

Nordic Nanovector

Reason: Post-results comment

Nice uplift in site openings

- Opex on track in Q2, ~7 quarters of cash on hand
- We fear continued slow enrolment
- Plenty of value, maintain BUY and TP NOK 85

Q2 in numbers

In Q2 NNV had opex spend of NOK -84.5m (ABGSCe NOK -77.4m, no consensus), taking net profit to NOK -82.9m (ABGSCe NOK -72.9m) and leaving the cash position at end-Q2 at NOK 570m (Q1: NOK 641m). Headcount increased by one, to 40. We see NNV having about seven quarters worth of cash, which we believe means it will require additional cash within the next 12 months. Given NNV's promising technology, we would optimally look for NNV to expand its R&D further.

So how many dosed patients do you have, NNV?

Since the Q1 report on 30 May NNV has managed to increase the number of open sites for the PARADIGME trial to 41 (23) and increase the number of new countries participating by 5, bringing the total to 13. This bodes well for NNV to reach the targeted 80-85 sites across 20 countries. We are also encouraged by the company's statement that key US and Canadian sites will come onstream shortly. As expected, but not as we had hoped, NNV did not provide an update on the number of dosed patients, therefore, we only know of the single dosed patient announced on 21 June. Without more visibility on the speed of enrolment, we maintain our cautious view and suspect the full data set may ultimately be delayed vs. the guidance of first data readout in H1'20. Outside PARADIGME we saw new CEO Mr. Bravo present confidently, leaving a solid impression at his first NNV investor presentation.

We continue to BUY the case

We continue to see substantial unpriced value in Betalutin, which looks more efficacious and safer while also being easier to use than competition. This value offsets other issues in the stock, e.g. possible delay to PARADIGME. We maintain BUY and SOTP-driven TP NOK 85.

Lead analyst: morten.larsen@abgsc.dk, +45 35 46 30 19
andrew.carlsen@abgsc.dk, +45 35 46 30 13
sten.gustafsson@abgsc.se, +46 8 566 286 93
glenn.kringhaug@abgsc.no, +47 22 01 61 62

BUY  HOLD  SELL 

Estimate changes (%)

	2018e	2019e	2020e
Sales	0.0%	-60.0%	-60.0%
EBIT (rep)	-6.4%	-6.8%	-6.9%
EPS (rep)	-7.8%	-8.7%	-8.8%

Source: ABG Sundal Collier

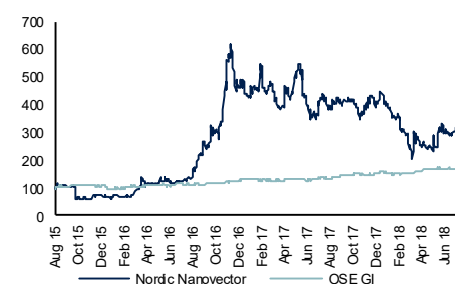
Share price (NOK)	22/08/2018	63.0
Target price		(85.0) 85.0

Biotechnology, Norway
NANOV.OL/NANO NO

MCap (NOKm)	3,085
MCap (EURm)	317.7
Net debt (EURm)	-35

No. of shares (m)	49.0
Free float (%)	100.0
Av. daily volume (k)	na

Performance



	1m	3m	12m
Absolute (%)	4.7	26.6	-20.6
OSE GI (%)	3.1	0.6	28.1

Source: FactSet

NOKm	2016	2017	2018e	2019e	2020e
Sales	0	0	0	0	0
EBITDA	-218	-318	-343	-326	-320
EBITDA margin (%)	-69,274.5	#####	#####	#####	#####
EBIT adj	-216	-317	-340	-324	-318
EBIT adj margin (%)	-68,905.1	#####	#####	#####	#####
Pretax profit	-235	-293	-340	-318	-315
EPS rep	-5.04	-6.00	-6.96	-6.50	-6.43
EPS adj	-5.04	-6.00	-6.96	-6.50	-6.43
Sales growth (%)	-28.1	-3.8	-33.8	0	0
EPS growth (%)	-12.2	-19.1	-16.1	6.6	1.1

Source: ABG Sundal Collier, Company data

	2018e	2019e	2020e
P/E (x)	-9.0	-9.7	-9.8
P/E adj (x)	-9.0	-9.7	-9.8
P/BVPS (x)	9.11	153.76	-10.46
EV/EBITDA (x)	-8.0	-9.4	-10.6
EV/EBIT adj (x)	-8.1	-9.5	-10.7
EV/sales (x)	13,763.46	15,367.71	16,955.21
ROE adj (%)	-67.0	-177.6	229.2
Dividend yield (%)	0	0	0
FCF yield (%)	-11.4	-10.4	-10.3
Net IB debt/EBITDA	1.0	0.0	-1.0

