potential commercialisation of Betalutin®.

However, during the second half of 2021, despite the availability of new and effective vaccines, further significant disruption was caused to clinical trials globally, including PARADIGME, by the emergence and spread, firstly of the COVID-19 Delta variant, and then Omicron.

The continuing and additional restrictions that resulted from the emergence of these new COVID-19 variants again negatively affected the company’s ability to screen, enrol and treat new patients in the PARADIGME study. This is because the patients that are being targeted, given their physical condition, are at the greatest risk from COVID-19 infection. Clearly the safety of patients remains paramount in the conduct of clinical trials.

The slow-down in recruitment led the company to revise its timelines and expectations for when enrolment into PARADIGME would complete and preliminary three-month data would read out. The company is now targeting this initial read out of data during the second half of 2022.

Nonetheless, the end is in sight, and as at the company’s recent Q4 update on 28 February 2022 106 patients have been enrolled, out of the 120 evaluable patients targeted. The company remains focused on completing PARADIGME as quickly as possible within the ongoing COVID-19 restrictions and is working diligently towards this key strategic objective for 2022. Encouragingly, the company has begun to see signs that the impact of these restrictions may be moderating, and remains confident that it will deliver preliminary 3-month top-line data later this year.

For further details on the company’s performance in 2021, reference is made to the company’s consolidated annual accounts for 2021.

Overview of the application of the remuneration guidelines in 2021

Under the remuneration guidelines, remuneration of senior executives shall be competitive (but not leading), motivational, transparent and flexible, and may consist of the following five elements: base salary, short-term cash bonus, long-term equity-award, pension benefits, and other benefits.

The remuneration guidelines, adopted by the annual general meeting 2021, can be found on the company’s website: <https://www.nordicnanovector.com/investors-and-media/corporate-governance/governance-documents/“Guidelines for executive remuneration”>.

The remuneration guidelines, adopted by the company’s annual general meeting in 2021, have been fully implemented. No deviations from the remuneration guidelines have been implemented and no derogations from the procedure for implementation of the remuneration guidelines have been made.

No remuneration has been reclaimed by the company during the reported financial year.

3. Changes to the board of directors and the executive leadership team in 2021

In this section, we outline the changes to the composition of the board of directors and of the executive leadership team in 2021.

The board of directors

Solveig Hellebust was elected board director at the company's annual general meeting in April 2021. She is also a member of the compensation committee. Karin Meyer left the compensation committee and became chair of the audit committee. Hilde Hermansen Steineger did not take re-election as board member at the annual general meeting in 2021.



Solveig Hellebust
Board director

The executive leadership team

The company announced on 17 March 2021 the appointment of Peter L. Braun as Chief Executive Officer (CEO). Mr Braun decided to leave his position for personal reasons and was replaced by Chief Financial Officer (CFO) Malene Brondberg as Interim CEO on 1 July 2021.

Erik Skullerud joined as CEO on 20 September 2021, with Malene Brondberg returning to the CFO role.



Erik Skullerud
CEO

Pierre Dodion, MD was appointed as Chief Medical Officer (CMO) Elect on 8 November 2021 and took up the role in January 2022. Dr Dodion replaced Christine Wilkinson Blanc, MD, who continues in a consultancy role.



Pierre Dodion, MD
CMO

Marco Renoldi, MD retired as Chief Operating Officer (COO) in December 2021 and continues in a consultancy role. Sandra Jonsson, PhD, MBA joined Nordic Nanovector in January 2022 as COO.



Sandra Jonsson, PhD
COO

4. Compensation committee

The members of the Nordic Nanovector's compensation committee are:

- Per Samuelsson – chair
- Joanna Horobin
- Solveig Hellebust

The board of directors has established a compensation committee. The compensation committee shall monitor and evaluate the application of the remuneration guidelines, variable remuneration programs for senior executives that are ongoing and those that were concluded during the year, as well as remuneration structures and levels within the company and the group. For each financial year, the board of directors shall prepare a remuneration report and make this available to shareholders on the company's website at least three weeks prior to the annual general meeting. The duties of the compensation committee include preparing the remuneration guidelines and report on remuneration of senior executives.

The board of directors is to prepare proposed new remuneration guidelines at least every four years and submit the proposal for decision at the annual general meeting. The guidelines shall apply until new guidelines have been adopted by the general meeting.

Remuneration to the CEO shall be decided by the board of directors in line with approved policies following preparation and recommendation by the compensation committee. Remuneration to other senior executives shall be decided by the CEO in line with approved policies and after consultation with the compensation committee if deemed necessary. The CEO and other members of the management shall not participate in the board of directors' discussions and decisions on remuneration related matters that pertain them. The members of the compensation committee are independent of the management.

The compensation committee met 5 times in 2021.



Per Samuelsson
Board director



Joanna Horobin
Board director



Solveig Hellebust
Board director

5. Remuneration of the executive leadership team

All companies in the Nordic Nanovector group are to follow the main principles for the determining of senior executives' salaries and remuneration as set out in these guidelines. Nordic Nanovector aims at coordinating management remuneration policy and the schemes used for variable benefits throughout the group.

