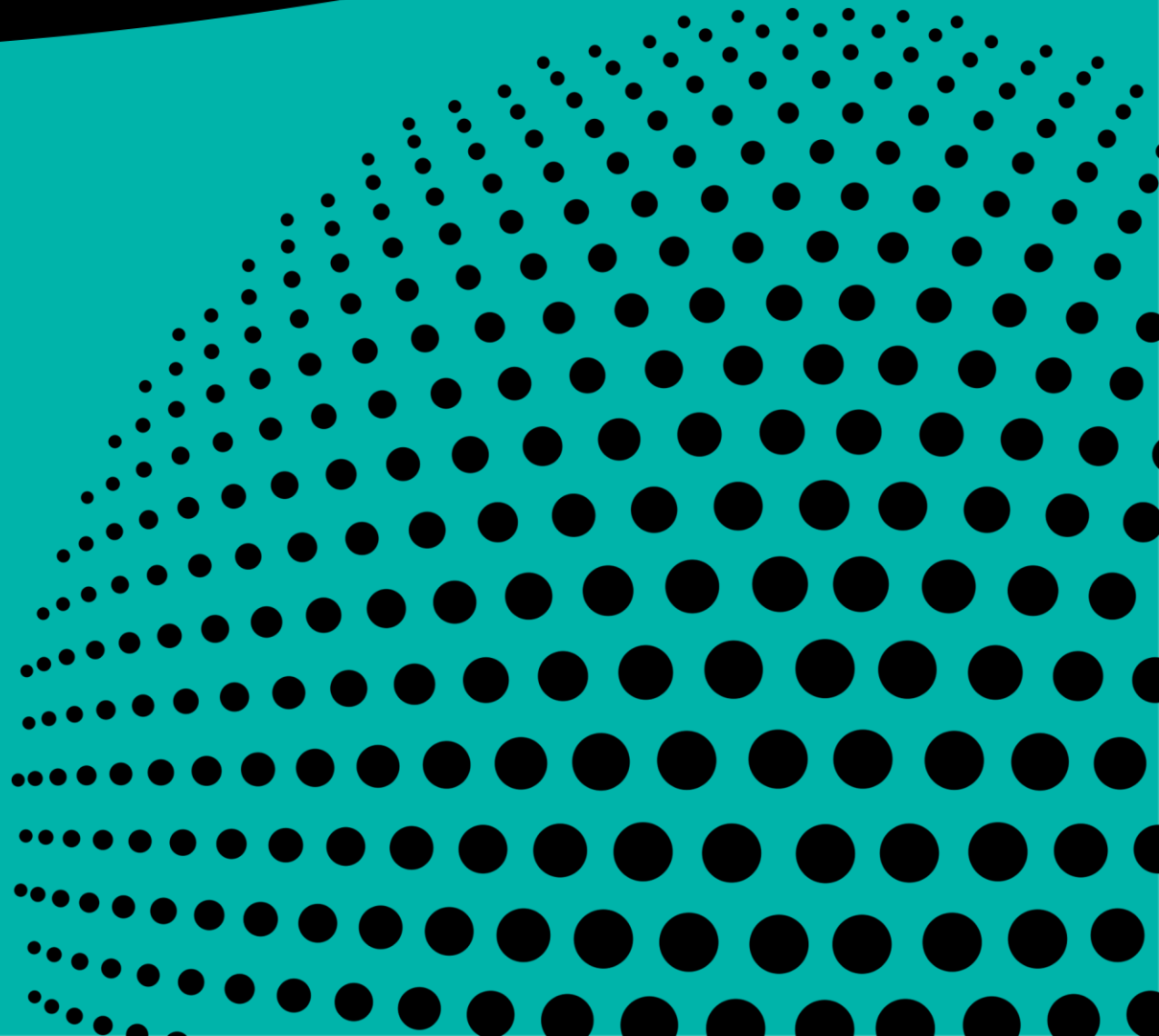
nanoform
small is powerful

Nanoform

Half-year financial report 2020

Conference call presentation

Aug 28th 9:00 EEST



Global pharma industry needs a game changer

In relation to money spent on R&D, few drugs reach the market…

~USD 160bn
annual R&D spend
(5 year avg.)

only produces
~45 drugs
per year
(5 year avg.)

i
70-90%
of new drugs are poorly soluble[1]

