Årsregnskap for regnskapsåret 2021

Organisasjonsnr:	994 297 422
Navn/foretaksnavn:	THOR MEDICAL ASA
Forretningsadresse:	Kjelsåsveien 168B
	0884 OSLO

Brønnøysundregistrene
06.07.2023

2022.100043

Brønnøysundregistrene – Regnskapsregisteret

VEDLEGG TIL ÅRSREGNSKAP 2021

NORDIC NANOVECTOR ASA Kjelsåsveien 168B 0884 OSLO	Organisasjonsnr. 994 297 422	ASA

Registrerte opplysninger per		Eventuelle endringer dette regnskapsåret	
03.05.2022			
Startdato	**Avslutningsdato**	**Startdato**	**Avslutningsdato**
01.01.2021	31.12.2021		
Konsernforhold Foreninger som følger regler for frivillig virksomhet, kan ikke være morselskap	**Morselskap** JA	**Endret konsernforhold** ☐ Morselskap	☐ Ikke morselskap

Kun for aksjeselskap som har meldt fravalg av revisjon

Selskapet har besluttet at årsregnskapet ikke skal revideres	☐ Ja
Årsregnskapet er utarbeidet av ekstern autorisert regnskapsfører	☐ Ja
Ekstern autorisert regnskapsfører har i løpet av regnskapsåret bistått ved den løpende regnskapsføringen eller utført andre tjenester for selskapet enn å utarbeide årsregnskapet	☐ Ja

Årsregnskapet er satt opp etter reglene for frivillig virksomhet ☐ Avkrysning er kun aktuelt for foreninger (FLI) som er registrert i Frivillighetsregisteret

Hvis enheten ikke følger norsk regnskapslov eller frivillighetsregisterloven, kryss av	☒ IFRS selskap	☒ IFRS konsern
Hvis enheten velger å avvike fra regnskapsloven § 6-1, kryss av	☐ Funksjon selskap	☐ Funksjon konsern

Følges regnskapsreglene for små foretak? ☐ Ja ☒ Nei

Jeg bekrefter at vedlagte årsregnskap er fastsatt av kompetent organ den Dato

Sted/dato, Underskrift av representant for enheten

Vedlegg e-post.

Bare til bruk for Regnskapsregisteret Aa

G ☒ NYVE ☐ Admr ☐ Kregn Ja ☒ Nei ☐ Aktiv. regn ☐

M ☐ Rets ☐ Ant.s 61

☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
ov.b	årsb	res	bal	e.bal	gj.bal	rev	i-rev	k-res	k-bal	k-n	k-rev	i-k-rev	n	
☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	
k-regn	kto	d.k	ik-fv	konsf	ifrs	fr-rev					funk	u.off	brev	

BR-1001-11

Brønnøysundregistrene – Regnskapsregisteret

VEDLEGG TIL ÅRSREGNSKAP 2021

NORDIC NANOVECTOR ASA Kjelsåsveien 168B 0884 OSLO	Organisasjonsnr. 994 297 422	ASA

Registrerte opplysninger per		Eventuelle endringer dette regnskapsåret	
29.04.2022			
Startdato	**Avslutningsdato**	**Startdato**	**Avslutningsdato**
01.01.2021	31.12.2021		

Konsernforhold	Morselskap	Endret konsernforhold	
Foreninger som følger regler for frivillig virksomhet, kan ikke være morselskap	JA	☐ Morselskap	☐ Ikke morselskap

Kun for aksjeselskap som har meldt fravalg av revisjon

Selskapet har besluttet at årsregnskapet ikke skal revideres	☐ Ja
Årsregnskapet er utarbeidet av ekstern autorisert regnskapsfører	☐ Ja
Ekstern autorisert regnskapsfører har i løpet av regnskapsåret bistått ved den løpende regnskapsføringen eller utført andre tjenester for selskapet enn å utarbeide årsregnskapet	☐ Ja

Årsregnskapet er satt opp etter reglene for frivillig virksomhet ☐ Avkrysning er kun aktuelt for foreninger (FLI) som er registrert i Frivillighetsregisteret

Hvis enheten ikke følger norsk regnskapslov eller frivillighetsregisterloven, kryss av	☒ IFRS selskap	☒ IFRS konsern
Hvis enheten velger å avvike fra regnskapsloven § 6-1, kryss av	☐ Funksjon selskap	☐ Funksjon konsern

Følges regnskapsreglene for små foretak? ☐ Ja ☒ Nei

Jeg bekrefter at vedlagte årsregnskap er fastsatt av kompetent organ den **Dato** 28.04.2022

Sted/dato, Underskrift av representant for enheten
Oslo 29 april 2022

Bare til bruk for Regnskapsregisteret

G ☐ NYVE ☐ Admr ☐ Kregn Ja ☐ Nei ☐ Aktiv. regn ☐

M ☐ Rets ☐ Ant.s ☐☐☐

☐ ov.b	☐ årsb	☐ res	☐ bal	☐ e.bal	☐ gj.bal	☐ rev	☐ i-rev	☐ k-res	☐ k-bal	☐ k-n	☐ k-rev	☐ i-k-rev	☐ n
☐ k-regn	☐ kto	☐ d.k	☐ ik-fv	☐ konsf	☐ ifrs	☐ fr-rev					☐ funk	☐ u.off	☐ brev

BR-1001-11

29 DES 2014

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Geir Johannessen	09.12.2014	19.12.2014
Telefon	Deres referanse	Vår referanse
22 07 73 25/22 66 11 14	Tone Kvåle	2014/947937

NORDIC NANOVECTOR ASA
Kjelsåsveien 168B
0884 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Nordic Nanovector ASA, org.nr. 994 297 422

Vi viser til deres brev av 9. desember 2014 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap, årsberetning og revisjonsberetning på norsk språk for Nordic Nanovector ASA fra og med regnskapsåret som blir avsluttet 31. desember 2014.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Nordic Nanovector ASA dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
Nordic Nanovector ASA utvikler nye innovative radioimmunoterapeutiske preparater for behandling av lymfekreft og annen ondartet kreft. I 2012 fikk Nordic Nanovector regulatorisk godkjennelse til å starte fase I/II kliniske studier av BetalutinTM i Sverige og Norge. Selskapet søker tilsvarende godkjennelse i flere land i Europa samt i USA. Selskapet har hovedkontor i Oslo og har et datterselskap i Sveits, Nordic Nanovector GmbH. Alle sentrale aktører og samarbeidspartnere innenfor denne bransjen behersker og benytter engelsk. Selskapet benytter også engelsk som arbeidsspråk, og 3 av ledergruppens medlemmer er utenlandske statsborgere inklusiv selskapets administrerende direktør som skal signere årsregnskap og årsberetning. Disse behersker ikke norsk. I tillegg er 1 av selskapets 5 styremedlemmer utenlandsk statsborger.

Nordic Nanovector ASA arbeider mot en børsnotering i løpet av 2015 og vil også søke om dispensasjon fra vphl § 5-13 vedrørende krav til språk ved offentliggjøring av kvartals- og halvårsrapporter. Utenlandske aksjonærer utgjør i dag ca 25 % av total aksjonærmasse. Det er ingen forhold rundt selskapets finansiering som skulle tilsi behov for regnskap på norsk. Nordic Nanovector ASA har en begrenset stab i administrasjonen. Da den norske versjonen kun utarbeides for å tilfredsstille regnskapsloven, anses nytten ikke å forsvare kostnaden og det søkes derfor om dispensasjon.

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> *"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at alle sentrale aktører og samarbeidspartnere innen bransjen behersker og benytter engelsk, og at selskapet benytter engelsk som arbeidsspråk. Videre er det vektlagt at selskapet har flere utenlandske aksjonærer, og at det er utenlandske personer i styret og i selskapets ledergruppe.

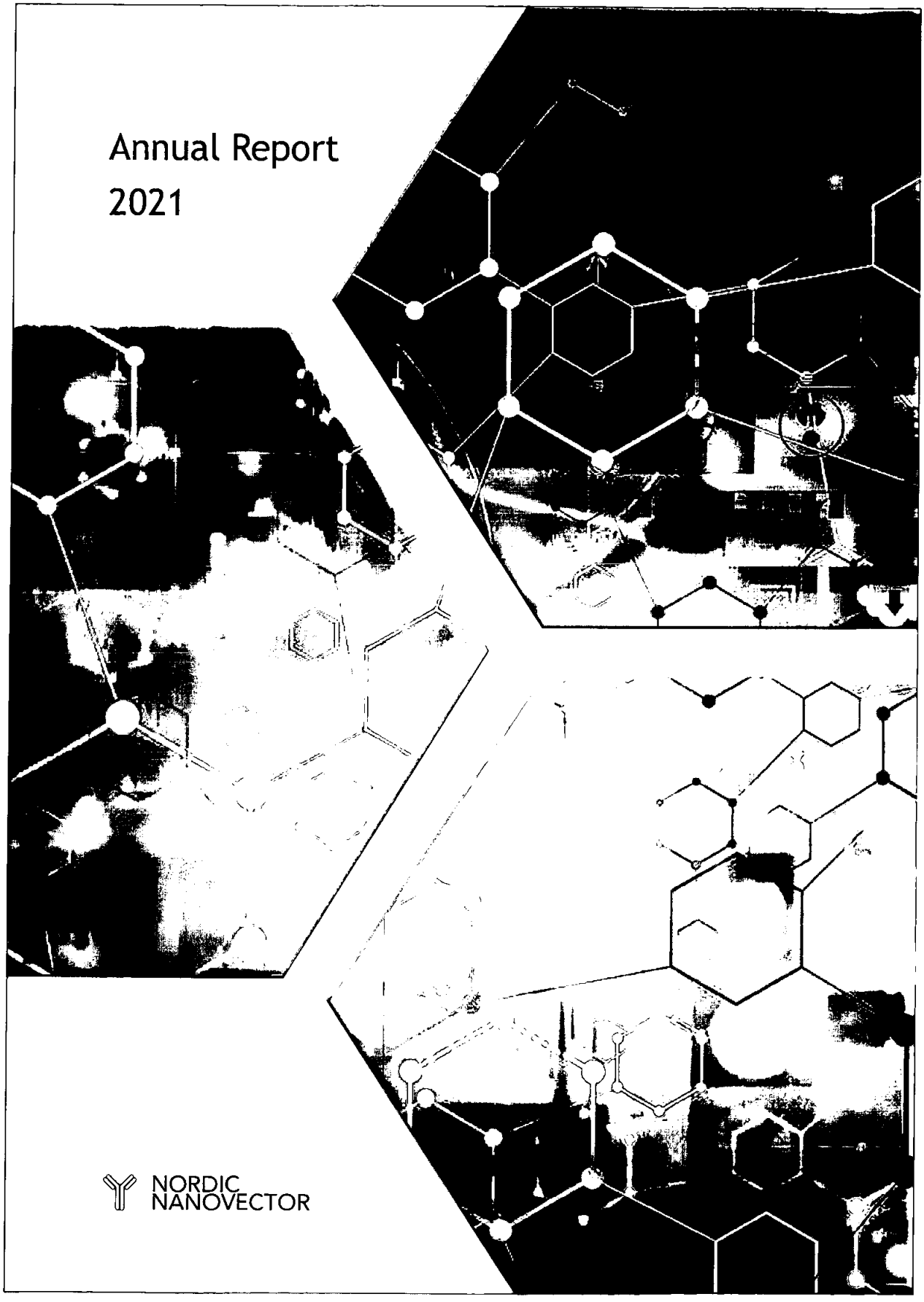
Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
Seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Geir Johannessen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer


Annual Report
2021
NORDIC
NANOVECTOR

Contents

Important events 2021

PARADIGME

- During 2021, Nordic Nanovector continued to focus on enroling patients into the PARADIGME Phase 2b trial for Betalutin® and is nearing the target for completing enrolment into this pivotal study.
- Further initiatives designed to broaden the inclusion criteria and expand the pool of eligible patients for PARADIGME were implemented globally in 2021 with the aim to increase the rate of enrolment to the trial.
- The continuing restrictions that resulted from the emergence of new coronavirus variants again negatively affected the company's ability to screen, enrol and treat new patients in PARADIGME.
- Accordingly, the expected timing for the readout of the preliminary three-month data was moved in January 2022 from H1'2022 to H2'2022 following a review of the rate of patient recruitment and discussions with the company's clinical advisors.
- In anticipation of a positive outcome of PARADIGME, the company is preparing for its regulatory filing and developing its commercialisation strategy, including working towards the completion of CMC activities and planning for the confirmatory Phase 3 trial, which will be required if PARADIGME is successful.

PIPELINE

- Nordic Nanovector hosted an R&D Day in November 2021 highlighting its strategy for building value from Betalutin® and its pipeline of novel therapeutic opportunities targeting CD37, including discussion on the following programmes:
- Archer-1: promising preliminary data from this Betalutin®+rituximab Phase 1b combination study in 2L FL were presented by the company in June 2021. From this small exploratory study, seven out of seven patients achieved a response, including five complete responses (CRs) and two partial responses-(PRs). Responses are still ongoing in six patients, five of whom have passed the 24-month assessment and are nearing three years post treatment. The Betalutin®+rituximab combination showed a very good safety profile, comparable to that of single-agent Betalutin®. The results of this Phase 1b study are informing the design of the confirmatory Phase 3 study in 2L FL, which will be required following any filing for accelerated approval.
- LYMRIT 37-05: preliminary data from the single-agent Phase 1 study of Betalutin® in R/R DLBCL- patients were presented by the company in August 2021. Betalutin® showed a good safety/tolerability profile in these patients, and clinical activity was seen in two out of nine evaluable patients receiving the highest doses. Given these findings, a recommended Phase 2 dose (RP2D) of Betalutin® has been defined for investigation in combination with other therapies in future clinical studies.
- Alpha37: an anti-CD37 alpha-particle emitting radio-immuno conjugate, is in preclinical development in collaboration with Orano Med. During the R&D Day, the company presented preclinical data showing that Alpha37 is superior to ibrutinib and effective in both ibrutinib-resistant and -sensitive mouse models of CLL. Given these preclinical data and the unmet patient need in CLL, Nordic Nanovector believes that a focus on high risk and/or ibrutinib resistant/ refractory CLL would provide a meaningful entry indication for Alpha37 and is close to reaching IND (Investigational New Drug) stage, which would enable it to enter into clinical trials following the necessary approvals.
- Humalutin®: a next generation anti-CD37 radio-immunoconjugate tailored for the treatment of NHL, consisting of a chimeric anti-CD37 antibody (NNV003) conjugated to lutetium-177. During the R&D Day, the company presented data confirming that its higher therapeutic effect vs lilotomab may enable Humalutin®'s use as a pre-treatment and that it presents a low immunogenicity profile, which may allow for multiple dosing.
- Humanised anti-CD37 antibody: Nordic Nanovector has generated multiple anti-CD37 humanised antibody leads with different effector functions and is now finalising the selection of a lead candidate.
- CAR-T cell therapy: Nordic Nanovector entered into a research collaboration with the University of Pennsylvania ("Penn") in October 2021 to generate a CD37-targeting CAR-T cell approach as a potential treatment for patients with B-cell malignancies. The collaboration aims to combine Nordic Nanovector's expertise around CD37 with the world-class expertise in CAR-T cell therapies at Penn. Nordic Nanovector has obtained an option to license exclusive worldwide rights to any CD37-targeting CAR-T cells that result from this collaboration for further development.

CORPORATE

- Approximately NOK 361 million (USD 42.5 million) in gross proceeds raised through a private placement plus approximately NOK 61 million (USD 7.2 million) in gross proceeds raised through the following repair issue.
- Peter Braun was appointed Chief Executive Officer in March 2021.
- Malene Brondberg was appointed interim Chief Executive Officer in July 2021.
- Erik Skullerud was appointed Chief Executive Officer in September 2021.
- Pierre Dodion, MD was appointed Chief Medical Officer in November 2021.
- Dr Sandra Jonsson was appointed Chief Operating Officer in December 2021, taking over from Dr Marco Renoldi, who retired but remains as a consultant.
- Dr Solveig Hellebust, PhD was elected as new member of the board of directors.

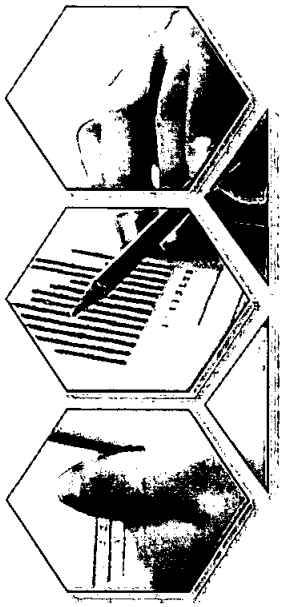
SCIENTIFIC PUBLICATIONS 2021

Papers

- **Myelosuppression in patients treated with ^{177}Lutetium-lilotomab satetraxetan can be predicted with absorbed dose to the red marrow as the only variable**
  Johan Blakkisrud, Ayca Løndalen, Jostein Dahle, Anne Catrine Martinsen, Arne Kolstad and Caroline Stokke
  Acta Oncol. 2021, Nov;60(11): 1481–1488
- **FDG PET/CT parameters and correlations with tumor-absorbed doses in a Phase 1 trial of ^{177}Lu-lilotomab satetraxetan for treatment of relapsed non-Hodgkin lymphoma**
  Ayca Løndalen, Johan Blakkisrud, Mona-Elisabeth Revheim, Ulf Erik Madsbu, Jostein Dahle, Arne Kolstad and Caroline Stokke
  Eur J Nucl Med Mol Imaging. 2021; 48(6): 1902–1914

EVENTS AFTER THE YEAR END 2021

- On 7 January 2022, the company announced new guidance on the timing of the preliminary three-month data readout, now expected in H2'2022 (as noted above).
- On 19 January 2022, the company announced that it had successfully raised gross proceeds of NOK 250 million in a private placement at a subscription price of NOK 14 per share.
- The subsequent repair offering did not raise additional proceeds, given the development in the company's share price following the geopolitical events in Europe.



Creating shareholder value

Complete pivotal PARADIGME trial and generate clinical data to enable a robust BLA filing for Betalutin® in 3L FL with a strong product profile

Actively pursue a flexible regional commercialisation strategy to maximise commercial opportunity and value

Seek collaborations to bring additional expertise and technologies to design next-generation products to build the pipeline and further enhance shareholder returns

Explore opportunities to expand market opportunity for Betalutin®, a novel and wholly owned asset, in other B-cell malignancies

Selectively extend the company's pipeline leveraging its expertise in CD37-targeted radiopharmaceuticals and immunotherapies targeting other B-cell malignancies and immune diseases

Implement well thought-out strategy through experience leadership team aligned with rigorous capital management

Corporate snapshot

Our Mission:

To extend and improve the lives of patients with haematological cancers by developing and commercialising innovative targeted therapies

Our Vision:

To significantly advance the treatment of cancer patients with innovative targeted therapies

Nordic Nanovector is committed to develop and deliver innovative therapies to patients to address major unmet medical needs. The company aspires to become a leader in the development of CD37-targeted therapies for haematological cancers and immune diseases. Nordic Nanovector's lead clinical-stage candidate is Betalutin®, a novel CD37-targeting radioimmunotherapy designed to advance the treatment of non-Hodgkin lymphoma (NHL). NHL is an indication with substantial unmet medical need, representing a growing market forecast to be worth nearly USD 27 billion by 2029[1]. Nordic Nanovector retains global marketing rights to Betalutin® and intends to actively participate in the commercialisation of Betalutin® in the US and other major markets with an initial target indication of follicular lymphoma (FL).

Nordic Nanovector ASA was established in Oslo, Norway in 2009 by Dr Roy H. Larsen and Inven2 AS on behalf of Prof Øyvind S. Bruland and Dr Jostein Dahle. The company was founded with the aim to develop Betalutin® for the treatment of lymphoma. Betalutin® was invented by the three founders at the Norwegian Radium Hospital.

- Headquarters in Oslo Norway, with corporate entities in the UK, Switzerland and Denmark
- 40 employees
- The company was listed on Oslo Stock Exchange in March 2015 (NANOV)
- Market capitalisation USD 259 million

05 April 2022

1) NHL & CLL, Disease Landscape & Forecast, DRG, a Clarivate company, 2021

History

2009	• Betalutin® was invented by Dr Roy H. Larsen, Professor Øyvind S. Bruland and Dr Jostein Dahle.
2010	• 1st patent application was filed for Betalutin®.
2011	• 1st patent application was approved by the Norwegian Patent Office. • Offices and labs established in Oslo, Norway.
2012	• First FL patient treated with Betalutin® in the LYMRIT 37-01 Phase 1/2a trial.
2013	• Raised NOK 60 million in a private placement led by HealthCap VI L.P.
2014	• LYMRIT 37-01 trial advances to Phase 2a. • Betalutin® patent granted in Europe and the US. • Orphan-drug designations granted in the US and in EU for FL. • NOK 300 million raised in a private placement. • Listing of shares on the Norwegian OTC.
2015	• Initial public offering on Oslo Børs raising NOK 575 million.
2016	• Investigational New Drug (IND) granted for Betalutin® to commence clinical trials in the US. • Collaboration agreement signed with Orano Med around Alpha37 for B-cell malignancies. • NOK 499 million raised in a private placement.
2017	• First patient dosed with Betalutin® in Phase 1 DLBCL trial (LYMRIT 37-05).
2018	• Fast track designation granted in the US for Betalutin® for 3L FL. • Phase 2a part of LYMRIT-37-01 completed. • First patient dosed in Phase 2b PARADIGME trial of Betalutin® in 3L FL. • First patient dosed in ARCHER-1 trial of Betalutin® plus rituximab in 2L FL (LYMRIT 37-07).
2019	• NOK 445 million (~USD 48m) raised in private placements. • European patent granted for Betalutin® or Humalutin® in combination with anti-CD20 antibodies for treating NHL.
2020	• Interim analysis for PARADIGME trial of Betalutin® in 3L FL with IRC recommendation to proceed with a single dose. • Publication of completed Phase 1/2a LYMRIT 37-01 trial in Blood Advances, an official journal of the American Society of Hematology. • NOK 215 million (~USD 26m) raised in private placement. • Completion of enrolment into ARCHER-1 (2L FL) and LYMRIT 37-05 (DLBCL) trials.
2021	• NOK 422 million (~USD 49.7m) raised in private placement and repair offering. • Promising results announced from Phase 1 ARCHER-1 and LYMRIT 37-05 trials. • R&D Day hosted entitled "Building Value from Betalutin® and a Pipeline of Broader Therapeutic Opportunities Targeting CD37." • Research collaboration signed with University of Pennsylvania around development of a CD37-targeting CAR-T. • Erik Skullerud appointed as CEO in September 2021.

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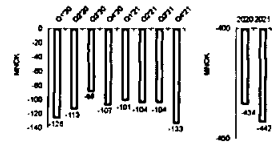
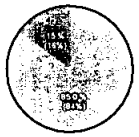
Key figures

Operating results



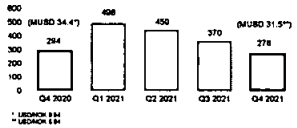
Distribution of total operating expenses



*Development costs: preclinical, clinical, medical affairs, regulatory affairs and CMC activities

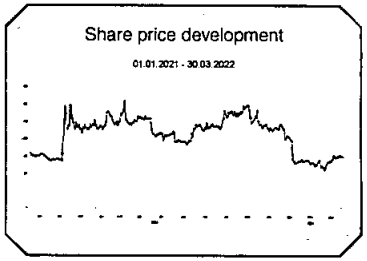
Cash flow

Cash position



The share

Share price development



Share information

Ticker:	
NANOV (OSE/Oslo Stock Exchange)	
Market Cap[1] - at share price 15.10 NOK	
1 739 NOK million / 201 USD million	
Turnover 2021	
Daily turnover in number of shares	3 month turnover in % of total shares
1 171 683	78%
Research analyst coverage	
ABG Sundal Collier	
DNB Bank ASA	

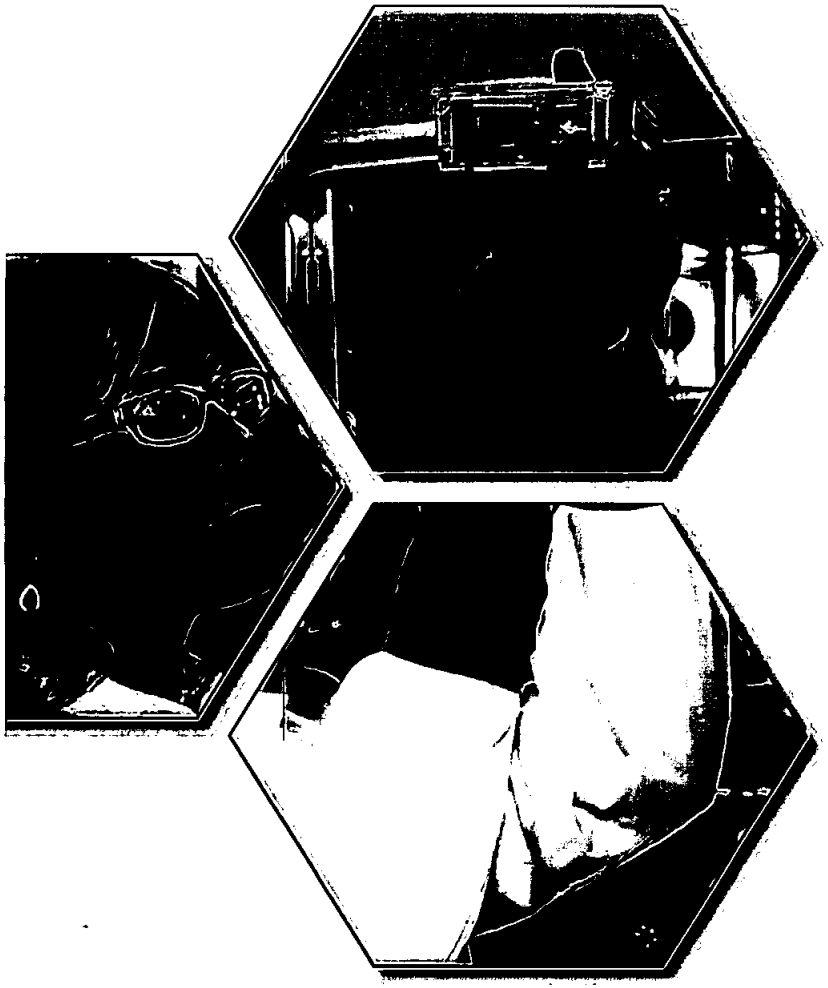
[1] 30 March 2022

Top 10 shareholders

Shareholders	No of shares	%
1. Folketrygdfondet	10 416 573	8.98%
2. HealthCap	6 834 095	5.89%
3. Fjerde AP-Fonden	4 726 571	4.08%
4. OM Holding AS	3 779 477	3.26%
5. Sundt AS	2 000 000	1.72%
6. Nordnet Livsforsikring AS	1 995 618	1.72%
7. Skandinaviska Enskilda Banken AB	1 704 179	1.47%
8. RO Invest AS	1 142 857	0.98%
9. Nordnet Bank AB	1 013 322	0.87%
10. J.P. Morgan SE	897 884	0.77%
Total 10 largest shareholders	34 512 974	29.74%
Others	81 522 324	70.26%
Total number of shares	116 035 298	100.00%

As per 30 March 2022

What we do



Overview of the business

Nordic Nanovector ASA was established in Oslo, Norway in 2009 by Dr Roy H. Larsen and Inven2 AS on behalf of Prof Øyvind S. Bruland and Dr Jostein Dahle. The company was founded with the aim to develop Betalutin® for the treatment of lymphoma. Betalutin® was invented by the three founders at the Norweglan Radium Hospital.

Dr Larsen and Prof Bruland were also founders of Algeta ASA, which successfully developed and launched Xofigo® (radium-223 dichloride) with partner Bayer AG for the treatment of adults with castration-resistant prostate cancer and symptomatic bone metastases. Algeta was acquired by the global pharmaceutical company Bayer in 2014 for USD 2.6 billion.

Nordic Nanovector was listed on the Oslo Stock Exchange in 2015. The company has its headquarters and laboratories in Oslo, Norway and subsidiaries in Zug, Switzerland, Shrewsbury, UK, and a branch in Frederikshavn, Denmark.

Nordic Nanovector is committed to develop and deliver innovative therapies to patients to address major unmet medical needs. The company aspires to become a leader in the development of CD37-targeted therapies for haematological cancers and immune diseases. Nordic Nanovector's lead clinical-stage candidate is Betalutin®, a novel CD37-targeting radioimmunotherapy designed to advance the treatment of non-Hodgkin lymphoma (NHL). NHL is an indication with substantial unmet medical need, representing a growing market that is forecast to be worth nearly USD 27 billion by 2029. Nordic Nanovector retains global marketing rights to Betalutin® and intends to actively participate in the commercialisation of Betalutin® in the US and other major markets.

The company is focusing its resources on completing the pivotal PARADIGME clinical trial with Betalutin® in patients with third line ("3L") relapsed, anti-CD20 refractory follicular lymphoma ("FL"), a common form of NHL.

The trial originally aimed to enrol 130 patients into two arms to compare different dosing regimens. A planned interim analysis (August 2020) confirmed that a single administration of Betalutin® in both arms was active and had a generally well-tolerated safety profile. The interim data set supported the selection of a single dosage arm with which to complete the trial: the regimen of 15MBq/kg Betalutin® following a pre-dose of 40 mg lilotomab ("40/15"). As a result of the change in the design of the study to a single dosing arm, and following interactions with the regulatory authorities, the company resolved that the required efficacy and safety database to support a first regulatory filing at the designated dose of 40/15 could be achieved by reducing the overall number of enroled patients from 130 to 120.

The company also amended and broadened the trial protocol to include a more representative 3L patient population by adapting the inclusion criteria to allow entry of patients who have undergone autologous stem cell transplant ("ASCT"), as well as patients with lower platelet counts at baseline (i.e.≥100 x 109/L). The company obtained approval for the corresponding protocol amendments from the regulators in each of the 24 countries in which PARADIGME is active. Patients matching these inclusion criteria have been enroled under the new protocol.

The company is focused on completing enrolment into PARADIGME and expects to report preliminary three-month top-line data during H2'2022.

Betalutin® has orphan drug designation ("ODD") for FL in the US and EU and fast track designation in the US. In May 2020, Betalutin® also received ODD in the EU for marginal zone lymphoma ("MZL") and was granted fast track designation for MZL in the US.