Nordic Nanovector's performance-based compensation programme consists of five components:

- base salary
- pension benefits and –
- other benefits
- short-term cash bonus
- long-term equity award

The board's view is that these five components best align the interests of the executive leadership team with those of the company's shareholders. This alignment is achieved by keeping a substantial portion of the total compensation allocated to "at-risk" performance-based incentives using short- and long-term incentive compensation. An appropriate level and mix of compensation components are determined with independent and relevant compensation data as important input. The guidelines for each element of compensation are described below. The guidelines apply to the financial year 2021 and until new guidelines are adopted by the general meeting.

Compliance with the remuneration guidelines and application of performance criteria

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. The company must therefore offer a competitive total remuneration, and the company's remuneration guidelines enable the company to offer senior executives such competitive total remuneration. Under the remuneration guidelines of the company, remuneration of senior executives shall be competitive (but not leading), motivational and flexible, and may consist of the following components: regular pay, bonus scheme, equity-based long-term investment program, pension benefits, and other benefits.

Senior executives in other jurisdictions than Norway

For senior executives where the employment relationship is regulated in whole or in part by regulations in countries other than Norway, a level of remuneration may be agreed that deviates from these guidelines. However, the total remuneration must always safeguard the company's business strategy, long-term interests and sustainability.

Adjustments shall be limited to those that are necessary as a result of applicable legislation with associated regulations and market practices in the relevant markets. Senior executives where the employment relationship is regulated in whole or in part by regulations in countries other than Norway can be given an extended offer of other remuneration. Such remuneration shall not exceed 20 per cent of the employee's base salary. Examples of such compensation may include accommodation, stays abroad, school fees for children and paid return travel.

Base salary

Base salaries for individual members of the executive leadership team are reviewed annually by the compensation committee and the board. The salaries are set by taking into consideration the scope of the role, the level of experience of the individual, the geographical location of the role, and external economic environment.

The review also refers to the mid-point of the market range for equivalent roles in peer companies. The overall performance rating, employee potential, and current compensation market competitiveness will be combined to assess any proposed salary revision. The committee also considers subjective performance criteria, such as an individual's ability to lead, organise and motivate others.

Pension benefits

Nordic Nanovector ASA in Norway has a defined contribution pension scheme. The company is exceeding the statutory contribution of two per cent and sets up five per cent of the annual salary between 0G and 7.1G; and eight per cent of the annual salary between 7.1G and 12G for each employee. "G" is the national insurance basic amount set by the Norwegian government each year. There are no contributions made for salaries exceeding 12G.

Nordic Nanovector GmbH in Switzerland has a pension scheme within the requirements of the Swiss federal social insurance legislation (BSV). Depending on the employee's age, the total contribution, which is split between the employee and the company, is between seven per cent and eighteen per cent of the annual salary.

Nordic Nanovector Ltd in the UK has a statutory defined contribution pension scheme. The contribution is split between the company and the employee with four per cent and five per cent of the annual salary, respectively.

Nordic Nanovector DK in Denmark contributes up to eight per cent of the annual salary to the pension insurance scheme.



Other benefits

Benefits to the management team will normally be in line with market practice, including e.g., cell phone expenses and payment of IT and telecommunication expenses. There are no specific restrictions on what other benefits may be agreed. Representation allowance is given, if relevant.

Short-term incentives: Annual cash bonus

The corporate priorities for each year are proposed by the executive leadership team and reviewed by the compensation committee and finally reviewed and approved by the board. For the balance of the management team, a major part of the objectives shall replicate those of the CEO, with the remaining part representing objectives relevant to the individuals' area of responsibility.

The objectives for the executive leadership team shall be set by the CEO, based on principles defined by the board. The cash bonus scheme is built up as follows:

- 50 per cent of the bonus shall be tied to company key performance indicators at group level, and
- 50 per cent of the bonus shall be tied to individual key performance indicators, each considered to contribute to long-term growth in shareholder value.

Following the end of the year, the level of performance achieved and the amount of bonus to be awarded to the members of the executive leadership team is reviewed by the compensation committee, in discussion with the CEO, and approved by the board. Each year, the compensation committee also approves in sum the bonus payments for the rest of the Nordic Nanovector team.

The corporate priorities include an additional performance level for the executive leadership team, one which is linked to stretch objectives. The stretch objectives require a superior level of performance to be achieved, far exceeding the level required for achieving the target objectives. The compensation committee may, at its discretion, review the operation of the annual cash bonus plan and make recommendations to the board for approval. Any review will consider the overall impact of the compensation package, the mix between fixed and variable pay, and the balance between short- and long-term performance measurement.

The performance measures for the executive leadership team's variable remuneration for 2021 have been selected to promote the company's strategy and to encourage behaviour which is in the long-term interest of the company. In the selection of performance measures, the strategic objectives and business priorities for 2021 have been taken into account. In accordance with the remuneration guidelines, the variable remuneration for 2021 has been determined by the achievement of goals at both individual and company level. All Nordic Nanovector employees and the executive leadership team of the company have, both individually and as a group, been given the opportunity to influence the attainment of the KPI's and the goals which have formed the basis for the assessment of the variable remuneration in 2021.