…and one of the key reasons for this is *low bioavailability*

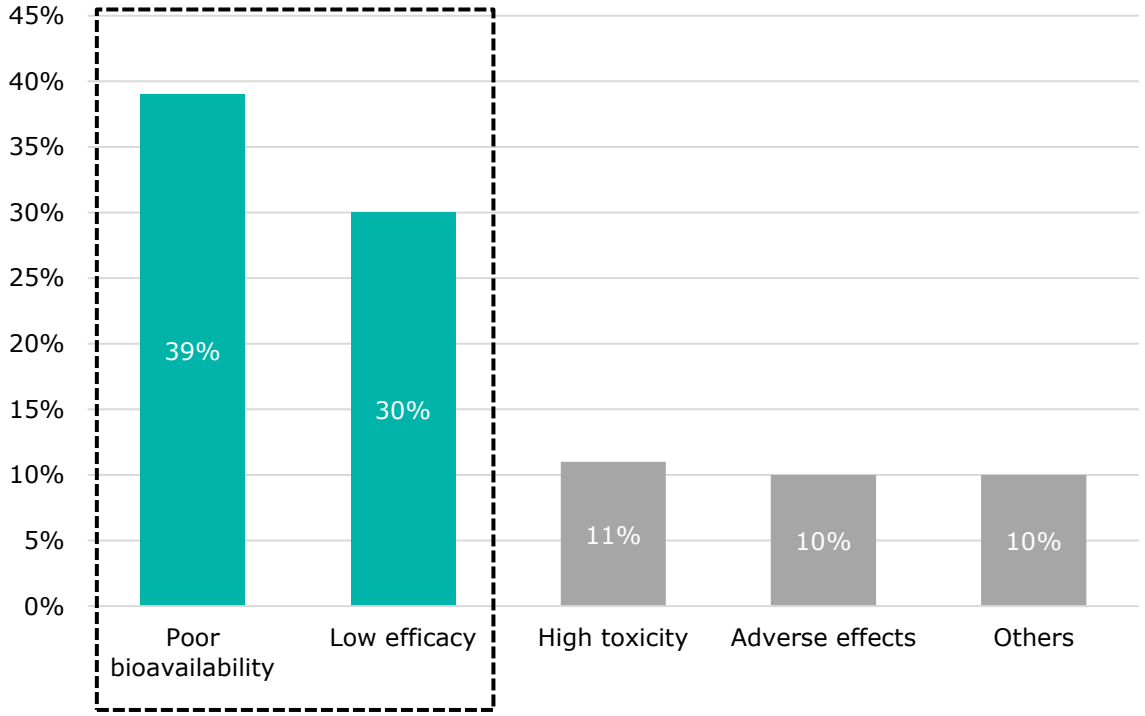
Source: U.S. Food and Drug Administration (FDA), New Drug Therapy Approvals 2019 (Annual number of drugs approved); EvaluatePharma, World Preview 2019, Outlook to 2024 (Annual R&D spend), Nikolakakis & Partheniadis (2017), Self-Emulsifying Granules and Pellets: Composition and Formation Mechanisms for Instant or Controlled Release (Share of poorly soluble drugs)

1) New drug candidates in development pipeline

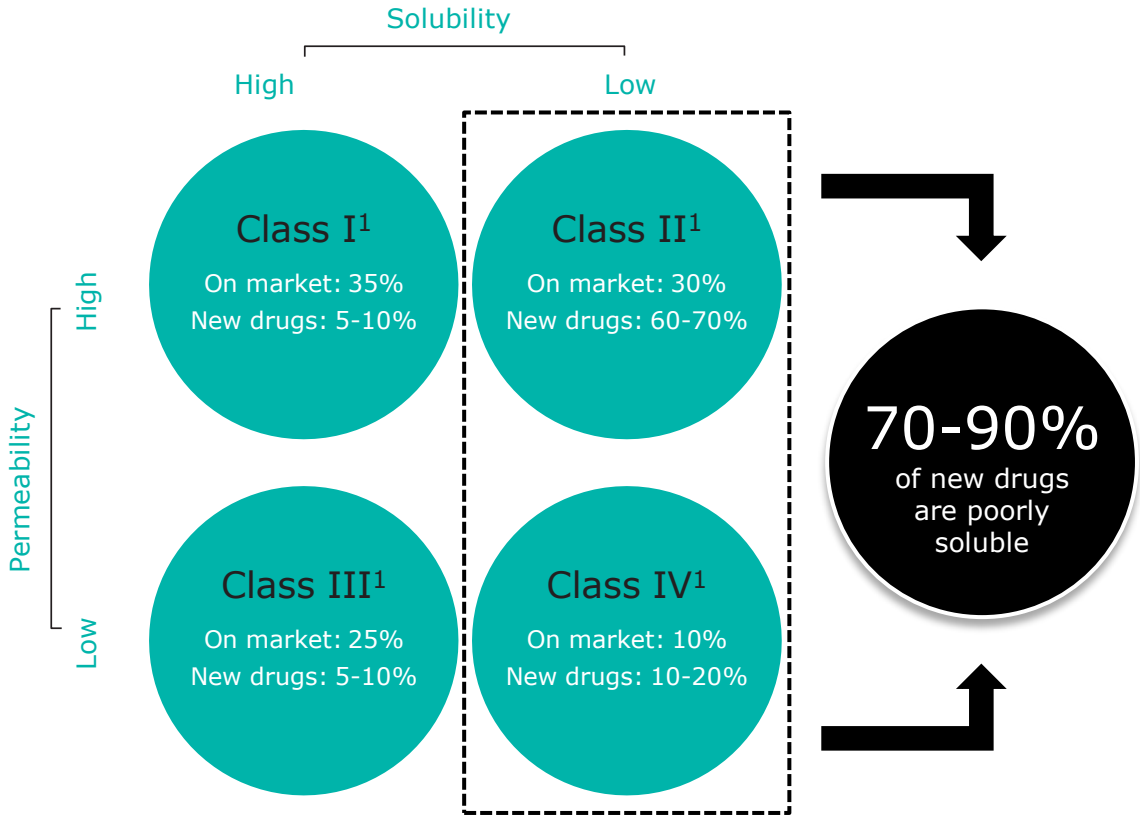
Low bioavailability is the key issue

Poor bioavailability and low efficacy most common reasons for drug failure

Reasons for drug failure in pre-clinical trials (share of molecules)