In 2021, the company reported preliminary data on two Phase 1 clinical trials with Betalutin®. Firstly, in the Phase 1b Archer-1 study Betalutin® was combined with rituximab in 2L FL patients. This was a small trial but showed that seven out of seven patients achieved a response, including five CR (complete response) and two PR (partial response). Responses are still ongoing in six patients, five of whom have passed the 24-month assessment and are nearing three years. Betalutin® with rituximab showed a very good safety profile, comparable to that of single agent Betalutin®. The results of this study are informing the design of the confirmatory Phase 3 study, which will be required following any application for accelerated approval in 3L FL and which the company presented during the R&D Day held on 30 November 2021. The preliminary design foresees the randomisation of frail 2L FL patients, not eligible for aggressive therapy, to Betalutin® + rituximab or rituximab alone.

Secondly, in the LYMRIT-37-05 single agent Phase 1 trial in R/R DLBCL Betalutin® showed a good safety/tolerability profile and clinical activity was seen in two evaluable patients out of nine receiving the highest doses. Given the findings from this study, a dose of 100 mg/m² lilotomab followed by 20 MBq/kg Betalutin® was determined as the recommended Phase 2 dose

(RP2D). As presented during the R&D Day held on 30 November 2021, the company believes that an exploratory Phase 2 combination study is warranted, as the RP2D can be considered for investigation in combination with other therapies.

Alpha37 (212Pb-TCMC-NNV003) is an anti-CD37 alpha-particle emitting radioimmunoconjugate in preclinical development for treating chronic lymphocytic leukaemia which is being developed in collaboration with Orano Med. The project is close to reaching IND stage. During the R&D Day on 30 November 2021, the company presented preclinical data showing Alpha37 is superior to ibrutinib and effective in both ibrutinib-resistant and -sensitive mouse models. Given these preclinical data and the unmet patient need in CLL, Nordic Nanovector believes that a focus on high risk and/or ibrutinib resistant/refractory CLL would provide a meaningful entry indication for Alpha37.

Humalutin® is another next-generation anti-CD37 radioimmunoconjugate tailored for treatment of NHL. It consists of a chimeric anti-CD37 antibody (NNV003), conjugated to lutetium-177. Preclinical and CMC documentation have been completed and development is on hold due to the focus of resources on PARADIGME and its completion. During the R&D Day on 30 November 2021, the company presented data to confirm Humalutin® presents a low immunogenicity profile which may allow for multiple dosing and that a higher therapeutic effect of NNV003 vs. lilotomab may enable use as a pre-treatment.

The company has also advanced the humanised anti-CD37 monoclonal antibody discovery programme in 2021 and submitted two patent applications to protect the technology. An anti-CD37 CAR-T programme was started in the end of 2021 in collaboration with University of Pennsylvania in the US.

The technology

Betalutin® is a next generation radioimmunotherapy that targets the CD37 antigen. It is a ready-to-use formulation for single-dose administration initially for the treatment of 3L relapsed and/or refractory follicular lymphoma (R/R FL) patients. Betalutin® is a radioimmunoconjugate, which consists of the anti-CD37 murine (mouse) antibody lilotomab, conjugated to the beta-emitting isotope lutetium-177 (^{177}Lu). Betalutin® is also referred to as lutetium (^{177}Lu) lilotomab satetraxetan.

In immunotherapy, a laboratory-produced molecule called a monoclonal antibody is engineered to recognise and bind to the surface of cancer cells. Monoclonal antibodies mimic the antibodies naturally produced by the body's immune system that attack invading foreign substances, such as bacteria and viruses.

The short-range beta-radiation emitted by lutetium-177 can cause cell death in both the cells to which Betalutin® molecules bind and the nearby surrounding cells with a mean penetration depth of approximately 0.23 millimetres (i.e., a localised tumour cell kill (40-cell radius) from irreparable double strand DNA breaks). This so-called crossfire effect makes it possible to also kill malignant cells that do not express the CD37 antigen highly or that are poorly perfused (i.e., have limited blood supply) within a tumour mass.

In Alpha37 the alpha-particle generating radionuclide Lead-212 is used to optimize the treatment towards CLL which is manifested as an increase in blood cells in the blood and bone marrow. The alpha-particles have a range of less than 100 µm, which makes this type of radiation more suitable for treatment of single cells than beta particles.

WHY TARGET CD37

What is CD37?

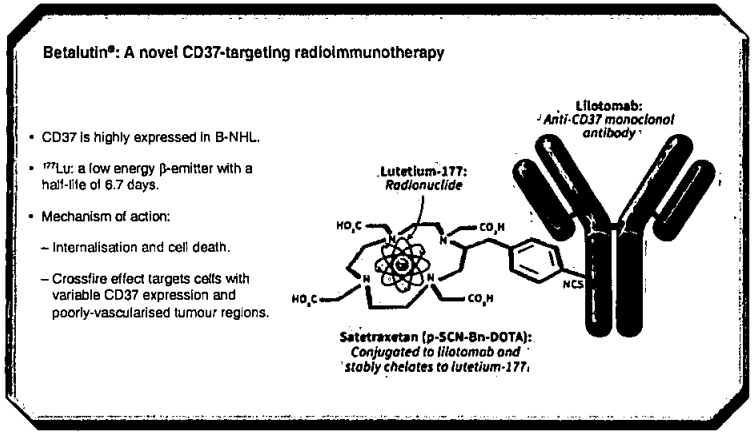
- CD37 is a protein found on the surface of immune cells and interacts with other proteins inside the cell.
- Although the exact physiological role is unclear, CD37 is thought to play a role in both cell survival and cell death.

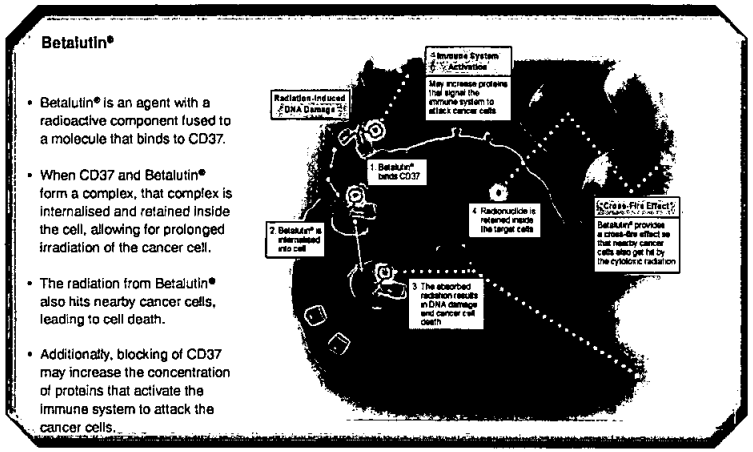
Why target CD37?

- CD37 is highly expressed on most B-cells and B-cell lymphomas.
- CD37 is absent on normal stem cells and is lost again following differentiation into plasma cells.
- Because of its high prevalence on the surface of B-cell lymphomas, CD37 is a target for several different agents in clinical development.
- Since most lymphoma patients will eventually become refractory to anti-CD20-based therapies, which are the mainstay of current treatment, targeting alternative pathways, such as CD37, may represent a promising therapeutic approach.

KEY BENEFITS OF BETALUTIN®

- Betalutin® is specifically designed as a one-time treatment for NHL and it offers a compelling, unique and differentiated value proposition.
- Betalutin® targets CD37, a different antigen compared to other drugs currently used for NHL. CD37 is highly expressed by B-cells and in B-cell lymphoma. It provides an alternative therapeutic target for anti-CD37-based therapies in recurrent lymphoma patients who do not respond to anti-CD20-based therapy (e.g., rituximab-based regimens).
- The ^{177}Lu payload emits beta-particles with a mean range of approximately 0.23 millimetres. Beta-particles cause tumour cell death through irreversible double-stranded DNA breaks. The limited range of the beta-particles minimises their impact on healthy cells.
- The beta-particle radiation facilitates a localised "multi-cell kill" mechanism of action (also called the "crossfire effect"), which enhances the destruction of nearby malignant cells within a tumour mass that do not express CD37 antigens or have limited blood supply. This represents a significant advantage over the single-cell kill effect of other immunotherapy approaches (monoclonal antibodies and ADCs), which may leave tumour cells that do not express the target antigen unaffected by treatment.
- The half-life of ^{177}Lu (6.7 days) matches the time required for maximal uptake of lilotomab in tumours. Betalutin® is prepared as a ready-to-use formulation that is administered as a single injection in an outpatient setting, with no radiolabelling needed at the treatment centre.
- Betalutin® offers the potential for high and durable response from one-time treatment in heavily pre-treated NHL patients.
- Betalutin® has predictable and manageable toxicity, important for elderly NHL patients who might not be able to tolerate chemotherapy or targeted and cell therapies all of which are associated with a high side-effect burden in some patients.





Therapeutic areas

NON-HODGKIN LYMPHOMA (NHL)

Nordic Nanovector develops innovative anticancer therapeutics for haematological cancers, such as non-Hodgkin lymphoma and leukaemia and immune diseases.

Currently, more than 200 different types of cancer exist, which can develop in 60 different organs in the body. Some cancer types are known for taking thousands of lives every year. These include breast, lung, prostate, colorectal, malignant melanoma and non-Hodgkin lymphoma (**"NHL"**), a haematological cancer.

NHL can be further divided in two groups; B-cell lymphomas (including, amongst other subtypes, diffuse large B-cell lymphoma, follicular lymphoma, chronic lymphocytic leukemia/small lymphocytic lymphoma, mantle cell lymphoma and marginal zone lymphoma) and T-cell lymphomas (precursor T-lymphoblastic lymphoma/leukemia and peripheral T-cell lymphomas).

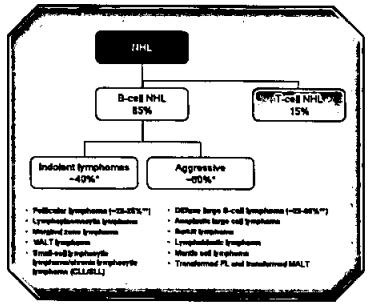
NHL is a relatively common type of cancer that develops in either B lymphocytes or T lymphocytes, often referred to as B cells and T cells. B cells and T cells are white blood cells. B cells make up 85 per cent of the total lymphocytes, while T cells make up 15 per cent.

The number of diagnosed incident cases of NHL is expected to grow from 153 943 in 2019 to 179 991 in 2029, corresponding to 1.7 per cent annual growth[1].

The NHL therapy market (including chronic lymphocytic leukemia (**"CLL"**)) is forecasted to grow from USD 14.9 billion in 2019 to USD 27.2 billion in 2029[2] (7.6 per cent annual growth). This growth is expected to be fuelled by label expansions and the increased uptake of currently available therapies, greater use of combination approaches and the approval of novel agents for this indication.

FOLLICULAR LYMPHOMA (FL)

Follicular lymphoma, a B-cell lymphoma, is the most common indolent (slow-growing) form of NHL. Common signs of disease include enlargement of the lymph nodes in the neck, underarm, stomach, or groin, as well as fatigue, shortness of breath, night sweats, and weight loss. Often, people with FL have no obvious symptoms of the disease at diagnosis. Over time, some patients with FL may eventually develop a transformed lymphoma, which is often more aggressive and usually



requires more intensive types of treatment[3]. The number of diagnosed incident cases of FL in the seven major markets (US, key five European markets, and Japan) was 32 603 in 2019 and is expected to rise to 37 077 in 2029[4].

Betalutin® is being developed for the treatment of relapsed/refractory (R/R) follicular lymphoma (i.e., 2L+, 3L+ and beyond), with 3L+FL representing the first to market indication. FL is an incurable cancer type, and even patients who achieve remission after a given line of treatment will eventually relapse. In addition, 5-10 per cent of diagnosed incident cases will transform into DLBCL, a more aggressive tumor sub-type.

While immuno-chemotherapy regimens (an anti-CD20 antibody combined with bendamustine, CHOP, CVP, fludarabine or chlorambucil), which represent the standard of care in 1L treatment, are initially effective in inducing a response in most patients, the majority of patients will inevitably relapse, and the same therapies will show decreasing efficacy in the subsequent lines of therapies with repeated administration.

1) NHL and CLL Report, DRG, 2021, Disease Landscape and Forecast
2) NHL and CLL Report, DRG, 2021, Disease Landscape and Forecast
3) http://www.lymphoma.org/site/pp.asp?c=bkLT7KaOGLmKBE&b=6300155 (Accessed 30 November 2018).
4) NHL and CLL Report, DGR 2021, Disease Landscape and Forecast

In addition, many patients become resistant or refractory to rituximab or rituximab-containing regimens, thus therapeutic targets other than CD20 are important. Treatment options for patients who have failed first line therapy (i.e., who are about to start second line) are selected based upon factors such as prior treatment used, patient age, performance status, presence of co-morbidities, and duration of response to prior therapy.

A series of novel agents have in the past few years received an accelerated approval in the US, two of which also received conditional approval in Europe, for treatment of adult FL patients who have received two prior lines of therapy (i.e., third line setting). Despite the availability of these new agents there is still an unmet need for novel therapies which, in elderly and fragile patients in particular, can improve outcomes while maintaining a good quality of life (**"QoL"**). Most patients in this setting no longer respond to rituximab or other anti-CD20 based therapies, and most of them have co-morbidities, either related to their age (>70 years) or to prior chemotherapy (prolonged myelosuppression, neuropathies, cardiovascular disease), that prevent re-treatment with chemotherapy or other agents such as PI3k inhibitors or CAR-Ts which are associated with a high side-effect burden.

MARGINAL ZONE LYMPHOMA (MZL)

Marginal zone lymphoma (**"MZL"**) is a heterogeneous indolent B-cell neoplasm originating from post-germinal centre marginal zone B cells in lymph nodes, the spleen and a variety of extra-nodal tissues.

The three major MZL subtypes are extranodal MZL of mucosa-associated lymphoid tissues (**"MALT"**), nodal MZL and splenic MZL (**"SMZL"**), all of which share similar immunophenotypes: CD19, CD20, CD37 and CD22 positive, and CD5, CD10 and usually CD23 negative. MZL more often affects older individuals, with the median age at diagnosis of approximately 70 years[5].

The aetiology of MZL has been associated with chronic infection (e.g., hepatitis C virus and Helicobacter pylori) which may induce B-cell receptor (BCR) signalling, resulting in aberrant B-cell survival and proliferation. MZLs represent approximately 5-15 per cent of all non-Hodgkin lymphomas in the Western world (Zocca *et al.*, 2020). MZL arises in several epithelial tissues. The gastrointestinal tract is most commonly involved with the stomach being the most common specific site. Diagnosis of MZL is made based upon morphologic, immunophenotypic, and genetic analysis of biopsy materials taken from the site of disease in conjunction with clinical signs and symptoms.

CHRONIC LYMPHOID LEUKEMIA

Chronic lymphocytic leukemia (**"CLL"**), usually combined with small lymphocytic lymphoma (**"SLL"**), is an indolent NHL sub-type. CLL and SLL are universally recognised as part of the same disease, and they are both classified as B-cell lymphoid neoplasms by the World Health Organisation. Hence CLL/SLL are included as a single disease entity within indolent NHL. Although CLL technically falls under the umbrella of NHL, the disease has different characteristics from many of the other NHLs, partly because of its leukemic nature; therefore, different drugs are offered to these patients in addition to what is available to other NHL patients.

Leukemia cells build up slowly over time, and many patients do not have symptoms for years. Few visible symptoms are enlarged lymph nodes, liver, or spleen. B symptoms such as fever, chills, night sweats and weight loss.

It is a disease of the elderly: median time to diagnosis is one and a half years, median age at diagnosis 70 years. Overall survival at five years is 84.2 per cent, with an initial benign course followed by a progressive and resistant phase lasting one to two years.

CLL can transform to DLBCL or Hodgkin's lymphoma aka Richter Transformation (~0.5-1.0 per cent per year). The distribution of NHL subtypes varies by country. In the United States and the European markets, CLL accounts for 24.5-33.4 per cent of cases[6]. The number of diagnosed incident cases of CLL and SLL in the seven major markets (US, key five European markets, and Japan) was 42 448 in 2019 and is expected to be 51 000 in 2029[6].

Therapeutic targets other than CD20 are important. Treatment options for patients who have failed first line therapy (i.e., who are about to start second line) are selected based upon factors such as prior treatment used, patient age, performance status, presence of co-morbidities, and duration of response to prior therapy.

DIFFUSE LARGE B-CELL LYMPHOMA (DLBCL)

DLBCL represents a sub-group of B-cell lymphoma within the NHL family. Accounting for approximately one third of newly diagnosed cases of NHL, DLBCL is the most common type of NHL cancer. DLBCL occurs in both men and women, although it is slightly more common in men. Although DLBCL can occur in childhood, its incidence generally increases with age, and roughly half of patients are over the age of 60. DLBCL is an aggressive form of lymphoma, that can arise in lymph nodes or outside of

the lymphatic system, in the gastrointestinal tract, testes, thyroid, skin, breast, bone, or brain. Often, the first sign of DLBCL is a painless, rapid swelling in the neck, underarms, or groin that is caused by enlarged lymph nodes. For some patients, the swelling may be painful. Other symptoms may include night sweats, fever, and unexplained weight loss. Patients may notice fatigue, loss of appetite, shortness of breath, or pain[7].

The number of diagnosed incident cases of DLBCL in the seven major markets (US, key five European markets, and Japan) was 71 787 in 2019 and is expected to be around 83 000 in 2029.

Betalutin® is being developed in patients with R/R DLBCL who are ineligible for stem cell transplantation. A safety and tolerability Phase 1 study has been completed in that patient population (LYMRIT 37-05). In this single agent trial, Betalutin® showed a good safety/tolerability profile and clinical activity was seen in two out of nine evaluable patients receiving the highest doses of Betalutin®.

Rituximab plus CHOP (a combination of chemotherapy agents) is the standard of care for treatment of first line DLBCL patients. Despite being an aggressive tumour, approximately 60 per cent of patients are cured by first line treatment. For the 40 per cent who relapse, the only available option is high-dose chemotherapy followed by stem cell transplantation (SCT). However, 60-70 per cent of these patients, who fail or are unsuitable for SCT, have limited treatment options. Despite newly available agents, life expectancy in these patients is poor. Hence, the clinical need is high.

For DLBCL, 10-year overall survival ranges between 30 and 40 per cent.

5) www.orpha.net; Smith et al, 2015.

6) NHL and CLL Report, DRG 2021, Disease Landscape & Forecast.

7) http://www.lymphoma.org/site/pp.asp?c=bkLTKaOQLmK8E&b=6300153 (Accessed 30 November 2016).

Letter from the CEO

Dear Shareholders,

I am very pleased to write my first letter to shareholders since joining the company as CEO late September last year.

There are exciting opportunities ahead for Nordic Nanovector and, having had time to thoroughly evaluate the company, I am even more convinced of the potential of Betalutin® to become an important new treatment option firstly in follicular lymphoma (FL) and more widely across other forms of non-Hodgkin lymphoma (NHL).

Nordic Nanovector has become a leader in understanding CD37, a very important target for cancers and inflammatory diseases that has not been fully capitalised on by the biopharma industry to-date. Our expertise and capabilities around CD37 have provided us with access to a number of significant value-generating opportunities and the company has already built a strong emerging pipeline, including not only targeted radioimmunotherapies such as Betalutin®, but also other immunotherapies, including CAR-T, where our expertise can be leveraged.

While our key strategic priority for 2022 remains on delivering the preliminary data read-out from the PARADIGME study evaluating Betalutin® in third line FL, which is expected in the second half of 2022, we are also actively seeking opportunities to advance our promising CD37 pipeline to create additional value for our shareholders.

Review of 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 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) giving us 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, effective vaccines, further significant disruption was caused to clinical trials globally, including PARADIGME, by the emergence and spread firstly of the coronavirus Delta variant and then Omicron.

The continuing and additional restrictions that resulted from the emergence of these new coronavirus 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 we are targeting, given their physical condition, are at the greatest risk from COVID-19 infection. Clearly the safety of patients remains paramount in the conduct of our 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 our recent Q4 update on 28 February 2022, we have enroled 106 of the 120 evaluable patients targeted. The company remains focused on completing PARADIGME as quickly as possible within the restrictions imposed by the impact from COVID-19 and is working diligently towards this key strategic objective for 2022. Encouragingly, we have begun to see signs that the impact of these restrictions may be moderating, and we remain confident that we will deliver preliminary 3-month top-line data later this year.

Reaching this milestone would be a significant achievement for Nordic Nanovector, and a positive readout would highlight the promising therapeutic profile of Betalutin® and its potential as a possible one-time treatment for NHL patients. With fast track designation in the US and orphan drug designation in the US and EU, as well as the robust market research and stakeholder feedback we have amassed, we believe there is a clear route to market for Betalutin®, which will be positioned to address an important unmet patient need initially in elderly and frail patients.

In anticipation of a positive outcome to PARADIGME, the company is already preparing for its regulatory filing and developing its commercialisation strategy, including working towards the completion of chemistry, manufacturing, and control (CMC) activities. We are also planning for the confirmatory Phase 3 trial, which will be required if we are successful with PARADIGME, as well as developing our already extensive market knowledge.

Furthermore, as part of our commitment to patients, we are supporting and co-funding an initiative run by a government affairs group, the Health Policy Partnership (HPP), called the Radioligand Therapy Readiness Assessment Framework, which aims to raise awareness of the benefits of targeted radiopharmaceutical therapy and minimise barriers to its integration in lymphoma care. The Radioligand Therapy project published its first readiness assessment framework in 2021, which will also help define our commercialisation strategy.

Expanding Betalutin® opportunity and emerging CD37-targeting pipeline

Looking beyond PARADIGME, the company hosted an R&D Day for investors in November 2021 where we discussed further opportunities for Betalutin® in earlier lines of FL and expansion into other NHL subtypes, including diffuse large B-cell lymphoma (DLBCL). We saw promising results during the year from completed Phase 1 studies in these indications that will also help inform our future development strategy for Betalutin®.

The company provided further insights into the importance of CD37 as a target for a number of diseases, and further explained how Nordic Nanovector aims to leverage its expertise and knowhow around this target through its emerging pipeline of novel CD37-targeting approaches for other types of cancers and inflammatory diseases. This pipeline includes Humalutin®, Alpha37, our fully humanised anti-CD37 mAb, and a novel CD37-targeting CAR-T cell approach that we are seeking to develop in a research collaboration with CAR-T pioneers at the University of Pennsylvania as a potential treatment for patients with B-cell malignancies.

As mentioned above, the company's key strategic priority for 2022 and main use of resources remains the completion of recruitment into and preliminary data read-out from PARADIGME, but we are actively seeking opportunities to fund and advance our wider pipeline to build additional value within the company.

Financing the continued development of Betalutin®

As previously mentioned, we raised NOK 422 million gross (~USD 49.7 million) during H1'2021 and were pleased to raise a further NOK 250 million gross (~USD 28.4 million) in Q1'2022. The proceeds, together with existing cash resources, are expected to ensure financing of the company beyond the preliminary 3-month data readout from PARADIGME targeted for H2'2022 and for at least an additional three months into 2023 to enable the company to maximise shareholder value from the PARADIGME clinical trial.

It is thanks to our entire highly skilled team and their efforts and dedication that we have delivered further progress across 2021 under extremely challenging circumstances. This reflects the core values of our company in working with enthusiasm and integrity while striving to improve the treatment of patients with haematological cancers and inflammatory diseases.

I also extend my thanks to the company's shareholders for your continued support. I am confident that in 2022 we will see a step change in Nordic Nanovector's prospects as we deliver the initial top line data from PARADIGME, showing the significant potential of Betalutin®, a key milestone in our continuing efforts to create value for all our stakeholders, as well as benefits for society at large.

Erik Skullerud
Chief Executive Officer

Oslo, 05 April 2022

Governance

Annual statement on corporate governance

Nordic Nanovector is committed to healthy corporate governance practices, strengthening and maintaining confidence in the company, and thereby contributing to long-term value creation for shareholders and other stakeholders. Strong and sustainable corporate governance practices include ethical business practices, reliable financial reporting and compliance with legislation and regulations. The objective of corporate governance is to regulate the division of roles between shareholders, the board and executive management more comprehensively than is required by legislation.

Nordic Nanovector's principles for corporate governance are based on the following key elements:

- All shareholders are treated equally.
- Nordic Nanovector will provide open, reliable and relevant communication to shareholders, governmental bodies and the public about the company's activities and its corporate governance commitment.
- Nordic Nanovector's board is fully independent of the company's executive management.
- The majority of the members of the board of Nordic Nanovector are independent of major shareholders.
- Nordic Nanovector pays particular attention to ensuring that there are no conflicts between the interests of its shareholders, the members of its board and its executive management.
- Nordic Nanovector will ensure a clear division of responsibility between the board and the executive management.

1. Implementation and reporting on corporate governance

Nordic Nanovector ASA's board actively adheres to good corporate governance standards, in line with Norwegian laws and regulations, as well as international best practice standards. A corporate governance policy was adopted by the board in January 2015 and latest updated in December 2021. The policy is, in all material aspects based on the Norwegian Code of Practice for Corporate Governance (the Code), to which the board has resolved that the company shall adhere.

Nordic Nanovector ASA is a Norwegian-registered public limited liability company with its shares listed on the Oslo Stock Exchange. The Norwegian Accounting Act Section 3-3b, which the company is subject to, sets out certain corporate governance related information, which is to be disclosed and reported on through the issuance of an annual reporting document. This report meets the requirements provided by the Accounting Act. The Accounting Act is available on www.lovdata.no.

Further, the continuing obligations of stock exchange listed companies issued by the Oslo Stock Exchange requires listed companies to publish an annual statement of their practice related to their policy on corporate governance (cf. Oslo Rule Book II, section 4.4). In addition to setting out certain minimum requirements for such reporting (equivalent to those under the Accounting Act), the continuing obligations require that the company reports on its compliance with the recommendations of the Code. Both the continuing obligations and the Code require that an explanation is provided where a company has chosen an alternative approach to specific recommendations in the Code (i.e., the "comply or explain" principle). Nordic Nanovector complies with the current Code, most recently revised on 17 October 2018. The company provides a report on its principles for corporate governance in its annual report and on its website. The continuing obligations are available on www.oslobors.no and the Code is available on www.nues.no.

The board of Nordic Nanovector has, in close cooperation with the company's executive management, adopted several corporate governance guidelines:

- code of conduct and corporate social responsibility
- rules of procedure for the board
- instructions for the audit committee
- instructions for the compensation committee
- instructions for the nomination committee
- internal routines for handling takeover bids
- instruction for handling inside information
- insider policy for primary insiders and employees that are not primary insiders
- anti-corruption manual
- whistle blowing policy

The governance documents set out principles for how business should be conducted, and these also apply to Nordic Nanovector's subsidiaries. The Code covers 15 topics and this statement covers each of these topics and states Nordic Nanovector's adherence to the Code.

Deviations from the Code: None

2. Business

Nordic Nanovector's business is clearly defined in the company's articles of association as follows: "The objective of the company is to develop, market and sell medical products and equipment and to run business related thereto or associated therewith."

The board is responsible for defining the company's strategies, primary objectives and risk profiles and to support the company's value creation to shareholders in a sustainable manner. These are taking into account financial, social and environmental considerations, are evaluated yearly and described in the annual report.

Deviations from the Code: None

3. Equity and dividends

The board shall ensure that the company has a capital structure that is suitable for its objectives, strategy and risk profile. Total issued share capital at 31 December 2021 amounted to NOK 19 615 676, divided into 98 078 380 shares, each with a par value of NOK 0.20. The equity ratio at 31 December 2021 was 47.4 per cent.

The board has established a clear and predictable dividend policy: the financial resources of Nordic Nanovector are directed towards the clinical development of Betalutin®, both as a stand-alone product and in combination with other treatments, further investigations in the company's product pipeline and preparing for product launch. The company does not anticipate paying any cash dividend until sustainable profitability is achieved. The mandate to the board to increase Nordic Nanovector's share capital is tied to defined purposes and limited in time no later than the date of the next AGM.

The AGM held 28 April 2021 granted an authorisation to increase the share capital by an amount limited to 20 per cent of the share capital, to be used to strengthen the company's equity, for general corporate purposes, including but not limited to financing of acquisitions of other companies, businesses or assets including issuance of consideration shares in connection with the abovementioned transactions. In February 2021, the company completed a private placement, raising approximately gross NOK 361 million, through the use of the authorisation granted by an EGM held 21 October 2020. An EGM was held on 22 March 2021 to authorise a repair offering which was completed in April 2021, raising approximately gross NOK 61 million.

The AGM held 28 April 2021 further granted an authorisation to increase the share capital by an amount limited to NOK 75 000 at a subscription price corresponding to the par value of the shares. The authorisation may only be used to issue shares to members of the company's board, who have elected to receive all or part of their board remuneration in the form of restricted stock units (RSUs). The authorisation is valid until 28 April 2023. In 2021, the authorisation was used to issue 51 966 new shares to one former and two current board members that have exercised RSUs. The number of RSUs currently outstanding is 73 892.

The extraordinary general meeting (the "EGM") held on 20 December 2017 approved the company's new share based incentive programme. In 2021, the AGM authorised the board to grant up to 1 500 000 performance share units (PSUs) to the company's employees. The AGM further resolved to issue up to 1 500 000 free-standing warrants to employees that were awarded PSUs. The sole purpose of the free-standing warrants is to ensure delivery of shares in the company upon exercise of the PSUs and the options. The free-standing warrants do not give the PSU holders or the option holders a right to subscribe for any additional shares in the company. See note 6.3 in the annual accounts of this annual report for information about the number of options, PSUs and free-standing warrants that are outstanding and their terms and conditions.

Deviations from the Code: None

4. Equal treatment of shareholders

It is the company's policy to treat all shareholders equally. Nordic Nanovector has only one class of shares. Each share in the company carries one vote and all shares carry equal rights, including the right to participate in general meetings. The nominal value of each share is NOK 0.20.

If the board resolves to carry out a share issue without pre-emption rights for existing shareholders, then the justification shall be publicly disclosed in a stock exchange announcement issued in connection with the share issue.

Deviations from the Code: None

5. Shares and negotiability

There are no restrictions related to owning, trading or voting for shares in Nordic Nanovector.

Deviations from the Code: None

6. General meetings

The board ensures that the company's shareholders can participate in the company's general meetings, and that the general meetings are an effective forum for the views of shareholders and the board. The chair of the board, the CEO and CFO are present at the AGMs, along with the chair of the nomination committee and the company auditor.

The board ensures that:

- resolutions and supporting information distributed are sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the meeting
- any deadline for shareholders to give notice of their intention to attend the meeting is set as close to the date of the meeting as possible
- the general meeting is able to elect an independent chair for the general meeting.

Shareholders who are unable to participate themselves may cast a vote on each agenda item electronically or vote by proxy.

The notice of the general meeting includes information regarding shareholders' rights and guidelines for registering and voting at the general meeting. The company provides information on the procedure for representation at the general meeting through proxy, and a proxy form which allows separate voting instructions for each individual matter, including on each individual candidate nominated for election, is attached to the notice.