In 2021, the annual cash bonus plan was based upon the following key priorities, selected from several categories critical to the continued growth of the business.

In accordance with the remuneration guidelines, the company has paid out bonuses for the reported financial year pursuant to a bonus scheme for executive leadership team members, which is based on the company's achievement of strategic, operational and financial goals.

The compensation committee recommended, and the board approved, that the achievement of the corporate priorities had reached 82.5 per cent of the target for 2021.

TABLE 5.1 For the year 2021 the following compensation principles were applied:

Comparative factor	Objectives
Execution of Betalutin® development plan	• Advancement of the PARADIGME trial • Conduct pharmacokinetics (PK) studies and execute CMC activities required for the regulatory filing • Initiate the preparatory activities for the confirmatory Phase 3 trial • Review and communicate update on Archer-1 and DLBCL
Finance management	• Company sufficiently funded to execute approved plan
Development of business	• Betalutin® positioning and awareness outside Nordic Nanovector • Continue business development outreach and sign collaboration agreement with UoP

TABLE 5.2 Performance of executive leadership team in the reported financial year

Name and position	Description of the criteria related to the remuneration component	Relative weighting of the performance period	Optional information on performance targets		a) Measured performance and b) actual award / remuneration outcome
			a) Minimum target /threshold performance and b) corresponding award / remuneration	a) Maximum target / performance and b) corresponding award / remuneration	
Erik Skullerud Chief Executive Officer	Company goals	100%	a) 50%	a) 150%	a) 82.5%
			b) 0.95	b) 2.86	b) 1.57
Executive Leadership Team ¹⁾	Company goals	50%	a) 50%	a) 150%	a) 82.5%
			b) 1.37	b) 4.10	b) 2.16
	Individual goals	50%	a) 50%	a) 150%	a) 120%
			b) 1.37	b) 4.10	b) 2.45

1) In addition to the the ordinary bonus stated above, Lars Nieba and Malene Brondberg got an extra bonus related to their time as interim CEO for three months - see table 5.3 for more information.

TABLE 5.3 Total remuneration to the executive leadership team

Amounts in NOK million	Name and position	Year	Remuneration paid in cash ¹⁾						Imputed fair value of PSUs ²⁾		Share fixed and variable benefit		
			Fixed remuneration			Variable pay		Pension contributions	Total remuneration paid in cash	Variable pay	Total remuneration incl. imputed fair value of PSUs	Fixed	Variable
			Base Salary	Base salary increase in local currency	Benefits	Short-term	Long-term						
Erik Skullerud Chief Executive Officer <i>(From September 2021)</i>		2021	1.19	0%	0.17	1.57	0.00	0.10	3.04	0.52	3.56	41%	59%
		2020		n/a									
Peter Braun Former Chief Executive Officer <i>(From April 2021 to July 2021)</i>		2021	1.07	n/a	0.16	0.00	0.00	0.10	1.32	0.00	1.32	100%	0%
		2020		n/a									
Malene Brondberg Chief Financial Officer		2021	2.62	6%	0.39	1.73	0.18	0.10	5.03	0.78	5.81	61%	39%
		2020	2.33	13.3%	0.58	1.23	0.00	0.10	4.24	0.43	4.66	64%	36%
Marco Renoldi Chief Operating Officer		2021	2.99	0%	0.28	0.84	0.21	0.10	4.43	0.56	4.99	68%	32%
		2020	3.19	0%	0.28	0.85	0.00	0.36	4.68	0.80	5.48	70%	30%
Lars Nieba Chief Technology Officer		2021	2.98	6%	0.26	1.46	0.00	0.24	4.95	0.72	5.64	62%	38%
		2020	3.01	0%	0.27	1.43	0.00	0.25	4.96	0.37	5.33	66%	34%
Gabriele Elbl VP Global Regulatory Affairs		2021	2.80	3%	0.24	0.77	0.00	0.26	4.07	0.34	4.41	75%	25%
		2020	2.91	0%	0.24	0.78	0.00	0.25	4.18	0.16	4.35	78%	22%
Jostein Dahle Chief Scientific Officer		2021	1.78	2%	0.07	0.46	0.11	0.08	2.49	0.53	3.02	64%	36%
		2020	1.73	0%	0.07	0.42	0.00	0.08	2.30	0.40	2.70	70%	30%
Rosemarie Corrigan Chief Quality Officer		2021	2.34	3%	0.42	0.66	0.18	0.09	3.70	0.59	4.30	67%	33%
		2020	2.33	0%	0.45	0.62	0.00	0.09	3.49	0.43	3.92	73%	27%
Christine Wilkinson Blanc Chief Medical Officer		2021	2.31	n/a	0.23	0.24	0.00	0.07	2.86	0.00	2.86	91%	9%
		2020		n/a									

1) Remuneration paid in cash: Includes remuneration received by the executive in cash for example as salary, bonus and allowance or services paid on behalf of the executive as for example pension employer contribution and healthcare benefits. Average exchange rates used for conversion to NOK is show in table 8.3.