Majority of new drugs suffer from poor solubility



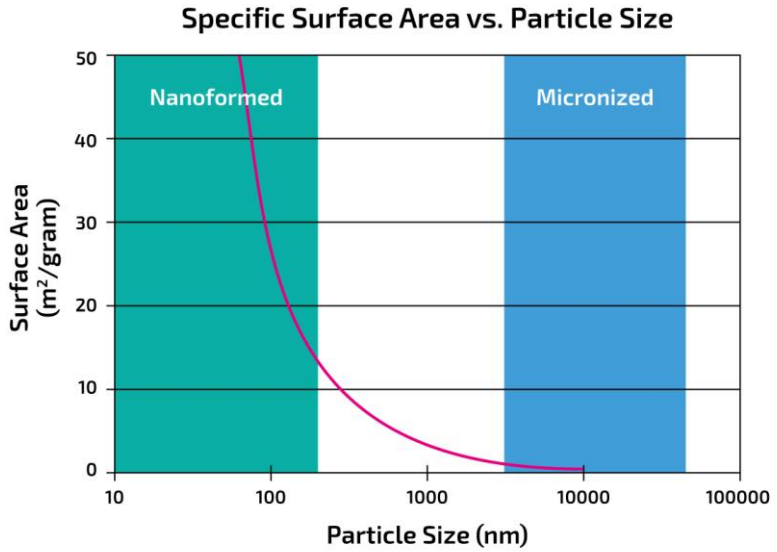
> **Nanoform can enhance the pharma industry output by targeting poorly soluble drugs**

Source: GlobalData 2009, Cutting Edge Water-based Nanotechnology in Drug Development (Reasons for drug failure); Nikolakakis & Partheniadis (2017), Self-Emulsifying Granules and Pellets: Composition and Formation Mechanisms for Instant or Controlled Release (Share of poorly soluble drugs)

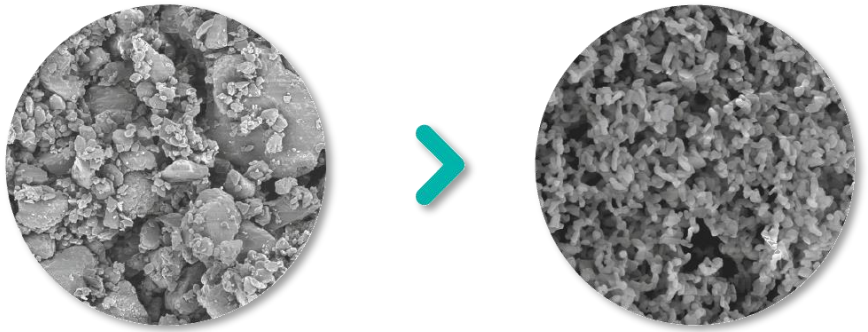
1) Classification of drug substance according to Biopharmaceutics Classification System (BCS)

Particle size is key

Smaller particle size improves a drug's bioavailability



- The surface area increases 30 fold from a 10 micron[1] sized particle once the particle size is reduced to 100nm
- Reduction of particle size down to 50nm increases the surface area by 1,000 fold