Deviations from the Code: With six out of seven board members located outside of Norway, not all board directors participate in the AGM following practical and cost related considerations.

7. Nomination committee

The nomination committee is laid down in the company's articles of association and the general meeting has stipulated guidelines for the duties of the nomination committee.

The nomination committee consists of three members. The general meeting elects the members of the nomination committee, its chair and determines the committee's remuneration. The majority of the members shall be independent of the board and the management. The nomination committee shall not include the any executive personnel or any member of the company's board of directors.

All shareholders are invited to propose candidates for the board and the nomination committee. Information about the procedure is available at

www.nordicnanovector.com/our-company/leadership/nomination-committee/nominations.

The AGM held 28 April 2021, re-elected Johan Christenson (chair), Egil Bodd and Pål Erik Robinson as members of the nomination committee for a period until the AGM in 2022.

The nomination committee's duties include proposing candidates for election to the board and the nomination committee and proposing fees to be paid to such members.

Deviations from the Code: None

8. Composition and independence of the board

Article 5 of Nordic Nanovector's articles of association states that the company's board shall consist of three to nine members and that the members shall serve for a term that ends at the next AGM. All the board members are consequently up for election at the next AGM.

The composition of the board shall ensure that it can act independently of any special interests. The board consists of; Jan H. Egberts (chair), Jean-Pierre Bizzari, Joanna Horobin, Per Samuelsson, Karin Meyer, Solveig Hellebust and Rainer Boehm.

Jan H. Egberts (chair), Jean-Pierre Bizzari, Karin Meyer, Joanna Horobin, Solveig Hellebust and Rainer Boehm, are independent of the company's executive personnel, material business contacts and the company's major shareholder(s). Per Samuelsson is independent of the company's executive personnel and material business contacts.

The biographies of the board members are presented on the company's website and the board members' shareholding in Nordic Nanovector ASA is disclosed in note 6.4 to the annual accounts. An overview of the board members' attendance at board meetings is included in their respective biographies in the annual report.

Deviations from the Code: None

9. The work of the board

The board has issued instructions for its own work, as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties. These instructions state how the board and executive management shall handle agreements with related parties, including whether an independent valuation must be obtained. The board shall also present any such agreements in their annual report. The board evaluates annually its performance and expertise based on work performed and experiences gained in the previous year.

Members of the board and executive management are obliged to notify the board if they have a significant, direct or indirect, interest in items to be considered by the board. An overview of any transactions with related parties will be included in the annual report.

The board has established an audit committee consisting of Karin Meyer (chair), Jan H. Egberts and Per Samuelsson for the thorough and independent handling of questions concerning accounting, audit and finance. The audit committee is also advisory and preparatory for the full board in questions related to accounting, audit and finance. The board has established a compensation committee consisting of Per Samuelsson (chair), Joanna Horobin, and Solveig Hellebust, which is a preparatory and advisory committee for the board in questions relating to the company's compensation of the executive management. The board has also established a clinical committee consisting of Jean-Pierre Bizzari (chair), Rainer Boehm and Joanna Horobin. The board has also established instructions for the committees and the CEO.

Deviations from the Code: None

10. Risk management and internal control

The board ensures that the company has sound internal controls in place and systems for risk management that are appropriate in relation to the extent and nature of the company's activities. In addition to the annual risk assessment, the management presents quarterly financial statements that will inform the board and shareholders on current business performance, including risks. These reports are reviewed by the board. Significant risks include strategic risks, financial risks, liquidity risks and operational risks including risks related to development of products. The company's significant risks are assessed on an ongoing basis and at least once a year by the board.

The company's finance function is responsible for the preparation of the financial statements and to ensure that these are prepared and reported according to applicable laws and regulations and in accordance with IFRS as adopted by EU. The audit committee performs reviews of the quarterly and annual financial statements with special focus on transaction types, which includes judgments, estimates or issues with major impact on the financial statement. Management controls are performed at a senior level in the company.

Deviations from the Code: None

11. Remuneration of the board

The remuneration of the board is proposed by the nomination committee and decided by the shareholders at the AGM of the company. The level of remuneration of the board reflects the responsibility of the board, its expertise and the level of activity in both the board and any board committees. The company has not granted share options to board members. The company has, however, granted restricted stock units (RSUs) to board members that have elected to receive all or part of their remuneration determined by the AGM in advance in the

form of restricted stock units. The number of restricted stock units allocated to the board members is determined based on the volume weighted share price ten trading days prior to the AGM. The remuneration of the board is thus not linked to the company's performance. If board members, or companies associated with board members, take on specific assignments for the company in addition to their appointments as board members, this will be reported to the board and the board will approve the remuneration for such additional duties.

Deviations from the Code: None

12. Salary and other remuneration of executive personnel

The board has established guidelines on the salary and other remuneration for executive personnel that are clear and easily understandable, and contribute to the company's commercial strategy, long-term interests and financial viability. The performance-related remuneration of the executive personnel, such as equity incentives and bonus programmes, are linked to value creation for shareholders. The annual bonus element is subject to an absolute limit of 55 per cent for the company's CEO and 45 per cent for other executives. These guidelines are included in the Remuneration Report for 2021.

Deviations from the Code: None

13. Information and communications

Nordic Nanovector is committed to treat all shareholders equally and will provide timely and precise information about the company and its operations to its shareholders, the Oslo Stock Exchange and the financial markets in general through the Oslo Stock Exchange's information system. Such information will be given in the form of annual reports, quarterly reports, press releases, notices to the stock exchange, capital market days and investor presentations.

The board has established several guidelines related to the company's disclosure of information to the financial markets and for the contact with shareholders, as mentioned in section 1 above.

The company publishes a financial calendar with an overview of the dates for important events, such as the AGMs and release of interim reports.

Deviations from the Code: None

14. Take-overs

The board has established guiding principles for how it will act in the event of a takeover offer. The board will not attempt to influence, hinder or complicate the submission of bids for the acquisition of the company's operations or shares, or prevent the execution thereof. The board will help ensure that shareholders are treated equally. If a takeover offer is made, the board will obtain a valuation from an independent expert and issue a recommendation as to whether shareholders should accept the offer.

Deviations from the Code: None

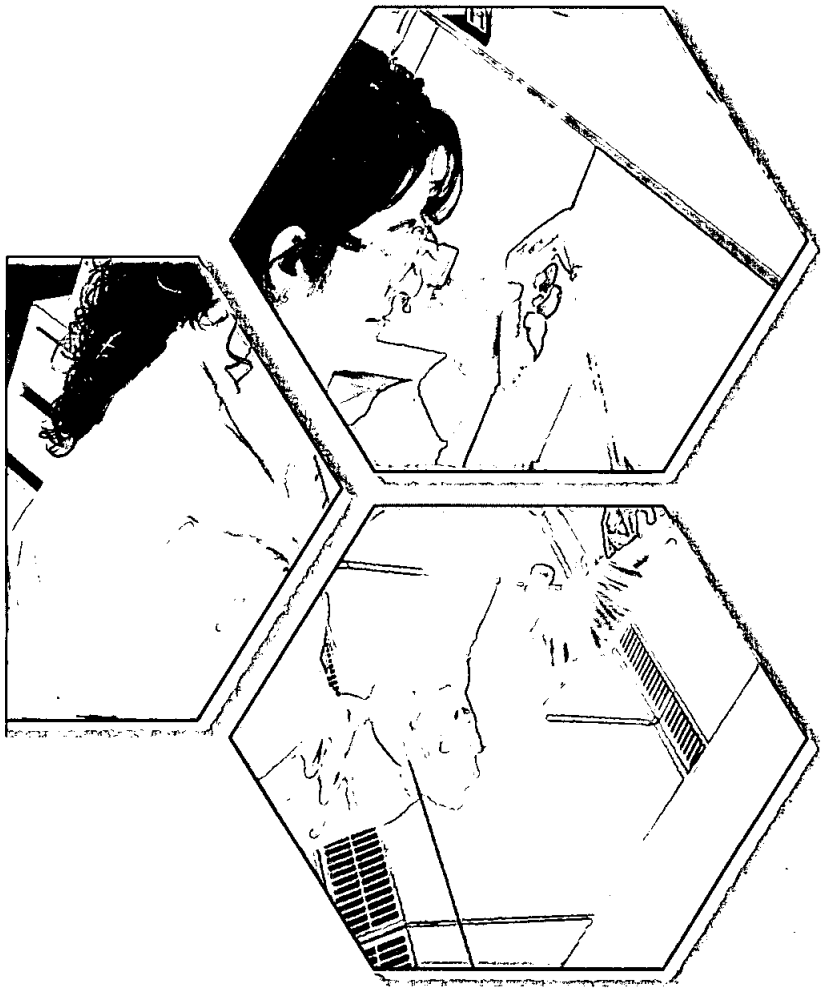
15. Auditor

The board ensures that the company's auditor on an annual basis presents to the audit committee the main features of the plan for the performance of the audit work. The auditor participates in meetings with the board that deals with the annual financial statements and, at least once a year, carries out a review of the company's procedures for internal control in collaboration with the audit committee. In addition, the external auditor meets with the board, without management being present, at least once per year.

Deviations from the Code: None

The governance documents are also listed on the web: *https://www.nordicnanovector.com/investors-and-media/corporate-governance/governance-documents*

Approved by the board, 5 April 2022.



Corporate social responsibility policy

Nordic Nanovector's vision is to develop and deliver the therapeutic potential of Betalutin® and other innovative CD37-targeted immunotherapies to patients to address their unmet medical needs across haematological cancers and immune diseases. As the reporting of sustainability metrics continues to evolve, the board of directors and the executive management team at Nordic Nanovector continue to adapt and improve related disclosures.

The CSR section in our annual report discloses the main highlights of our CSR initiatives but does not reflect all ongoing activities.

Our CSR strategy focus is on four main areas:

1. **Safety and well-being of employees**
2. **Conducting business ethically and transparently**
3. **Research and Development ethics**
4. **Environment and recycling**

We believe responsible behaviour is key to build trust and protect the reputation of the company, and our CSR framework provides an important means for us to prioritise our activities in this area.

Nordic Nanovector's ability to succeed also depends on the interest, trust, relationships and reputation among all key stakeholders including R&D partners, employees, regulatory authorities, and shareholders. This applies across the value chain of each product candidate and in every phase of the R&D cycle.

Nordic Nanovector is committed to build a responsible and credible business based on sustainable and sound business principles, with respect for people, the environment and society. Responsible behaviour plays a prominent role in all parts of our operations and in all interaction with our stakeholders.

In conducting our business, Nordic Nanovector complies with all relevant laws, regulations, standards and guidelines. Responsibility for our CSR policy is headed up by a member of our executive management in close collaboration with our human resources, investor relations/communications, legal, compliance, quality and R&D functions. This team ensures that Nordic Nanovector carries out its CSR activities effectively and communicates them clearly and openly.

The CSR policy is also listed on the web: *https://www.nordicnanovector.com/investors-and-media/corporate-governance/corporate-social-responsibility.*

Safety and well-being of employees

Attracting, developing, and retaining high-quality staff is paramount to our success in delivering innovative therapies to patients in our core disease areas. Our employees are at the heart of this purpose through their commitment, dedication and contribution every day.

The key to achieving our mission is to make Nordic Nanovector a great place to work. Nordic Nanovector's working culture is based on collaboration and a distinct sense of commitment to the company's vision and strategy.

Nordic Nanovector promotes a productive working environment and does not tolerate disrespectful behaviour. The company has a whistle blower strategy in place to deal with any staff concerns at any level within the organisation.

The company is an equal opportunity employer. Discrimination in hiring, compensation, training, promotion, termination or retirement based on ethnic or national origin, religion, sex or other distinguishing characteristics is not accepted. Nordic Nanovector will not use force of any form or involuntary labour or employ any persons below the legal minimum age in line with accepted international standards.

Nordic Nanovector provides mandatory onboarding programmes for all new employees. The parts of the onboarding programme that adhere to non-employees are mandatory for part-time employees or consultants.

At the end of 2021, the group employed 40 people, of which four were part-time employees and 18 were employed in subsidiaries. Nordic Nanovector ASA employs 22 of the Nordic Nanovector group's 40 employees.

Nordic Nanovector aims to foster a workplace with equal opportunities for women and men in all areas. The group has traditionally recruited from environments with relatively equal representation of women and men. The team of employees consists of 60 per cent women and 40 per cent men, representing 12 different nationalities.

The board consists of 43 per cent women and 57 per cent men. The executive management team consists of 50 per cent women and 50 per cent men.

No employee accidents or injuries were registered in 2021.

Sick leave in Nordic Nanovector ASA amounted to 114 working days in 2021. The breakdown of sickness absence in 2021 corresponds to 1.3 per cent of total working days. This compares to the 217 working days and 2.8 per cent of sick leave (short-term and long-term sickness absence) reported in 2020.

Conducting business ethically and transparently

Nordic Nanovector is committed to lawful and ethical behaviour with all our stakeholders and requires all members of the board of directors and staff to comply with the applicable laws and regulations.

Nordic Nanovector has implemented several policies, guidelines and procedures for ethical and transparent interactions with stakeholders, such as suppliers and healthcare professionals. We expect our staff to exercise reasonable judgment when conducting our business. We encourage our staff to familiarise themselves with and refer to these guidelines and policies to ensure that they are acting in accordance with them.

We expect our third-party suppliers to conduct business with integrity, ethics and respect for human rights. We expect them to actively avoid conflicts of interest, corruption and fraud. Our suppliers are required to adhere to contractual terms that include anti-bribery and anti-corruption provisions.

As a public company it is also important that our staff understands the legal requirements of the rules of Oslo Børs. A mandatory training course for employees takes place every year to maintain the highest standards of integrity towards our shareholders.

Research and development ethics

The biotech pharmaceutical industry is governed by extensive global and European regulations and laws. Preclinical and clinical trials must be conducted in compliance with the relevant regulations and laws. Nordic Nanovector is committed to operate in accordance with responsible, ethical and sound corporate and business principles and will always strive to comply with applicable laws and regulatory requirements in all areas of research and development.

Nordic Nanovector complies with international regulations, laws, guidelines and standards for development of new drugs, such as:

- Good Laboratory Practice (GLP)
- Good Clinical Practice (GCP)
- Good Clinical Laboratory Practices (GCLP)
- Good Manufacturing Practice (GMP)

The company also complies with relevant regulations and guidelines issued by the Norwegian Medicines Agency (NOMA), European Medicines Agency (EMA), US Food and Drug Administration (FDA) and others.

We put our patients first and everything we do is driven by consideration for their safety, health and well-being. Mandatory training sessions are held annually to make sure that all staff comply with the latest regulations and understand the importance of patient safety in every aspect of our work.

Our clinical trials are only initiated if they are scientifically and medically justified, and have been externally validated by clinical experts, and after approval by the relevant regulatory authorities and ethics committees. Clinical trial subjects (and / or the legally authorised representative) must give written consent after being properly and fully informed of the trial, including its risks and potential benefits. Participants are duly informed that they can withdraw from the trial at any time, without any explanation, and then will receive appropriate standard care.

Nordic Nanovector and relevant authorities conduct regular site monitoring visits to ensure that clinical trials are conducted in accordance with the applicable approved study protocol.

All adverse events are monitored and reported to regulatory authorities and ethics committees as required, and appropriate actions are taken when needed. Our trials ensure all proper indemnification of participants in case a product candidate or trial procedure causes bodily harm.

We publish our trials on the appropriate clinical trial registries (e.g., *www.clinicaltrials.gov*) in a timely manner. We endeavor to publish results in peer-reviewed journals in accordance with Good Publication Practice and at relevant scientific meetings and congresses. In the interests of full disclosure, all our scientific posters and abstracts can be found on our website under Investors & Media – Scientific Papers.

As a publicly listed company, we also have the obligation to communicate important trial results in a timely manner to shareholders and the wider investor community via press releases.

Environment and recycling

It is Nordic Nanovector's mission to bring new innovative drugs to patients in the most sustainable way and with respect for the environment. We are committed to keeping our environmental impact to a minimum, reducing waste, and handling it in a safe and responsible way.

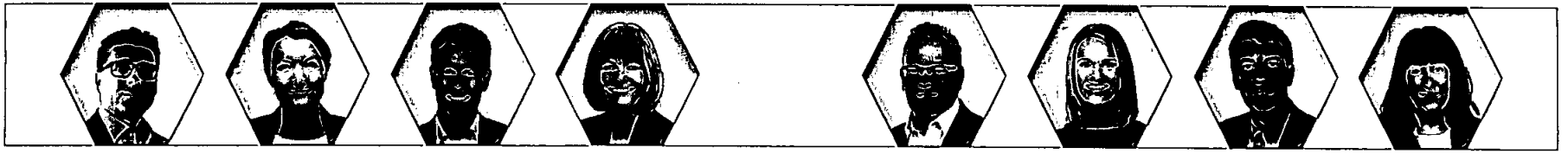
The company's business involves use of hazardous materials, chemical, biological and radioactive compounds and is thus exposed to environmental risks. It is our goal to minimise the environmental impact from our laboratories by controlling the waste treatment of all such chemicals. We maintain safety monitoring records in compliance with all applicable legislation. We treat our dangerous waste in accordance with local laws, and we ensure that training of employees takes place on all handling of hazardous materials, laboratory and other safety aspects, and on other relevant environmental policies for conducting our business.

Nordic Nanovector has no production sites, we do not own buildings, and our facilities have only minor environmental liabilities such as in waste handling. Nonetheless, we aim to continuously reduce our environmental impact, for example by recycling and replacing paper by digital means to the extent possible.

We also strive towards avoiding unnecessary travel and promote the use of online meeting facilities when possible to reduce CO_2 footprint to a minimum.

Approved by the board, 05 April 2022

The management



Erik Skullerud
Chief Executive Officer

Mr Erik Skullerud (53) joined Nordic Nanovector in September 2021 as Chief Executive Officer from Element Consulting GmbH, a globally focused boutique advisory and consultancy specialising in the life science industry where he was co-founder and managing partner. Prior to this, Mr Skullerud spent 25 years in the biopharma industry with increasing responsibility in global sales and marketing management roles. This included more than 15 years at Amgen, where his most recent role was as marketing director Europe Oncology / Hematology. Prior to that, he worked for Bayer Pharma for seven years. Mr Skullerud has launched numerous highly innovative products in therapeutic areas in oncology/ haematology, cardiology, and nephrology. He has significant business management exposure to EU, Asian and US markets. He has a BSc in Marketing, Finance and Management from Gothenburg Business School, Sweden and Concordia University, Montreal, Canada, and has been a guest lecturer at the INSEAD MBA Program, Paris, France. Mr Skullerud is a Norwegian citizen and resides in Switzerland.

Malene Brondberg
Chief Financial Officer

Ms Malene Brondberg (49) joined Nordic Nanovector in February 2018 as Vice President Investor Relations and Corporate Communications. Ms. Brondberg was on 4 May 2020 announced as CFO with the responsibility for the areas Finance, Human Resources and Investor Relations. Ms Brondberg brings over 20 years' operational experience in the financial services sector. Her career has included Global Head of Research managing a team of 67 people and member of the Executive Committee of the Nordic investment bank ABG Sundal Collier. Since 2011, Ms Brondberg has worked as a management consultant within the financial sector, acting as an advisor in relation to investor relations and funding, and has held various interim CEO, COO and Head of Compliance / HR / Finance management positions. Ms Brondberg is a Danish citizen and resides in the UK.

Jostein Dahle, PhD
Chief Scientific Officer

Dr Jostein Dahle (49) has more than 25 years of experience in cancer research and biotechnology. He is one of the inventors of Betalutin®, Humalutin, Alpha37 and humanised anti-CD37 Abs, and one of the founders of Nordic Nanovector. Dr Dahle has previously held the position of CEO of Nordic Nanovector, and leader of the radioimmunotherapy group at Institute for Cancer Research at the Norwegian Radium Hospital. He has published more than 60 papers in the fields of radiation biology and radionuclide therapy. Dr Dahle holds an MSc in biophysics from the Norwegian University for Science and Technology in Trondheim (1995), a PhD in radiation biology from University of Oslo (2000) and he received post-doctoral training in UV-carcinogenesis in the department of radiation biology at the Norwegian Radium Hospital (2001-2004). He has been with the company since incorporation in 2009. Dr Dahle is a Norwegian citizen and resides in Norway.

Gabriele Elbi, PhD
VP Global Regulatory Affairs

Dr Gabriele Elbi (60) joined Nordic Nanovector on 1 November 2019 from Mundipharma EDO, where she was Global Head of Regulatory Affairs Oncology. Dr Elbi is a pharmacist with more than 20 years' experience working in small and large pharmaceutical companies and at the European Medicines Agency (EMA). Dr Elbi has expertise in all regulatory aspects of pharmaceutical development and submission procedures for biologicals and small molecules in Europe and in the US with focus on oncology and haematologic malignancies. Dr Elbi has held senior leadership roles in global regulatory affairs at MorphoSys, Wilex and Sanofi-Winthrop (part of Sanofi). Dr Elbi holds a PhD from the Institute of Pharmaceutical Biology from the Ludwig-Maximillans-University in Munich, Germany. Dr Elbi is a German citizen and resides in Germany.

Lars Nieba, PhD
Chief Technichal Officer

Mr Lars Nieba (54) joined Nordic Nanovector on 1 December 2019 from Bayer AG, where he served as VP and Strategic Product Lead, responsible for driving Bayer's CMC strategy related to CMC product development, product supply and life cycle management of certain of its products (e.g. EYLEA®). Mr Nieba held the position as Interim Chief Executive Officer from 26 February 2020 until 8 April 2021. Mr Nieba brings 20 years of leadership experience in the development of multiple pharmaceutical product candidates and innovative technologies. Mr Nieba gained a PhD from the Max-Planck-Institute for Biochemistry, München and Institute for Biochemistry at the University of Zürich, and an Executive MBA from University of St. Gallen, Switzerland. Mr Nieba holds dual Swiss/German citizenship and resides in Switzerland.

Sandra Jonsson, PhD, MBA
Chief Operating Officer

Dr Sandra Jonsson (49) joined Nordic Nanovector in January 2022 as Chief Operating Officer. Dr Jonsson brings over 15 years of cross-functional experience in global pharma and biotech companies. She has a proven track record of strategy and operations, portfolio management, M&A and transformations, as well as launch and LCM experience. She comes from Alexion Pharma, at which she was Senior Director, Commercial International and before this, she was Head of Commercial Strategy & Operations in region Europe at Shire. Prior to that, Dr Jonsson spent 12 years at Novartis in a range of global leadership roles. She received an MBA from the University of St Gallen, Switzerland. Dr Jonsson gained her PhD in organic chemistry from Stockholm University, Sweden, and her postdoc in chemical biology/ organic chemistry from the ETH Zürich, Switzerland. Dr Jonsson holds dual Swiss/ Swedish citizenship and resides in Switzerland.

Pierre Dodion MD
Chief Medical Officer

Dr Pierre Dodion (67) joined Nordic Nanovector as Chief Medical Officer in January 2022 from Immunoncology Partners, a consultancy he founded to support biotech companies in clinical development, medical affairs and business development activities. In this role, he has acted as a consultant for Nordic Nanovector since April 2021. Dr Dodion has over 30 years' experience in the biopharmaceutical industry, spent mostly in the oncology and haematology areas. In this time, he has developed deep clinical development and medical affairs expertise, providing strategic insight and overseeing the coordination of multiple clinical trials. Furthermore, Dr Dodion has supported the global launch of several products. Dr Dodion is also serving as a specialist consultant in oncology for Atacrita, an international pharmaceutical and biotech consulting firm. Before that he served as Executive Vice President and CMO at Innate Pharmaceuticals and has held executive and/or corporate roles at Ariad Pharmaceuticals, Pfizer, Novartis, Aventis, UCB, and Roche. Dr Dodion is a Belgian citizen and resides in Belgium. Dr Dodion is a Belgian citizen and resides in Belgium.

Rosemarie Corrigan
Chief Quality Officer

Ms Corrigan (57) joined Nordic Nanovector in December 2017 as Chief Quality Officer with overall responsibility for quality assurance (QA) and compliance. Ms Corrigan brings over 25 years of experience in global quality and compliance at pharmaceutical, biotechnology and clinical research organisations, spanning product life cycle from discovery to commercialisation. In her most recent role, Ms Corrigan held the position of Global Head of QA and Alliance Manager at the biopharmaceutical company Oxurionn NV (previously ThromboGenics NV), supporting its products through development, launch and commercialisation. Prior to that, Ms Corrigan was Vice President, Global Quality at Norgine, a European specialty pharma company, where she was responsible for development, manufacturing and supply, commercial and corporate compliance. Ms Corrigan worked for over 10 years at Stiefel International (now part of GlaxoSmithKline), where she was an executive director with responsibility for all global R&D QA and compliance. Ms Corrigan is a British citizen and resides in the UK.

The board of directors

Jan H. Egberts, MD
Chair

Jan H. Egberts, MD (63) has over 25 years of experience in the pharmaceutical biotech and medical devices sector. Dr Egberts gained his medical qualifications from Erasmus University Medical School in the Netherlands and pursued the clinical part of his training at Harvard Medical School. He obtained his MBA from Stanford University after which he joined McKinsey & Co. as a strategic consultant in New York. From 1994 onwards, Dr Egberts held various business development and general management positions of increasing responsibility in the US at Merck & Co., and Johnson & Johnson. In 2000, he initiated the the BARRIER surgical business from Johnson & Johnson and the subsequent merger with Mölnlycke Health Care. After Mölnlycke, he became CEO of Novadeal Pharmaceuticals, Inc. Subsequently, Dr Egberts served as Senior Advisor, Healthcare Investments for 3i. Most recently Dr Egberts, served as CEO of OctoPlus. Dr Egberts currently serves as the Managing Director of Veritas Investments, a investment company focused on equity investments in Europe and US. During his career, Dr Egberts has held over 30 non-executive Supervisory board positions in both public and privately held healthcare companies. He attended 12 of 12 board meetings in 2021. Dr Egberts is a Dutch citizen and resides in the Netherlands.

Jean-Pierre Bizzari, MD
Director

Dr Bizzari (67) has served as EVP, Group Head, and Clinical Oncology Development at Celgene from 2008 to 2015. Prior to this, he spent 15 years as Vice President Clinical Development at Rhône-Poulenc Rorer, Aventis and Sanofi-Aventis and has been involved in the clinical development of several anticancer agents such as Taxotere®, Eloxatin®, Revlimid®, Vidaza®, Abraxane®, Irinotecan® (CPT-11). Dr Bizzari is a world-renowned oncology expert. He is a member of the scientific advisory board of the French National Cancer Institute (INCa) and is chair of the New Drug Advisory Committee at the European Organisation of Research and Treatment of Cancer (EORTC). He serves as director of the boards of several biotech companies; Transgene, Onxeo, Oxford Bio-therapeutics, Halozyme Therapeutics, and Pieris Pharmaceuticals. Dr Bizzari has published more than 70 articles in peer-reviewed journals. Dr Bizzari holds a medical degree specialised in oncology from the University of Nice, France, and has trained successively at the Pitié-Salpêtrière hospital in Paris, at Ontario Cancer Institute, and Montreal McGill Cancer Center in Canada. Dr Bizzari has served as a director in the company since May 2016. He is an independent director of the board. He attended 10 of 12 board meetings in 2021. Dr Bizzari is a French and US citizen, and resides in the US.

Joanna C. Horobin
Director

Ms Horobin (67) has comprehensive experience within the biopharmaceutical industry. In addition to serving on the board of Nordic Nanovector, she is chair of the board of directors at iOnctura S.A., and an independent director of Liquidia Inc., Kymera Therapeutics and Vyant Bio. She was previously CMO of Idera Pharmaceuticals Inc. and of Verastem Inc, and CEO of Syndax Pharmaceuticals. Additionally, Ms Horobin has held several roles of increasing responsibility at global pharmaceutical companies such as Rhône-Poulenc Rorer (now Sanofi) where she led the global launch of Taxotere®(docetaxel) in breast cancer and Campto/Camptosar® (camptothecin) for colorectal cancer, and played significant leadership roles in the approvals of several successful products. She has a MB ChB degree from the University of Manchester. Ms Horobin has served as a director in the company since October 2016. She is an independent director of the board. She attended 12 of 12 board meetings in 2021. Ms Horobin is a British citizen and resides in the US.

Per Samuelsson
Director

Mr Samuelsson (61) is a partner at Odlander Fredrikson/ HealthCap, a life sciences venture capital firm, which is also the principal shareholder of Nordic Nanovector at the date of the Prospectus. Mr Samuelsson has more than 15 years of investment banking experience, mainly with Aros Securities in Sweden. In his final position with Aros Securities, as a director of the corporate finance department, he specialised in the areas of merger transactions, initial public offerings and equity incentive programmes. Prior to this, Mr Samuelsson was Head of Research at Aros Securities. He currently holds board positions in several companies, including Targovax ASA, Oncopeptides AB, and SwedenBIO. Mr Samuelsson received his MSc in engineering from the Institute of Technology in Linköping. Mr Samuelsson has served as a director in the company since November 2014. He attended 12 of 12 board meetings in 2021. Mr Samuelsson is a Swedish citizen and resides in Sweden.