2) Imputed fair value of PSUs: This amount represents calculated cost related to the PSUs granted to the executives, which will be charged to the statement of financial income in that year. These costs are estimated based on a calculation of fair value measured at grant date. The calculation is performed in accordance with IFRS 2 share-based payments. The actual benefit/gain related to the PSUs are dependent on actual amount of PSUs vesting, the share price at time of exercise and the exercise price. The realised benefit/gain at vesting may be different than the imputed costs associated with the grants. Please see Annual Report for 2021 note 6.3.1 for further details on the PSU programme.

6. Share-based remuneration

Long-term incentives

The board believes that equity awards create incentives for the executive leadership team to further develop and implement the company's long-term strategic plan to create long-term shareholder value. Equity awards also create an ownership culture, where the interests of the employees and the shareholders are aligned. The vesting requirements of the equity awards provide an incentive to the management team and employees to remain employed during the vesting period, thereby contributing to a valuable retention of management team members and key employees.

The company's long-term equity incentive plan ("EIP") was firstly approved at the extraordinary general meeting (EGM) on 20 December 2017 (2017 EGM). The company's AGM on 30 May 2018 (2018 AGM), 25 April 2019 (2019 AGM), 10 June 2020 (2020 AGM) and 28 April 2021 approved a continuation of the EIP.

Eligibility

Employees, including newly hired employees, will be eligible for an equity award under the EIP, on a discretionary basis, considering overall performance, work responsibility, importance of retention, organisation level and position. Members of the board will not be eligible to participate in the EIP.

The board will exercise discretion as to who will receive an equity award in any given year, based on recommendations made by the compensation committee.

The board intends to grant awards under the EIP on an annual basis within the maximum size of the awards approved at the company's AGM each year. The annual awards will normally be granted during the first quarter of the financial year following the financial year where the AGM is held.

Grants will also be made in connection with new recruitments. None of the members of the executive leadership team and other employees are party to an employment agreement that provides for an automatic grant of equity incentives.

General terms of the EIP

The EIP provides for the grant of performance share units (PSUs). PSUs will be granted by the board to members of the management team and other employees, including new recruitments on a discretionary basis.

The PSUs will vest three years after the date of grant. Upon vesting, the holder of the PSUs will receive Nordic Nanovector ASA shares (if any), with the number of shares issuable determined by multiplying the number of PSUs

granted by a factor of between 0 per cent and 100 per cent. Vesting of half of the granted PSUs will be determined by an operational factor and vesting of the other half will be determined by a share price factor.

The operational factor shall be determined by the fulfilment of a selection of predefined annual operational objectives, which are considered important for the creation of long-term shareholder value. If all objectives are fulfilled the operational factor will be set at 100 per cent, which will result in full vesting of half of the granted PSUs. Partial fulfilment will lead to a partial or no vesting of half of the PSUs.

The share price factor shall be determined by the development of the company's share price over a three-year period, using the volume weighted average share price for the 30 trading days immediately following the date of grant and the 30 trading days immediately preceding the third anniversary of the date of grant. Based on this measure, an increase in the share price by more than 60 per cent will result in a share price factor of 100 per cent, which translates into full vesting of half of the PSUs. A share price increase of 20 per cent will result in a share price factor of 33 per cent, which translates into vesting of 33 per cent of the half of the PSUs. Share price increases between 20 and 60 per cent will result in a share price factor between 33 and 100 per cent, calculated linearly. Share price increases below 20 per cent will result in a share price factor of 0 per cent, which will result in half of the PSUs not vesting. Upon vesting of PSUs, the holder of the PSUs will have a right to subscribe for one new share in the company for each vested PSU, at a subscription price per share corresponding to the par value of the company's shares.

If the PSU holder resigns or is given summary dismissal, all unvested PSUs will lapse. If the PSU holder is dismissed all unvested PSUs will lapse unless the board decides otherwise. For PSUs granted after the 2019 AGM the following amendment applies: if the PSU holder is dismissed or a severance agreement is entered into more than 12 months after the grant of the PSUs, due to circumstances related to the company, and there being at that time no circumstances related to the PSU holder that might give reason for justifiable dismissal or lawful summary dismissal, the PSU holder shall have the right to retain a number of his/her unvested PSUs corresponding to 1/3 of the PSUs granted to him/her, plus an additional 1/24 of the remaining PSUs each month thereafter until the date of receipt of the notice of dismissal or the date the severance agreement is signed, with the first 1/24 earned 13 months after the grant date.



In the event of any share split, combination of shares, dividend payment or other distribution in cash above a certain threshold, rights issue or repair issue, standard adjustments will be made. If the PSUs are not replaced with a substitute incentive programme or cash settled in full, the PSUs will vest in full in the event of a change of control (as defined in the PSU agreements), a demerger or a merger where the company is not the surviving entity (merger). In case of a change of control (as defined in the PSU agreements) or a merger all unvested PSUs shall vest in full if, within 18 months following the completion of such event, the PSU holder's employment is terminated other than for cause as defined in the employment agreement (the double trigger). The PSU holders are not required to accept a substitute incentive programme unless it contains a double trigger clause.

Table 6.1 provides a total overview of options or PSUs granted to senior executives in previous periods that are still outstanding, instruments granted and vested in 2021 and outstanding balance as per 31 December 2021.