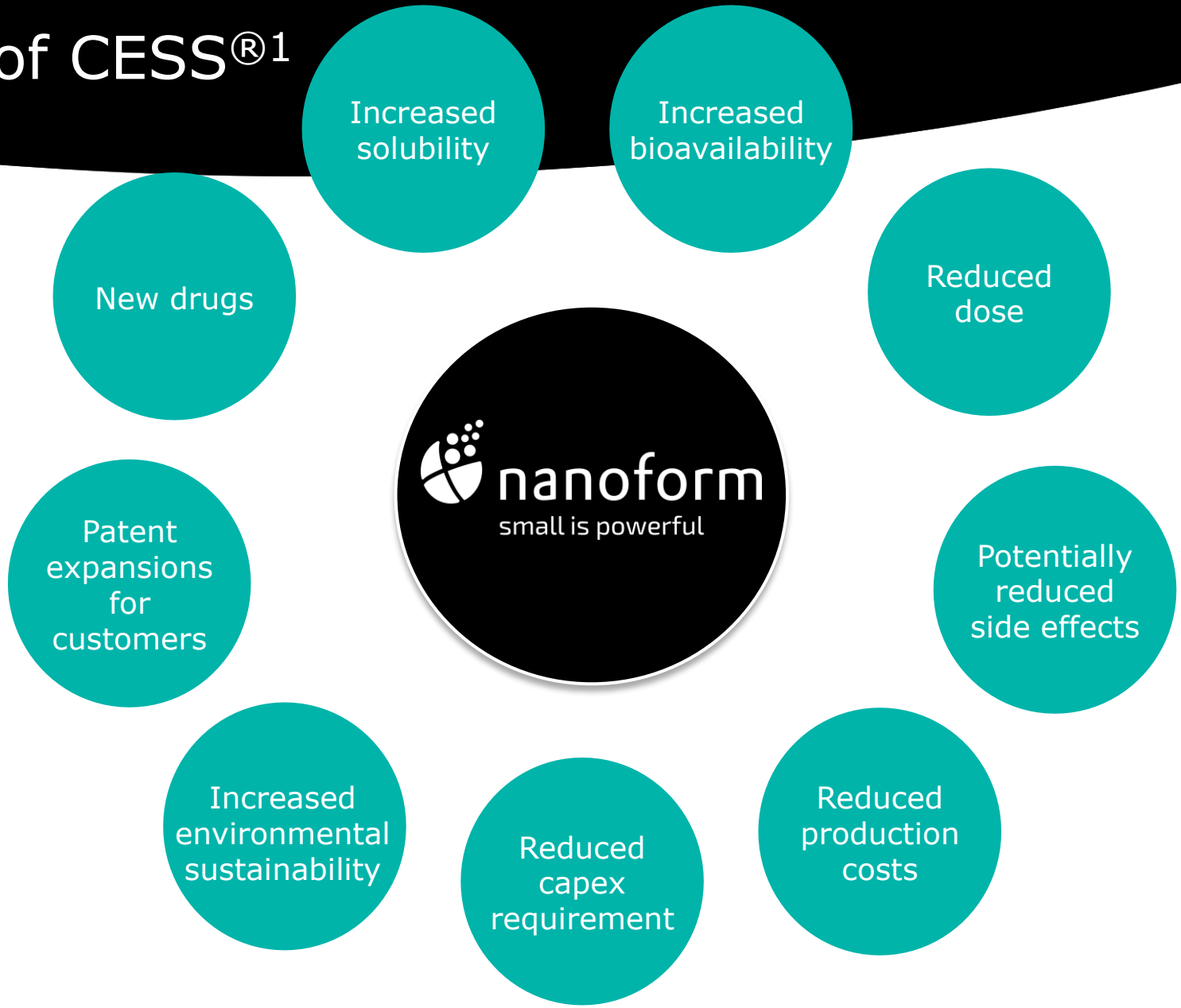
Pre-nanoformation™ Post-nanoformation™

- Smaller particles have a larger surface area
- Larger surface area of particles enables better bioavailability of a drug
- Improved bioavailability implies better absorption of a drug by the body's circular system
- **CESS® can produce API with large surface areas which can significantly improve the bioavailability of drugs**

CESS® produced nanoparticles have a larger surface area and as such improved bioavailability

Source: Company information
1) 1 micron = 1,000nm

The power of CESS®[1]



Source: Company information

1) Potential benefits assuming that CESS® is successfully commercialized and adopted by the pharma industry

2020 Key Milestones YTD

- **Jan 2020** — US subsidiary Nanoform USA Inc established
- **Mar 2020** — Orion signed as a repeat client to collaborate on next-generation drug development
- **Mar 2020** — Global Major Pharma client signed
- **Mar 2020** — Number of non-GMP production lines increased from 4 to 6
- **Apr 2020** — Miguel Calado appointed as Chairman of the Board
- **Apr 2020** — Nanoform awarded GMP certification
- **June 2020** — Nanoform dual-listed on Nasdaq First North Premier Growth Market in Finland and Sweden
- **June 2020** — Peter Hänninen appointed Nanoform General Counsel
- **June 2020** — Global US Business Development Team expanded with appointment of US based senior executives Eric Peter and Sergie Letser
- **June 2020** — UK respiratory Biotech client signed
- **June 2020** — Number of non-GMP production lines increased from 6 to 7
- **July 2020** — West Coast US Biotech client signed
- **Aug 2020** — Nanoform convenes EGM (Sep 1st) to elect Cynthia Schwalm as board member

Milestones after June 4th IPO

Clients – Two new clients signed - UK respiratory Biotech and West Coast US Biotech

Commercial – Global Business Development Team expanded with the appointment of US-based senior executives Eric Peter and Sergie Lester

Manufacturing – Number of non-GMP production lines increased from 6 to 7

Board of Directors– Nanoform convenes EGM (Sep 1st) to elect Cynthia Schwalm as board member

Legal – Peter Hänninen appointed Nanoform General Counsel

Nanoform convenes EGM (Sep 1st) to elect Cynthia Schwalm as board member

Cynthia Schwalm

Board Member (subject to EGM Sep 1st 2020)