Karin Meyer, PhD
Director

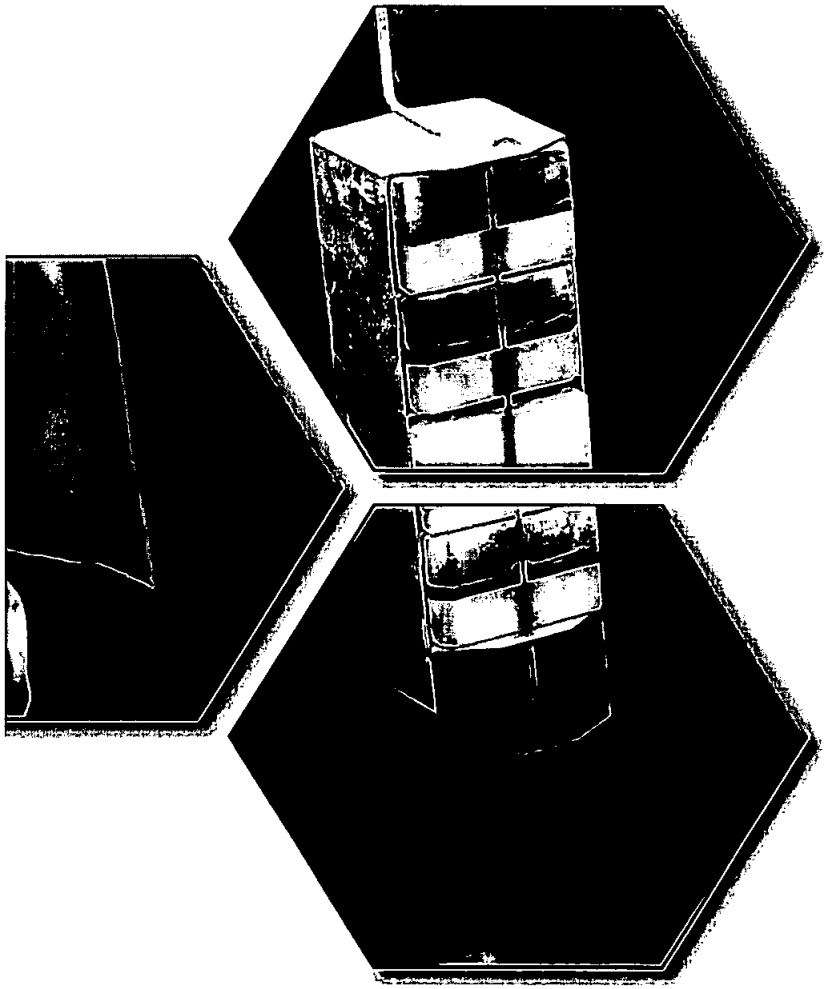
Dr Meyer (55) has more than 25 years of experience in the pharmaceutical/life sciences area, holding senior management and operational roles in private and public/non-profit organisations. She is currently Chief Executive Officer of Center for Translational Research AB, and chair of the board of its subsidiaries. She has spent more than 10 years working in senior roles within Contract Research Organisations (CROs), including as CEO for PCG Clinical Services AB/PCG Solutions AB and vice president and managing director for Quintiles Scandinavia AB. She is also the former Deputy General Director of Uppsala University Innovations, with responsibility for the commercialisation of innovations from the University, as well as investments, management and exits of start-up companies. Dr Meyer has served as a director in the company since June 2020. She is an independent director of the board. She attended 12 of 12 board meetings in 2021. Dr Meyer is a Swedish citizen and resides in Sweden.

Rainer Boehm, MD
Director

Mr Boehm (61) is an oncology expert with nearly 30 years' product development, commercial and corporate development experience working at Novartis, where since 2014 he has held the role of Chief Commercial & Medical Affairs Officer of Novartis Pharma globally. He has also held various other senior roles regionally and globally within the Oncology and Pharmaceutical divisions, including Executive Vice President, North America of Novartis Oncology in the US from 2005 until 2010. During his tenure at Novartis, Mr Boehm oversaw the commercial launches of various oncology brands in the US and globally including Femara®, Zometa®, Glivec®, among others. Mr Boehm is a member of the board of directors at Cellectis SA, Humanigen Inc., and Bio-Copy AG. He has a medical degree from the University of Ulm in Germany, and a Master of Business Administration from Schiller University in France. He is an independent director of the board. He attended 12 of 12 board meetings in 2021. Mr Boehm is a German citizen and resides in Switzerland.

Solveig Hellebust, PhD
Director

Dr Hellebust (54) started as a board member in April 2021. She has 20 years of business experience mainly in strategic human resources organisational development functions, but also including operations, digitalization and transformation for global businesses. She is currently Executive Vice President People, Process and Digitalization at Yara International ASA, a global agriculture company, and was previously Senior Vice President and CHRO in the same company. She has also been Group Executive Vice President People and Operations at DNB, Norway's largest financial services group with operations globally. Furthermore, she held roles at the biotech company Pronova BioPharma ASA and at Telenor Group, the international telecommunications group. During Dr Hellebust's career, she has held board roles at several organisations and institutions in Norway. Currently at Yara Pension Fund (January 2021 until present) and previously with Finansnæringens Arbeidsgiverforening - Norway's Financial Industry Employers' Association, Finanspersonell AS, Fafo Institute, Telenor Pension Fund, Norwegian Central Bank, and the Norwegian School of Management. She attended 8 of 12 board meetings in 2021. Dr Hellebust is a Norwegian citizen and resides in Norway.



Board of directors' report

Nordic Nanovector is a biopharmaceutical company dedicated to extending and improving the lives of patients with haematological cancers and immune diseases through the development and commercialisation of innovative CD37-targeted therapies.

Nordic Nanovector's lead clinical-stage candidate is Betalutin®, a novel CD37-targeting radioimmunotherapy designed to advance the treatment of non-Hodgkin lymphoma (NHL). Betalutin® uses a monoclonal antibody to deliver a radioactive cell-killing payload to NHL cells. NHL is an indication with substantial unmet medical need, representing a growing market forecast to be worth nearly USD 27 billion in 2029[1].

Betalutin® has been designed specifically to offer a new one-time administration, chemotherapy-free treatment modality for NHL patients, many of whom become resistant to frequently used rituximab-based regimens. Betalutin® targets the CD37 receptor on the surface of B-cell tumours, which represents an alternative tumour target to CD20, upon which the current standard-of-care rituximab-containing regimens are focused.

It has been reported that 40-60 per cent of NHL patients treated with a rituximab-containing regimen are either refractory to therapy or develop resistance within five years[2].

The company's priority is to develop Betalutin® as a one-time administration treatment for advanced recurrent follicular lymphoma (FL), the most common form of indolent NHL (iNHL).

The company is close to completing enrolment in PARADIGME, a global, pivotal Phase 2b trial in 3rd line CD20-refractory FL. The data generated in this study are planned to support a Biological License Application (BLA) filing for accelerated approval in 3L FL, as a first-to-market indication. Preliminary three-month data from PARADIGME are expected to be reported in the second half of 2022. The company is also investigating the potential of Betalutin® in earlier lines of treatment for FL and in other significant NHL types.

Betalutin® has been granted fast track designation in the US for the treatment of FL after at least two prior systemic therapies and orphan drug designation for FL in the US and Europe. Betalutin® has also been granted fast track designation in the US and orphan drug designation in Europe for marginal zone lymphoma (MZL).

Beyond Betalutin®, the company leverages its R&D expertise and proprietary technologies to evaluate opportunities with other CD37-targeting immunotherapies across NHL, other haematological cancer indications and immune diseases. Nordic Nanovector's pipeline includes Humalutin®, Alpha37, a humanised anti-CD37 monoclonal antibody and a CAR-T cell therapy.

1) NHL & CLL, Disease Landscape & Forecast, DRG, a Clarivate company, 2021.

2) 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.

IMPORTANT EVENTS

PARADIGME

- During 2021, Nordic Nanovector continued to focus on enroling patients into the PARADIGME Phase 2b trial for Betalutin® and is nearing the target for completing enrolment into this pivotal study.
- Further initiatives designed to broaden the inclusion criteria and expand the pool of eligible patients for PARADIGME were implemented globally in 2021 with the aim to increase the rate of enrolment to the trial.
- The continuing restrictions that resulted from the emergence of new coronavirus variants again negatively affected the company's ability to screen, enrol and treat new patients in PARADIGME.
- Accordingly, the expected timing for the readout of the preliminary three-month data was moved in January 2022 from H1'2022 to H2'2022 following a review of the rate of patient recruitment and discussions with the company's clinical advisors.
- In anticipation of a positive outcome of PARADIGME, the company is preparing for its regulatory filing and developing its commercialisation strategy, including working towards the completion of CMC activities and planning for the confirmatory Phase 3 trial, which will be required if PARADIGME is successful.

PIPELINE

- Nordic Nanovector hosted an R&D Day in November 2021 highlighting its strategy for building value from Betalutin® and its pipeline of novel therapeutic opportunities targeting CD37, including discussion on the following programmes:
- Archer-1: promising preliminary data from this Betalutin®+rituximab Phase 1b combination study in 2L FL were presented by the company in June 2021. From this small exploratory study, seven out of seven patients achieved a response, including five complete responses (CRs) and two partial responses (PRs). Responses are still ongoing in six patients, five of whom have passed the 24-month assessment and are nearing three years post treatment. The Betalutin®+rituximab combination showed a very good safety profile, comparable to that of single-agent Betalutin®. The results of this Phase 1b study are informing the design of the confirmatory Phase 3 study in 2L FL, which will be required following any filing for accelerated approval.
- LYMRIT 37-05: preliminary data from the single-agent Phase 1 study of Betalutin® in R/R DLBCL patients were presented by the company in August 2021. Betalutin® showed a good safety/tolerability profile in these patients, and clinical activity was seen in two out of nine evaluable patients receiving the highest doses. Given these findings, a recommended Phase 2 dose (RP2D) of Betalutin® has been defined for investigation in combination with other therapies in future clinical studies.
- Alpha37: an anti-CD37 alpha-particle emitting radio-immuno conjugate, is in preclinical development in collaboration with Orano Med. During the R&D Day, the company presented preclinical data showing that Alpha37 is superior to ibrutinib and effective in both ibrutinib-resistant and -sensitive mouse models of CLL. Given these preclinical data and the unmet patient need in CLL, Nordic Nanovector believes that a focus on high risk and/or ibrutinib resistant/ refractory CLL would provide a meaningful entry indication for Alpha37 and is close to reaching IND (Investigational New Drug) stage, which would enable it to enter into clinical trials following the necessary approvals.
- Humalutin®: a next generation anti-CD37 radio-immunoconjugate tailored for the treatment of NHL, consisting of a chimeric anti-CD37 antibody (NNV003) conjugated to lutetium-177. During the R&D Day, the company presented data confirming that its higher therapeutic effect vs lilotomab may enable Humalutin®'s use as a pre-treatment and that it presents a low immunogenicity profile, which may allow for multiple dosing.
- Humanised anti-CD37 antibody: Nordic Nanovector has generated multiple anti-CD37 humanised antibody leads with different effector functions and is now finalising the selection of a lead candidate.
- CAR-T cell therapy: Nordic Nanovector entered into a research collaboration with the University of Pennsylvania ("Penn") in October 2021 to generate a CD37-targeting CAR-T cell approach as a potential treatment for patients with B-cell malignancies. The collaboration aims to combine Nordic Nanovector's expertise around CD37 with the world-class expertise in CAR-T cell therapies at Penn. Nordic Nanovector has obtained an option to license exclusive worldwide rights to any CD37-targeting CAR-T cells that result from this collaboration for further development.

CORPORATE

- Approximately NOK 361 million (USD 42.5 million) in gross proceeds raised through a private placement plus approximately NOK 61 million (USD 7.2 million) in gross proceeds raised through the following repair issue.
- Peter Braun was appointed Chief Executive Officer in March 2021.
- Malene Brondberg was appointed interim Chief Executive Officer in July 2021.
- Erik Skullerud was appointed Chief Executive Officer in September 2021.
- Pierre Dodion, MD was appointed Chief Medical Officer in November 2021.
- Dr Sandra Jonsson was appointed Chief Operating Officer in December 2021, taking over from Dr Marco Renoldi, who retired but remains as a consultant.
- Solveig Hellebust, PhD was elected as new member of the board of directors.

EVENTS AFTER THE YEAR END 2021

- On 7 January 2022, the company announced new guidance on the timing of the preliminary three-month data readout, now expected in H2'2022 (as noted above).
- On 19 January 2022, the company announced that it had successfully raised gross proceeds of NOK 250 million in a private placement at a subscription price of NOK 14 per share.
- The subsequent repair offering did only raise immaterial additional proceeds, given the development in the company's share price following the geopolitical events in Europe.

OVERVIEW OF THE BUSINESS

The board's report for the Nordic Nanovector group (Nordic Nanovector or the group) includes Nordic Nanovector ASA (the parent company or the company) and its wholly-owned subsidiaries.

Business and location

Nordic Nanovector ASA is a biopharmaceutical company, established in 2009 and listed on the Oslo Stock Exchange since 2015. The company develops innovative CD37-targeted therapies for haematological cancers and immune diseases. The company's lead clinical-stage product candidate is Betalutin®, a next-generation radioimmunotherapy, designed to improve upon and complement current options for the treatment of NHL.

The objective of Nordic Nanovector is clearly defined in section 3 of the company's articles of association:

The objective of the company is to develop, market and sell medical products and to run business related thereto or associated therewith.

Nordic Nanovector ASA is the parent company in the Nordic Nanovector group. The group's operations are carried out by the company and its wholly-owned subsidiaries Nordic Nanovector GmbH and Nordic Nanovector Ltd. Nordic Nanovector GmbH is incorporated in Zug, Switzerland, while Nordic Nanovector Ltd is incorporated in Shrewsbury, England. Nordic Nanovector also has operations in Denmark through Nordic Nanovector DK, a branch of Nordic Nanovector ASA. The headquarters and laboratories are in Oslo, Norway.

Vision and strategy

Nordic Nanovector's vision is to significantly advance the treatment of cancer and immune diseases with innovative CD37-targeted therapies.

Nordic Nanovector is committed to develop, manufacture and deliver innovative CD37-targeted therapies that can address major unmet medical needs. The company aspires to become a leader in the development of CD37-targeted therapies for haematological cancers and immune diseases. The strategic roadmap to realise this vision is based on the following pillars:

- Ensure Betalutin®'s development- and commercialisation plans target a differentiated product profile that meets the requirements of both regulatory and reimbursement agencies, while achieving a strong and competitive market position.
- Focus initially on the pivotal study PARADIGME, with the goal to file a first BLA for accelerated approval in 3L FL.
- As a follow-on step, run a confirmatory Phase 3 trial, with the secondary goal to secure a label extension in 2L FL, extending the market opportunity beyond 3L FL.
- In parallel, leverage the most appropriate clinical development strategy to expand usage in R/R DLBCL, the largest NHL sub-type.
- Consider opportunities to assess the potential role of Betalutin® for the treatment of R/R MZL.
- Build value from the broader pipeline of therapeutic opportunities targeting CD37 by leveraging the company's proprietary technology and expertise to target underserved haematological cancers and immune diseases, through focused investments in discovery and preclinical research, and strategic collaborations.
- Continue to reinforce the company's organisation by attracting key talent with strong technical and international experience, while maintaining flexibility and efficiency.

Nordic Nanovector intends to maximise the value of Betalutin® across lines of therapies in multiple NHL sub-types through an appropriate life-cycle management plan.

Market, product and customers

Market

Currently, more than 200 different types of cancer exist, which can develop in 60 different organs in the body. Some cancer types are known for taking thousands of lives every year: these include breast, lung, prostate, colorectal, malignant melanoma and non-Hodgkin lymphoma ("NHL"), a haematological cancer.

NHL can be further divided in two groups; B-cell lymphomas (including, amongst other subtypes, diffuse large B-cell lymphoma, follicular lymphoma, chronic lymphocytic leukemia / small lymphocytic lymphoma, mantle cell lymphoma and marginal zone lymphoma) and T-cell lymphomas (precursor T-lymphoblastic lymphoma/ leukemia and peripheral T-cell lymphomas).

NHL is a relatively common type of cancer that develops in either B lymphocytes or T lymphocytes, often referred to as B-cells and T-cells. B-cells and T-cells are white blood cells. B-cells make up 85 per cent of the total lymphocytes, while T-cells make up 15 per cent.

The number of diagnosed incident cases of NHL is expected to grow from 147 433 in 2019 to around 172 000 in 2029, corresponding to 1.6 per cent annual growth[1].

Follicular lymphoma, a B-cell lymphoma, is the most common indolent (slow-growing) form of NHL. Common signs of disease include enlargement of the lymph nodes in the neck, underarm, stomach, or groin, as well as fatigue, shortness of breath, night sweats, and weight loss. Often, people with FL have no obvious symptoms of the disease at diagnosis. Over time, some patients with FL may eventually develop a transformed lymphoma, which is often more aggressive and usually requires more intensive types of treatment[2].

The number of diagnosed incident cases of FL in the seven major markets (US, key five European markets and Japan) was 32 603 in 2019 and is expected to rise to over 37 000 in 2029[3].

DLBCL represents a sub-group of B-cell lymphoma within the NHL family. Accounting for approximately one third of newly diagnosed cases of NHL, DLBCL is the most common type of NHL cancer. DLBCL occurs in both men and women, although it is slightly more common in men. Although DLBCL can occur in childhood, its incidence generally increases with age, and roughly half of patients are over the age of 60. DLBCL is an aggressive form of lymphoma that can arise in lymph nodes or outside of the lymphatic system, in the gastrointestinal tract, testes, thyroid, skin, breast, bone, or brain. Often, the first sign of DLBCL is a painless, rapid swelling in the neck, underarms, or groin that is caused by enlarged lymph nodes. For some patients, the swelling may be painful. Other symptoms may include night sweats, fever, and unexplained weight loss. Patients may notice fatigue, loss of appetite, shortness of breath, or pain[4].

The number of diagnosed incident cases of DLBCL in the seven major markets (US, key five European markets and Japan) was 71 787 in 2019 and is expected to be around 83 000 in 2029[5].

Product candidates

Nordic Nanovector's lead product candidate, Betalutin®, is an anti-CD37 monoclonal antibody chelated to the lutetium-177 radionuclide (^{177}Lu) that upon cellular internalisation provides primary anti-tumour activity through targeted radiation-induced DNA-disruption. The short-range beta-radiation can cause cell death in both the cells to which Betalutin® molecules bind and the surrounding cells in a radius of approximately 0.23 millimetres (i.e., a radius of approximately 40 cells). This crossfire effect makes it possible to also kill malignant cells that do not express the CD37 antigen highly or that are poorly perfused (i.e., have limited blood supply) within a tumour mass. Betalutin® was specifically designed to provide an alternative and complementary therapeutic mechanism of action to existing treatments for NHL. Betalutin® is delivered as a single injection ready-to-use formulation. Clinical studies indicate a promising safety and efficacy profile for the treatment of NHL considering existing approved treatments, which together with the single dose administration potentially represent a major benefit to patients. Nordic Nanovector is evaluating Betalutin® for treatment of both aggressive and indolent NHL (iNHL).

Alpha37 (^{212}Pb-TCMC-NNV003) is an anti-CD37 alpha-particle emitting radioimmunoconjugate in preclinical development for treating chronic lymphocytic leukaemia which is being developed in collaboration with Orano Med. The project is close to reaching IND stage. During the R&D Day on 30 November 2021, the company presented preclinical data showing Alpha37 is superior to ibrutinib and effective in both ibrutinib-resistant and -sensitive mouse models. Given these preclinical data and the unmet patient need in CLL, Nordic Nanovector believes that a focus on high risk and/or ibrutinib resistant/refractory CLL would provide a meaningful entry indication for Alpha37.

Humalutin® is another next-generation anti-CD37 radioimmunoconjugate tailored for treatment of NHL. It consists of a chimeric anti-CD37 antibody (NNV003), conjugated to lutetium-177. Preclinical and CMC documentation have been completed and development is on hold due to the focus of resources on PARADIGME and its completion. During the R&D Day on 30 November 2021, the company presented data to confirm Humalutin® presents a low immunogenicity profile which may allow for multiple dosing and that a higher therapeutic effect of NNV003 vs. lilotomab may enable use as a pre-treatment.

1) NHL and CLL Report, DRG, 2020.
2) http://www.lymphoma.org/site/pp.asp?c=bkLTKaOQLmK8E&b=6300156/(Accessed 30 November 2016).
3) NHL and CLL Report, DGR 2020.
4) http://www.lymphoma.org/site/pp.asp?c=bkLTKaOQLmK8E&b=6300153 (Accessed 30 November 2016).
5) NHL and CLL Report, DGR 2020

Customers
The company will consider the various payer groups in the different geographic markets as key customers, e.g., US Government (Medicaid, Medicare Part B, VA/DOD), US commercial payers (employer-based insurances), and National Healthcare Systems in the various EU countries. In addition, the company will focus its targeting efforts towards community-based, regional hospital-based, and tertiary centre-based haematologists/ oncologists (HaemOnc), together with nuclear medicine and radiation oncology specialists.

Patients with NHL are generally referred to a HaemOnc by their primary care physician ("**PCP**") in order to receive diagnosis and treatment of NHL.

Major prescribers of NHL treatments are haematologists and oncologists in community or tertiary centres[6]. The US National Lymphocare Survey suggests that approximately 80 per cent of NHL patients are initially treated in community settings[7]. Over the last few years there has been a marked decrease in the number of community-based independent/private oncology practices[8].

A large number of private oncology practices have been incorporated into Integrated Delivery Networks ("**IDN**") or have partnered with or been acquired by academic institutions. In Europe, most patients are treated in tertiary centres with the exception of Germany[9]. Patients for whom a treatment with Betalutin® is deemed appropriate will need to be referred by the HaemOnc to another physician who is authorised to prescribe and administer radiopharmaceutical drugs. Nuclear medicine and radiation oncology specialists are by default authorised users.

OPERATIONAL REVIEW

2021 was characterised by a significant improvement in the enrolment rate of the PARADIGME pivotal trial in the early part of the year, but the restrictive public health measures taken by many governments in response to the ongoing and evolving COVID-19 pandemic negatively impacted the execution of virtually all non-COVID-19 related clinical studies globally, including PARADIGME.

To maximise its chances of completing PARADIGME in a timely manner, and in light of the continuing COVID-19 pandemic, the company intensified the initiatives focused on improving the execution of and recruitment into PARADIGME, while conserving financial resources. These included a streamlined strategy with all resources focused on PARADIGME and a clear plan to broaden PARADIGME's patient inclusion criteria via several protocol amendments based on Betalutin®'s attractive safety profile together with the continued implementation of initiatives designed to improve clinical trial execution globally.

In parallel, additional cost-saving initiatives were undertaken to extend the company's cash runway.

Protocol amendments to increase eligible trial population
Protocol amendments to PARADIGME, proposed by the company following its review of the trial and discussions with regulatory authorities, were approved in 2020 by the regulators in each of the 24 countries where PARADIGME is active.

The amendments, based on Betalutin®'s relatively benign safety profile, were 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 per cent following adoption of the amended protocol in all trial sites.

One of the key measures has allowed 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, the majority of 3L FL patients have been treated with ASCT in the 2L setting and these patients were previously excluded from participation in PARDIGME.

PARADIGME – positive interim analysis
In August 2020, Nordic Nanovector further amended PARADIGME following an 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/m² 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

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 pinion leaders (KOLs).

Furthermore, in the US, the company has engaged with organisations that specialise on focused patient enrolment campaigns, including 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 started in the second half of 2020 and continued to be implemented throughout 2021, have had a positive impact on the PARADIGME enrolment rate but this has been offset by the resurgence of COVID-19 and tightening of restrictions seen in multiple countries during 2021.

Betalutin® profile could be attractive to a large segment of R/R FL patients, including patients who are frail or elderly
In parallel with its clinical trial activities during 2021, Nordic Nanovector has continued to develop its market knowledge as a basis for designing its commercialisation-strategy for Betalutin®. The company remains convinced that Betalutin® has an attractive profile for treating NHL based on the clinical data from the Phase 1/2a study, which were published in September 2020 in Blood Advances, an official publication of the American Society of Hematology (ASH)[10].

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 those 3L FL patients whose disease is refractory to anti-CD20 immunotherapy, who have relapsed after many lines of treatment and are unfit for targeted or cell therapies with a high side-effect burden.

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®.

Pipeline developments with Betalutin® during 2021
- Archer-1: preliminary data from this Betalutin® +rituximab Phase 1b combination study in 2L FL were presented by the company. From this small exploratory study, seven out of seven patients achieved a response, including five CR (complete response) and two PR (partial response). Responses are still ongoing in six patients, five of whom have passed the 24-month assessment and are nearing three years post treatment. The Betalutin®+rituximab combination showed a very good safety profile, comparable to that of single agent Betalutin®. The results of this Phase 1b study have informed the design of the confirmatory Phase 3 study in 2L FL, which will be required following any filing for accelerated approval and which the company presented during the R&D Day held on 30 November 2021.
- LYMRIT 37-05: preliminary data from the single agent Phase 1 study of Betalutin® in R/R DLBCL patients were presented by the company. Betalutin® showed a good safety/tolerability profile, and clinical activity was seen in two evaluable patients out of nine receiving the highest doses. Given the findings from this study, a dose of 100mg/m² lilotomab followed by 20 MBq/kg Betalutin® was defined as the recommended Phase 2 dose (RP2D). As presented during the R&D Day held on 30 November 2021, the company believes that an exploratory Phase 2 combination study is warranted, as the RP2D can be considered for investigation in combination with other therapies.

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 1/2. 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.

6) Centres, or community centres, are primary care centres and refers to health care given by care professionals who act as a first point of consultation for all patients within the health care system. Secondary and tertiary care are specialised consultative health care centres, usually from referrals from a primary health professional, in a facility that has personnel and facilities for advanced medical investigation and treatment. Depending upon the locality, the health system organiser and the organisation of the health care system, the referral process may differ.

7) http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2736614/ (accessed 24 January 2015).

8) http://www.ajmc.com/journals/evidence-based-oncology/2012/2012-2-vol18-n5/oncologist-practice-consolidation-continuesf sthash.qnuJqLjR.dpuf.

9) Annuals of Oncology (Supplement 5): v41 – v50, 2003, European health systems.

10) 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. and cancer care", http://annonc.oxfordjournals.org/content/14/suppl_5/v41.full.pdf (accessed 24 January 2015).

Corporate developments focused on extending the cash runway

Investment and human resources have been focused on core clinical operations (PARADIGME) and spending on chemistry, manufacturing and controls (CMC) has been aligned with clinical progress. Investment into commercialisation of Betalutin® where possible has been delayed into 2022.

In February 2021, the company successfully raised approximately NOK 361 million (approximately USD 42.5 million) in gross proceeds from a private placement plus approximately NOK 61 million (approximately USD 7.2 million) in a repair issue.

These funds have been used to continue to progress PARADIGME and to conduct the pharmacokinetics (PK) studies and other activities required for the planned BLA filing of Betalutin®. The funds will also be used to initiate the preparatory activities for a confirmatory Phase 3 trial and preparation of market launch.

INTELLECTUAL PROPERTY

The company has a "composition of matter" patent on the complete antibody-chelator-radionuclide complex of Betalutin® and has also filed divisional applications that cover chimeric versions. The issued claims cover the company's proprietary radioimmunotherapy technology. The expiry date for the patent is 2031 with possible extension for up to five years after initial patent term.

The patent is granted in the US, EU (29 countries), the UK, Norway, Canada, Hong Kong, South Africa, Japan, New Zealand, Australia, Israel, Russia, Mexico, Korea, Singapore, Philippines, and China. Patent applications are pending in Thailand, Brazil, Indonesia, India, and Ukraine.

The company has filed patent applications on chimeric versions of Betalutin® published as PCT application number WO2013088363 and has also filed divisional applications on the Betalutin® patent application that cover chimeric versions of the antibody. The expiry date for the patent is 2032 with possible extension for up to five years after initial patent term. The application has now been abandoned in all countries except the EU, where it is focused on 212Pb-NNV003.

The company has filed a patent application related to upregulation of CD20 after Betalutin® treatment. This patent application has been published as WO2014195460. The expiry date for the patent is 2034, with possible extension for up to five years after initial patent term. The patent has been granted in the US, EU, China, and Japan, and is not being prosecuted in other countries.

The company has filed a patent application related to different pre-dosing and pre-treatment regimens for clinical use of Betalutin®. This patent application is currently in the international PCT-phase and has been published as WO2018050851. The patent is currently pending in 20 territories.

The company has filed a patent application related to different combinations between radioimmunotherapy and other drugs.

Two patent applications related to anti-CD37 humanised antibody variants were filed in 2021.

The ownerships of the abovementioned patents and patent applications are held by the company. Except for the above, the company does not hold or license any other patents that are business critical.

Betalutin®'s trademark registration is completed in Australia, Canada, China, European Union (27 countries), the UK, Israel, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, South Korea, Switzerland, and the US. It is under prosecution in India.

Humalutin® trademark registration is completed in Australia, Brazil, Canada, China, European Union (27 countries), the UK, Hong Kong, India, Israel, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Korea, Switzerland, and the US. It is under prosecution in South Africa.

FINANCIAL REVIEW

(All amounts in brackets are comparative figures for 2021 unless otherwise specifically stated).

The consolidated financial statements of Nordic Nanovector ASA and its subsidiaries (the group) have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU on 31 December 2021.

Income statement

Total operating revenues for 2021 amounted to NOK 0.0 million (NOK 0.0 million).

Total operating expenses increased to NOK 442.4 million (NOK 434.2 million), primarily reflecting an increase in payroll and related expenses. Payroll and related expenses were increased to NOK 91.6 million (NOK 78.3 million) driven by higher imputed costs related to the company's share-based incentive scheme. Other expenses amounted to NOK 339.4 million (NOK 341.0 million).

Operating loss for 2021 ended at NOK 442.4 million (loss of NOK 434.2 million).

Net financial items for 2021 amounted to NOK 2.3 million (NOK 18.0 million), driven by currency fluctuations on bank deposits, as well as interest income.

Comprehensive loss for the year was NOK 441.7 million (loss of NOK 417.6 million).

Cash flow and financial position

Net cash flow from operating activities in 2021 was negative NOK 403.5 million (negative NOK 398.2 million). Net cash flow from investing activities ended at NOK 0.9 million (NOK 1.4 million), primarily related to received interest on bank deposits. Net cash flow from financing activities amounted to NOK 385.1 million (NOK 201.5 million), mainly due to the private placement announced in the first quarter of 2021. Exchange rate fluctuations impacted cash and cash equivalents by NOK 1.2 million in 2021 (NOK 18.5 million). Cash and cash equivalents amounted to NOK 277.7 million at 31 December 2021, down from NOK 294.0 million at the end of December 2020.

Total assets were NOK 296.7 million at the end of 2021, down from NOK 314.6 million at the end of 2020. The decrease was primarily due to lower position of cash and cash equivalents.

Total shareholders' equity at 31 December 2021 was NOK 140.5 million (NOK 178.7 million at year-end 2020), corresponding to an equity ratio of 47.4 per cent (56.8 per cent at year-end 2020).

Total liabilities were NOK 156.2 million, up from NOK 135.9 million at the end of 2020, driven by increase of accruals related to the on-going clinical studies.

Parent company

Nordic Nanovector ASA (the parent company) recorded a loss of NOK 433.2 million for 2021 (NOK 428.5 million). Total equity amounted to NOK 130.3 million at 31 December 2021 (NOK 163.8 million). The equity ratio of the parent company was 46.3 per cent (55.4 per cent).

Research and development

While the research and development strategy is designed in-house, the company leverages its network of external contract research organisations (CROs) and collaborates with academic institutions to execute its development strategy. Nordic Nanovector uses external contract manufacturing organisations (CMOs) to manufacture Betalutin®.

Expenditure on research activities is recognised as an expense in the period in which it was incurred. The criteria for capitalisation of research and development cost are not met until market authorisation is obtained from relevant regulatory authorities. The group has currently no development expenditure that qualifies for recognition as an asset under IAS 38.

Research and development (preclinical, clinical, medical affairs, regulatory, and CMC activities) expenses amounted to 377.1 million in 2021 (NOK 376.9 million), accounting for 85.2 per cent (84.0 per cent) of total operating expenses.