TABLE 6.1 PSUs awarded or due to the senior executives for the financial year 2021

	Main conditions of share award plans								Information regarding the reported financial year					
	Name and position	Specification of plan	Vesting period/ Performance period	Grant date	Vesting date	Expiry date	Exercise period	Strike price of the share	During the year			Closing balance		
									Share options/ PSUs held 01.01.2021	PSUs awarded	PSUs vested	PSUs subject to a performance condition	PSUs awarded and unvested	Share options subject to a holding period
Erik Skullerud Chief Executive Officer	PSUs	3 years	20.09.2021	19.09.2024	19.09.2024	On vesting	0.2	0	350 000	0	350 000	350 000	0	
	PSUs	3 years	01.02.2018	31.01.2021	31.01.2021	On vesting	0.2	20 000	0	7 087	0	0	0	
		3 years	31.01.2019	30.01.2022	30.01.2022	On vesting	0.2	20 000	0	0	20 000	20 000	0	
		3 years	24.03.2020	24.03.2023	24.03.2023	On vesting	0.2	45 000	0	0	45 000	45 000	0	
Lars Nieba Chief Technology Officer	PSUs	3 years	26.03.2021	25.03.2024	25.03.2024	On vesting	0.2		90 000	0	90 000	90 000	0	
		3 years	01.12.2019	30.11.2022	30.11.2022	On vesting	0.2	50 000	0	0	50 000	50 000	0	
		3 years	24.03.2020	24.03.2023	24.03.2023	On vesting	0.2	60 000	0	0	60 000	60 000	0	
	3 years	26.03.2021	25.03.2024	25.03.2024	On vesting	0.2		90 000	0	90 000	90 000			
Gabriele Elbl VP Global Regulatory Affairs	PSUs	3 years	01.11.2019	31.10.2022	31.10.2022	On vesting	0.2	30 000	0	0	30 000	30 000	0	
		3 years	24.03.2020	24.03.2023	24.03.2023	On vesting	0.2	20 000	0	0	20 000	20 000	0	
		3 years	26.03.2021	25.03.2024	25.03.2024	On vesting	0.2	0	45 000	0	45 000	45 000	0	
	Jostein Dahle Chief Scientific Officer	Option plan	3 years	07.01.2015	06.01.2018	07.01.2022	On vesting before expiry	28.00	105 000	0	0	0	0	105 000
3 years			03.03.2016	03.03.2019	02.03.2023	On vesting before expiry	14.24	30 000	0	0	0	0	30 000	
3 years			01.02.2017	01.02.2020	02.03.2024	On vesting before expiry	90.37	15 000	0	0	0	0	15 000	
PSUs		3 years	29.01.2018	28.01.2021	28.01.2021	On vesting	0.2	12 000	0	4 252	0	0	0	0
	3 years	31.01.2019	30.01.2022	30.01.2022	On vesting	0.2	20 000	0	0	20 000	20 000	0	0	
	3 years	24.03.2020	24.03.2023	24.03.2023	On vesting	0.2	45 000	0	0	45 000	45 000	0	0	
	3 years	26.03.2021	25.03.2024	25.03.2024	On vesting	0.2		45 000	0	45 000	45 000	0	0	
Marco Renoldi Chief Operating Officer	Option plan	3 years	01.11.2014	31.10.2017	31.10.2021	On vesting before expiry	30.50	278 137	0	0	0	0	0	0
		3 years	03.03.2016	03.03.2019	01.03.2023	On vesting before expiry	14.24	90 000	0	0	0	0	90 000	
		3 years	01.02.2017	01.02.2020	31.01.2024	On vesting before expiry	90.37	96 000	0	0	0	0	96 000	
	PSUs	3 years	29.01.2018	28.01.2021	28.01.2021	On vesting	0.2	25 000	0	8 858	0	0	0	0
3 years		31.01.2019	30.01.2022	30.01.2022	On vesting	0.2	25 000	0	0	25 000	25 000	0	0	
3 years		24.03.2020	24.03.2023	24.03.2023	On vesting	0.2	45 000	0	0	33 750	33 750	0	0	
3 years		26.03.2021	25.03.2024	25.03.2024	On vesting	0.2	0	45 000	0	18 750	18 750	0	0	
Rosemarie Corrigan Chief Quality Officer	PSUs	3 years	29.01.2018	28.01.2021	28.01.2021	On vesting	0.2	20 000	0	7 087	0	0	0	0
		3 years	31.01.2019	30.01.2022	30.01.2022	On vesting	0.2	20 000	0	0	20 000	20 000	0	0
		3 years	24.03.2020	24.03.2023	24.03.2023	On vesting	0.2	45 000	0	0	45 000	45 000	0	0
	3 years	26.03.2021	25.03.2024	25.03.2024	On vesting	0.2	0	45 000	0	45 000	45 000	0	0	
Christine Wilkinson Blanc Chief Medical Officer	PSUs	3 years	29.01.2018	28.01.2021	28.01.2021	On vesting	0.2	0	95 000	0	0	0	0	0
Peter Braun Former Chief Executive Officer	PSUs	3 year	26.03.2021	25.03.2024	25.03.2024	On vesting	0.2	0	350 000	0	0	0	0	0
Total									1 116 137	1 155 000	27 284	1 097 500	1 097 500	336 000



7. Remuneration to the board of directors

At the AGM in 2021, the company resolved to issue restricted stock units (RSUs) to board directors who elected to receive all or parts of their remuneration in the form of RSUs. Each board member must make such election immediately following the AGM resolution i.e., at the beginning of the board period. The RSUs are non-transferable and each RSU gives the right and obligation to acquire one share in the company at a price of NOK 0.20 per share (corresponding to the nominal value of the shares) subject to satisfaction of the applicable vesting conditions stated in the RSU agreement.