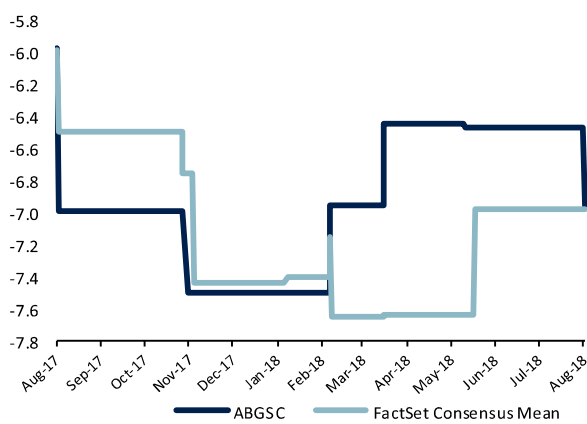
Opportunities

We see a number of under-appreciated items in NNV including: 1) the early stage pipeline and the value of NNV's core technology, 2) BetalutinTM as a combination drug with its unique CD37 antibody providing differentiation versus CD20 based treatments, and 3) NNV's platform mindset with both a unique CD37 antibody and knowledge of radionuclides. Each of these can be the basis for new drugs.

Risks

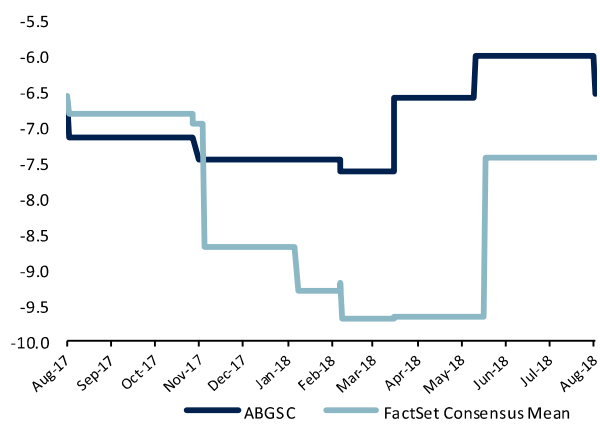
Our main worries are: 1) the clinical development risks for BetalutinTM in the important pivotal trial, e.g., risks related to the quality of patients recruited into the trials, the speed to patient enrolment and whether the drug can actually be proven to work, 2) competitive drugs in development - the data they show and how they may impact treatment regimens, 3) NNV's ability to operationally execute on its R&D strategy within its fiscal boundaries, and 4) pricing. Forex as well as the interest rate environment.

EPS estimate changes, 2018e, NOK



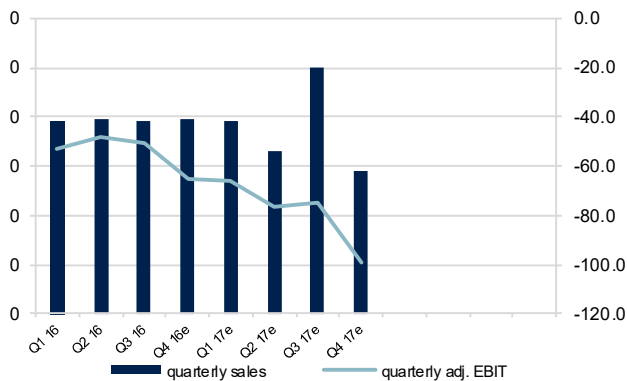
Source: ABG Sundal Collier, FactSet

EPS estimate changes, 2019e, NOK



Source: ABG Sundal Collier, FactSet

Quarterly sales and adj. EBIT, NOKm



Source: ABG Sundal Collier, Company data

Company description

NNV, is a biotechnology company based in Oslo, focused on treating haematological cancers through the development of Antibody Radionuclide Conjugate drugs (ARCs). NNV's lead project is BetalutinTM which is in clinical development against Follicular Lymphoma. BetalutinTM is a conjugate of NNV's proprietary CD37 specific antibody, lilotomab, and a lutetium-177 radionuclide. NNV is actively engaged in R&D to test BetalutinTM in other cancers and to develop other drugs based on ARCs.

NNV Q2'18 report, actual vs. expected

	Q2 17a	Q3 17a	Q4 17a	2017a	Q1 18a	Actual Q2 18a	ABGSC Q2 18e	% diff
Revenues	0.1	0.1	0.1	0.3	0.0	0.0	0.1	nm
Opex	-76.3	-75.3	-99.4	-316.8	-82.3	-84.5	-77.4	-8%
Operating profit	-76.3	-75.2	-99.4	-316.5	-82.3	-84.5	-77.3	-9%
Net profit	-66.4	-75.2	-96.5	-293.8	-90.7	-82.9	-72.9	-12%

Source: ABG Sundal Collier, company data

NNV, change to ABGSC estimates

(NOKm)	2018e			2019e			2020e		
	Old	New	% diff	Old	New	% diff	Old	New	% diff
Revenues	0.5	0.2	60%	0.5	0.2	60%	0.5	0.2	60%
EBIT	-320	-340	-6%	-303	-324	-7%	-297	-318	-7%
Net profit	-316	-341	-8%	-293	-319	-9%	-290	-315	-9%

Source: ABG Sundal Collier, company data

NNV key news flow

Time	Project	Indication	Event
H2'18	Betalutin / rituximab combo	2nd line Follicular Lymphoma	ARCHER-1: first patient dosed
H2'18	Betalutin	R/R iNHL	LYMRIT 37-01: First data readout
H1'20	Betalutin	3rd line Follicular Lymphoma	PARADIGME study , preliminary data readout