- Began her career as an Oncology and Critical Care Nurse at the Albert Einstein Medical Center & Rutgers University Camden Medical Center, where she developed a patient-focused perspective
- An experienced independent board member for many notable biotech and pharma companies
- Currently a non-executive Director at Caladrius Biosciences Inc., Kadmon Group and G1 Therapeutics Inc
- A Wharton Business School Leadership Advisor since 2016
- Served on the Women's Leadership Advisory Board at Harvard University's Kennedy School of Government for nearly a decade

Key experience:

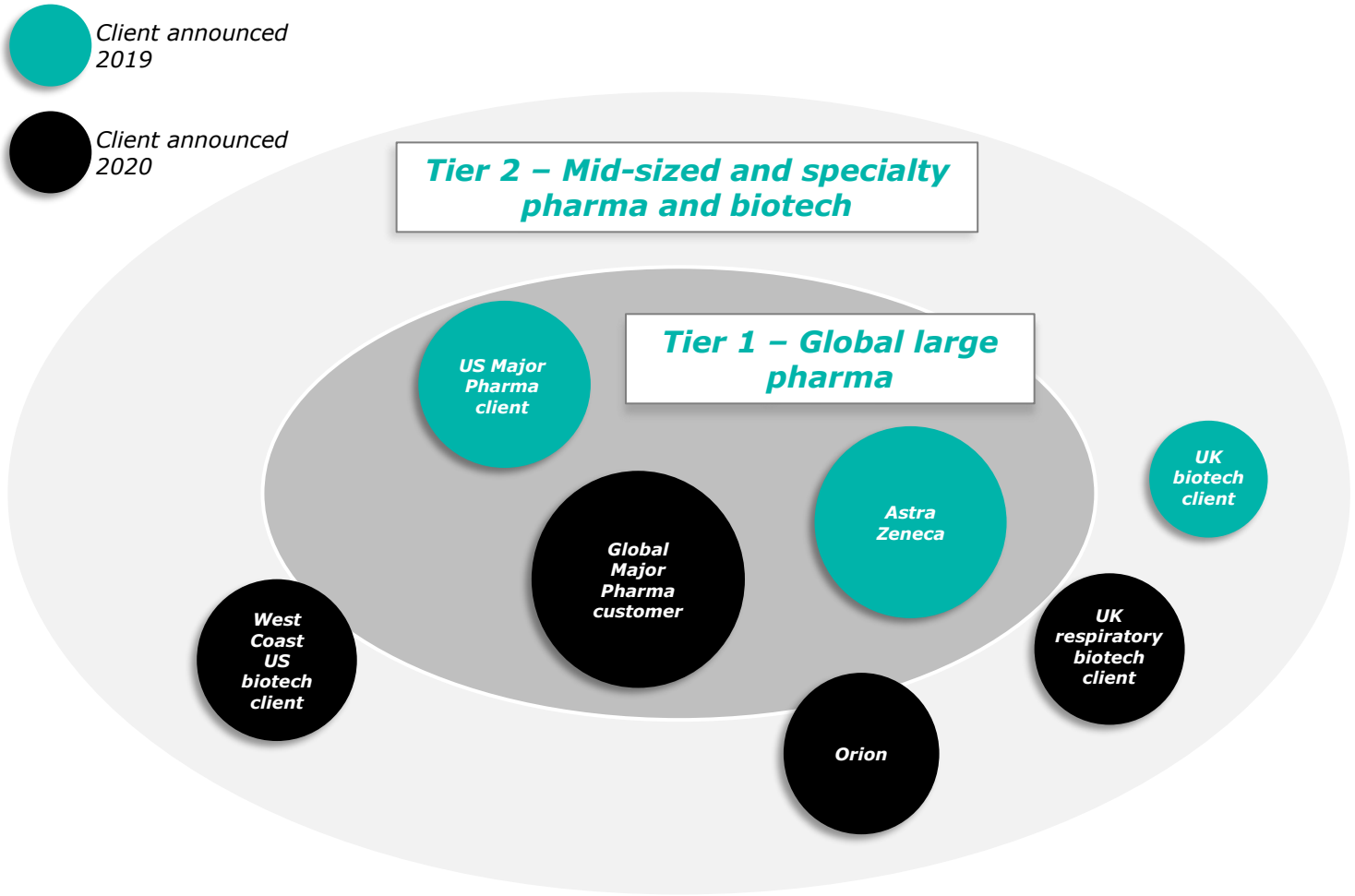
IPSEN Innovation for patient care · AMGEN · G1 THERAPEUTICS · hikma. · Eisai · VE RI TAS HARVARD · Wharton University of Pennsylvania · Johnson & Johnson · caladrius BIOSCIENCES

Near-term business targets for 2020 and 2021

Target	Guidance	Status
GMP Approval	***"GMP approval expected no later than Q3 2020"***	***Achieved - GMP certificate awarded April 2020*** ✓
Ongoing client intake	***"For 2020, our ambition is to accelerate our growth by winning more new customers than in 2019"***	***Achieved – 4 new customers by July 2020*** ✓
First GMP project	***"Start of first GMP project before year end 2020"***	***On track***
Clinical trials	***"First dosing in humans in 2021"***	***On track***