The board directors who elect to receive RSUs, must elect to either (i) receive 100 per cent 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 number of RSUs to be granted to the board is calculated as the NOK amount of the RSU opted portion of total compensation to the board director, divided by the market price for the Nordic Nanovector share. The market price is calculated as volume weighted average share price during the ten trading days prior to the grant date. Share based payment expenses related to RSUs are recognised in the income statement and disclosed in note 3.1 in the Annual Report for 2021. The board members' election of RSUs as part of their remuneration is disclosed in the Annual Report for 2021 in note 6.3.2.

Below is a specification of remuneration to the board of directors as approved by the general assembly (amounts in NOK 1 000).

TABLE 7.1 Specification of the minimum remuneration to the board of directors for the period from AGM to AGM the following year

Amounts in NOK				
Name and position	Served since	Type of remuneration	2020	2021
Jan H. Egberts ¹⁾ Chair	February 2019	Regular board remuneration	500	600
		Remuneration for member of the audit committee	20	20
Jean-Pierre Bizzari Director	May 2016	Regular board remuneration	300	330
		Remuneration for chair of the clinical committee	40	40
Joanna Horobin Director	October 2016	Regular board remuneration	300	330
		Remuneration for member of the remuneration committee	20	20
		Remuneration for member of the clinical committee	20	20
Karin Meyer Director	June 2020	Regular board remuneration	300	330
		Remuneration for member of the remuneration committee	20	
		Remuneration for chair of the audit committee		40
Per Samuelsson Director	November 2014	Regular board remuneration	300	330
		Remuneration for chair of the remuneration committee	40	40
		Remuneration for member of the audit committee	20	20
Rainer Boehm Director	May 2018	Regular board remuneration	300	330
		Remuneration for member of the clinical committee	20	20
Solveig Hellebust Director	April 2021	Regular board remuneration		330
		Remuneration for member of the remuneration committee		20
Hilde Hermansen Steineger Former Director	November 2014	Regular board remuneration	300	
		Remuneration for chair of the audit committee	40	

1) In 2021 and 2020 the group has used the professional services of its chair in relation to consulting services. The consulting services are related to work beyond regular board duties. The contract for these services is based on market rates and conditions for such services. These services have been invoiced by Veritas Investments B.V., a company controlled by the chair. Total invoiced amount was NOK 399 000 in 2021 and NOK 425 000 in 2020. See Annual Report 2021, note 8.2 for further details.

Members of the board committees, such as the audit committee, the compensation committee and the clinical committee shall receive remuneration of NOK 4 000 per committee meeting, but not less than NOK 20 000 for each committee member. The chair of each committee will receive NOK 8 000 per meeting and minimum NOK 40 000. In order to attract international board members, it was approved to pay board members EUR 100 per lost working hour when traveling to attend board meetings.



8. Comparative information on the change of remuneration and company performance

A summary of the development of the executive remuneration in the five-year period 2017–2021 is provided in table 8.1. To ensure comparability between years, remuneration is presented in local currency which is also the actual currency for payment of the remuneration.

See remuneration tables on following pages.

Remuneration is presented exclusive of imputed costs related to share based payment. Imputed costs related to share based payment in 2020 and 2021 is presented in table 5.3. Average exchange rates used for conversion to NOK are shown in table 8.3.

TABLE 8.1 Development of the executive remuneration in the five-year period 2017–2021