Source: ABG Sundal Collier, company data

Income Statement (NOKm)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Sales	0	0	0	0	0	0	0	0	0	0
COGS	0	0	0	0	0	0	0	0	0	0
Gross profit	0	0	0	0	0	0	0	0	0	0
Other operating items	-8	-15	-19	-69	-185	-218	-318	-343	-327	-320
EBITDA	-8	-15	-18	-69	-184	-218	-318	-343	-326	-320
Depreciation on tangibles	1	1	0	0	1	1	1	2	2	2
Depreciation on intangibles	0	0	0	0	0	0	0	0	0	0
EBITA	-7	-14	-18	-69	-183	-216	-317	-340	-324	-318
Goodwill impairment charges	0	0	0	0	0	0	0	0	0	0
Other impairment and amortisation	0	0	0	0	0	0	0	0	0	0
EBIT	-7	-14	-18	-69	-183	-216	-317	-340	-324	-318
Interest Net	0	0	1	5	10	-19	23	0	6	3
Other financial items	0	0	0	0	0	0	0	0	0	0
Associated income	0	0	0	0	0	0	0	0	0	0
Other EO items	0	0	0	0	0	0	0	0	0	0
Pretax profit	-7	-13	-17	-64	-173	-235	-293	-340	-318	-315
Tax	0	0	0	-0	-0	-0	-0	-1	-1	-1
Net profit	-7	-13	-17	-64	-173	-236	-294	-341	-319	-315
Minority interest	0	0	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	0	0	0
Net profit to shareholders	-7	-13	-17	-64	-173	-236	-294	-341	-319	-315
EPS	0	-4.01	-1.92	-3.54	-4.49	-5.04	-6.00	-6.96	-6.50	-6.43
EPS Adj	0	-4.01	-1.92	-3.54	-4.49	-5.04	-6.00	-6.96	-6.50	-6.43
Total extraordinary items after tax	0	0	0	0	0	0	0	0	0	0
Tax rate (%)	0	0	0	0.1	0.2	0.1	0.1	0.2	0.2	0.2
Gross margin (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EBITDA margin (%)	-12,141.3	-9,804.5	-5,994.9	-15,704.7	-42,125.6	-69,274.5	#####	#####	#####	#####
EBITA margin (%)	-11,242.4	-9,278.3	-5,917.5	-15,626.1	-41,898.2	-68,905.1	#####	#####	#####	#####
EBIT margin (%)	-11,242.4	-9,278.3	-5,917.5	-15,626.1	-41,898.2	-68,905.1	#####	#####	#####	#####
Pretax margin (%)	-10,820.8	-9,078.8	-5,558.0	-14,479.1	-39,514.2	-74,895.2	-97,163.2	#####	#####	#####
Net margin (%)	-10,820.8	-9,078.8	-5,558.0	-14,489.1	-39,605.3	-75,003.2	-97,289.4	#####	#####	#####
Growth rates Y/Y	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Sales growth (%)	na	135.1	106.6	43.6	-0.6	-28.1	-3.8	-33.8	0	0
EBITDA growth (%)	na	-89.9	-26.3	-276.1	-166.7	-18.2	-46.2	-7.7	4.7	1.9
EBIT growth (%)	na	-94.0	-31.8	-279.2	-166.6	-18.2	-46.3	-7.5	4.8	2.0
Net profit growth (%)	na	-97.3	-26.5	-274.3	-171.8	-36.1	-24.8	-16.1	6.6	1.1
EPS growth (%)	na	high	52.0	-84.2	-26.7	-12.2	-19.1	-16.1	6.6	1.1
Profitability	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
ROE (%)	na	-95.5	-39.3	-31.1	-33.2	-28.3	-36.1	-67.0	-177.6	229.2
ROE Adj (%)	na	-95.5	-39.3	-31.1	-33.2	-28.3	-36.1	-67.0	-177.6	229.2
ROCE (%)	na	-658.3	-14,861.8	1,676.3	912.9	414.1	402.4	930.0	-4,492.7	-3,333.7
ROCE Adj(%)	na	-658.3	-14,861.8	1,676.3	912.9	414.1	402.4	930.0	-4,492.7	-3,333.7
ROIC (%)	na	-465.0	-877.0	-3,175.3	49,768.8	1,454.5	1,977.4	-71,263.9	-4,313.7	-3,221.6
ROIC Adj (%)	na	-465.0	-877.0	-3,175.3	49,768.8	1,454.5	1,977.4	-71,263.9	-4,313.7	-3,221.6
Adj earnings numbers	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
EBITDA Adj	-8	-15	-18	-69	-184	-218	-318	-343	-326	-320
EBITDA Adj margin (%)	-12,141.3	-9,804.5	-5,994.9	-15,704.7	-42,125.6	-69,274.5	#####	#####	#####	#####
EBITA Adj	-7	-14	-18	-69	-183	-216	-317	-340	-324	-318
EBITA Adj margin (%)	-11,242.4	-9,278.3	-5,917.5	-15,626.1	-41,898.2	-68,905.1	#####	#####	#####	#####
EBIT Adj	-7	-14	-18	-69	-183	-216	-317	-340	-324	-318
EBIT Adj margin (%)	-11,242.4	-9,278.3	-5,917.5	-15,626.1	-41,898.2	-68,905.1	#####	#####	#####	#####
Pretax profit Adj	-7	-13	-17	-64	-173	-235	-293	-340	-318	-315
Net profit Adj	-7	-13	-17	-64	-173	-236	-294	-341	-319	-315
Net profit to shareholders Adj	-7	-13	-17	-64	-173	-236	-294	-341	-319	-315
Net Adj margin (%)	-10,820.8	-9,078.8	-5,558.0	-14,489.1	-39,605.3	-75,003.2	-97,289.4	#####	#####	#####