Source: Company information

Nanoform's current client portfolio



Nanoform targets to achieve scale in APIs

1 Global large pharma

- ✓ *Financially stable organizations*
- ✓ *Broad pipeline of APIs in development*

2 Mid-sized and specialty pharma and biotech companies

- ✓ *Ability to add more significant value*
- ✓ *Fast supplier approval process*

Technology added value to customers

- ✓ Enabling new products
- ✓ Addressing solubility & bioavailability challenges
- ✓ Broadening & deepening the customer's pipeline

New US based senior executives Sergie Letser and Eric Peter

Sergie Letser and Eric Peter have been appointed to drive Nanoform's business development in the US. The expansion to Nanoform's commercial team will give the company a strengthened presence in the US market and enable a continued rate of rapid global growth.

Sergie Letser

Business Development

- Broad experience in pharmaceutical development and manufacturing
- An expert in lead generation, contract negotiation and sales
- Previously Director of BD at Porton Pharma Solutions, Ltd
- Held senior BD positions at Johnson Matthey and Cambridge Major Laboratories

Key experience: CAMBRIDGE MAJOR LABORATORIES, PORTON, JM Johnson Matthey Inspiring science, enhancing life

Eric Peter

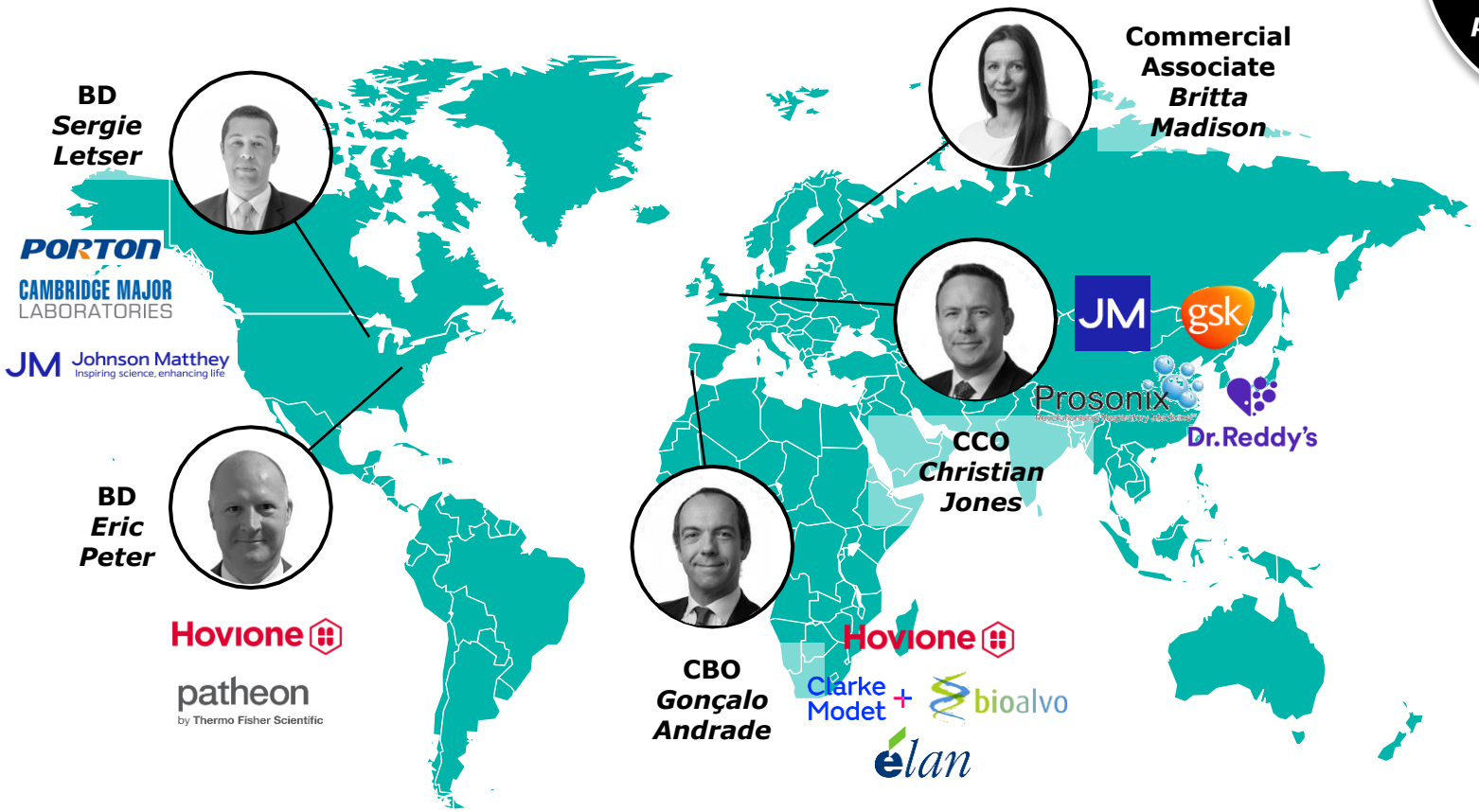
Business Development

- More than 20 years' experience in the pharmaceutical industry
- A proven track record of negotiating complex agreements and contracts to a successful conclusion
- Steered the US division of global pharma and particle engineering company, Hovione LLC
- Previously led commercial development at Patheon Inc.