Amounts in million in local currency			2016	2017	2018	2019	2020	2021
Name and position	Presentation currency	Description		2016 vs 2017	2017 vs 2018	2018 vs 2019	2019 vs 2020	2020 vs 2021
Erik Skullerud ¹⁾ Chief Executive Officer (From September 2021)	CHF	Salary and fixed benefits						0.56
		Bonus and variable benefits						0.17
		Total remuneration exclusive imputed cost*						0.32
		Change in total remuneration %						
Malene Brondberg ²⁾ Chief Financial Officer (From February 2018 VP IR From May 2020 CFO/IR and HR)	GBP	Salary and fixed benefits			0.21	0.22	0.25	0.26
		Bonus and variable benefits			0.04	0.04	0.10	0.16
		Total remuneration exclusive imputed cost			0.25	0.26	0.35	0.43
		Change in total remuneration %				6.7%	34.0%	21.1%
Lars Nieba ³⁾ Chief Technology Officer (From December 2019)	CHF	Salary and fixed benefits				0.35	0.35	0.37
		Bonus and variable benefits				0.06	0.14	0.16
		Total remuneration exclusive imputed cost				0.41	0.49	0.53
		Change in total remuneration %					20.3%	6.4%
Marco Renoldi ⁴⁾ Chief Operating Officer (From November 2014)	CHF	Salary and fixed benefits	0.35	0.36	0.37	0.38	0.38	0.36
		Bonus and variable benefits	0.10	0.10	0.08	0.09	0.08	0.11
		Total remuneration exclusive imputed cost	0.45	0.46	0.45	0.47	0.47	0.47
		Change in total remuneration %		1.1%	-0.7%	4.0%	-0.9%	1.0%
Gabriele Elbl ⁵⁾ VP Global Regulatory Affairs (From November 2019)	CHF	Salary and fixed benefits				0.34	0.34	0.35
		Bonus and variable benefits				0.04	0.08	0.08
		Total remuneration exclusive imputed cost				0.38	0.42	0.43
		Change in total remuneration %					11.3%	3.3%
Jostein Dahle ⁶⁾ Chief Scientific Officer (From 2009)	NOK	Salary and fixed benefits	1.69	1.68	1.71	1.86	1.88	1.93
		Bonus and variable benefits	0.31	0.40	0.36	0.41	0.42	0.56
		Total remuneration exclusive imputed cost	1.99	2.09	2.06	2.27	2.30	2.49
		Change in total remuneration %		4.6%	-1.1%	10.0%	1.4%	8.3%
Rosemarie Corrigan ⁷⁾ Chief Quality Officer (From December 2017)	GBP	Salary and fixed benefits		0.21	0.21	0.23	0.23	0.24
		Bonus and variable benefits		0.03	0.04	0.06	0.05	0.07
		Total remuneration exclusive imputed cost		0.24	0.24	0.29	0.29	0.31
		Change in total remuneration %			2.7%	19.1%	-0.8%	8.6%
Christine Wilkinson Blanc ⁸⁾ Chief Medical Officer (From January 2021 to December 2021)	GBP	Salary and fixed benefits						0.22
		Bonus and variable benefits						0.02
		Total remuneration exclusive imputed cost						0.24
		Change in total remuneration %						
Peter Braun ⁹⁾ Former Chief Executive Officer (From April 2021 to July 2021)	CHF	Salary and fixed benefits						0.56
		Bonus and variable benefits						0.00
		Total remuneration exclusive imputed cost						0.56
		Change in total remuneration %						

* Imputed cost on share-based payments

- 1) Erik Skullerud joined Nordic Nanovector in September 2021 as Chief Executive officer. Salary and fixed benefits have been annualised as Skullerud was employed by the company in September 2021.
- 2) Malene Brondberg joined Nordic Nanovector in February 2018 as VP IR. Malene Brondberg was appointed Chief Financial Officer in May 2020. Following the restructuring of the company in May 2020, she was also responsible for investor relations and human resources. She also served as Interim CEO from July 2021 until the permanent CEO joined in September 2021. Brondberg received 6% pay increase on base salary in February 2021. In 2018 salary and fixed benefits have been annualised as Brondbergs was employed by the company in February 2018.
- 3) Lars Nieba joined Nordic Nanovector on 1 December 2019 as Chief Technical Officer. Lars Nieba was appointed Interim Chief Executive Officer on 26 February 2020. Due to the restructuring of the company, he has served the role as Interim CEO and CTO between February 2020 to April 2021. Nieba is entitled to a one-time payment of EUR 50 000 if he remains an employee with the company and has not given notice of termination of his employment, nor been given notice of dismissal for cause, with effect prior to 1 October 2022. Nieba received 6% pay increase on base salary in 2021. In 2019 salary and fixed benefits have been annualised as Nieba was employed by the company in December 2019.
- 4) Marco Renoldi has served as Chief Operating Officer since November 2014. Renoldi did not receive pay increase on base salary in February 2021.
- 5) Gabriele Elbl joined Nordic Nanovector in November 2019. Elbl received 3% pay increase on base salary in February 2021. In 2019 salary and fixed benefits have been annualised as was employed by the company in November 2019.
- 6) Jostein Dahle has been with the company since 2008. In the respective period for this table he has served as Chief Scientific Officer. Dahle received 2% pay increase on base salary in February 2021.
- 7) Rosemarie Corrigan joined Nordic Nanovector in December 2017. Corrigan received 3% pay increase on base salary in February 2021. In 2017 salary and fixed benefits have been annualised as Corrigan was employed by the company in December 2017.
- 8) Christine Wilkinson Blanc was appointed Chief Medical Officer in August 2020, hired through Weatherden Ltd until 1 January 2021. During this period, the company has paid NOK 2.1 million for her services as Chief Medical Officer. From 1 January 2021 until January 2022 she was an employee of Nordic Nanovector and received remuneration as stated in the table.
- 9) Peter Braun joined Nordic Nanovector as a CEO in April 2021 and served until June 2021. Salary and fixed benefits have been annualised as Braun only was employed by the company from April to June in 2021.

Domenic Smethurst served as Interim Chief Medical Officer from 23 March to 10 August 2020, hired through DPS Medical Limited. During this period the company has paid NOK 1.0 million for his services as CMO.