Source: ABG Sundal Collier, Company data

Cash Flow Statement (NOKm)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
EBITDA	-8	-15	-18	-69	-184	-218	-318	-343	-326	-320
Net financial items	0	0	1	5	10	-19	23	0	6	3
Paid tax	0	0	0	-0	-0	-0	-0	-1	-1	-1
Non-cash items	10	3	3	5	17	0	0	0	0	0
Cash flow before change in WC	3	-12	-15	-59	-157	-237	-295	-343	-321	-318
Change in WC	na	1	0	1	7	24	-20	-10	0	0
Operating cash flow	0	-11	-14	-58	-150	-204	-249	-353	-321	-318
CAPEX tangible fixed assets	0	0	0	2	2	2	0	0	0	0
CAPEX intangible fixed assets	0	0	0	0	0	0	0	0	0	0
Acquisitions and disposals	0	0	0	0	0	0	0	0	0	0
Free cash flow	0	-11	-14	-57	-148	-202	-249	-353	-321	-318
Dividend paid	0	0	0	0	0	0	0	0	0	0
Share issues and buybacks	0	0	87	313	546	0	0	0	0	0
Other non cash items	na	-0	-1	1	8	477	-12	-71	0	0
Decrease in net IB debt	na	-11	73	257	406	275	-262	-424	-321	-318
Balance Sheet (NOKm)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Goodwill	0	0	0	0	0	0	0	0	0	0
Indefinite intangible assets	0	0	0	0	0	0	0	0	0	0
Definite intangible assets	0	0	0	0	0	0	0	0	0	0
Tangible fixed assets	1	0	0	2	3	3	4	6	9	11
Other fixed assets	0	0	0	0	0	0	0	0	0	0
Fixed assets	1	0	0	2	3	3	4	6	9	11
Inventories	0	0	0	0	0	0	0	0	0	0
Receivables	4	4	6	7	14	23	20	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	17	7	80	337	743	1,018	757	333	12	-306
Total assets	22	11	86	346	760	1,045	780	339	21	-295
Shareholders equity	20	8	79	330	713	949	680	339	20	-295
Minority	0	0	0	0	0	0	0	0	0	0
Total equity	20	8	79	330	713	949	680	339	20	-295
Long-term debt	0	0	0	0	0	0	0	0	0	0
Pension debt	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0
Deferred tax	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0	4	0	0	0
Short-term debt	0	0	0	0	0	0	0	0	0	0
Accounts payable	1	2	4	6	20	53	29	0	0	0
Other current liabilities	1	1	3	9	27	42	67	0	0	0
Total liabilities and equity	22	11	86	346	760	1,045	780	339	21	-295
Net IB debt	-17	-7	-80	-337	-743	-1,018	-757	-333	-12	306
Net IB debt excl. pension debt	-17	-7	-80	-337	-743	-1,018	-757	-333	-12	306
Capital invested	4	2	2	2	-3	-27	-5	6	9	11
Working capital	3	2	2	1	-6	-30	-10	0	0	0
EV breakdown	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Market cap. diluted (m)	na	na	na	743	628	4,738	3,967	3,085	3,085	3,085
Net IB debt Adj	-17	-7	-80	-337	-743	-1,018	-757	-333	-12	306
Market value of minority	0	0	0	0	0	0	0	0	0	0
Reversal of shares and participations	0	0	0	0	0	0	0	0	0	0
Reversal of conv. debt assumed equity	0	0	0	0	0	0	0	0	0	0
EV	na	na	na	406	-116	3,720	3,210	2,753	3,074	3,391
Capital efficiency (%)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Total assets turnover (%)	na	0.9	0.6	0.2	0.1	0.0	0.0	0.0	0.1	-0.1
Capital invested turnover (%)	na	5.0	14.8	20.3	-118.5	-2.1	-1.9	41.8	2.7	2.0
Capital employed turnover (%)	na	7.3	269.1	-11.6	-2.3	-0.6	-0.4	-0.6	2.8	2.1
Inventories/sales (%)	na	0	0	0	0	0	0	0	0	0
Customer advances/sales (%)	na	0	0	0	0	0	0	0	0	0
Payables/sales (%)	na	984.3	1,075.7	1,220.8	3,019.0	11,674.5	13,655.1	7,329.3	0	0
Working capital/sales (%)	na	1,572.1	574.7	275.3	-585.5	-5,692.0	-6,518.9	-2,397.8	0	0
Financial risk and debt service	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Net debt/equity (%)	-85.0	-86.8	-101.0	-102.1	-104.3	-107.3	-111.3	-98.3	-59.1	-103.6
Net debt/market cap (%)	na	na	na	-41.9	-62.4	-54.3	-18.2	-10.8	-0.4	9.9
Equity ratio (%)	93.4	70.0	91.6	95.5	93.7	90.9	87.1	99.9	97.7	100.2
Net IB debt adj./equity (%)	-85.0	-86.8	-101.0	-102.1	-104.3	-107.3	-111.3	-98.3	-59.1	-103.6
Current ratio (%)	1,447.5	324.8	1,183.3	2,226.2	1,604.2	1,095.6	802.2	nm	nm	nm
EBITDA/net interest (%)	-2,880.1	-4,913.4	-1,667.7	-1,369.2	-1,767.0	-1,156.5	-1,377.3	high	-5,439.2	-10,666.7
Net IB debt/EBITDA (%)	227.6	45.9	433.7	488.3	403.8	468.1	237.9	97.1	3.6	-95.5
Interest cover (%)	#####	#####	-15,841.1	#####	-9,514.5	-709.3	282,247.1	-3,304.0	-31,705.0	-31,360.0