RISK AND RISK MANAGEMENT

Operational and market risks

Nordic Nanovector is currently in a development phase involving activities which entail exposure to various risks. Nordic Nanovector's strategy is to continuously identify, minimise and mitigate potential risks. Risk assessment and risk management are an integral part of Nordic Nanovector's operations.

Risk of delay or failure of clinical trials

The company's lead drug candidate Betalutin® is currently in a Phase 2b trial (PARADIGME). Thus, the company has not completed clinical development for any of its product candidates and has not previously filed for or obtained marketing approval from any regulatory authority for any product candidate.

Delay or failure of the company's clinical trials may adversely impact the company's ability to obtain regulatory approval for and commercialise its current and future product candidates. The company depends on the collaboration with CROs, medical institutions, laboratories and drug product manufacturers in order to conduct clinical testing in compliance with requirements from appropriate regulatory authorities in the relevant jurisdictions. The company's ability to complete clinical trials in a timely fashion, or at all, may be impacted by several factors, including the following:

- delays in obtaining or failures to obtain regulatory approval to commence clinical trials because of safety concerns of regulators relating to the company's product candidate or failure to follow regulatory guidelines and general safety issues;
- actions by regulators to suspend a clinical trial or to temporarily or permanently stop a trial for a variety of reasons, principally for safety concerns;
- delays in recruiting patients to participate in a clinical trial, and the rate of patient enrolment, which is itself a function of many factors, including size of the patient population, the proximity of patients to the clinical trial sites, the eligibility criteria for the trial and the nature of the protocol;

- compliance of patients and investigators with the protocol and applicable regulations; failure of clinical trials and clinical investigators to comply with relevant clinical protocol, or similar requirements in other jurisdictions;
- failure of third-party contractors/external service providers to satisfy their contractual duties, comply with regulations or meet expected deadlines;
- delays or failures in reaching agreement on acceptable terms with prospective trial sites;
- determination by regulators that the clinical design is not adequate; and
- delays or failures in obtaining sufficient clinical supplies of Betalutin® for use in trials, due to failures in one or more steps of the manufacturing process and/or improper shipment/handling/delivery of Betalutin® by the to the clinical trial sites.

Even if the company receives regulatory agency approval, the company may not be successful in commercialising approved product candidates.

Risk with respect to price and reimbursement of products
In most markets, drug prices and reimbursement levels are regulated or influenced by health authorities, other healthcare providers, insurance companies or health maintenance organisations. There is a risk that the company's drugs, following required approvals, will not obtain reimbursement in line with the selling prices or reimbursement levels anticipated by the company. If actual prices and reimbursement levels granted to the company's products happen to be lower than anticipated, this may have a negative impact on the profitability of its products and the overall business.

Risk with respect to intellectual property (IP) and know-how
The company has an IP-strategy to protect its intellectual property and know-how related to its products, methods, processes and other technologies, and trade secrets. Through its IP-strategy, the company seeks to prevent third parties from infringing its proprietary rights and ensure that it operates without infringing the proprietary rights of third parties. As part of its IP-strategy, the company to date holds certain exclusive patent rights in major markets, however, the company cannot predict the degree and range of protection any patents will afford against competitors and competing technologies. There is always a risk that third parties may find ways to invalidate or otherwise circumvent the patents. There is a risk that current or future patent application submitted by the company may be delayed or rejected, and a risk that others may obtain patents claiming aspects similar to those covered by the company's patents and patents applications. There is also a risk that the company may need to initiate or defend litigation or administrative proceedings, to protect its own patents. Litigation or proceedings may be costly and should the company's technology be found to infringe upon third parties' rights, that could limit the company's freedom to operate or could subject the company to significant damages or an injunction preventing the manufacture, sale or use of its affected products.

Risk of clinical liability claims
The company currently maintains clinical trial liability insurance for each trial in each country. The company has clinical sites in various countries including the US and the existing insurance programme may not be sufficient to cover claims that may be made against the company and may not be available in the future on acceptable terms, if at all. Any claims against the company, regardless of their merit, could materially and adversely affect its financial condition, in addition to consuming the time and attention of the management.

Risks of operating in a highly competitive industry
The biotechnology and pharmaceutical industries are highly competitive with many large players and subject to rapid and substantial technological change. Developments by others may render the company's product candidates or technologies obsolete or uncompetitive. If competitor product candidates achieve a better therapeutic profile than Betalutin®, the company might not be able to obtain accelerated approval and therefore may need to perform an additional Phase 3 trial after finalisation of PARADIGME, which will have a significant impact on the company's financial situation and outlook. The company's drug candidates may not gain the market acceptance required to be profitable even if they successfully complete clinical trials and receive approval for sale by the relevant regulatory authorities.

Risk of relying upon third parties for clinical trials and manufacturing
The company is exposed to the risk of relying upon third parties for clinical trials and manufacturing. The company cannot be certain that it will be able to enter into or maintain satisfactory agreements with third-party suppliers, such as CROs or CMOs, for the conduct of clinical trials or product manufacturing, respectively. The company's need to recruit, amend or change providers for the conduct of clinical trials might impact the timelines of the conduct of such trials.

The company's failure to enter into agreements with such suppliers or manufacturers on reasonable terms, if at all, could have a material and adverse effect on the business, its financial condition and results of operations.

Poor manufacturing performance of third-party manufacturers, a disruption in the supply or the company's failure to accurately predict the demand for any future commercial sale of a product could have a significant adverse effect on the company's business, financial condition or results of operations.

Risk with respect to use of hazardous materials such as radioactive compounds and environmental risk
The company believes that its safety procedures for handling and disposing of such materials comply with the highest environmental and safety standards; however, there will always be a risk of accidental contamination or injury. By law, radioactive materials may only be disposed of at certain approved facilities. When handling and disposing radioactive materials, there is a risk of accidental contamination or emission damage. Breach of rules for handling and disposing of radioactive materials may involve sanctions for the company, as well as a negative reputation for the company.

Risk related to COVID-19
The uncertainty around the duration, severity and geographic scope of the COVID-19 outbreak could cause further delays in patient enrolment into the company's clinical studies due to re-prioritisation of hospital activities, healthcare staff or patients being affected by the virus, or supply issues due to restriction of movement.

Financial risk

Interest rate risk
The Nordic Nanovector group has no interest-bearing debt except leasing liabilities, where the underlying interest rate is determined when the leasing agreement starts. Bank deposits are exposed to market fluctuations of interest rates, which impact the financial income. The Nordic Nanovector group had NOK 1.1 million (NOK 1.6 million) in interest income as of year-end 2021.

Exchange rate risk
The value of non-Norwegian currency denominated revenues and costs will be affected by changes in currency exchange rates or exchange control regulations. The group undertakes various transactions in foreign currencies and is consequently exposed to fluctuations in exchange rates. The exposure arises largely from research and development expenses. The group is mainly exposed to fluctuations in euro (EUR), pounds sterling (GBP), US dollar (USD) and Swiss franc (CHF).

Exchange rate fluctuations mainly impact cash and cash equivalents in the statement of financial position and financial items in the statement of profit and loss, reported as financial income or expenses.

Nordic Nanovector strives to identify and manage material foreign currency exposures and to minimise the potential effects of currency fluctuations on the cash flow. In order to achieve this, and to provide an operational hedge for purchases made in foreign currencies, the company has made deposits in foreign currency bank accounts and continuously monitors the level of these funds. The parent's deposits in foreign currencies at year-end 2021 amounted to an equivalent of NOK 111.7 million (NOK 44.0 million).

Credit risk
The Nordic Nanovector group is primarily exposed to credit risk associated with accounts receivable and other current receivables. The group has no revenues. The Nordic Nanovector group has not suffered any losses on receivables during 2021. Other current receivables are mainly related to grants from the government institution Research Council of Norway, and prepayments of services to suppliers. The group considers its credit risk as low.

Liquidity risk
The company closely monitors, plans and reports its cash flow, considering short- and long-term forecasts. The group does not have any loan agreements.

The COVID-19 outbreak has impacted financial markets and caused investors to be much more selective in where they allocate funds. This could limit the company's ability to raise funds in the future resulting in the company needing to streamline its activities based on its financial resources.

The company has been successful in raising new funds totaling NOK 422 million in gross proceeds during 2021 and raised NOK 250 million in January 2022, extending its cash runway beyond the preliminary 3-month data readout from PARADIGME targeted for second half of 2022 and for at least an additional three months into 2023.

GOING CONCERN

Pursuant to section 3-3 (a) of the Norwegian Accounting Act, it is confirmed that the conditions for assuming that the group is a going concern are present, and that the financial statements have been prepared based on this assumption.

Major events that have occurred since the end of 2021 are included in the section "subsequent events", as well as in note 9.1 of the financial statements in this report.

ALLOCATION OF THE PARENT COMPANY'S NET RESULT

Nordic Nanovector ASA's loss for 2021 amounted to NOK 433.2 million (NOK 428.5 million). The board proposes that the loss is transferred to accumulated losses.

The financial resources of Nordic Nanovector are directed towards the clinical development of Betalutin® and further investigations in the company's product pipeline. The company does not anticipate paying any cash dividend until sustainable profitability is achieved.

SHARE INFORMATION

As of 31 December 2021, Nordic Nanovector ASA had 98 078 380 shares outstanding. The number of shareholders decreased by 11 290 (31 December 2020: 11 367). Please refer to note 5.5 for further information on shareholders.

The closing share price of Nordic Nanovector ASA on the last trading day of 2021 was NOK 23.04 (NOK 15.71), corresponding to a total market capitalisation for the company of NOK 2 259 725 million (NOK 1 246 433 million).

Please refer to note 6.3 for information on options and performance share units (PSUs).

SUBSEQUENT EVENTS

The impact of the omicron SARS-CoV-2 variant on the enrolment of patients into the PARADIGME pivotal trial resulted in the company issuing new guidance on 7 January 2022, regarding revised timing of the expected preliminary data readout, now expected in 2H'2022.

On 19 January 2022, the company did a successful private placement of 17 857 143 new shares at a subscription price of NOK 14 per share to raise approximately NOK 250 million gross.

The net proceeds of the private placement will be used for the following purposes:

- Preparation of activities required for the regulatory filing of Betalutin® and pre-approval inspections.
- Continue the preparatory activities for the confirmatory Phase 3 trial including production of clinical material and preparation for market launch.
- General corporate purposes

The proceeds from the private placement are expected to ensure financing past the company's value inflection point targeted for H2'2022 (preliminary 3-month data readout from PARADIGME) and for at least an additional three months into 2023 to enable the company to maximise shareholder value from the PARADIGME clinical trial.

The subsequent repair offering did not raise additional proceeds, given the development in the company's share price following the geopolitical events in Europe.

Nordic Nanovector has no clinical trial sites nor operations in Ukraine, so is not directly affected by the recent developments there. However, indirect effects from the geopolitical fall out, including the impact on currency exchange rates, cannot be completely excluded. Currently, the company does not believe such developments to have any major adverse consequences on its business but will continue to monitor the situation.

CORPORATE GOVERNANCE

Nordic Nanovector is committed to healthy corporate governance practices, strengthening and maintaining confidence in the company, and thereby contributing to long-term value creation for shareholders and other stakeholders. Strong and sustainable corporate governance practices include ethical business practices, reliable financial reporting and an environment of compliance with legislation and regulations.

Nordic Nanovector ASA's board actively adheres to good corporate governance standards in line with Norwegian laws and regulations, as well as international best practice standards. A corporate governance policy was adopted by the board in January 2015 and last updated in December 2021. The policy is in all material aspects based on the Norwegian Code of Practice for Corporate Governance (the Code) to which the board has resolved that the company shall adhere.

Nordic Nanovector ASA is a Norwegian-registered public limited liability company with its shares listed on the Oslo Stock Exchange (under the ticker symbol NANOV). The Norwegian Accounting Act Section 3-3b, which the company is subject to, sets out certain corporate governance related information, which is to be disclosed and reported on through the issuance of an annual reporting document. This report meets the requirements provided by the Accounting Act. The Accounting Act is available on www.lovdata.no.

Further, the continuing obligations of stock exchange listed companies issued by the Oslo Stock Exchange requires listed companies to publish an annual statement

of their practice related to their policy on corporate governance. In addition to setting out certain minimum requirements for such reporting (equivalent to those under the Accounting Act), the continuing obligations require that the company reports on its compliance with the recommendations of the Code. Both the continuing obligations and the Code require that an explanation is provided where a company has chosen an alternative approach to specific recommendations in the Code (i.e., a "comply or explain" basis). Nordic Nanovector complies with the current Code, most recently revised on 14 October 2021. The company provides a report on its principles for corporate governance in its annual report and on its website. The continuing obligations are available on *www.oslobors.no* and the Code is available on *www.nues.no.*

The company has taken out Directors & Officers (D&O) Insurance with reputable insurers. The cover is in line with industry practice and at market terms.

The annual statement on corporate governance can be found on page 23 in this report and on the company's web page. The board's signatures in the annual report shall be deemed to include the statement of corporate governance.

CORPORATE SOCIAL RESPONSIBILITY

The CSR policy and the full code of conduct can be found on the company's website, *www.nordicnanovector.com* – under the corporate governance section and in this report on page 29. The implementation of specific goals, strategies or action plans related to CSR are described in the corporate social responsibility policy. The board's signatures in the annual report shall be deemed to include the corporate social responsibility policy.

ORGANISATION

At the end of 2021, the group employed 40 people, of which three are part time employees and 18 employed in subsidiaries. Nordic Nanovector ASA employs 22 of the Nordic Nanovector group's 40 employees.

Changes to the board

The board consists of seven board members in total. In April 2021, Ms Hilde Hermansen decided not to stand for re-election to the board due to increased workload and was replaced by Dr Solveig Hellebust. Dr Hellebust has 20 years of business experience mainly in strategic human resources and organisational development functions for leading businesses in Norway. She is currently Senior Vice President and Chief HR Officer at Yara International ASA.

For more information about the experience and expertise of the directors of the board, as well as an overview of other board positions and attendance at board meetings, see the separate overview of the board on pages 34 and 35 in this report.

Changes to the management

- Peter Braun was appointed Chief Executive Officer on 17 March 2021.
- Malene Brondberg was appointed interim Chief Executive Officer on 1 July 2021.
- Erik Skullerud was appointed Chief Executive Officer on 14 September 2021.
- Pierre Dodion MD was appointed Chief Medical Officer elect on 8 November 2021.
- Dr Sandra Jonsson was appointed Chief Operating Officer on 16 December 2021, taking over from Dr Marco Renoldi, who retired but remains as a consultant.

For more information about the members of the management team, please see the separate overview of the management on pages 32 and 33 in this report.

OUTLOOK

Nordic Nanovector is close to completing patient enrolment into PARADIGME and is targeting the readout of preliminary three-month top line data during H2'2022. Following the most recent private placement, the company's current cash position will support its operations for at least an additional three months into 2023. This will enable further preparatory work on the potential Betalutin® BLA-filing and planning for commercialisation to be undertaken.

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

Meanwhile, the company continues to explore further potential partnerships and opportunities for expanding the market for Betalutin® into other haematological cancers, together with other potential areas for pipeline expansion and collaboration based on CD37-targeting immunotherapies.

Oslo, 05 April 2022

The board of directors and the Chief Executive Officer of Nordic Nanovector ASA

Jan H. Egberts, MD
Chair

Jean-Pierre Bizzari, MD
Director

Rainer Boehm, MD
Director

Joanna C Horobin
Director

Per Samuelsson
Director

Karin Meyer, PhD
Director

Solveig Hellebust, PhD
Director

Erik Skulleud
CEO

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the financial statements for the period from 1 January to 31 December, 2021 have been prepared in accordance with IFRS as adopted by the European Union and generally accepted accounting practice in Norway, and give a true and fair view of the assets, liabilities and financial position and results of Nordic Nanovector ASA and the Nordic Nanovector group.

We also confirm, to the best of our knowledge, that the board' report includes a true and fair overview of the development, performance and financial position of Nordic Nanovector ASA and the Nordic Nanovector group, together with a description of the principal risks and uncertainties they face.

Oslo, 05 April 2022

The board of directors and the Chief Executive Officer of Nordic Nanovector ASA

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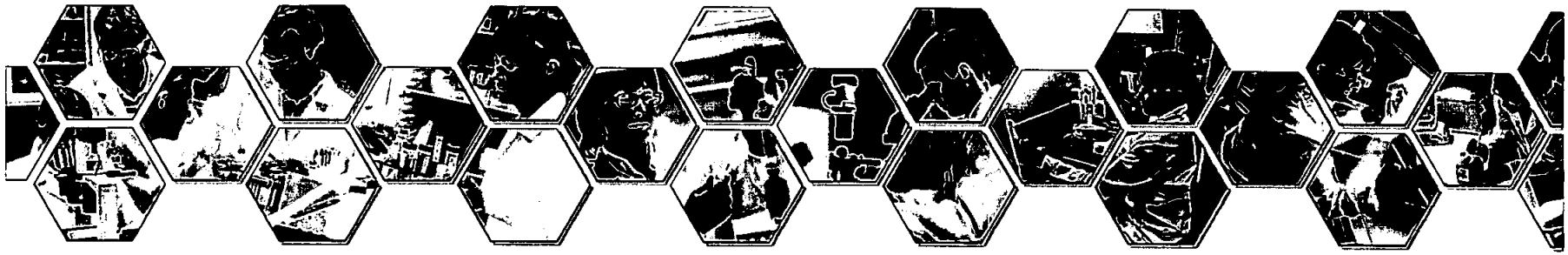

Financial statements

Contents

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December

PARENT 2020	PARENT 2021	(Amounts in NOK 1 000)	Note	GROUP 2021	GROUP 2020
0	0	Revenues		0	0
0	0	**Total operating revenue**		0	0
43 248	37 250	Payroll and related expenses	3.2	91 638	78 301
14 895	11 371	Depreciation	4.1, 4.2	11 371	14 895
389 158	396 543	Other operating expenses	3.1	339 425	340 965
447 301	445 164	**Total operating expenses**		442 434	434 161
-447 301	-445 164	**Operating profit (loss)**		-442 434	-434 161
		Finance income and finance expenses			
1 588	11 257	Finance income	5.6	1 219	1 610
843	629	Finance expenses	5.6	636	860
18 224	1 521	Net currency gains (loss)	5.6	1 713	17 250
18 969	12 149	**Net finance income (expenses)**		2 296	18 000
-428 332	-433 015	**Loss before income tax**		-440 138	-416 161
-173	-136	Income tax	7.1	-1 165	-914
-428 505	-433 151	**Loss for the year**		-441 303	-417 075
		Other comprehensive income (loss), net of income tax that may be reclassified to profit and loss in subsequent periods			
0	0	Translation effects		-362	423
		Other comprehensive income (loss), net of income tax not to be reclassified to profit and loss in subsequent periods			
0	0	Remeasurement gains (losses) on defined benefit plans	6.5	-20	-912
-428 505	-433 151	**Total comprehensive income (loss) for the year**		-441 685	-417 564
-428 505	-433 151	Loss for the year attributable to owners of the parent		-441 303	-417 075
-428 505	-433 151	**Total comprehensive income (loss) for the year attributable to owners of the parent**		-441 685	-417 564
		Earnings (loss) per share			
-6.16	-4.57	Basic and diluted earnings (loss) per share	5.7	-4.65	-5.99

The accompanying notes are an integral part of these financial statements.

Consolidated statement of financial position

For the year ended 31 December

PARENT 2020	PARENT 2021	(Amounts in NOK 1 000)	Note	GROUP 2021	GROUP 2020
		ASSETS			
		Non-current assets			
1 394	766	Property, plant and equipment	4.1	766	1 394
4 290	5 177	Right-of-use assets	4.2	5 177	4 290
137	137	Shares in subsidiaries	8.1	0	0
5 821	6 080	**Total non-current assets**		5 943	5 684
		Current assets			
		Receivables			
13 968	12 518	Other current receivables and prepayments	3.4	13 023	14 951
13 968	12 518	**Total current receivables**		13 023	14 951
275 876	262 930	Cash and cash equivalents	5.3	277 706	293 975
289 844	275 448	**Total current assets**		290 729	308 926
295 665	281 528	**TOTAL ASSETS**		296 672	314 610
		EQUITY AND LIABILITIES			
		Equity			
15 878	19 616	Share capital	5.5	19 616	15 878
118 370	110 573	Share premium		110 573	118 371
28 527	32 302	Other paid in capital		69 157	61 565
1 000	-32 152	Retained earnings		-58 830	-17 146
163 775	130 339	**Total equity**		140 516	178 668
		Liabilities			
		Non-current liabilities			
2 356	0	Lease liability	4.2	0	2 356
0	0	Net employee defined benefit liabilities	6.5	4 461	5 025
2 356	0	**Total non-current liabilities**		4 461	7 381
		Current liabilities			
65 433	65 214	Accounts payable	5.4	65 960	65 862
10 647	14 414	Current liabilities to group companies	5.4, 8.2	0	0
152	0	Tax payable	5.4, 7.1	1 068	803
2 211	5 508	Lease liability	4.2	5 508	2 211
51 091	66 053	Other current liabilities	3.6, 5.4	79 159	59 685
129 534	151 189	**Total current liabilities**		151 695	128 561
131 890	151 189	**Total liabilities**		156 156	135 942
295 665	281 528	**TOTAL EQUITY AND LIABILITIES**		296 672	314 610

The accompanying notes are an integral part of these financial statements.

Oslo, 05 April 2022

The board of directors and the Chief Executive Officer of Nordic Nanovector ASA

Jan H. Egberts, MD
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Director

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CEO

Consolidated statement of changes in equity – Group

For the year ended 31 December

GROUP (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 01.01.2020		13 229	335 336	69 025	-28 806	329	-1 105	388 008
Loss for the year					-417 075			-417 075
Other comprehensive income (loss) for the year, net of income tax						423	-912	-489
Total comprehensive income for the year					-417 075	423	-912	-417 564
Recognition of share based payments - options and PSUs	3.2, 6.3			-8 484				-8 484
Recognition of share based payments - RSUs	3.1, 6.3			1 024				1 024
Issue of ordinary shares	5.5	2 646	228 856					231 502
Issue of ordinary shares under share options and RSUs	5.5	4	0					4
Share issue costs			-15 821					-15 821
Reclassification of accumulated losses			-430 000		430 000			0
Balance at 31.12.2020		15 878	118 371	61 565	-15 881	752	-2 017	178 668
Loss for the year					-441 303			-441 303
Other comprehensive income (loss) for the year, net of income tax						-362	-20	-382
Total comprehensive income for the year					-441 303	-362	-20	-441 685
Recognition of share based payments - options and PSUs	3.2, 6.3			6 313				6 313
Recognition of share based payments - RSUs	3.1, 6.3			1 279				1 279
Issue of ordinary shares	5.5	3 715	418 921					422 636
Issue of ordinary shares under share options and RSUs	5.5	22	910					932
Share issue costs			-27 629					-27 629
Reclassification of accumulated losses			-400 000		400 000			0
Balance at 31.12.2021		19 616	110 573	59 157	-57 184	390	-2 036	140 516

The accompanying notes are an integral part of these financial statements.

Consolidated statement of changes in equity – Parent

For the year ended 31 December

PARENT (Amounts in NOK 1 000)	Note	Share capital	Share premium	Other paid in capital	Accumulated losses	Total equity
Balance at 01.01.2020		**13 229**	**335 336**	**28 853**	**-495**	**376 923**
Loss for the year					-428 505	-428 505
Other comprehensive income (loss) for the year, net of income tax						0
Total comprehensive income for the year					**-428 505**	**-428 505**
Recognition of share based payments - options and PSUs	3.2, 6.3			-1 350		-1 350
Recognition of share based payments - RSUs	3.1, 6.3			1 024		1 024
Issue of ordinary shares	5.5	2 646	228 856			231 502
Issue of ordinary shares under share options and RSUs	5.5	4	0			4
Share issue costs			-15 821			-15 821
Reclassification of accumulated losses			-430 000		430 000	0
Balance at 31.12.2020		**15 878**	**118 370**	**28 527**	**1 000**	**163 775**
Loss for the year					-433 151	-433 151
Other comprehensive income (loss) for the year, net of income tax						0
Total comprehensive income for the year					**-433 151**	**-433 151**
Recognition of share based payments - options and PSUs	3.2; 6.3			2 495		2 495
Recognition of share based payments - RSUs	3.1, 6.3			1 279		1 279
Issue of ordinary shares	5.5	3 715	418 921			422 636
Issue of ordinary shares under share options and RSUs	5.5	22	910			932
Share issue costs			-27 629	-		-27 629
Reclassification of accumulated losses			-400 000		400 000	0
Balance at 31.12.2021		**19 616**	**110 573**	**32 302**	**-32 152**	**130 339**

The accompanying notes are an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December

PARENT 2020	PARENT 2021	(Amounts in NOK 1 000)	Note	GROUP 2021	GROUP 2020
		Cash flows from operating activities			
-428 332	-433 015	**Loss before income tax**		**-440 138**	**-416 161**
		Adjustments for:			
471	414	Interest paid	5.6	414	471
-1 590	-1 122	Interest received	5.6	-1 122	-1 590
0	10 135	Received dividend	5.6	0	0
0	-10 135	Recognised dividend	5.6	0	0
-1 350	2 495	Share based payment expense employees	3.2, 6.3	6 313	-8 484
1 024	1 279	Share based payment expense restricted share units (RSUs) board	3.1, 6.3	1 279	1 024
-158	-159	Taxes paid	7.1	-844	-1 068
14 895	11 371	Depreciation	4.1	11 371	14 895
-18 490	-1 229	Currency (gains) losses not related to operating activities (unrealised)	5.6	-1 229	-18 490
30 905	19 831	Change in net working capital e.g.		20 498	31 197
-402 625	-400 135	**Net cash flows from operating activities**		**-403 458**	**-398 206**
		Cash flows from investing activities			
-185	-259	Investment in property plant and equipment	4.1	-259	-185
1 590	1 122	Interest received	5.6	1 122	1 590
1 405	863	**Net cash flows from investing activities**		**863**	**1 405**
		Cash flows from financing activities			
231 505	423 568	Gross proceeds from equity issue	5.5	423 568	231 505
-15 821	-27 629	Share issue cost		-27 629	-15 821
-13 751	-10 429	Payment of principle portion of lease liabilities	4.2	-10 429	-13 751
-471	-414	Interest paid	5.6	-414	-471
201 462	385 096	**Net cash flows from financing activities**		**385 096**	**201 462**
18 490	1 229	Effects of exchange rate changes on cash and cash equivalents	5.6	1 229	18 490
-181 269	-12 946	Net change in bank deposits, cash and equivalents		-16 259	-176 894
457 145	275 876	Cash and equivalents at beginning of year		293 975	470 824
275 876	262 930	**Cash and equivalents at end of year**	5.3	**277 706**	**293 975**

The accompanying notes are an integral part of these financial statements.

Section 1 - Background

1.1 CORPORATE INFORMATION

Nordic Nanovector ASA (the company) is a limited company incorporated and domiciled in Norway. The parent company, Nordic Nanovector ASA, is in the annual accounts referred to as "PARENT".

The address of the registered office is: Kjelsåsveien 168 B, 0884 Oslo.

Nordic Nanovector is committed to develop and deliver innovative therapies to patients to address major unmet medical needs. The company aspires to become a leader in the development of CD37-targeted therapies for haematological cancers and immune diseases. Nordic Nanovector's lead clinical-stage candidate is Betalutin®, a novel CD37-targeting radioimmunotherapy designed to advance the treatment of non-Hodgkin lymphoma (NHL). NHL is an indication with substantial unmet medical need, representing a growing market that is forecast to be worth nearly USD 27 billion by 2029. Nordic Nanovector retains global marketing rights to Betalutin® and intends to actively participate in the commercialisation of Betalutin® in the US and other major markets.

Section 2 - General accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in all periods presented. Amounts are in Norwegian kroner (NOK) unless stated otherwise. The functional currency of Nordic Nanovector ASA is NOK.

2.1 BASIS FOR PREPARATION OF THE ANNUAL ACCOUNTS

The consolidated financial statements for the group and the parent have been prepared in accordance with EU-approved International Financial Reporting Standards (IFRS) and Interpretations issued by the International Accounting Standards Board (IASB) and disclosure requirements in accordance with the Norwegian Accounting Act. Only standards that are effective for the fiscal year ended 31 December 2021 have been applied.

The financial statements have been prepared on the historical cost basis. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in applying the group's accounting policies.

Areas involving a high degree of judgment or complexity, and areas in which assumptions and estimates are significant to the financial statements are disclosed in note 2.4. The consolidated financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

The company works continuously to ensure financial flexibility in the short and long-term to achieve its strategic and operational objectives. To date, the company has financed its operations through private placements, grants, repair offerings and the initial public offering in connection with the listing of the company's shares on Oslo Børs in 2015. In January 2022 the company raised approximately NOK 250 million in gross proceeds in a private placement. The proceeds from the private placement are expected to ensure financing for at least three months into 2023. The board of directors has confirmed that the conditions for assuming that the group is a going concern are present, and that the financial statements have been prepared based on this assumption.

2.2 CONSOLIDATION PRINCIPLES

The group's consolidated financial statements comprise the parent company and its subsidiaries as of 31 December 2021. An entity has been assessed as being controlled by the group when the group is exposed for or has the rights to variable returns from its involvement with the entity, and has the ability to use its decision over the entity to affect the amount of the group's returns.

Thus, the group controls an entity if, and only if, the group has all the following:

- Power over the entity.
- The exposure, or rights, to variable returns from its involvement with the entity.
- The ability to use its power over the entity to affect the amount of the group's returns.

There is a presumption that if the group has the majority of the voting rights in an entity, the entity is considered as a subsidiary. To support this presumption and when the group has less than a majority of the voting or similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over the entity, including ownership interests, voting rights, ownership structure and relative power, as well as options controlled by the group and shareholder's agreement or other contractual agreements. The assessments are done for each individual investment. The group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

2.3 FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The functional currency is determined in each entity in the group based on the currency within the entity's primary economic environment. Transactions in foreign currency are translated to functional currency using the exchange rate at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated using the closing rate. Currency gains or losses are classified as financial items. Non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction, and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Changes in the exchange rate are recognised continuously in the accounting period.

The group's presentation currency is NOK. This is also the parent company's functional currency. The statement of financial position figures of entities with a different functional currency are translated at the exchange rate prevailing at the end of the reporting period for balance sheet items, and the exchange rate at the date of the transaction for profit and loss items. The monthly average exchange rates are used as an approximation of the transaction exchange rate. Exchange differences are recognised in other comprehensive income (OCI).

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Critical accounting estimates and judgements

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements 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.