Key experience: Hovione, patheon by Thermo Fisher Scientific

Sales & marketing team

*CCO and CBO has brought in their **industry contacts** and expertise to perfect the commercial **positioning to the Pharma industry***



\+ notch

UK based marketing communication agency supports Nanoform on a continuous basis

\+ cord COMMUNICATIONS

Sweden based marketing communication agency supports Nanoform on a continuous basis

> **Experienced global sales team driving momentum and the shift in company focus from technology development to commercialization**

Source: Company information

Attractive revenue model

Predictable revenue streams through capitalizing the entire pharmaceuticals value chain

Phase	Proof of Concept / Proof of Process	Phase I – III trials	Drugs on the market
Certification	**Non-GMP**	**GMP**	**GMP**
Description	> *Proof of concept study* - assessment of the possibility to nanoform a specific API > *Proof of process study* - definition of parameters to establish the optimal process and controls for a specific API	> API for clinical trials are manufactured in Nanoforms GMP facility > Supply of material for customers' Phase I, II and III trials – Nanoform gets paid regardless of the outcome of the trials	> Drugs that have passed the trials and reached commercialization > In practice, if the a company has taken its drug through Phase II trials, it is difficult to switch manufacturer > Significant potential from patent extension (505b2 projects) of drugs already on the market offering near-term revenues
Revenue model	**Fixed fee per project** *Estimated project fee of EUR 50-500k per API per project*	**Fixed fee per project** *Estimated project fee of EUR 0.5-10m per API per phase*	**Royalty as a % based on drug sales or supply price per kg** *Estimated royalty fee of 1-20%*

> **Attractive business model with diversified risk profile due to not having to carry the cost & risk of drug development or being dependent on a single drug**

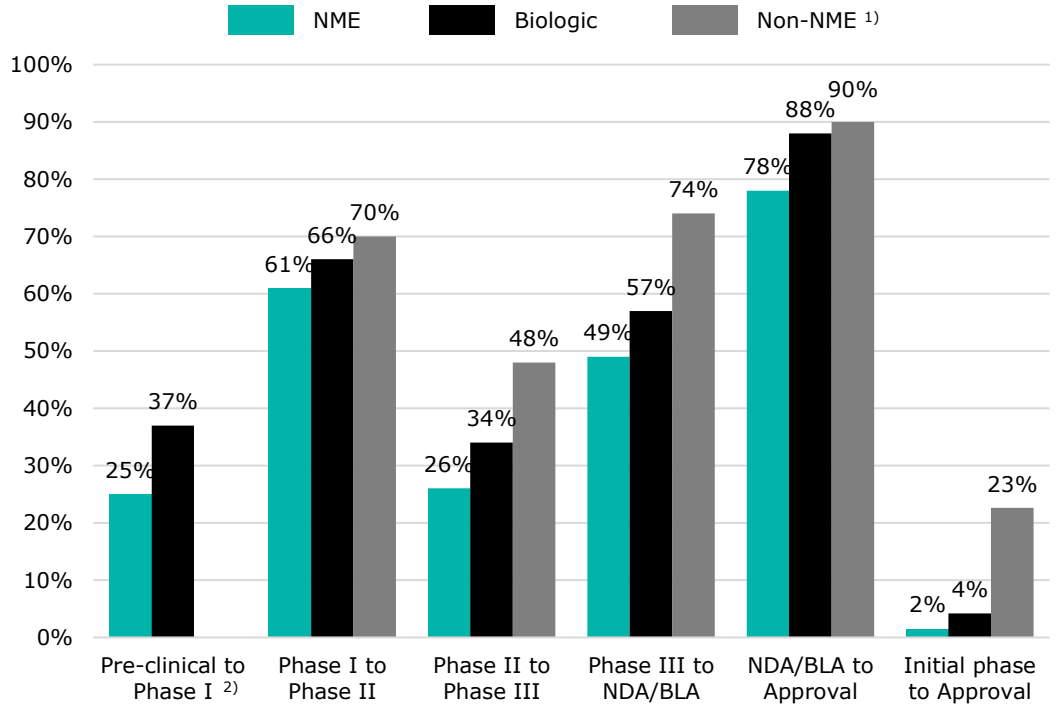
Source: Company information

Revenue drivers and industry attrition rates

Nanoform pre-clinical and clinical revenue drivers

	Non-GMP	GMP
Proof of Concept (PoC)	> Total # of active customers > # of APIs per customer > Price per PoC per API	
Phase I, II & III		> Attrition between previous and current phase > Price per phase per API > Time lag between previous and current phase > # of customers with 505(b)(2) strategy > Proportion of new drug candidates and 505(b)(2) APIs
Proof of Process (PoP)	> Attrition between PoC and PoP > Price per PoP per API > Time lag between PoC and PoP	
Drugs on the market		> # of drugs on the market using CESS® > License fee & royalty level per drug > Net revenues per drug > Time lag Phase II and market (505b2) > Time lag Phase III and market > Speed of uptake on market