Source: ABG Sundal Collier, Company data

Nordic Nanovector

Valuation and Ratios (NOKm)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Shares outstanding adj.	0	6	11	27	45	49	49	49	49	49
Fully diluted shares Adj	0	6	11	27	45	49	49	49	49	49
EPS	0	-4.01	-1.92	-3.54	-4.49	-5.04	-6.00	-6.96	-6.50	-6.43
Dividend per share Adj	0	0	0	0	0	0	0	0	0	0
EPS Adj	0	-4.01	-1.92	-3.54	-4.49	-5.04	-6.00	-6.96	-6.50	-6.43
BVPS	64.36	1.20	7.11	12.44	16.01	19.38	13.88	6.91	0.41	-6.02
BVPS Adj	64.36	1.20	7.11	12.44	16.01	19.38	13.88	6.91	0.41	-6.02
Net IB debt / share	-54.7	-1.0	-7.2	-12.7	-16.7	-20.8	-15.4	-6.8	-0.2	6.2
Share price	na	na	na	28.00	14.10	96.75	81.00	63.00	63.00	63.00
Market cap. (m)	na	na	na	743	628	4,738	3,967	3,085	3,085	3,085
Valuation	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
P/E	na	na	na	-7.9	-3.1	-19.2	-13.5	-9.0	-9.7	-9.8
EV/sales	na	na	na	924.76	-264.64	11,847.38	10,630.37	13,763.46	15,367.71	16,955.21
EV/EBITDA	na	na	na	-5.9	0.6	-17.1	-10.1	-8.0	-9.4	-10.6
EV/EBITA	na	na	na	-5.9	0.6	-17.2	-10.1	-8.1	-9.5	-10.7
EV/EBIT	na	na	na	-5.9	0.6	-17.2	-10.1	-8.1	-9.5	-10.7
Dividend yield (%)	na	na	na	0	0	0	0	0	0	0
FCF yield (%)	na	na	na	-11.3	-27.2	-4.5	-6.3	-11.4	-10.4	-10.3
P/BVPS	na	na	na	2.25	0.88	4.99	5.84	9.11	153.76	-10.46
P/BVPS Adj	na	na	na	2.25	0.88	4.99	5.84	9.11	153.76	-10.46
P/E Adj	na	na	na	-7.9	-3.1	-19.2	-13.5	-9.0	-9.7	-9.8
EV/EBITDA Adj	na	na	na	-5.9	0.6	-17.1	-10.1	-8.0	-9.4	-10.6
EV/EBITA Adj	na	na	na	-5.9	0.6	-17.2	-10.1	-8.1	-9.5	-10.7
EV/EBIT Adj	na	na	na	-5.9	0.6	-17.2	-10.1	-8.1	-9.5	-10.7
EV/cap. employed	na	na	na	-59.7	3.8	-54.0	-41.7	466.0	374.5	319.7
Investment ratios	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Capex/sales	0	-52.7	-96.8	-360.1	-509.8	-477.7	0	0	0	0
Capex/depreciation	0	10.0	125.1	458.2	224.1	129.3	0	0	0	0
Capex tangibles/tangible fixed assets	0	-28.2	-88.2	-100.6	-79.4	-47.7	0	0	0	0
Capex intangibles/definite intangibles	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Depreciation on intangibles/definite inta	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Depreciation on tangibles/tangibles	-57.9	-281.9	-70.5	-22.0	-35.4	-36.9	-35.5	-34.5	-26.5	-21.7

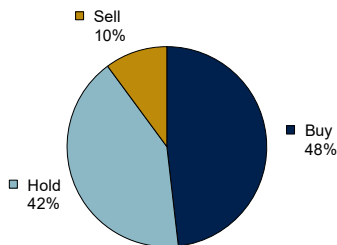
Source: ABG Sundal Collier, Company data

Analyst certification

I/We, Andrew Carlsen, Glenn Kringhaug, Morten Larsen, Sten Gustafsson, the author(s) of this report, certify that notwithstanding the existence of any such potential conflicts of interests referred to below, the views expressed in this report accurately reflect my/our personal view about the companies and securities covered in this report. I/We further certify that I/We have not been, nor am/are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

Stock ratings distribution

ABG Sundal Collier Ratings and Investment Banking by 22/08/2018



Total of Rating	Research Coverage		Investment Banking Clients (IBC)	
	% of	Total Rating	% of	Total Rating by Type
Buy		48%	70%	26%
Hold		42%	30%	13%
Sell		10%	0%	0%

IBC: Companies in respect of which ABG SC or an affiliate has received compensation for investment banking services within the past 12 months

Analyst stock ratings definitions

BUY = We expect this stock's total return to exceed the market's expected total return by 5% or more over the next six months.