Critical judgements in applying the group's accounting policies

Deferred tax

The company considers that a deferred tax asset related to accumulated tax losses cannot be recognised in the statement of financial position until the product under development has been approved for marketing by the relevant authorities. However, this assumption is continually assessed and changes could lead to significant deferred tax asset being recognised in the future. This assumption requires significant management judgment. See note 7.1.

Development costs

Research and development costs are recognised in the income statement as incurred. Internal development costs related to the group's development of products are recognised in the income statement in the year in which it is incurred, unless it meets the recognition criteria of IAS 38 intangible assets. Uncertainties related to the regulatory approval process and other factors generally means that the criteria are not met until the time when the marketing authorisation is obtained with the regulatory authorities. This assessment requires significant management judgement.

Key sources of estimation uncertainty - critical accounting estimates

Share-based payments

Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. Calculation of fair value involves estimates and assumptions. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends, and the risk-free interest rate. At the end of each reporting period, the group revises its estimates of the number of equity instruments that are expected to vest. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. Changes to the estimates may significantly influence the expense recognised during a period. The assumptions and models used for estimating fair value for share based payment transactions are disclosed in note 6.3.

Section 3 - Operating activities

3.1 OTHER OPERATING EXPENSES

Accounting policy

Other operating expenses are recognised in the statement of profit and loss in the period which the related costs are incurred or services are provided. For additional information on calculation of costs related to share based payments as RSUs see note 6.3 and 6.3.2.

PARENT				GROUP	
2020	2021	(Amounts in NOK 1 000)	Note	2021	2020
311 662	313 023	Research and development costs	3.5	320 047	318 583
-6 791	-4 725	Government grants	3.3	-4 725	-6 791
1 024	1 279	Cost of share based payment (RSUs)	6.3	1 279	1 024
59 193	64 571	Charges from group companies	8.2	0	0
24 070	22 395	Other administrative costs		22 824	28 149
389 158	396 543	**Total other operating expenses**		339 425	340 965

3.2 PAYROLL AND RELATED EXPENSES

Accounting policy

Payroll and related expenses are recognised in the statement of profit and loss in the period which the related costs are incurred or services are provided. For additional information on calculation of costs related to share based payments as options and PSUs see note 6.3, 6.3.1 and 6.3.3.

PARENT				GROUP	
2020	2021	(Amounts in NOK 1 000)	Note	2021	2020
38 109	28 250	Salaries and bonus	6.2, 6.3	71 017	73 441
5 180	3 895	Social security tax		8 575	8 923
2 267	1 673	Pension expense	6.5	3 165	4 780
-1 349	2 495	Share based payment employees	6.3	6 313	-8 484
-762	539	Accrued employer's social security on share based payment	6.3	1 000	-1 439
762	850	Other		2 020	2 039
-959	-452	Government grants	3.3	-452	-959
43 248	37 250	**Total payroll and related expenses**		91 638	78 301
29.2	22.3	**Average number of full-time equivalent employees**		38.9	40.8

3.3 GOVERNMENT GRANTS

Accounting policy

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The grant is recognised in the income statement in the same period as the related costs, which are presented net.

Government grants are normally related to either reimbursements of employee costs and classified as a reduction of payroll and related expenses or related to other operating activities and thus classified as a reduction of other operating expenses.

PARENT				GROUP	
2020	2021	(Amounts in NOK 1 000)	Note	2021	2020
		Government grants have been recognised in the statement of profit or loss as a reduction for the related expenses with the following amounts:			
959	452	Payroll and related expenses	3.2	452	959
6 791	4 725	Other operating expenses	3.1	4 725	6 791
7 750	5 177	**Total**		5 177	7 750
		Grants receivable are detailed as follows:			
1 000	0	Grants from the Research Council Eurostars		0	1 000
4 750	4 750	Grants from SkatteFUNN		4 750	4 750
5 750	4 750	**Total 31.12**	3.4	4 750	5 750

1) The research and development projects have been approved for SkatteFUNN grants through 2021. For the financial period ended 31 December 2021, the company has recognised NOK 4.8 million compared to NOK 4.8 million for the same period in 2020. The amount was recognised partly as a reduction of payroll and related expenses and partly as a reduction of other operating expenses.

2) The company has finalised the discovery phase of its Alpha37 R&D collaboration with Orano Med. Alpha37 leverages Nordic Nanovector's chimeric anti-CD37 antibody, NNV003, chelated with the alpha particle generating radionuclide 212Pb; and are working on completing GMP readiness for the manufacturing methods and finalization of the IND package, for potential treatment of NHL and chronic lymphocytic leukemia (CLL). For the financial period ended 31 December 2021, the company recognised NOK 0.4 million (31 December 2020: NOK 3.0 million) partly as a reduction of payroll and related expenses and other operating expenses.

3.4 OTHER CURRENT RECEIVABLES AND PREPAYMENTS

Accounting policy

In determining the recoverability of an other receivable, the company performs a risk analysis considering the type and the age of the outstanding receivable and the creditworthiness of the counterparties.

PARENT				GROUP	
2020	2021	(Amounts in NOK 1 000)	Note	2021	2020
5 750	4 750	Government grants	3.3	4 750	5 750
6 514	4 183	Refundable VAT		4 182	6 851
126	1 956	Prepaid expenses		2 182	336
1 548	1 548	Rental deposits		1 576	1 576
30	101	Other receivables		333	438
13 968	12 518	**Other current receivables and prepayments 31.12**		13 023	14 951

3.5 RESEARCH AND DEVELOPMENT EXPENSES

Accounting policy

The group's products are still in the research and development phase, and there are no revenue from sales of products yet.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Internal development costs related to the group's development of products are recognised in the income statement in the year incurred unless it meets the asset recognition criteria of IAS 38 "Intangible Assets". An internally generated asset arising from the development phase of a research and development project is recognised if, and only if, all of the following has been demonstrated:

- Technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The intention to complete the intangible asset and use or sell it.
- The ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and use or sell the intangible asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Uncertainties related to the regulatory approval process and results from ongoing clinical trials, generally, indicate that the criteria are not met until the time when marketing authorisation is obtained from relevant regulatory authorities. The group has currently no development expenditure that qualifies for recognition as an asset under IAS 38.

Research and development expenses are presented gross, before deduction of government grants. Total cost does not include cost related to share-based payments.

Research and development expenses

Cost related to research and development is expensed. During the financial year 2021 expenses for research and development were NOK 377.1 million whereas, NOK 320.0 million is classified as other operating expenses, NOK 8.8 is classified as depreciation and NOK 48.3 million is classified as payroll. In 2020 the research and development expenses were NOK 376.9 million whereas NOK 318.6 million is classified as operating expenses, NOK 11.8 is classified as depreciation and NOK 46.5 million is classified as payroll respectively. Research and development expenses above are presented as gross amounts, before deduction of government grants. See note 3.3 for more information about government grants presented as a reduction of operating costs.

3.6 OTHER CURRENT LIABILITIES

Accounting policy

Other liabilities are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Accounts payable and other financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

PARENT				GROUP	
2020	2021	(Amounts in NOK 1 000)	Note	2021	2020
3 663	2 213	Unpaid duties and charges		2 844	4 159
2 554	2 388	Unpaid vacation pay		2 919	2 913
339	878	Accrued social security related to outstanding non exercised options, PSUs and RSUs		1 649	649
44 535	60 574	Other accrued costs		71 747	51 964
51 091	66 053	**Other current liabilities 31.12**		79 159	59 685

Social security contributions on share options

The provision for social security contributions on share options, PSUs and RSUs are calculated based on the number of options and PSUs outstanding at the reporting date that are expected to be exercised. The provision is based on market price of the shares at the reporting date 31 December 2021 of NOK 23.04 per share (2020: NOK 15.71 per share), which is the best estimate of the market price at the date of exercise.

Other accrued costs

Other accrued costs for period ended 31 December 2021 are mainly related to development cost of the lead product candidate Betalutin®. Several contracts with CMO's have elements of milestone based payments. The company makes accruals towards the achievement of these milestones.

3.7 AUDITORS FEE

Accounting policy

Auditors fee is expensed and recognised in the statement of profit and loss in the period which the related costs are incurred or services are provided. Amounts are presented exclusive of VAT.

Fees to auditors for the year ended 31 December

PARENT			GROUP	
2020	2021	(Amounts in NOK 1 000)	2021	2020
320	330	Audit fee	378	367
47	66	Audit related work	66	47
4	9	Tax services	9	4
371	405	**Total**	453	418

Audit fee in the table above is the agreed audit fee for the accounting year and does not necessarily correspond to actual expensed audit fee for the period as some of the services performed incurred after year-end.

In 2021 audit fees and non-audit services to auditors other than the group auditor was NOK 0.05 million and NOK 0.18 million respectively (2020: NOK 0.05 million and NOK 0.16 million respectively).

3.8 SEGMENTS

Accounting policy

The group's leading product Betalutin® is still in the development phase. For management purposes, the group is organised as one business unit and the internal reporting is structured in accordance with this. The group has thus only one operating segment. The Executive Leadership Team is the Chief Operating Decision Maker (CODM) and monitors the operating results for the purpose of making decisions about resource allocation and performance assessment.

In the tables below non-current assets are broken down by geographical areas based on the location of the companies:

As per 31 December 2021

Assets (Amounts in NOK 1 000)	Norway	Switzerland	United Kingdom
Non-current assets	5 943	0	0

As per 31 December 2020

Assets (Amounts in NOK 1 000)	Norway	Switzerland	United Kingdom
Non-current assets	5 684	0	0

Section 4 - Asset base

4.1 PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment are carried at cost loss accumulated depreciation and accumulated impairment losses. Acquisition cost includes expenditures that are directly attributable to the acquisition of the individual item. Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of the asset. If significant individual parts of the assets have different useful lives, they are recognised and depreciated separately. Depreciation commences when the assets are ready for their intended use. The estimated useful lives of the assets are as follows:

- Office equipment: Two to three years
- Laboratory equipment: Three to five years
- Permanent building fixtures: Two to five years
- Furniture and fittings: Three to five years

The estimated useful life of fixed assets related to the laboratory equipment, is based on the company's assessment of operational risk. Due to scientific and regulatory reasons there is a risk of termination of the projects. This has been taken into account when determining the estimated useful life of the individual assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised. The residual values, useful lives and methods of depreciation of the property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

All fixed assets in the group are owned by Nordic Nanovector ASA, thus the disclosure for Nordic Nanovector ASA is identical to the disclosure for the group.

PARENT (Amounts in NOK 1 000)	Laboratory equipment	Office equipment	Permanent building fixtures	Furniture & fittings	Total
Cost at 01.01.2020	**3 917**	**2 982**	**3 973**	**1 391**	**12 263**
Additions in the year	0	113	54	17	185
Disposals in the year					0
Cost at 31.12.2020	**3 917**	**3 095**	**4 027**	**1 408**	**12 448**
Additions in the year	58	201	0	0	259
Disposals in the year					0
Cost at 31.12.2021	**3 975**	**3 296**	**4 027**	**1 408**	**12 707**
Accumulated depreciations 01.01.2020	**2 273**	**2 272**	**3 915**	**1 155**	**9 615**
Depreciations in the year	603	575	34	226	1 439
Accumulated depreciation at 31.12.2020	**2 876**	**2 847**	**3 949**	**1 381**	**11 053**
Depreciations in the year	551	277	39	21	888
Accumulated depreciation at 31.12.2021	**3 427**	**3 124**	**3 988**	**1 402**	**11 941**
Net carrying amount at 31.12.2020	**1 041**	**248**	**78**	**27**	**1 394**
Net carrying amount at 31.12.2021	**548**	**172**	**39**	**6**	**766**
Estimated useful life	3-5 years	2-3 years	2-5 years	3-5 years	
Depreciation method	straight-line	straight-line	straight-line	straight-line	

4.2 LEASES

Accounting policy

Right-of-use assets

The group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

The company applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. The company applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The group remeasures the lease liability upon the occurrence of certain events (e.g.a change in the lease term, or a change in future lease payments resulting from a change in an index or rate used to determine those payments). Generally, the amount of remeasurement of the lease liability is recognised as an adjustment to the right-of-use asset.

Short-term leases and leases of low-value assets

The group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The group also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Incremental borrowing rate

In calculating the present value of lease payments, the group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Significant judgement in determining the lease term of contracts with renewal options

The group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The group applies judgement in evaluating whether it is reasonably certain to exercise an option to renew a lease contract, considering all relevant factors that create an economic incentive for the group to exercise the renewal or not exercise an option to terminate.

The main part of the group's lease contracts relates to production and office facilities.

Lease contracts

Nordic Nanovector ASA has lease contracts related to external production facilities at one of the CMO's manufacturing sites, office facilities and offices machines. These contracts are registered as a right-of-use-asset with a lease liability. The group also lease office facilities in Switzerland and Denmark with a lease term of 12 months or less. The group applies the "short-term lease" recognition exemptions for such leases.

The company and the group have one significant lease contract that includes an extention option. Undiscounted potential future rental payment related to periods following the excercise date of extention and termination options that are not included in the lease term, is NOK 2.2 million in 2021 and NOK 4.4 million in 2020. All payments are within a five-year period. Management exercise significant judgement in determining whether these extension options are reasonable to be exercised.

Carrying amount of right-of-use assets and movements.

PARENT (Amounts in NOK 1 000)	Production facilities and equipment	Office facilities	Office machines	Total
Cost at 01.01.2020	**19 367**	**7 995**	**545**	**27 907**
Additions in the year	0	0	0	0
Disposals in the year	0	0	0	0
Cost at 31.12.2020	**19 367**	**7 995**	**545**	**27 907**
Additions in the year	11 370	0	0	11 370
Disposals in the year	0	0	0	0
Cost at 31.12.2021	**30 737**	**7 995**	**545**	**39 277**
Accumulated depreciation at 01.01.2020	**8 056**	**1 968**	**136**	**10 160**
Depreciations in the year	11 311	2 009	136	13 456
Accumulated depreciation at 31.12.2020	**19 367**	**3 977**	**272**	**23 616**
Depreciations in the year	8 338	2 009	136	10 483
Accumulated depreciation at 31.12.2021	**27 705**	**5 986**	**408**	**34 099**
Net carrying amount at 31.12.2020	**0**	**4 018**	**273**	**4 290**
Net carrying amount at 31.12.2021	**3 032**	**2 009**	**137**	**5 177**
Interest rate applied	4.35% - 5.25%	2.9%	5.25%	

All the right-of-use assets in the group are owned by Nordic Nanovector ASA, thus the disclosure for Nordic Nanovector ASA is identical to the disclosure for the group.

Carrying amount of lease liabilities and movements during the period.

PARENT (Amounts in NOK 1 000)	2020	2021
Liabilites at 01.01	18 322	**4 567**
Additions	0	11 370
Accretion of interests	471	414
Payments	-14 226	-10 843
Liabilites at 31.12	4 567	**5 508**
Current	2 211	5 508
Non-current	2 356	0

The table below summarises the maturity profile of lease liabilities. All lease liabilities in the group is registered in the parent company, therefore the disclosure for Nordic Nanovector ASA is identical to the disclosure for the group.

As per 31 December 2021

PARENT (Amounts in NOK 1 000)	Less than 3 months	3 to 12 months	13 to 24 months	25 to 36 months	Total
Lease liabilities	2 931	2 577	0	0	5 508

There are no non-current liabilites related to leasing agreements payable as per 31 December 2021.

As per 31 December 2020

PARENT (Amounts in NOK 1 000)	Less than 3 months	3 to 12 months	13 to 24 months	25 to 36 months	Total
Lease liabilities	539	1 672	2 356	0	4 567

The non-current liabilites of NOK 2.4 million is payable during 12-24 months. Interest rates are between 2.9% and 5.25%. Maturity is during 2022.

The following are the amounts recognised in the profit and loss.

PARENT 2020	PARENT 2021	(Amounts in NOK 1 000)	GROUP 2021	GROUP 2020
13 457	10 483	Depreciation of right-of-use assets	10 483	13 457
471	414	Interest expense on lease liabilities	414	471
102	85	Expense related to short-term lease	263	876
0	0	Expense relating to low value assets	0	0
14 030	10 982	**Total amount recognised in profit and loss**	11 160	14 804

Total cash outflow for leases.

PARENT 2020	PARENT 2021	(Amounts in NOK 1 000)	GROUP 2021	GROUP 2020
14 329	10 928	Total cash outflow for leases	11 107	15 102

The group also had NOK 11.4 million in non-cash additions to right-of-use assets and lease liabilities in 2021 (no non-cash additions in 2020).

Section 5 - Risk management, financial instruments, capital structure and equity

5.1 RISK MANAGEMENT OBJECTIVES AND POLICIES

Operational and market risks

Nordic Nanovector is currently in a development phase involving activities which entail exposure to various risks. Nordic Nanovector's strategy is to continuously identify, minimise and mitigate potential risks. Risk assessment and risk management are an integral part of Nordic Nanovector's operations.

Risk of delay or failure of clinical trials
The company's lead drug candidate Betalutin® is currently in a Phase 2b trial (PARADIGME). Thus, the company has not completed clinical development for any of its product candidates and has not previously filed for or obtained marketing approval from any regulatory authority for any product candidate.

Delay or failure of the company's clinical trials may adversely impact the company's ability to obtain regulatory approval for and commercialise its current and future product candidates. The company depends on the collaboration with CROs, medical institutions, laboratories and drug product manufacturers in order to conduct clinical testing in compliance with requirements from appropriate regulatory authorities in the relevant jurisdictions. The company's ability to complete clinical trials in a timely fashion or at all may be impacted by several factors, including the following:

- delays in obtaining or failures to obtain regulatory approval to commence clinical trials because of safety concerns of regulators relating to the company's product candidate or failure to follow regulatory guidelines and general safety issues;
- actions by regulators to suspend a clinical trial or to temporarily or permanently stop a trial for a variety of reasons, principally for safety concerns;
- delays in recruiting patients to participate in a clinical trial, and the rate of patient enrolment, which is itself a function of many factors, including size of the patient population, the proximity of patients to the clinical trial sites, the eligibility criteria for the trial and the nature of the protocol;
- compliance of patients and investigators with the protocol and applicable regulations; failure of clinical trials and clinical investigators to comply with relevant clinical protocol, or similar requirements in other jurisdictions;
- failure of third-party contractors/external service providers to satisfy their contractual duties, comply with regulations or meet expected deadlines;
- delays or failures in reaching agreement on acceptable terms with prospective trial sites;
- determination by regulators that the clinical design is not adequate; and
- delays or failures in obtaining sufficient clinical supplies of Betalutin® for use in trials, due to failures in one or more steps of the manufacturing process and/or improper shipment/handling/delivery of Betalutin® by the to the clinical trial sites.

Even if the company receives regulatory agency approval, the company may not be successful in commercialising approved product candidates.

Risk with respect to price and reimbursement of products
In most markets, drug prices and reimbursement levels are regulated or influenced by health authorities, other healthcare providers, insurance companies or health maintenance organisations. There is a risk that the company's drugs, following required approvals, will not obtain reimbursement in line with the selling prices or reimbursement levels anticipated by the company. If actual prices and reimbursement levels granted to the company's products happen to be lower than anticipated, this may have a negative impact on the profitability of its products and the overall business.

Risk with respect to intellectual property (IP) and know-how
The company has an IP-strategy to protect its intellectual property and know-how related to its products, methods, processes and other technologies, and trade secrets. Through its IP-strategy the company seeks to prevent third parties from infringing its proprietary rights and ensure that it operates without infringing the proprietary rights of third parties. As part of its IP-strategy, the company to date holds certain exclusive patent rights in major markets, however, the company cannot predict the degree and range of protection any patents will afford against competitors and competing technologies. There is always a risk that third parties may find ways to invalidate or otherwise circumvent the patents. There is a risk that current or future patent application submitted by the company may be delayed or rejected, and a risk that others may obtain patents claiming aspects similar to those covered

by the company's patents and patents applications. There is also a risk that the company may need to initiate or defend litigation or administrative proceedings, to protect its own patents. Litigation or proceedings may be costly, and should the company's technology be found to infringe upon third parties' rights, that could limit the company's freedom to operate or could subject the company to significant damages or an injunction preventing the manufacture, sale or use of its affected products.

Risk of clinical liability claims
The company currently maintains clinical trial liability insurance for each trial in each country. The company has clinical sites in various countries including the US and the existing insurance programme may not be sufficient to cover claims that may be made against the company and may not be available in the future on acceptable terms, if at all. Any claims against the company, regardless of their merit, could materially and adversely affect its financial condition, in addition to consuming the time and attention of the management.

Risks of operating in a highly competitive industry
The biotechnology and pharmaceutical industries are highly competitive with many large players and subject to rapid and substantial technological change. Developments by others may render the company's product candidates or technologies obsolete or uncompetitive. If competitor product candidates achieve a better therapeutic profile than Betalutin®, the company might not be able to obtain accelerated approval and therefore may need to perform an additional Phase 3 trial after finalisation of PARADIGME, which will have a significant impact on the company's financial situation and outlook. The company's drug candidates may not gain the market acceptance required to be profitable even if they successfully complete clinical trials and receive approval for sale by the relevant regulatory authorities.

Risk of relying upon third parties for clinical trials and manufacturing
The company is exposed to the risk of relying upon third parties for clinical trials and manufacturing. The company cannot be certain that it will be able to enter into or maintain satisfactory agreements with third-party suppliers, such as CROs or CMOs, for the conduct of clinical trials or product manufacturing, respectively. The company's need to recruit, amend or change providers for the conduct of clinical trials might impact the timelines of the conduct of such trials.

The company's failure to enter into agreements with such suppliers or manufacturers on reasonable terms, if at all, could have a material and adverse effect on the business, its financial condition and results of operations.

Poor manufacturing performance of third-party manufacturers, a disruption in the supply or the company's failure to accurately predict the demand for any future commercial sale of a product could have a significant adverse effect on the company's business, financial condition or results of operations.

Risk with respect to use of hazardous materials such as radioactive compounds and environmental risk
The company believes that its safety procedures for handling and disposing of such materials comply with the highest environmental and safety standards; however, there will always be a risk of accidental contamination or injury. By law, radioactive materials may only be disposed of at certain approved facilities. When handling and disposing radioactive materials, there is a risk of accidental contamination or emission damage. Breach of rules for handling and disposing of radioactive materials may involve sanctions for the company, as well as a negative reputation for the company.

Risk related to COVID-19
The uncertainty around the duration, severity and geographic scope of the COVID-19 outbreak could cause further delays in patient enrolment into the company's clinical studies due to re-prioritisation of hospital activities, healthcare staff or patients being affected by the virus, or supply issues due to restriction of movement.

Financial risk

Interest rate risk
The Nordic Nanovector group has no interest-bearing debt except leasing liabilities, where the underlying interest rate is determined when the leasing agreement starts. Bank deposits are exposed to market fluctuations of interest rates, which impact the financial income. The Nordic Nanovector group had NOK 1.1 million (NOK 1.6 million) in interest income as of year-end 2021.

Exchange rate risk
The value of non-Norwegian currency denominated revenues and costs will be affected by changes in currency exchange rates or exchange control regulations. The group undertakes various transactions in foreign currencies and is consequently exposed to fluctuations in exchange rates. The exposure arises largely from research and development expenses. The group is mainly exposed to fluctuations in euro (EUR), pounds sterling (GBP), US dollar (USD) and Swiss franc (CHF).

Exchange rate fluctuations mainly impact cash and cash equivalents in the statement of financial position and financial items in the statement of profit and loss, reported as financial income or expenses.

Nordic Nanovector strives to identify and manage material foreign currency exposures and to minimise the potential effects of currency fluctuations on the cash flow. In order to achieve this, and to provide an operational hedge for purchases made in foreign currencies, the company has made deposits in foreign currency bank accounts and continuously monitors the level of these funds. The parent's deposits in foreign currencies at year-end 2021 amounted to an equivalent of NOK 111.7 million (NOK 44.0 million).

Credit risk
The Nordic Nanovector group is primarily exposed to credit risk associated with accounts receivable and other current receivables. The group has no revenues. The Nordic Nanovector group has not suffered any losses on receivables during 2021. Other current receivables are mainly related to grants from the government Institution Research Council of Norway, and prepayments of services to suppliers. The group considers its credit risk as low.

Liquidity risk
The company closely monitors, plans and reports its cash flow, considering short- and long-term forecasts. The group does not have any loan agreements.

The COVID-19 outbreak has impacted financial markets and caused investors to be much more selective in where they allocate funds. This could limit the company's ability to raise funds in the future resulting in the company needing to streamline its activities based on its financial resources.

The company has been successful in raising new funds totaling NOK 422 million in gross proceeds during 2021 and raised NOK 250 million in January 2022 extending its cash runway beyond the preliminary 3-month data readout from PARADIGME targeted for second half of 2022 and for at least an additional three months into 2023.

Financial instruments' sensitivity for changes in exchange rate at year-end is shown in the table below. Based on historic variation in exchange rates, management considers the percentages applied in the calculation as a reasonably possibly change.

GROUP (Amounts in NOK 1 000)		Effect on profit/loss before tax[3]	
Currency[1]	Change in exchange rate[2]	2021	2020
EUR	-10%	-7 337	-3 151
	+10%	7 337	3 151
GBP	-10%	-2 238	-238
	+10%	2 238	238
USD	-10%	-1 218	-285
	+10%	1 218	285
CHF	-10%	-382	-722
	+10%	382	722

1) The group's cash reserves are deposited in NOK, EUR, USD, CHF and GBP.
2) Positive change represents an increased cost in NOK to purchase foreign currency.
3) Positive figure represents reduced loss while negative figures increases loss.

5.2 FINANCIAL INSTRUMENTS

Accounting policy

Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets at amortised cost
This category is the most relevant to the group. The group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. The group does not have any financial assets at fair value through profit or loss.

Impairment of financial assets
The group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred "loss event"), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred).

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The group's financial liabilities include accounts and other payables.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:
- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

The group only has financial liabilities measured at amortised cost.

GROUP (Amounts in NOK 1 000)	Note	31.12.2021 Financial assets at amortised costs	Other liabilities	Total	31.12.2020 Financial assets at amortised costs	Other liabilities	Total
ASSETS							
Cash and cash equivalents	5.3	277 706		277 706	293 975		293 975
Other current receivables and prepayments	3.3, 3.4	13 023		13 023	14 951		14 951
Total financial assets		**290 729**		**290 729**	**308 926**		**308 926**
LIABILITIES							
Other financial liabilities							
Accounts and other payables	5.4		146 187	146 187		126 350	126 350
Total liabilities			**146 187**	**146 187**		**126 350**	**126 350**

PARENT (Amounts in NOK 1 000)	Note	31.12.2021 Financial assets at amortised costs	Other liabilities	Total	31.12.2020 Financial assets at amortised costs	Other liabilities	Total
ASSETS							
Cash and cash equivalents	5.3	262 930		262 930	275 876		275 876
Other current receivables and prepayments	3.3, 3.4	12 518		12 518	13 968		13 968
Total financial assets		**275 448**		**275 448**	**289 844**		**289 844**
LIABILITIES							
Other financial liabilities							
Accounts and other payables	5.4		145 681	145 681		127 323	127 323
Total financial liabilities			**145 681**	**145 681**		**127 323**	**127 323**

Changes in liabilities arising from financing activities

As per 31 December 2021

PARENT (Amounts in NOK 1 000)	01.01.2021	Cash flows	New leases	Other	31.12.2021
Current lease liabilities	2 211	-10 429	11 370	2 356	5 508
Non-current lease liabilities	2 356	0	0	-2 356	0
Total liabilities from financing activities	**4 567**	**-10 429**	**11 370**	**0**	**5 508**

As per 31 December 2020

PARENT (Amounts in NOK 1 000)	01.01.2020	Cash flows	New leases	Other	31.12.2020
Current lease liabilities	13 751	-13 751	0	2 211	2 211
Non-current lease liabilities	4 571	0	0	-2 215	2 356
Total liabilities from financing activities	**18 322**	**-13 751**	**0**	**-4**	**4 567**

All lease liabilities in the group, with a recognised right-of-use asset associated, are related to leases in Nordic Nanovector ASA, thus the disclosure for Nordic Nanovector ASA is identical to the disclosure for the group.

5.3 CASH AND CASH EQUIVALENTS

Accounting policy

Cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition.

PARENT 2020	PARENT 2021	(Amounts in NOK 1 000)	GROUP 2021	GROUP 2020
1 095	**997**	Employee withholding tax	**997**	1 095
274 781	**261 933**	Variable interests rate bank accounts	**276 709**	292 880
275 876	**262 930**	**Total cash and cash equivalents 31.12**	**277 706**	293 975

Of the total balance of cash and cash equivalents, NOK 1.0 million (2020: NOK 1.1 million) relates to restricted funds for employee withholding taxes. The remainder of the group's cash is deposited in various banks on variable interests rate terms. In the group NOK 125.5 million (2020: NOK 62.1 million) are placed in bank accounts with a different currency than NOK as of 31 December 2021. Of this total, NOK 111.7 million (2020: NOK 44.0) are placements in the parent.

In the group, bank deposits related to office lease of NOK 1.6 million is classified as other current receivables (2020: NOK 1.6 million), hereof NOK 1.5 million is related to the parent in 2021 and NOK 1.5 million in 2020.

5.4 CURRENT LIABILITIES

Accounting policy

The group's financial liabilities consist of accounts payable and other current liabilities and are classified as "current liabilities". Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers . Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Accounts payable and other financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments.

As per 31 December 2021

GROUP (Amounts in NOK 1 000)	On demand	Less than 3 months	3 to 12 months	Total
Accounts payable		65 960		65 960
Unpaid duties and charges		2 844		2 844
Unpaid vacation pay			2 919	2 919
Tax payable			1 068	1 068
Accrued social security expenses related to outstanding non exercised options, PSUs and RSUs[9]	1 649			1 649
Lease liabilities		2 931	2 577	5 508
Other accrued costs		67 260	4 487	71 747
Total current liabilities 31.12.21	**1 649**	**138 995**	**11 051**	**151 695**

As per 31 December 2020

GROUP (Amounts in NOK 1 000)	On demand	Less than 3 months	3 to 12 months	Total
Accounts payable		65 862		65 862
Unpaid duties and charges		4 159		4 159
Unpaid vacation pay			2 913	2 913
Tax payable			803	803
Accrued social security expenses related to outstanding non exercised options, PSUs and RSUs[1]	649			649
Lease liabilities	539	1 672		2 211
Other accrued costs		31 538	20 426	51 964
Total current liabilities 31.12.20	**1 188**	**103 231**	**24 142**	**128 561**

The tables below summarise the maturity profile of the parent's financial liabilities on contractual undiscounted payments.