Global Pharmaceutical industry's pre-clinical and clinical success rates



Timeline (years)	Pre-clinical	Phase I	Phase II	Phase III	Approval	Total
New drugs	~1-4	~2	~2	~3-4	~1	~9-13
Existing drugs	-	Clinical development for 505(b)(2) ~2-5			~1	~3-6

Source: Company information; Takebe, Imai & Ono (2018), Clinical and Translational Science (11) (Pre-clinical to Phase I); Biotechnology Innovation Organization, Biomedtracker and Amplion, Clinical Development Success Rates 2006-2015 (Clinical success rates); Kaur, Sharma & Sharma (2014), Journal of Drug Delivery and & Therapeutics (4) (Timeline); The Pharmaceutical Journal, Drug Development: The Journey of a Medicine from Lab to Shelf (Timeline); Camargo Pharmaceutical Services, Understanding the 505(b)(2) Approval Pathway (Timeline); 1) Non-NMEs often use 505(b)(2) pathway to gain FDA approval, source: Biotechnology Innovation Organization, Biomedtracker and Amplion 2) Academic drug discovery, NME consisting only of small molecules

Company mid-term business targets 2025

>50 *new APIs per year*

25 *lines of which* **5-10** *are GMP compliant*

Cash flow positive

>90% *gross margin*

~200 *employees*

Source: Company information

Key performance indicators, KPI’s

Financial KPIs

EUR thousand	4-6/2020	4-6/2019	1-6/2020	1-6/2019	1-12/2019
Revenue	191		342		49
Gross profit	159	-90	262	-145	-323
EBITDA	-6,348	-1,488	-10,485	-2,488	-6,900
Operating loss	-6,622	-1,579	-10,987	-2,663	-7,344
Loss for the period	-6,758	-1,647	-11,345	-2,791	-7,554
Basic EPS (EUR)	-0.14	-0.04	-0.23	-0.08	-0.19
Net debt	-69,751	-7,958	-69,751	-7,958	-3,640
Net debt excluding lease liabilities	-74,101	-9,748	-74,101	-9,748	-6,626
Investments in property, plant and equipment	-514	-360	-838	-467	-1,804
Operative free cash flow	-6,863	-1,848	-11,322	-2,955	-8,704
Cash and cash equivalents (end of period)	75,155	10,394	75,155	10,394	7,303

Operational KPIs

EUR thousand	4-6/2020	4-6/2019	1-6/2020	1-6/2019	1-12/2019
Number of new projects started during the period					
Non-GMP	1	0	5	0	2
GMP	0	0	0	0	0
Number of lines (end of the period)					
Non-GMP	7	4	7	0	4
GMP	1	0	1	0	0
Number of employees (end of the period)	55	33	55	33	43

Income statement

Consolidated statement of comprehensive income

EUR thousand	4-6/2020	4-6/2019	1-6/2020	1-6/2019	1-12/2019
Revenue	191		342		49
Other operating income	14	56	27	156	231
Materials and services	-47	-146	-107	-300	-603
Employee benefits	-4,609	-1,008	-7,551	-1,602	-4,359
Depreciation, amortization and impairment losses	-274	-91	-502	-174	-444
Other operating expenses	-1,898	-390	-3,195	-742	-2,218
Operating loss	**-6,622**	**-1,579**	**-10,987**	**-2,663**	**-7,344**
Total finance income and expenses	**-135**	**-68**	**-358**	**-128**	**-209**
Loss before tax	**-6,758**	**-1,647**	**-11,345**	**-2,791**	**-7,554**
Income tax					
Loss for the period	**-6,758**	**-1,647**	**-11,345**	**-2,791**	**-7,554**

1-6/2020 comments

- Revenue stemmed from seven PoC projects for clients (7th non-GMP line commissioned during Q2/2020).
- In Q2 revenue grew 28% sequentially, while the gross margin grew to 83%.
- The operating loss, including EUR 3.1m in IPO related costs, was EUR -6.6m in Q2.
- Cash position at the end of June 2020 was EUR 75.2m.
- Head count increased to 55.

Other operating expenses

	4-6/2020	4-6/2019	1-6/2020	1-6/2019	1-12/2019
Premises expenses	14	52	28	54	66
IT expenses	77	49	140	80	202
Marketing and communication expenses	55	48	137	94	312
Consultant and professional fees	1,124	117	1,898	204	858
Travel expenses	8	66	65	138	269
Voluntary personnel related expenses	128	34	205	108	304
R&D expenses - external	430	5	614	12	28
Other expenses	63	19	107	52	180
Total	**1,898**	**390**	**3,195**	**742**	**2,218**

Source: Company information


Q&A

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Financial calendar:

Interim report for Q3 and January-September report will be published November 27, 2020.