HOLD = We expect this stock's total return to be in line with the market's expected total return within a range of 4% over the next six months.

SELL = We expect this stock's total return to underperform the market's expected total return by 5% or more over the next six months.

Analyst valuation methods

When setting the individual ratings, ABG Sundal Collier assumes that a normal total absolute return (including dividends) for the market is 8% per annum, or 4% on a 6-month basis. Therefore, when we rate a stock a buy, we expect an absolute return of 9% or better over six months. We have more rigorous guidelines for trading buys and trading sells on small cap stocks, defined as having a market capitalisation below USD 1.5 billion. For trading buys on small cap stocks, we must identify a potential absolute return of 15% or more over the next six weeks. This more rigorous guideline reflects the fact that the low trading volume for small cap stocks inhibits the ability to trade them within a narrow price band.

ABG Sundal Collier analysts publish price targets for the stocks they cover. These price targets rely on various valuation methods. One of the most frequently used methods is the valuation of a company by calculation of that company's discounted cash flow (DCF). Another valuation method is the analysis of a company's return on capital employed relative to its cost of capital. Finally, the analysts may analyse various valuation multiples (e.g. the P/E multiples and the EV/EBITDA multiples) relative to global industry peers. In special cases, particularly for property companies and investment companies, the ratio of price to net asset value is considered. Price targets are changed when earnings and cash flow forecasts are changed. They may also be changed when the underlying value of a company's assets changes (in the cases of investment companies, property companies or insurance companies) or when factors impacting the required rate of return change.

Stock price, company ratings and target price history

Company: Nordic Nanovector

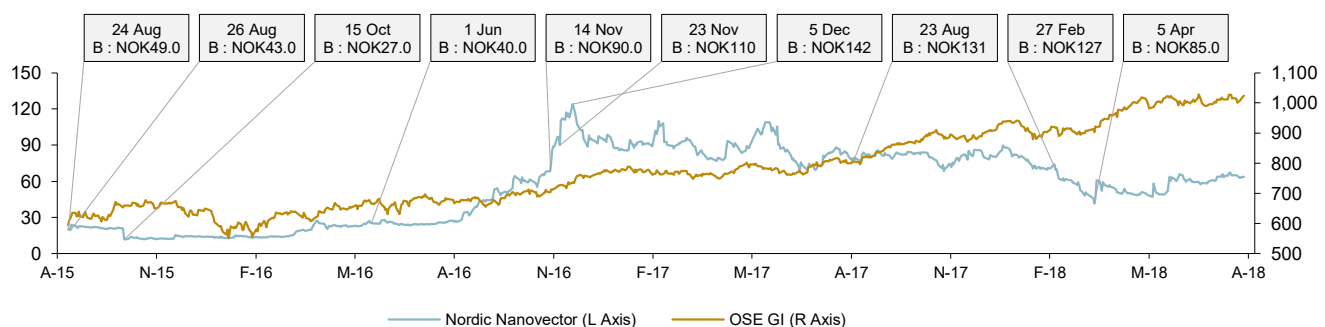
Currency: NOK

Current Recommendation: BUY

Date: 22/08/2018

Current Target price: 85

Current Share price: 63.6



Data source: ABG Sundal Collier, FactSet

Important Company Specific Disclosure

The following disclosures relate to the relationship between ABG Sundal Collier and its affiliates and the companies covered by ABG Sundal Collier referred to in this research report.

Unless disclosed in this section, ABG Sundal Collier has no required regulatory disclosures to make in relation to an ownership position for the analyst(s) and members of the analyst's household, ownership by ABG Sundal Collier, ownership in ABG Sundal Collier by the company(ies) to whom the recommendation(s) refer(s) to, market making, managed or co-managed public offerings, compensation for provision of certain services, directorship of the analyst, or a member of the analyst's household, or in relation to any contractual obligations to the issuance of this research report.

ABG Sundal Collier has managed or co-managed a public or Rule 144A offering for Nordic Nanovector in the last 12 months.

Within the last 12 months, ABG Sundal Collier has received compensation for Corporate Finance services from Nordic Nanovector.

ABG Sundal Collier is not aware of any other actual, material conflicts of interest of the analyst or ABG Sundal Collier of which the analyst knows or has reason to know at the time of the publication of this report.

Production of recommendation : 22/08/18 - 22:12 CET.

All prices are as of market close on 21 August, 2018 unless otherwise noted.