TABLE 8.2 Employee remuneration and company performance

Amounts in NOK million	2017	2018	2019	2020	2021
	2016 vs 2017	2017 vs 2018	2018 vs 2019	2019 vs 2020	2020 vs 2021
Average remuneration on a full-time equivalent basis of employees					
Average employee remuneration excl. registered executives in the company.	1.07	1.02	1.18	1.26	1.29
Average remuneration growth (parent company)	14.8%	-4.1%	15.2%	7.3%	1.9%
Average employee remuneration excl. registered executives in the group	1.16	1.16	1.34	1.34	1.35
Average remuneration growth (group)	26.0%	-0.3%	15.9%	0.1%	0.5%
Full-time equivalent basis of employees in the group	31.4	37.8	44.9	40.8	38.9
Company performance	2017	2018	2019	2020	2021
Loss for the year	-293.8	-337.8	-433.6	-417.1	-441.3
Achievement of corporate priorities	104.0%	78.1%	58.0%	76.5%	82.5%

Average remuneration is impacted by currency fluctuations between the years.

TABLE 8.3 Exchange rates used in the conversion of remuneration from CHF and GBP to NOK

Currency	2016	2017	2018	2019	2020	2021
GBP	11.396	10.654	10.853	11.240	12.082	11.827
CHF	8.528	8.400	8.318	8.859	10.036	9.409

Exchange rates are official annual average rates for the applicable year.

9. Independent auditors statement on the remuneration report



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Medlemmer av Den norske Revisorforening

To the General Meeting of Nordic Nanovector ASA

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REPORT ON SALARY AND OTHER REMUNERATION TO DIRECTORS

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Nordic Nanovector ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31. December 2021 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 5 April 2022
Ernst & Young AS

Anja Maan
State Authorised Public Accountant
(This document is signed electronically)

A member firm of Ernst & Young Global Limited



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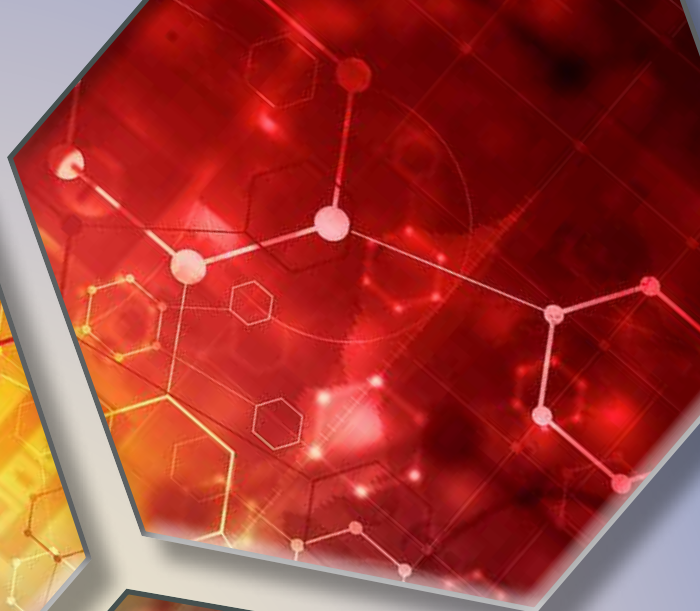
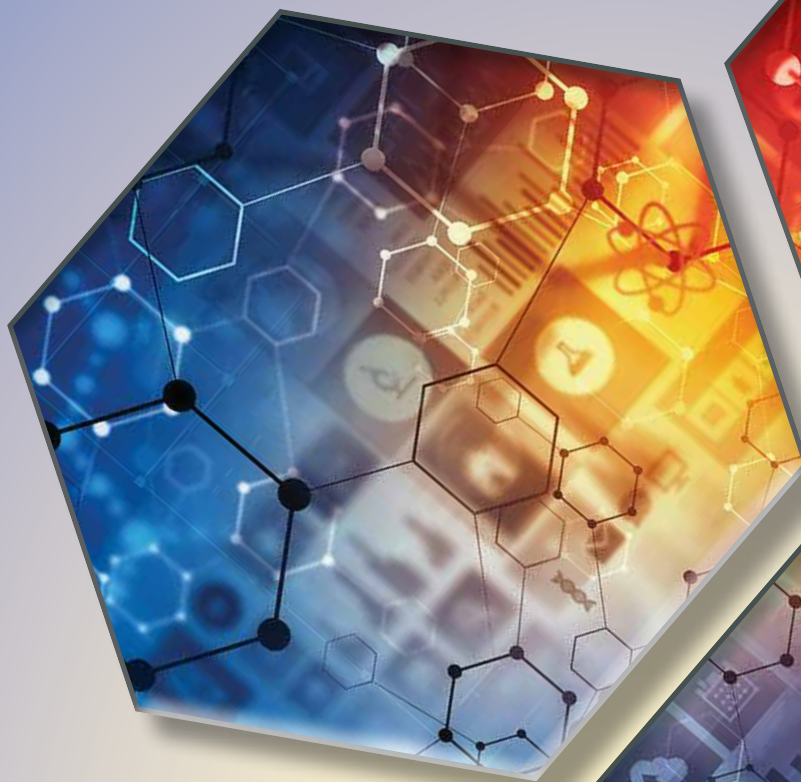
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