As per 31 December 2021

PARENT (Amounts in NOK 1 000)	On demand	Less than 3 months	3 to 12 months	Total
Accounts payable		65 214		65 214
Unpaid duties and charges		2 213		2 213
Unpaid vacation pay			2 388	2 388
Tax payable			0	0
Accrued social security expenses related to outstanding non exercised options, PSUs and RSUs[1]	878			878
Current liabilities to group companies		14 414		14 414
Lease liabilities		2 931	2 577	5 508
Other accrued costs		56 087	4 487	60 574
Total current liabilities 31.12.21	**878**	**140 859**	**9 452**	**151 189**

As per 31 December 2020

PARENT (Amounts in NOK 1 000)	On demand	Less than 3 months	3 to 12 months	Total
Accounts payable		65 433		65 433
Unpaid duties and charges		3 663		3 663
Unpaid vacation pay			2 554	2 554
Tax payable			152	152
Accrued social security expenses related to outstanding non exercised options, PSUs and RSUs[1]	339			339
Current liabilities to group companies		10 647		10 647
Lease liabilities	539	1 672		2 211
Other accrued costs		24 109	20 426	44 535
Total current liabilities 31.12.20	**878**	**105 524**	**23 132**	**129 534**

1) Social security is payable when the equity instruments are exercised. See note 6.3 for additional information.

5.5 SHARE CAPITAL AND SHAREHOLDER INFORMATION

As at 31 December 2021 the company's share capital is NOK 19 615 676 (31 December 2020: NOK 15 878 122), being divided into 98 078 380 ordinary shares, each with a nominal value of NOK 0.20. All shares carry equal voting rights.

PARENT	Note	2021	2020
Ordinary shares at 01.01		79 390 612	66 143 363
Issue of ordinary shares[1]		18 577 402	13 228 670
Issue of ordinary shares under share options[2]	6.3.3	58 400	0
Issue of ordinary shares under RSUs[3]	6.3.2	51 966	18 579
Ordinary shares at 31.12		**98 078 380**	**79 390 612**

1) In February 2021 the company raised approximately NOK 361 million in gross proceeds through a private placement of 15 878 122 new shares. The private placement was completed at a subscription price of NOK 22.75 per share. In April 2021 the company raised NOK 61 million in gross proceeds through a repair offering, which increased the company's share capital by NOK 539 856 through the issuance of 2 699 280 new shares.

2) On 1 June 2021 current and former employees exercised 58 400 share options.

3) In June 2021 two US-based board members resolved to settled 22 860 RSUs. In addition, one former board member resolved to settle a total number of 29 106 RSUs previously issued as remuneration under the RSU-programme. To fulfil the company's obligations under the RSU agreements, the board of directors of the company resolved to issue 51 966 new shares at a subscription price of NOK 0.20. See note 6.3.2 for more information on RSUs.

The 2021 AGM granted an authorisation to the board to increase the share capital by 20 per cent of the company's share capital at the time the authorisation is used. The authorisation was utilised to issue 18,3 per cent shares in the private placement in January 2022. The 2021 AGM also granted an authorisation to the board to increase the share capital with up to NOK 75 000 through the issuance of new shares at par value. The authorisation may only be used to issue shares to members of the board as part of the RSU programme. The 2021 AGM also resolved to issue up to 1 500 000 free-standing warrants to employees that were awarded PSUs. See also section 9.1 for events after the reporting date.

The general meetings have since December 2017 resolved to issue free-standing warrants to employees awarded performance share units (PSUs), and employees awarded options under the discontinued option programme. Each free-standing warrant shall, subject to specific terms, give the right to subscribe for one new share in the company with nominal value NOK 0.20. The sole purpose of these free-standing warrants is to ensure delivery of shares in the company upon exercise of PSUs or options. As per 31 December 2021, 1 580 000 warrants related to PSUs, and 676 300 warrants related to options, are exercisable under specific terms and can be converted into shares. See note 6.3 for further information about the share based incentive programme.

Nordic Nanovector ASA had 11 290 shareholders as at 31 December 2021

	Shareholders	Number of shares	Percentage of total shares
1	Folketrygdfondet	7 819 408	7.97%
2	HealthCap VI L.P.	6 834 095	6.97%
3	Fjarde AP-Fonden	4 000 000	4.08%
4	OM Holding AS	3 762 692	3.84%
5	Nordnet Livsforsikring AS	1 762 596	1.80%
6	Sundt AS	1 640 433	1.67%
7	Ro Invest AS	1 000 000	1.02%
8	Linux Solutions Norge AS	845 071	0.86%
9	Verdipapirfondet Nordea Kapital	834 968	0.85%
10	Birk Venture AS	800 000	0.82%
11	UBS Switzerland AG	793 164	0.81%
12	Nordnet Bank AB	776 159	0.79%
13	Verdipapirfondet Nordea Avkastning	703 480	0.72%
14	Must Invest AS	700 000	0.71%
15	Radiumhospitalets Forskningsstiftelse	624 972	0.64%
16	Danske Bank A/S	606 658	0.62%
17	Sciencons AS	575 000	0.59%
18	Boddco AS	550 000	0.56%
19	Myna AS	549 297	0.56%
20	Inven2 AS	541 247	0.55%
	Total shares for top 20 shareholders	**35 719 240**	**36.42%**
	Total shares for other 11 270 shareholders	**62 359 140**	**63.58%**
	Total shares (11 290 shareholders)	**98 078 380**	**100.00%**

The shares of Nordic Nanovector ASA have been traded on the Oslo Stock Exchange since 23 March 2015. The shareholder base has decreased from 11 367 shareholders as of 31 December 2020 to 11 290 shareholders as of 31 December 2021.

5.6 FINANCE INCOME AND FINANCE EXPENSES

Accounting policy

The group and parent company's finance income largely relates to interest received on bank deposits. Net currency gains or losses related to operating items includes gains or losses on accounts payable and accounts receivable.

PARENT 2020	PARENT 2021	(Amounts in NOK 1 000)	Note	GROUP 2021	GROUP 2020
		Finance income			
60	0	Interest income on tax repaid		0	60
1 528	1 122	Interest income on bank deposits	5.3	1 141	1 550
0	10 135	Dividends from subsidiaries		0	0
0	0	Other finance income		78	0
1 588	11 257	**Total finance income**		1 219	1 610
		Finance expense			
471	414	Interest expense leasing		414	471
372	215	Other fees, charges		222	389
843	629	**Total finance expense**		636	860
		Net currency gains (losses)			
-266	292	Net currency gains related to operating items		484	-1 239
18 490	1 229	Net currency gains (losses) related to foreign exchange differences of currency bank accounts		1 229	18 490
18 224	1 521	**Total net currency gains (losses)**		1 713	17 250
18 969	12 149	**Net finance income (expenses)**		2 296	18 000

Net currency gains (losses) related to revaluation of bank deposits in other currencies than NOK is specified in the table below.

PARENT 2020	PARENT 2021	(Amounts in NOK 1 000)	Note	GROUP 2021	GROUP 2020
12 866	-535	EUR	5.3	-535	12 866
1 585	655	USD	5.3	655	1 585
2 042	487	CHF	5.3	487	2 042
1 996	622	GBP	5.3	622	1 996
18 490	1 229	**Net currency gains (losses)**		1 229	18 490

5.7 EARNINGS PER SHARE (EPS)

Accounting policy

Earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share are calculated as profit or loss attributable to ordinary shareholders of the company, adjusted for the effects of all dilutive potential options. Issued share options, performance share units and restricted stock units have a potential dilutive effect on earnings per share (see note 6.3 for details on share based payments). 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 effect.

The calculation of basic and diluted earnings per share attributable to the ordinary shareholders of the parent is based on the data presented in the table below.

PARENT 2020	PARENT 2021	(Amounts in NOK, except number of shares)	Note	GROUP 2021	GROUP 2020
-428 505 000	-433 151 000	Loss for the year		-441 303 000	-417 075 000
69 574 504	94 818 761	Average number of outstanding shares during the year[1]	5.5	94 818 761	69 574 504
-6.16	-4.57	**Earnings (loss) per share - basic and diluted (in NOK per share)**		-4.65	-5.99

1) The weighted number of shares takes into account the weighted average effect of changes in shares during the year.

Exercise of all outstanding PSUs and options as per 31 December 2021 would increase the total number of shares in the company by 2 256 300. See note 6.3 for more details.

Section 6 - Remuneration

6.1 REMUNERATION TO MANAGEMENT

Total remuneration to management during the year ended 31 December 2021

(Amounts in NOK 1 000)	Base salary increase in local currency	Salary	Bonus	Pension expense	Other remune-ration	Total remuneration paid in cash	Imputed share based payment expense [7]
Current management							
Erik Skullerud [1,2] Chief Executive Officer	0%	1 188	1 572	100	176	3 036	524
Malene Brondberg [1,3] Chief Financial Officer	+6%	2 622	1 326	105	975	5 028	777
Rosemarie Corrigan [1] Chief Quality Officer	+3%	2 341	642	94	626	3 702	594
Jostein Dahle Chief Scientific Officer	+2%	1 780	456	78	181	2 495	531
Gabriele Elb [1] VP Global Regulatory Affairs	+3%	2 804	769	258	243	4 074	335
Lars Nieba [1,4] Chief Technology Officer	+6%	2 978	1 462	244	262	4 946	720
Marco Renoldi [1] Chief Operating Officer	0%	2 995	842	102	493	4 432	563
Christine Wilkinson Blanc [1,5] Chief Medical Officer	0%	2 312	243	69	231	2 855	0
Former management members							
Peter Braun [6] Chief Executive Officer (From April to June 2022)	n/a	1 068		98	157	1 323	0
Total management remuneration		**20 088**	**7 312**	**1 148**	**3 344**	**31 891**	**4 044**

Salary includes holiday pay if applicable. Other remuneration includes; insurance, car allowance (if relevant), healthcare allowance (if relevant), representation allowance (if relevant) and other.

1) The average exchange rate in 2021 for CHF/NOK (9.41) and GBP/NOK (11.83) has been used to convert remuneration in other currency than NOK. The NOK value of remuneration paid in CHF and GBP has in 2021 decreased by 2.1 per cent and 6.3 per cent repectively, compared to the NOK value of the same costs using average exchange rates from 2020. The average exchange rate in 2020 was CHF/NOK 10.04 and GBP/NOK 12.08.

2) Erik Skullerud was appointed Chief Executive Officer 14 September 2021.

3) Malene Brondberg was appointed interim Chief Executive Officer 1 June 2021 and held this position until current CEO Erik Skullerud was appointed in September 2021. Ms Brondberg is also responsible for investor relations and human resources.

4) Lars Nieba served as interim Chief Executive Officer until April 2021. He is further entitled to receive EUR 50 000 if he remains in his position until 1 October 2022.

5) Christine Wilkinson Blanc left her position as Chief Medical Officer in January 2022.

6) Peter Braun was appointed Chief Executive Officer from 6 April 2021 and served until June 2021.

7) Share based payment expense are imputed expenses calculated in accordance with IFRS 2 and charged the profit and loss statement.

Total remuneration paid in cash to current and former members of management was NOK 31.9 million in 2021. In 2020 total remuneration was 36.0 million, converted to NOK using average exchange rates for 2020. For comparison, if average exchange rates for 2021 had been applied, total remuneration to management in 2020 would have decreased by NOK 1.3 million to NOK 34.7 million. Reduction only driven by the change in average foreign exchange rate from 2020 to 2021.

Management has been granted options at various exercise prices and PSUs which are disclosed in this note. The imputed cost for options and PSUs related to current management team was NOK 4.04 million in 2021, compared to a gain of 9.4 million in 2020 as certain options and PSUs forefeited in 2020. Cost for share based payments have been calculated in accordance with IFRS 2 and recognised as payroll and related expenses (see note 3.2). For more information about calculation of fair value of share-based payments see note 6.3. The actual gain related to options and PSUs are dependent on the share price at time of exercise and the exercise price and will normally be different than the imputed costs as presented in note 3.2.

Benefits upon termination
No employee, including any member of management, has entered into employment agreements which provide for any special benefits upon termination.

In 2021 and 2020 the group has used the professional services of its chairperson in relation to consulting services. The consulting services are related to work beyond regular board duties. See note 8.2 for details. None of the other board directors or members of the nomination committee have service contracts and none will be entitled to any benefits upon termination of office.

Total remuneration to management during the year ended 31 December 2020

(Amounts in NOK 1 000)	Base salary increase in local currency	Salary	Bonus	Pension expense	Other remuneration	Total remuneration paid in cash	Imputed share based payment expense [7]
Current management							
Lars Nieba [1,2] Interim Chief Executive Officer and Chief Technology Officer	0,0 %	3 011	1 433	245	236	4 925	374
Malene Brondberg [1,3] Chief Financial Officer	+13,3%	2 438	1 232	98	378	4 146	427
Rosemarie Corrigan [1] Chief Quality Officer	0,0 %	2 326	620	93	449	3 488	429
Jostein Dahle Chief Scientific Officer	0,0 %	1 734	421	75	71	2 301	402
Gabriele Elbl [1] VP Global Regulatory Affairs	0,0 %	2 910	776	271	208	4 165	164
Marco Renoldi [1] Chief Operating Officer	0,0 %	3 194	852	326	231	4 603	796
Christine Wilkinson Blanc [4] Chief Medical Officer							
Former management members							
Eduardo Bravo [1] Chief Executive Officer (until 26 February 2020)	0,0 %	1 223		33	4 748	6 004	-6 191
Lisa Rojkjaer [1] Chief Medical Officer (until 23 May 2020)	0,0 %	1 065		99	222	1 386	-3 622
Tone Kvåle [5] Chief Financial Officer (until 01 May 2020)	0,0 %	1 728		56	1 145	2 929	-1 593
Rita Dege [5] Chief Human Resources Officer (until 01 May 2020)	0,0 %	1 220		56	752	2 028	-633
Domenic Smethurst [6] Interim Chief Medical Officer (until 23 May 2020)							
Total management remuneration		20 849	5 334	1 352	8 440	35 975	-9 447

Salary includes holiday pay if applicable. Other remuneration includes; insurance, car allowance (if relevant), healthcare allowance (if relevant), representation allowance (if relevant) and other. For former members of the management team, other remuneration also includes severance pay. Bonus refers to accrued bonus for 2020, which was paid out in 2021.

1) The average exchange rate in 2020 for CHF/NOK (10.04) and GBP/NOK (12.08) has been used to convert remuneration in other currency than NOK.
2) Lars Nieba was appointed Interim Chief Executive Officer 26 February 2020. Due to the restructuring of the company he has served the role as Interim CEO and CTO since end of February.
3) Malene Brondberg was appointed Chief Financial Officer in May 2020. Following the restructuring of the company in May 2020, she is also responsible for investor relations and human resources. Brondberg received a salary increase effective from 1 May 2020.
4) 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.
5) Includes seven months salary and payment of vacation pay accrued during 2019 and 2020.
6) 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.
7) Share based payment expense are imputed expenses calculated in accordance with IFRS 2 and charged the profit and loss statement.

Shares in the company held by the members of the management group on 31 December 2021

(Amounts in NOK 1 000)	Employed with the company since	Number of shares 2021 [1]	Number of shares 2020 [1]
Current management			
Erik Skutlerud Chief Executive Officer	September 2021	0	0
Lars Nieba Chief Technology Officer	December 2019	15 713	9 523
Malene Brondberg Chief Financial Officer	February 2018	21 196	16 804
Rosemarie Corrigan Chief Quality Officer	December 2017	2 436	2 436
Jostein Dahle Chief Scientific Officer	January 2011	204 958	204 958
Gabriele Elbl Vice President Global Regulatory Affairs	November 2019	0	0
Marco Renoldi Chief Operating Officer	November 2014	92 888	86 698
Christine Wilkinson Blanc Chief Medical Officer	August 2020	0	0
Total shares owned by management		337 191	320 419

1) Including shares held by related parties.

Options held by members of the management group on 31 December 2021

Outstanding options (Amounts in NOK 1 000)	Granted 2015	Granted 2016	Granted 2017	Outstanding as of 31.12.2021
Erik Skutlerd Chief Executive Officer				0
Lars Nieba Chief Technology Officer				0
Malene Brondberg Chief Financial Officer				0
Rosemarie Corrigan Chief Quality Officer				0
Jostein Dahle Chief Scientific Officer	105 000	30 000	15 000	150 000
Gabriele Elbl Vice President Global Regulatory Affairs				0
Marco Renoldi Chief Operating Officer		90 000	96 000	186 000
Christine Wilkinson Blanc Chief Medical Officer				0
Total	105 000	120 000	111 000	336 000

Exercise price outstanding options (Amounts in NOK 1 000)	Granted 2015	Granted 2016	Granted 2017
Jostein Dahle Chief Scientific Officer	28	14.24	90.37
Marco Renoldi Chief Operating Officer		14.24	90.37

See note 6.3.3 for more information on the option programme.

Performance share units (PSUs) held by members of the management group on 31 December 2021

Outstanding PSUs (Amounts in NOK 1 000)	Outstanding as of 31.12.2020	Granted 2021	Exercised 2021	Forfeited 2021	Outstanding as of 31.12.2021
Erik Skullerud Chief Executive Officer	0	350 000			350 000
Lars Nieba Chief Technology Officer	110 000	90 000			200 000
Malene Brondberg Chief Financial Officer	85 000	90 000	7 087	12 913	155 000
Rosemarie Corrigan Chief Quality Officer	85 000	45 000	7 087	12 913	110 000
Jostein Dahle Chief Scientific Officer	77 000	45 000	4 252	7 748	110 000
Gabriele Elbi Vice President Global Regulatory Affairs	50 000	45 000			95 000
Marco Renoldi Chief Operating Officer	95 000	45 000	8 858	53 642	77 500
Christine Wilkinson Blanc Chief Medical Officer	0	95 000		95 000	0
Total	502 000	805 000	27 284	182 216	1 097 500

Performance share units (PSUs) held by members of the management group on 31 December 2020

Outstanding PSUs (Amounts in NOK 1 000)	Granted 2018	Outstanding as of 31.12.2018	Granted 2019	Outstanding as of 31.12.2019	Granted 2020	Outstanding as of 31.12.2020
Erik Skullerud Chief Executive Officer		0		0		0
Lars Nieba Chief Technology Officer		0	50 000	50 000	60 000	110 000
Malene Brondberg Chief Financial Officer	20 000	20 000	20 000	40 000	45 000	85 000
Rosemarie Corrigan Chief Quality Officer	20 000	20 000	20 000	40 000	45 000	85 000
Jostein Dahle Chief Scientific Officer	12 000	12 000	20 000	32 000	45 000	77 000
Gabriele Elbi Vice President Global Regulatory Affairs		0	30 000	30 000	20 000	50 000
Marco Renoldi Chief Operating Officer	25 000	25 000	25 000	50 000	45 000	95 000
Christine Wilkinson Blanc Chief Medical Officer		0		0		0
Total	77 000	77 000	165 000	242 000	260 000	502 000

Vesting of PSUs are subject to specific vesting criterias as share price factor and operational factor further described in 6.3.1. Vesting of all outstanding PSUs will require 100 per cent fullfillment of all vesting criterias. Outstanding PSUs where vesting criterias are not met, will laps.

See note 9.1 for more information on the PSUs granted on 10 March 2022.

6.2 COMPENSATION FOR LEADERSHIP TEAM MEMBERS

This section provides an overview of the members of the compensation committee and an overview of elements in the compensation of the leadership team. Further information on the compensation of the leadership team members and the board can be found the remuneration report.

Overview of the compensation policy
Nordic Nanovector's remuneration of the leadership team is proposed by the compensation committee and approved by the board. The members of the committee are:

- Per Samuelsson – chair
- Joanna Horobin
- Solveig Hellebust

Compensation for leadership team members
Nordic Nanovector seeks to entertain a performance-oriented culture, where the individual achievement is clearly aligned with the company's overall strategic objectives. The company evaluates and rewards the leadership team based on their contributions to the achievement of the corporate priorities set early in the year. The performance of each member of the leadership team is reviewed on an annual basis.

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 policy for each element of compensation can be found in the remuneration report for 2021. The guidelines apply to the financial year 2021 and until new guidelines are adopted by the general meeting.

6.3 SHARE BASED INCENTIVE PROGRAMME

Accounting policy
The company operates equity-settled, share based compensation plans, under which the entity receives services from employees and board directors, and as consideration the employees or board members receive an equity instrument (options, performance stock units (PSUs) or restricted stock units (RSUs)) in the company. Equity-settled share based payments are measured at the fair value of the equity instruments at the grant date.

The fair value of the employee services received in exchange for the grant of the equity instrument are recognised as an expense, based on the company's estimate of equity instruments that will eventually vest. The total amount to be expensed is determined by the fair value of the instrument granted, excluding the impact of any non-market service and performance vesting conditions. The grant date fair value of the instrument granted is recognised as an expense with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the equity instrument (vesting period). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

At the end of each reporting period, the group revises its estimates of the number of equity instruments that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the equity instrument is exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are recognised as share capital (nominal value) and share premium. The company will be liable for social security on the gain from the share based incentive programme. The social security is accrued until the award is exercised/released. The social security is accrued over the corresponding vesting period.

6.3.1 PERFORMANCE SHARE UNITS (PSUs)

Accounting policy

Vesting of PSUs are dependent on two factors. 50 per cent of the PSUs will vest given that internal performance conditions are met. The other 50 per cent will vest given that Nordic Nanovector shares deliver a total shareholder return (TSR) above 20 per cent. This leads to a 33 per cent vesting, while a TSR of 60 per cent or higher leads to a vesting of 100 per cent. TSR between 20 and 60 per cent will lead to a linear vesting structure.

The fair value of the granted PSUs with market condition is measured using the Monte-Carlo model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility, vesting period, expected dividends, the risk-free interest rate and the share price appreciation condition. The expected volatility is calculated based on the historic data of the Nordic Nanovector share price that corresponds to the expected life of the PSU. The Monte-Carlo model simulates future share prices in the risk-neutral framework, which results in simulated payoff of PSU. The average discounted simulated payoff across simulations is the calculated fair value of one PSU with market condition. The fair value of the granted PSUs with operational performance is measured using the share price at grant date minus the nominal value of the Nordic Nanovector share.

Overview

The annual general meeting on 28 April 2021 approved to continue the company's share based incentive programme and authorised the board of directors to grant up to 1 500 000 PSUs from the date of the annual general meeting in 2021 to the annual general meeting in 2022. During 2021, 1 420 000 new PSUs have been granted. As of 31 December 2021 there are 1 580 000 PSUs outstanding. In accordance with the resolution at the EGM in December 2017, AGM in May 2018, April 2019, June 2020 and April 2021, the PSUs are secured by a corresponding number of free-standing warrants. The sole purpose of these warrants is to ensure delivery of shares in the company upon exercise of the PSUs. The warrants do not give the PSU holders a right to subscribe for any additional shares in the company. See note 6.2 for more information.

The PSUs are granted without consideration. The PSUs are non-transferable and will vest three years after the date of grant, subject to satisfaction of the applicable vesting conditions. 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 (see note 6.2 for more information about how these factors are determined). 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 currently being NOK 0.20. Share based payment expenses related to options and PSU's are recognised in the income statement and disclosed in note 3.2.

Overview of outstanding PSUs

	2021			2020		
The number of PSUs and average exercise prices:	Number of PSUs	Weighted average exercise price in NOK	Weighted average fair value in NOK	Number of PSUs	Weighted average exercise price in NOK	Weighted average fair value in NOK
Balance at 01.01	774 750	0.20	23.85	775 250	0.20	45.18
Granted during the year	1 420 000	0.20	19.66	561 500	0.20	10.75
Exercised or released during the year[1]	-42 611	0.20	74.91	0	0.20	-
Forfeited	-572 139	0.20	24.51	-562 000	0.20	40.19
Balance at 31.12	**1 580 000**	**0.20**	**18.45**	**774 750**	**0.20**	**23.85**
Hereof vested PSUs	0			0		
Weighted average remaining years to vesting	1,83			1,82		

1) Weighted average share price on the time of exercise was NOK 25.39 per share in 2021.

Remaining contractual lifetime of outstanding performance stock units per 31 December

	2021		2020	
	Number of PSUs	Weighted average exercise price in NOK	Number of PSUs	Weighted average exercise price in NOK
0 - 1 year	213 000	0.20	120 250	0.20
1 - 2 years	428 250	0.20	183 000	0.20
2 - 3 years	938 750	0.20	471 500	0.20
Total	**1 580 000**	**0.20**	**774 750**	**0.20**

The table below shows input and assumptions that have been used for the calculation of fair value of PSUs

	2021	2020
Dividends (NOK)	0	0
Expected volatility (%)	88, 78% - 90,13%	79, 59%
Exercise price (NOK)	0.2	0.2
Value weighted average share price	25.45	18.90
Share price (NOK)	23.21	13.57
Risk-free interest rate (%)	0.71% - 1.03%	0.38%
Vesting date	3 years	3 years

6.3.2 RESTRICTED STOCK UNITS (RSUs)

Accounting policy

The fair value of the granted RSUs without market condition is measured using the share price at grant date.

Overview

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. RSUs vest on the first anniversary of the AGM that they were granted. For the non-US citizens the RSUs shall be settled no later than on the third anniversary of the vesting date. For the US citizens the RSUs shall as a general rule be settled upon vesting.

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 the 10 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.

As per 31 December 2021

Name	Remuneration for the period 2021-2022 in NOK	Allocation between cash and RSUs	Remuneration for the period 2021-2022 in cash	Number of RSUs for the period 2021-2022[8]	Market price on grant date[9] in NOK	Number of RSUs exercised in 2021[10]	Number of RSUs outstanding
Jan H. Egberts[1]	620 000	1/3 RSU	413 333	8 047	25.68		24 654
Jean-Pierre Bizzari[2]	370 000	1/3 RSU	246 667	4 802	25.68	11 430	4 802
Joanna Horobin[3]	370 000	1/3 RSU	246 667	4 802	25.68	11 430	4 802
Karin Meyer[4]	370 000	1/3 RSU	246 667	4 802	25.68		10 181
Per Samuelsson[5]	390 000	100% Cash	390 000				
Rainer Boehm[6]	350 000	1/3 RSU	233 333	4 543	25.68		15 824
Solveig Hellebust[7]	350 000	100% RSU	0	13 629	25.68		13 629
Total	**2 820 000**		**1 776 667**	**40 625**		**22 860**	**73 892**

1) NOK 600 000 as chair of the board and NOK 20 000 as a member of the audit committee.
2) NOK 330 000 as board member and NOK 40 000 as chair of the clinical committee.
3) NOK 330 000 as board member, NOK 20 000 as member of the clinical committee and NOK 20 000 as member of the compensation committee.
4) NOK 330 000 as board member and NOK 40 000 as chair of the audit committee.
5) NOK 330 000 as board member, NOK 40 000 as chair of the compensation committee and NOK 20 000 as a member of the audit committee. Per Samuelsson is not allowed to hold equity in the company due to his affiliation with HealthCap and will only receive cash.
6) NOK 330 000 as board member and NOK 20 000 as member of the clinical committee.
7) NOK 330 000 as board member and NOK 20 000 as member of the compensation committee.
8) The RSUs will vest on 28 April 2022.
9) The market price is calculated as volume weighted average share price the 10 trading days prior to the date of the AGM on 28 June 2021, i.e. NOK 25.68.
10) Hilde Hermansen Steineger decided not to stand for re-election at the AGM in June 2021. She exercised 29 106 RSUs during 2021.

RSUs outstanding:	Number of RSUs	2021 Weighted average exercise price in NOK	2021 Weighted average fair value in NOK	Number of RSUs	2020 Weighted average exercise price in NOK	2020 Weighted average fair value in NOK
Balance at 01.01	85 233	0.20	29.97	44 308	0.20	45.14
Granted during the year	40 625	0.20	27.44	59 504	0.20	20.00
Exercised or released during the year[1]	-51 966	0.20	29.07	-18 579	0.20	34.22
Forfeited	0	0.20	-	0	0.20	-
Balance at 31.12	**73 892**	**0.20**	**29.21**	**85 233**	**0.20**	**29,97**
Hereof vested RSUs	33 267	0.20	31.37	25 729	0.20	53.02

1) Weighted average share price on the time of exercise was NOK 25.39 per share in 2021 and NOK 22.74 in 2020.

The table below shows input and assumptions that have been used for the calculation of fair value of RSUs

	2021	2020
Dividends (NOK)	0	0
Expected volatility (%)	87.42%	111.30%
Exercise price (NOK)	0.20	0.20
VWAP (10 days prior to AGM)	25.68	19.83
Share price (NOK)	27.64	20.00
Risk-free interest rate (%)	0.30%	0.14%
Vesting date	1 year	1 year

6.3.3 SHARE OPTION PROGRAMME

Accounting policy

The fair value of the equity instrument granted is measured using the Black-Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends, and the risk free interest rate. At last grant of options historic volatility of the Nordic Nanovector share price did not provide sufficient historic data that corresponds to the expected life of the option. The expected volatility was therefore estimated based on the volatility of comparable listed companies. Risk free interest rates should be equal to the expected term of the option being valued. For the options quoted in NOK, rates from Norges Bank on grant date are used (bonds and certificates). The rates are interpolated in order to match the expected term. For calculation of fair value of the options it is assumed that expected exercise is one year after vesting date on all grants except for options granted before March 2015. For options granted before March 2015 expected exercise date is vesting date.

Overview

The share option programme was discontinued in 2017 and no options have been granted since it was discontiuned. Options granted under the programme will remain valid with its existing terms. In accordance with the resolution at the EGM held on 20 December 2017, the options previously granted are secured by a corresponding number of free-standing warrants. The sole purpose of these warrants is to ensure delivery of shares in the company upon exercise of the options. The warrants do not give the option holders a right to subscribe for any additional shares in the company.

It is a condition for vesting that the option holder is an employee of the group at the time of vesting. Vested options may be exercised in a period of 15 Norwegian business days from the day following the day of the company's release of its quarterly results, unless the board resolves otherwise. The options expire seven years from grant date. Share based payment expenses related to options and PSU's are recognised in the income statement and disclosed in note 3.2.

The number of employee share options and average exercise prices	Number of options	2021 Weighted average exercise price in NOK	Number of options	2020 Weighted average exercise price in NOK
Balance at 01.01	1 351 967	40,74	1 805 126	47,35
Granted during the year	0	-	0	-
Exercised during the year[1]	-65 900	15,61	-5 000	14,24
Forfeited / cancelled	-609 767	41,36	-448 159	67,67
Balance at 31.12	**676 300**	**42,64**	**1 351 967**	**40,74**
Hereof vested options	676 300	42,64	1 343 937	40,45

1) Weighted average share price on the time of exercise was NOK 26.41 per share in 2021.