For full details of recommendation and target price history for the subject company, please see Company Page on Research on the Web.

For details of recommendations and target prices for ABG Sundal Collier's coverage universe, please see ABGSC Coverage Page on Research on the Web.

Disclaimer

This document has been prepared by ABG Sundal Collier which is the marketing name referring to all or any of ABG Sundal Collier ASA, ABG Sundal Collier AB or ABG Sundal Collier Partners LLP and any of their affiliated or associated companies and their directors, officers, representatives and employees.

This report is provided solely for the information and use of professional investors, who are expected to make their own investment decisions without undue reliance on this report. The information contained herein does not apply to, and should not be relied upon by, retail clients. This report is for distribution only under such circumstances as may be permitted by applicable law. Research reports prepared by ABG Sundal Collier are for information purposes only. The recommendation(s) in this report has (have) no regard to specific investment objectives and the financial situation or needs of any specific recipient. ABG Sundal Collier accepts no liability whatsoever for any losses arising from any use of this report or its contents. This report is not to be used or considered as an offer to sell, or a solicitation of an offer to buy. The information herein has been obtained from, and any opinions herein are based upon, sources believed reliable, but ABG Sundal Collier makes no representation as to its accuracy or completeness and it should not be relied upon as such. All opinions and estimates herein reflect the judgment of ABG Sundal Collier on the date of this report and are subject to change without notice. Past performance is not indicative of future results.

The compensation of our research analysts is determined exclusively by research management and senior management, but not including investment banking management. Compensation is not based on specific investment banking revenues, however, it is determined from the profitability of the ABG Sundal Collier Group, which includes earnings from investment banking operations and other business. Investors should assume that ABG Sundal Collier is seeking or will seek investment banking or other business relationships with the companies in this report. The research analyst(s) responsible for the preparation of this report may interact with trading desk and sales personnel and other departments for the purpose of gathering, synthesizing and interpreting market information. From time to time, ABG Sundal Collier and its affiliates and any shareholders, directors, officers or employees thereof may (I) have a position in, or otherwise be interested in, any securities directly or indirectly connected to the subject of this report, or (II) perform investment banking or other services for, or solicit investment banking or other services from, a company mentioned in this report. ABG Sundal Collier relies on information barriers to control the flow of information contained in one or more areas of ABG Sundal Collier, into other areas, units, groups or affiliates of ABG Sundal Collier.

Norway: ABG Sundal Collier ASA is regulated by the Financial Supervisory Authority of Norway (Finanstilsynet); Sweden: ABG Sundal Collier AB is regulated by the Swedish Financial Supervisory Authority (Finansinspektionen); UK This report is a communication made, or approved for communication in the UK, by ABG Sundal Collier Partners LLP, authorised and regulated by the Financial Conduct Authority in the conduct of its business. US: This report is being distributed in the United States in accordance with FINRA Rule 1050(f)(3)(B) by ABG Sundal Collier Inc., a FINRA member which accepts responsibility for its content. Research analysts are not registered/qualified as research analysts with FINRA or the NYSE, and are not associated persons of ABG Sundal Collier Inc. and therefore not subject to FINRA Rule 2241, the research analyst conflict rules. Research reports distributed in the U.S are intended solely for "major institutional investors," as defined under Rule 15a-6 of the Securities Exchange Act of 1934. Each U.S major institutional investor that receives a copy of this research report by its acceptance represents that it agrees it will not distribute this research report to any other person. Any U.S. major institutional investor receiving this report who wishes to effect transactions in any securities referred to herein should contact ABG Sundal Collier Inc., not its affiliates. Further information on the securities referred to herein may be obtained from ABG Sundal Collier Inc., on request.

Singapore: This report is distributed in Singapore by ABG Sundal Collier Pte Ltd, which is not licensed under the Financial Advisers Act (Chapter 110 of Singapore). In Singapore, this report may only be distributed to institutional investors as defined in Section 4A(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) ("SFA"), and should not be circulated to any other person in Singapore.

This report may not be reproduced, distributed or published by any recipient for any purpose whatsoever without the prior written express permission of ABG Sundal Collier.

Additional information available upon request. If reference is made in this report to other companies and ABG Sundal Collier provides research coverage for those companies details regarding disclosures may be found on our website www.abgsc.com.

© Copyright 2018 ABG Sundal Collier ASA

ABGSC Research Department

Joint Global Head of Research

John Olaisen +47 22 01 61 87
 Christer Linde +46 8 566 286 90

Head of Introduce /Company-sponsored research

Arash Hakimi Fard +46 8 566 286 35

Strategy

Christer Linde, Quant/Technical +46 8 566 286 90
 Derek Laliberte +46 8 566 286 78
 Bengt Jonassen +47 22 01 60 98

Capital Goods

Anders Idborg +46 8 566 286 74
 Olof Cederholm +46 8 566 286 22
 Karl Bokvist +46 8 566 286 33

Chemicals

Martin Melbye +47 22 01 61 37
 Bengt Jonassen +47 22 01 60 98
 Petter Nyström +47 22 01 61 35
 Glenn Kringhaug +47 22 01 61 62

Construction & Real Estate

Tobias Kaj +46 8 566 286 21
 Bengt Jonassen +47 22 01 60 98
 Philip Hallberg +46 8 566 286 95
 Glenn Kringhaug +47 22 01 61 62
 Laurits Louis Kjaergaard +45 35 46 30 12

Consumer Goods

Andreas Lundberg +46 8 566 286 51
 Petter Nyström +47 22 01 61 35
 Michael Vitfell-Rasmussen +45 35 46 30 16
 Ludvig Kapanen +46 8 566 286 91

Credit Research

Alexander Jost +47 22 01 60 88
 Rikard Magnus Braaten +47 22 01 60 86
 Andreas Johannessen +47 22 01 60 31
 Haakon Amundsen +47 22 01 60 25
 Eric Wahlström +46 8 566 286 25

Financials

Magnus Andersson +46 8 566 294 69
 Mads Thinggaard +45 35 46 30 18
 Patrik Brattelius +46 8 566 286 64
 Jan Erik Gjerland +47 22 01 61 16
 Jonas Bru Lien +47 22 01 61 71

Food & Beverages

Michael Vitfell-Rasmussen +45 35 46 30 16

Healthcare

Morten Larsen +45 35 46 30 19
 Sten Gustafsson +46 8 566 286 93
 Christopher W. Uhdh +46 8 566 286 39
 Daniel Thorsson +46 8 566 286 82
 Andrew Carlsen +45 35 46 30 13
 Glenn Kringhaug +47 22 01 61 62

Investment Companies

Derek Laliberte +46 8 566 286 78

IT

Aksel Øverland Engebakken +47 22 01 61 11
 Daniel Thorsson +46 8 566 286 82
 Andrew Carlsen +45 35 46 30 13
 Simon Granath +46 8 566 286 32

Media

Aksel Øverland Engebakken +47 22 01 61 11
 Derek Laliberte +46 8 566 286 78
 Andreas Lundberg +46 8 566 286 51

Metals & Mining

Martin Melbye +47 22 01 61 37
 Bengt Jonassen +47 22 01 60 98
 Petter Nyström +47 22 01 61 35

Oil & Gas

John Olaisen +47 22 01 61 87
 Karl Fredrik Schjøtt-Pedersen +47 22 01 61 65

Oil Service

John Olaisen +47 22 01 61 87
 Haakon Amundsen +47 22 01 60 25
 Lukas Daul +47 22 01 61 39
 Karl Fredrik Schjøtt-Pedersen +47 22 01 61 65

Online Gaming

Aksel Øverland Engebakken +47 22 01 61 11
 Erik Moberg +46 8 566 286 87
 Stefan Knutsson +46 8 566 286 37

Pulp & Paper

Martin Melbye +47 22 01 61 37
 Glenn Kringhaug +47 22 01 61 62
 Øystein Elton Lodgaard +47 22 01 60 26

Renewable Energy

Casper Blom +45 35 46 30 15
 Petter Nyström +47 22 01 61 35

Retail

Andreas Lundberg +46 8 566 286 51
 Ludvig Kapanen +46 8 566 286 91

Seafood

Vidar Strat +47 22 01 61 60

Services

Andreas Lundberg +46 8 566 286 51
 Michael Vitfell-Rasmussen +45 35 46 30 16
 Victor Forssell +46 8 566 286 92

Shipping & Transport

Dennis Anghelopoulos +47 22 01 60 37
 Casper Blom +45 35 46 30 15
 Lukas Daul +47 22 01 61 39

Telecom Operators

Peter Kurt Nielsen +44 207 905 5631

Utilities

Martin Melbye +47 22 01 61 37
 Petter Nyström +47 22 01 61 35

Small Caps

Andrew Carlsen +45 35 46 30 13
 Arash Hakimi Fard +46 8 566 286 35
 Emmi Östlund +46 8 566 286 73
 Daniel Thorsson +46 8 566 286 82
 Johan Nilsson Wall +46 8 566 286 41
 Laurits Louis Kjaergaard +45 35 46 30 12

Norway

Pb. 1444 Vikta
 NO-0115 OSLO
 Norway
 Tel: +47 22 01 60 00
 Fax: +47 22 01 60 60

Sweden

Box 7269
 SE-103 89 STOCKHOLM
 Sweden
 Tel: +46 8 566 286 00
 Fax: +46 8 566 286 01

Denmark

Forbindelsesvej 12,
 DK-2100 COPENHAGEN
 Denmark
 Tel: +45 35 46 61 00
 Fax: +45 35 46 61 10

United Kingdom

10 Paternoster Row, 5th fl
 LONDON EC4M 7EJ
 UK
 Tel: +44 20 7905 5600
 Fax: +44 20 7905 5601

USA

850 Third Avenue, Suite 9-C
 NEW YORK, NY 10022
 USA
 Tel: +1 212 605 3800
 Fax: +1 212 605 3801

Germany

Schillerstrasse 2, 5. OG
 DE-60313 FRANKFURT
 Germany
 Tel: +49 69 96 86 96 0
 Fax: +49 69 96 86 96 99

Singapore

10 Collyer Quay
 Ocean Financial Center
 #40-07, Singapore 049315
 Tel +65 6808 6082