Remaining contractual lifetime of outstanding share options per 31 December 2021

	Number of options	Excercise price in NOK
0 - 1 years	308 800	28,97
1 - 2 years	175 000	14,24
2 - 3 years	192 500	90,37
Total	**676 300**	**42,64**

6.4 REMUNERATION TO THE BOARD

The AGM held on 28 April 2021 resolved remuneration to the board and the nomination committee for the period from the 2021 AGM until the AGM in 2022 as shown in the table below.

(Amounts in NOK 1 000, exclusive of social security)	Board of directors	Audit committee	Compensation committee	Clinical committee	Nomination committee
Chair	600	40	40	40	45
Members	330	20	20	20	25

Board of directors and their roles

Board member	Board of directors	Audit committee	Compensation committee	Clinical committee
Jan H. Egberts	Chair	Member		
Jean-Pierre Bizzari	Member			Chair
Joanna Horobin	Member		Member	Member
Karin Meyer	Member	Chair		
Per Samuelsson	Member	Member	Chair	
Rainer Boehm	Member			Member
Solveig Hellebust	Member		Member	

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. At the 2021 AGM, the shareholders approved the issuance of restricted stock units (RSUs) to board members, who elected to receive all or parts of their remuneration in the form of RSUs. The board members' election of RSUs as part of their remuneration is disclosed in note 6.3.2.

Remuneration to the board for the 12 month period from AGM to AGM the following year

Shares held by the board at year end

(Amounts in NOK 1 000, except number of shares)	Board fee and fees for committee work[4] Served since	2021	2020	Number of shares as of 31.12[5] 2021	2020
Current board					
Jan H. Egberts[1]	February 2019	620	520	29 046	6 349
Jean-Pierre Bizzari	May 2016	370	340	20 452	9 022
Joanna Horobin	October 2016	370	340	25 240	13 810
Karin Meyer	June 2020	370	320	571	571
Per Samuelsson[2]	November 2014	390	360	0	0
Rainer Boehm	May 2018	350	320	5 904	5 904
Solveig Hellebust	April 2021	350	-	0	-
Former member of the board					
Hilde Hermansen Staineger[3]		-	340	-	9 568
Total		2 820	2 540	81 213	45 224

1) *In 2021 and 2020 the group has used the professional services of its chairperson in relation to consulting services. The consulting services are related to work beyond regular board duties. See section 6.2 for details.*
2) *Per Samuelsson is not allowed to hold equity in the company due to his affiliation with HealthCap.*
3) *Hilde Steineger was chair of the audit committee.*
4) *Minimum fees for committee work included i.e. five meetings per period.*
5) *Shareholdings are not included for representatives who are no longer members as of 31 December 2021.*

The total remuneration for the board recognised in the accounts for 2021 was NOK 3.4 million (NOK 2.3 million), hereof NOK 2.4 million in fees payable in cash (NOK 2.1 million) and NOK 1.3 million (NOK 1.0 million) for imputed costs related to share based payments (RSUs), which has no cash effect. Total remuneration to the board is classified as other operating expenses and includes fees for committee work and compensation for lost working hours when traveling to attend the board meetings.

6.5 PENSION

Accounting policy

Defined contribution plans
The pension premiums related to defined contribution plans are charged to expenses as they are incurred.

Defined benefit plans
Defined benefit plans are valued at the present value of accrued future pension benefits at the end of the reporting period. Pension plan assets are valued at their fair value.

The current service cost and net interest income/costs are recognised immediately and are presented as payroll and related expenses in the income statement. Net interest income/costs are calculated by using the discount rate of the liability at the beginning of the period on the net liability, but classified as part of payroll and related costs. Changes in net pension liabilities as a result of payments of premiums and pension payments have been taken into consideration. The difference between the actual return and the accounted return is recognised continuously through other comprehensive income. The pension costs are affecting the payroll and related expenses in the income statement. Actuarial gains and losses, including changes in value, both for assets and liabilities, are recognised through other comprehensive income. Actuarial gains and losses are not reclassified over profit and loss.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognised through profit and loss when the curtailment or settlement occurs.

A curtailment occurs when the group decides to make a material reduction in the number of employees covered by a plan or amends the terms of a defined benefit plan, such that a considerable part of the current employees' future earnings will no longer qualify for benefits or will qualify only for reduced benefits.

The introduction of a new defined benefit plan or an improvement to the current defined benefit plan will lead to changes in the pension liabilities. These will be charged to expenses in a straight line during the period until the effect of the change has been accrued. The introduction of new plans or changes to existing plans, which take place with retroactive effect so that the employees immediately accrue a paid-up policy (or a change in a paid-up policy) are recognised in the statement of comprehensive income immediately. Gains or losses linked to curtailments or terminations of pension plans are recognised in the statement of comprehensive income when they arise.

Defined contribution plan
The parent company has a defined contribution pension scheme that complies with the requirements of Norwegian occupational pension legislation (OTP). 19 employees are included in this scheme as of 31 December 2021 (2020: 21 employees). Nordic Nanovector Ltd has a statutory pension scheme as required by the UK government, which has 12 active participants (2020: seven employees). Nordic Nanovector's Danish Branch has a defined contribution scheme with three active member (2020: four employees).

Defined benefit plan
Nordic Nanovector's subsidiary in Switzerland has a pension scheme with the requirements of the Swiss Federal Social Insurance Legislation (BSV). The plan is classed as a cash balance plan, valued as a defined benefit plan for IFRS purposes (IAS 19). The plan has six active participants and no pensioners as at 31 December, 2021 (2020: four active employees).

Total pension expense (recognised in the consolidated statement of profit or loss)

PARENT 2020	PARENT 2021	(Amounts in NOK 1 000)	Note	GROUP 2021	GROUP 2020
2 267	1 673	Pension contributions		2 777	3 104
0	0	Defined benefit plan in Nordic Nanovector GmbH[1]		388	1 676
2 267	1 673	**Total pension expense**	3.2	3 165	4 780

1) *From 1 January 2022, the retirement conversion rates was reduced for both the mandatory and the over-mandatory portions of the defined benefit plan members account balances. This change is treated as plan amendment leading to a plan change income of NOK 583k for the financial year 2021.*

Description of plan characteristics and associated risks

Nordic Nanovector GmbH meets its obligations to provide retirement and risk benefits to employees via a (fully insured) contract with Sammelstiftung BVG Allianz Suisse Lebensversicherungs-Gesellschaft (Allianz). The company has overall responsibility for deciding on the level and structure of plan benefits subject to certain minimum legal requirements. The plan is governed by Allianz. The company has a pension committee which is equally represented by employees and employer representatives. The duties of the pension committee are expressed in the organisational rules of Allianz and mainly cover choice of appropriate plan design, control of contributions into the plan, periodic information to its plan members, use of excess assets if any and others.

The company and employees pay fixed contributions to the plan. Each employee has an account balance which consists of accumulated contributions and interest credited by Allianz. The level of interest granted each year is discretionary and determined by Allianz considering the minimum legal requirements for interest. At retirement, employees can choose whether to take their benefits as a lump sum or receive an annual pension. The amount of annual pension depends on the factor in force at the time of retirement that is set by Allianz.

The plan includes a number of guarantees which expose the company to risks. The main risks that the plan has include:

- Investment risk: There is a guaranteed return on employees' account balances of at least zero per cent p.a. on the total account balance. The investment strategy is set by Allianz and therefore the asset held by the company is effectively the insurance contract rather than the underlying assets.
- Pensioner longevity and investment risk: The pension plan offers a lifelong pension in lieu of the cash lump sum at retirement. The plan has defined rates for converting the lump sum to a pension and there is the risk that the members live longer than implied by these conversion rates and / or that the pension assets do not achieve the investment return implied by these conversion rates.

The nature of the risks of Swiss pension plans means that plans can become underfunded if assumptions are not borne out in practice; however, these risks are borne by Allianz and effectively the company's plan has constantly a funding level of 100 per cent according to funding requirements. The company remains responsible for providing benefits to members if the Allianz contract is cancelled or Allianz is unable to meet its obligations. If the contract is cancelled, or Allianz is unable to meet its obligations, it could be possible to take out an equivalent contract with a different provider. The Allianz contract is automatically renewed each year.

Determination of economic benefit available

No determination of economic benefit available has been made since the plan has a deficit according to the IAS 19 valuation.

Balance sheet position (Amounts in NOK 1 000)	GROUP 31.12.2021	31.12.2020
Defined benefit obligation	-19 648	-20 002
Plan assets	15 187	14 977
Defined benefit (liability)	-4 461	-5 025

Assumptions	2021	2020
Discount rate	0.30%	0.05%
Interest credit rate	0.45%	0.25%
Annual salary increase	2.50%	2.50%
Actuarial tables	BVG 2020	BVG 2015
Turnover rates	200% BVG 2020	200% BVG 2015
Remeasurement gains (losses) on defined benefit plans	-20	-912

Section 7 - Tax

7.1 INCOME TAX

Accounting policy

Income tax expense represents the sum of taxes currently payable and deferred tax. Deferred taxes are recognised based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for taxable temporary differences, and deferred tax assets arising from deductible temporary differences are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

The company is in the research phase of its product development and has incurred significant tax losses related to its operations. The deferred tax asset has not been recognised in the statement of financial position, as the company does not consider that taxable income in the short-term will sufficiently support the use of a deferred tax asset.

Basis for tax calculation

PARENT 2020	PARENT 2021	(Amounts in NOK 1 000)	GROUP 2021	GROUP 2020
-428 505	-433 151	Total comprehensive income (loss) for the period	-441 685	-417 564
-77	3 828	Non-deductible expenses	3 691	-131
-5 010	-14 635	Non-taxable income	-14 635	-5 010
-15 821	-27 629	Share issue costs	-27 629	-15 821
-746	93	Change in temporary differences	93	-747
-450 159	-471 494	Basis for tax calculation	-480 165	-439 273
173	136	Income tax expense	1 165	914

Reconciliation of tax expense and the accounting profit/(loss)

PARENT 2020	PARENT 2021	(Amounts in NOK 1 000)	GROUP 2021	GROUP 2020
-94 089	-95 157	Expected tax expense	-94 102	-93 347
-17	842	Non-deductible expenses	816	-27
-1 102	-3 220	Non-taxable income	-3 220	-1 102
-3 481	-6 078	Share issue costs	-6 078	-3 481
98 871	103 749	Change in deferred tax assets not recognised	103 749	98 871
0	0	Effect from changes in tax rate	0	0
173	136	Income tax expense	1 165	914

The corporate tax rate in Norway was 22 per cent in 2021 and 2020. In Switzerland the tax rate in 2021 and 2020 was 11.85 per cent and 11.91 per cent respectively. In UK, the tax rate was 19 per cent in both periods.

Deferred tax assets relates to the following

PARENT			GROUP	
2020	2021	(Amounts in NOK 1 000)	2021	2020
2 128 892	2 600 387	Tax losses carried forward	2 600 386	2 128 892
1 294	832	Property, plant and equipment	832	1 294
277	331	Leasing agreements	331	277
339	878	Liabilities	878	339
173	135	Tax payable	135	173
2 130 975	2 602 563	**Temporary differences and tax loss carry forward**	2 602 562	2 130 975
468 815	572 564	**Deferred tax assets - not recognised in statement of financial position**	572 564	468 815

Deferred tax assets as of 31 December 2021 and 2020 have been calculated using a tax rate of 22 per cent.

The group is in the research phase of its product development and has incurred significant tax losses related to its operations. The parent company has a total tax loss carried forward of NOK 2 600.4 million at 31 December 2021. At 31 December 2020 the total tax loss carried forward was NOK 2 128.9 million. The tax losses can be carried forward indefinitely.

The group nor the parent company have recognised a deferred tax asset in the statement of financial position, as the parent company does not consider that taxable income in the near term will sufficiently support the utilisation of a deferred tax asset. No current or deferred tax charge or liability has been recognised for 2021 and 2020.

The income tax expense in the parent relates to profit before income tax in Nordic Nanovector DK, branch of Nordic Nanovector ASA. Profit before tax in the subsidiaries in UK and Switzerland leads to a tax expense for the group.

Section 8 - Group structure

8.1 INFORMATION ABOUT SUBSIDIARIES

Accounting policy

Shares and investments intended for long-term ownership are reported in the parent company's statement of financial position as long-term investments and valued at cost. The company determines at each reporting date whether there is any objective indication that the investment in the subsidiary is impaired. If this is the case, the amount of impairment is calculated as the difference between the recoverable amount of the subsidiary and its carrying value and recognises the amount in the income statement. Any realised and unrealised losses and any write-downs relating to these investments will be included in the parent's statement of comprehensive income as financial items.

The consolidated financial statements of the group include

(Amounts in NOK 1 000)			Equity of interest	
Name	Country of incorporation	Book value	2021	2020
Nordic Nanovector GmbH	Switzerland	137	100%	100%
Nordic Nanovector Ltd	United Kingdom	0	100%	100%

Nordic Nanovector ASA is a public limited company incorporated and domiciled in Norway and is the parent company of the group. The group's operations are carried out by the parent company and its wholly-owned subsidiaries Nordic Nanovector GmbH and Nordic Nanovector Ltd. Nordic Nanovector GmbH is incorporated in Zug, Switzerland, with its registered address at Dammstrasse 19, 6300 Zug, Switzerland. Nordic Nanovector Ltd is incorporated in London, England, with its registered address at 1 Brassey Road, Shrewsbury SY3 7FA, United Kingdom.

Nordic Nanovector also have operations in Denmark through Nordic Nanovector DK, a branch of Nordic Nanovector ASA. The branch was established in October 2017 and is reported as costs incurred in the parent.

8.2 TRANSACTIONS WITH RELATED PARTIES

Accounting policy

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Transactions and balances between companies, which are a member of the group, have been eliminated in the consolidated accounts for the group. Note 8.1 provides information about the group's structure.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

		Purchases (included in other operating expenses)	
(Amounts in NOK 1 000)	Note	2021	2020
Subsidiary - Nordic Nanovector GmbH	3.1	28 866	24 281
Subsidiary - Nordic Nanovector Ltd	3.1	35 705	34 912
Purchase of professional services from Veritas Investments B.V.[1]	6.4	399	425
Purchase of spesialised IT consultancy from Phi Innovate Ltd [2]		112	0

The following table provides overview of amounts owed to and by related parties for the relevant financial year.

		Amounts owed to related parties (included in current liabilities to group companies)	
(Amounts in NOK 1 000)	Note	31.12.2021	31.12.2020
Subsidiary - Nordic Nanovector GmbH	5.4	6 591	4 530
Subsidiary - Nordic Nanovector Ltd	5.4	7 823	6 117

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 of the board.

2) Phi-Innovate Limited is managed by close member of the family of a related party of the previous CMO, Christine Wilkinson Blanc. Services are based on market rates and conditions for such services.

For information on remuneration and shareholding to the board of directors and management see note 6.4 and note 6.1 repectively.

Section 9 - Other disclosures

9.1 EVENTS AFTER REPORTING DATE

Accounting policy

New information on the company's financial position at the end of the reporting period, which becomes known after the reporting period, is recorded in the annual accounts. Events after the reporting period that do not affect the company's financial position at the end of the reporting period, but which will affect the company's financial position in the future, are disclosed if significant.

Patient enrolment into PARADIGME

On 7 January 2022, the company provided an update on the timeline for PARADIGME, the ongoing pivotal Phase 2b trial of Betalutin® in third line relapsed rituximab/anti-CD20 refractory follicular lymphoma (3L R/R FL). At that time 106 patients had been enrolled into the study out of a target of 120 evaluable patients. Nordic Nanovector is now anticipating that it will report the preliminary three-month data readout from PARADIGME during H2'2022. This revised timing is due to the impact from the SARS-CoV-2 omicron variant, which has affected the company's ability to screen, enrol and treat new patients whose physical condition means they are at the greatest risk from COVID-19 infection. Despite this challenging situation, Nordic Nanovector continues to work diligently to complete patient recruitment into PARADIGME and delivering the preliminary 3-month data remains the company's key strategic priority for 2022.

Private placement

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

The net proceeds of the private placement will be used for the following purposes:

- Preparation of activities required for the regulatory filing of Betalutin® and pre-approval inspections
- Continuing to prepare for the confirmatory Phase 3 trial, production of clinical material and preparation for market launch
- General corporate purposes

The proceeds from the private placement are expected to ensure financing past the company's value inflection point targeted for H2'2022 (preliminary 3-month data readout from PARADIGME) and for at least an additional three months into 2023 to enable the company to maximise shareholder value from the PARADIGME clinical trial.

Repair offering

On 14 February 2022, an EGM resolved to grant an authorisation to the company's board of directors to carry out a repair offering following the private placement in January 2022 at a subscription price of NOK 14 per share. Given the share price development following the geopolitical events in Ukraine, the repair offering resulted in limited new proceeds being raised for the company.

Recent developments in Ukraine

Nordic Nanovector has no clinical trial sites nor operations in Ukraine, so is not directly affected by the recent developments there. However, indirect effects from the geopolitical fall out, including the impact on currency exchange rates, cannot be completely excluded. Currently, the company does not believe such developments to have any major adverse consequences on its business but will continue to monitor the situation.

Allocation of performance share units (PSUs)

The board of directors decided on 10 March 2022 to grant 934 000 PSUs to employees in accordance with the authorisation granted at the annual general meeting held on 28 April 2021. PSUs granted to current management and the Chief Executive Officer can be found in the table below:

(Amounts in NOK 1 000)	PSUs granted 10 March 2022	Number of PSUs outstanding 5 April 2022	Number of shares 5 April 2022
Erik Skullerud Chief Executive Officer	110 000	460 000	3 571
Lars Nieba Chief Technology Officer	55 000	200 000	15 713
Malene Brondberg Chief Financial Officer	55 000	197 233	24 767
Jostein Dahle Chief Scientific Officer	55 000	152 233	204 958
Gabriele Elbi Vice President Global Regulatory Affairs	55 000	150 000	0
Sandra Jonsson Chief Operating Officer	110 000	110 000	3 571
Total	**440 000**	**1 269 466**	**252 580**

9.2 STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET ADOPTED

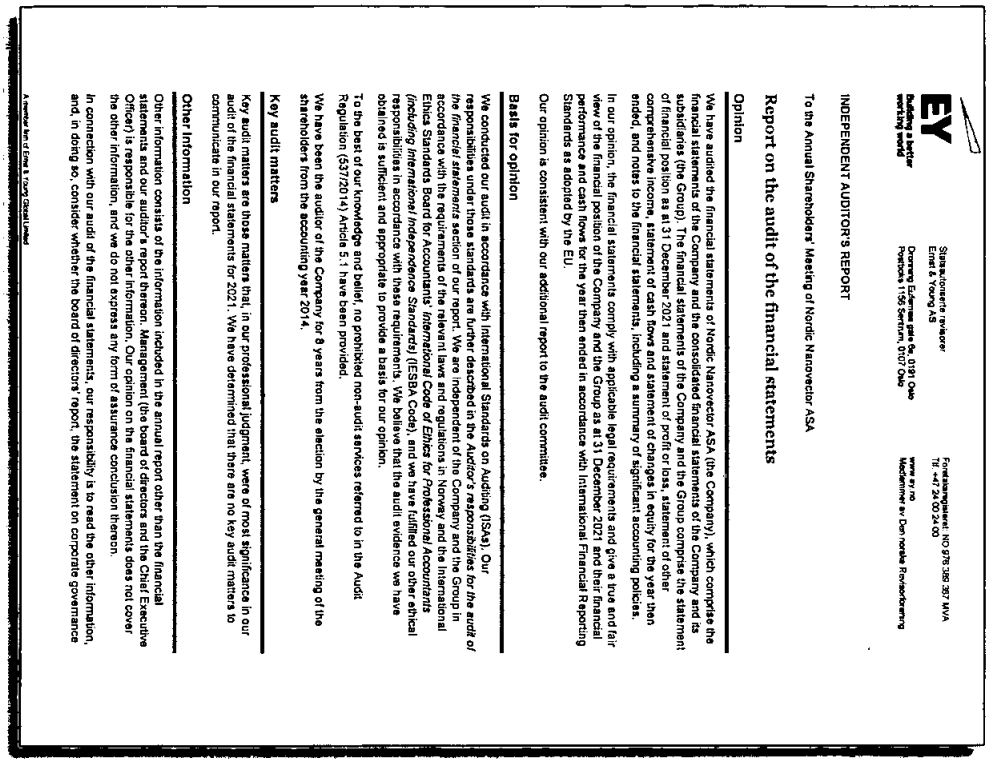
IASB has published certain new standards and interpretations and amendments to existing standards and interpretations that are not effective for the annual period ending 31 December 2021, and that are not applied when preparing these financial statements. New and amended standards and interpretations expected to be relevant the group's financial position, performance or disclosures are disclosed below.

Changes / improvements	Standard
New standards	No new standards in issue but not yet adopted that is expected to have material impact on the financial statements.
Amendments	• **Amendments to IFRS 3 - Updating a reference to the conceptual Framework** The amendments updated the reference to the Conceptual Framework. *The amendments will have accounting effect from 1 January 2022. The implementation is not expected to have material impact on the financial statements.* • **Amendments to IAS 1 - Classification of liabilities as current or non-current** A narrow-scope amendments to IAS 1 Presentation of Financial Statements toclarify how to classify debt and other liabilities as current or non-current. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. The amendments clarify, not change, existing requirements, and so are not expected to affect companies' financial statements significantly. *The amendments will have accounting effect from 1 January 2023. The implementation is not expected to have material impact on the financial statements* • **Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting policies** Following feedback that more guidance was needed to help companies decide what accounting policy information should be disclosed, IASB has issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements. The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. *The amendments will have accounting effect from 1 January 2023. The implementation is not expected to have material impact on the financial statements.* • **Amendments to IAS 8 - Definition of Accounting Estimates** IASB has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. *The amendments will have accounting effect from 1 January 2023. The implementation is not expected to have material impact on the financial statements.*

9.3 CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

Changes / improvements	Standard
New standards	No new standards have been implemented in 2021.
Amendments	• **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform - Phase 2** *The implementation did not have any material impact on the financial statements.* • **Amendment to IFRS 16 - COVID-19-Related Rent Concessions** *The implementation did not have any material impact on the financial statements.*

Auditor's report



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Nordic Nanovector ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Nordic Nanovector ASA (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the statement of financial position as at 31 December 2021 and statement of profit or loss, statement of other comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 8 years from the election by the general meeting of the shareholders from the accounting year 2014.

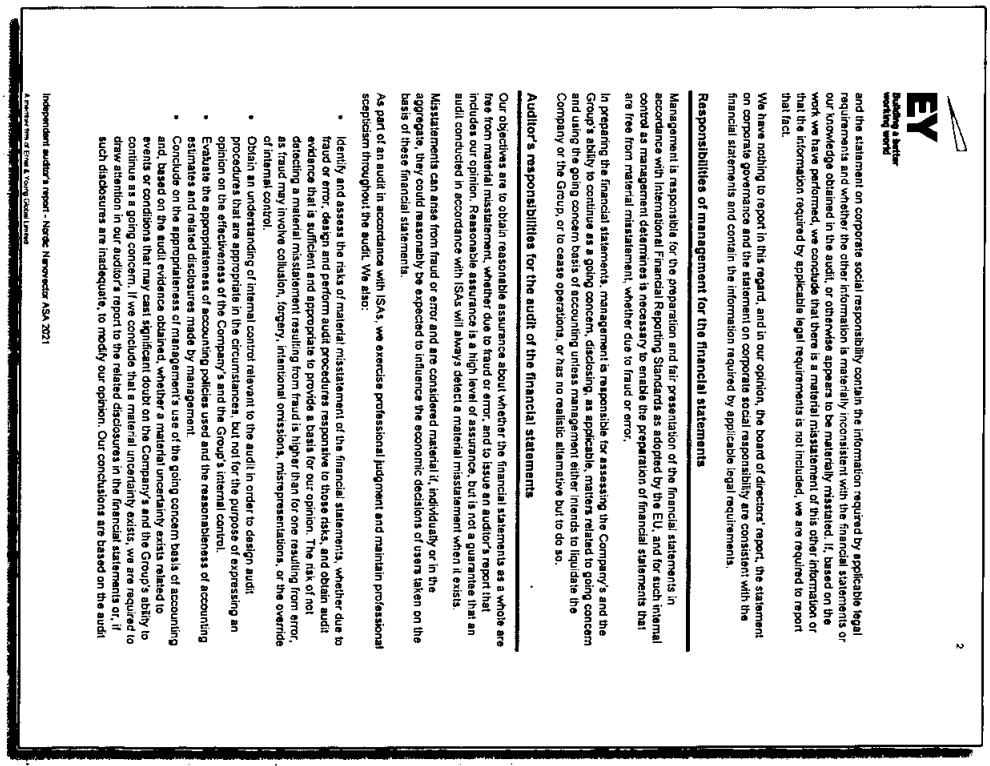
Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2021. We have determined that there are no key audit matters to communicate in our report.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance



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and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by applicable legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

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evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of our audit of the financial statements of Nordic Nanovector ASA we have performed an assurance engagement to obtain reasonable assurance whether the financial statements included in the annual report, with the file name *"NordicNanovectorASA-2021-12-31-en.zip"*, has been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation given with legal basis in Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements included in the annual report have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of an annual report and IXBRL tagging of the consolidated financial statements that complies with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary to enable the preparation of an annual report and iXBRL tagging of the consolidated financial statements that is compliant with the ESEF Regulation.

Auditor's responsibilities

Our responsibility is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation based on the evidence we have obtained. We conducted our engagement in accordance with the International

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Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its annual report in XHTML format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 5 April 2022
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The auditor's report is signed electronically

Anja Maan
State Authorised Public Accountant (Norway)

Other information

Financial calendar

- Annual General Meeting: 28 April 2022
- Q1 2022 results: 13 May 2022
- Q2 2022 results: 20 July 2022
- Q3 2022 results: 10 November 2022

A two-week quiet period takes place ahead of full year and quarterly reports. During the quiet periods, the company will not participate in meetings, seminars or engage with external individuals or groups (including analysts, investors and media).

- Q1 2022 – Quiet period: 28 April – 12 May 2022
- Q2 2022 – Quiet period: 5 – 19 July 2022
- Q3 2022 – Quiet period: 27 October – 9 November 2022

Investor contact

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web:	www.nordicnanovector.com/investors-and-media/events-and-media/ir-contact

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. The information and opinions in this report is provided as at the date hereof and subject to change without notice. It is not the intention to provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of the company's financial or trading position or prospects. This report does not constitute investment, legal, accounting, regulatory, taxation or other advice and does not take into account your investment objectives or legal, accounting, regulatory, taxation or financial situation or particular needs. You are solely responsible for forming your own opinions and conclusions on such matters and for making your own independent assessment of the company. You are solely responsible for seeking independent professional advice in relation to the company. No responsibility or liability is accepted by any person for any of the information or for any action taken by you or any of your officers, employees, agents or associates on the basis of such information.

Notes

Glossary of terms

- **^{177}Lu:** Lutetium-177 radionuclide
- **1L, 2L, 3L:** 1st, 2nd and 3rd line of treatment
- **AGM:** Annual general meeting
- **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 specialised receptor protein allows a B-cell to bind to a specific antigen.
- **Betalutin®:** Nordic Nanovector's lead clinical-stage candidate
- **BLA:** Biologics license applications
- **BTK:** Bruton's tyrosine kinase
- **CAGR:** Compound annual growth rate
- **CAR-T:** Chimeric antigen receptor T-cell
- **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
- **CLL:** Chronic lymphocytic leukaemia
- **CMC:** Chemistry, manufacturing and control
- **CMO:** Contract manufacturing organisation
- **COVID-19:** An infectious disease caused by severe acute respiratory syndrome coronavirus 2
- **CR:** Complete response
- **CRO:** Contract research organisation
- **CSR:** Corporate social responsibility
- **DLBCL:** Diffuse large B-cell lymphoma
- **DLT:** Dose limiting toxicity
- **DoR:** Duration of response
- **EANM:** Annual Congress of the European Association of Nuclear Medicine
- **EGM:** Extraordinary general meeting
- **EIP:** Long-term equity incentive plan
- **EIR:** Effective interest rate
- **EMA:** European Medicines Agency
- **EMEA:** Europe, Middle East and Africa
- **EU:** European Union
- **FDA:** Food and Drug Administration (US)
- **FL:** Follicular lymphoma
- **GMP:** Good manufacturing practice
- **GxP:** Good Clinical, Laboratory, and Manufacturing Practices
- **HaemOncs:** Haematologist-oncologist
- **Humalutin®:** Chimeric anti-CD37 ARC
- **IAS:** International accounting standards
- **IAS 38:** International accounting standard for intangible assets
- **IDN:** Integrated delivery networks
- **IFE:** Institute for Energy Technology
- **IFRS:** International financial reporting standards
- **IFRS 16:** International financial reporting standard for leases
- **ITM:** Isotopen Technologien München AG
- **IND:** Investigational new drug
- **INHL:** Indolent non-Hodgkin lymphoma
- **IPO:** Initial public offering
- **Lilotomab (lilo):** Betalutin® consists of the radionuclide lutetium-177 conjugated to the B-cell seeking anti-CD37 antibody lilotomab
- **Lu-177:** Radionuclide lutetium-177
- **Lymphoma:** Cancer of the immunosystem and white blood cells
- **LYMRIT 37-01:** Clinical study for Betalutin® in 3L R/R FL
- **LYMRIT 37-05:** Clinical study for Betalutin® in DLBCL
- **MBq:** Megabecquerel (radioactivity measurement unit)
- **MD:** Medical doctor
- **mDoR:** Median duration of response
- **Medicare:** US government reimbursement programme for insured elderly
- **MHRA:** Medicines and Healthcare Products Regulatory Agency
- **MOS:** Median overall survival
- **MZL:** Marginal zone lymphoma
- **n:** Number
- **NHL:** non-Hodgkin lymphoma
- **NM:** Nuclear medicine
- **NNV003:** Chimeric anti-CD37 antibody developed by Nordic Nanovector
- **OCI:** Other comprehensive income
- **ORR:** Overall response rate (CR plus PR)
- **OS:** Overall survival
- **OTP:** Mandatory occupational pension scheme
- **PARADIGME:** Name of Nordic Nanovector's pivotal Phase 2b study
- **PCP:** Primary-care physician
- **PD:** Progressive disease
- **PFS:** Progression free survival
- **PIM:** Promising innovative medicine
- **PR:** Partial response
- **p-SCN-Bn-DOTA:** Chemical linker
- **PSU:** Performance share units
- **R&D:** Research and development
- **R/R:** Relapsed/refractory
- **R:** Rituximab
- **RadOnc:** Radiation oncologist
- **R-CHOP:** Rituximab, hydroxydaunorubicin (doxorubicin), oncovin (vincristine), prednisolone
- **RSU:** Restricted share units
- **SCT:** Stem cell transplant
- **SD:** Stable disease
- **SOP:** Standard operating procedure
- **US:** United States

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