nanoform
small is powerful

Nanoform Interim Report January - September 2020

Management Presentation November 27th

Nanoform is an innovative nanoparticle medicine enabling company. Nanoform works together with pharma and biotech partners globally to provide hope for patients in developing new and improved medicines utilizing Nanoform's platform technologies. The Company focuses on reducing attrition in clinical trials and on enhancing drug molecules' formulation performance through its nanoforming services. Nanoform's capabilities span the small to large molecule development space and the company focuses on solving key issues in drug solubility and bioavailability and on enabling novel drug delivery applications. Nanoform's shares are listed on the Premier-segment of Nasdaq First North Growth Market in Helsinki (ticker: NANOFH) and Stockholm (ticker: NANOFS). Certified Adviser: Danske Bank A/S, Finland Branch, +358 40 562 1806. For more information please visit http://www.nanoform.com

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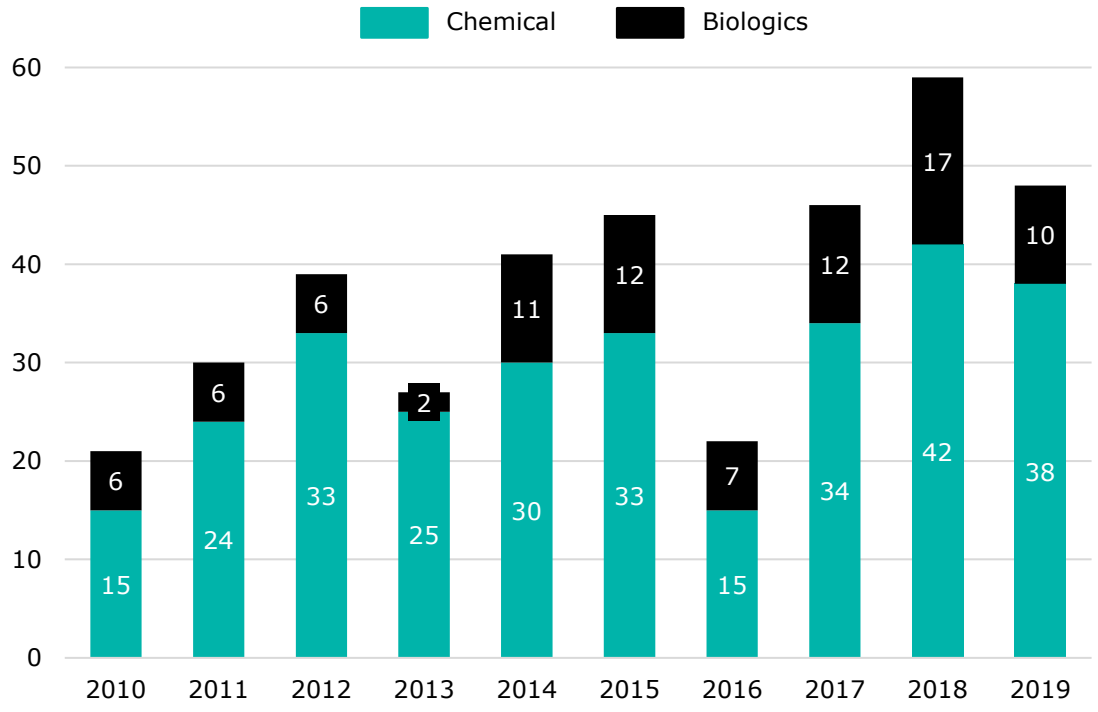
Introduction to Nanoform

The structural pharma R&D problem

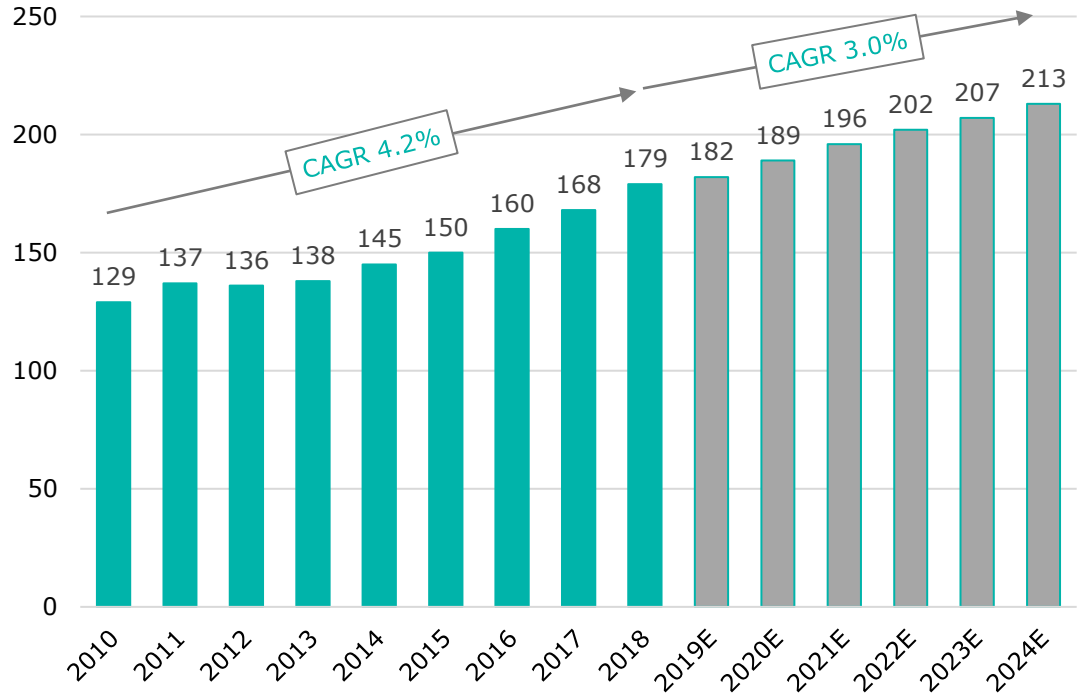
Only 48 drugs approved in the US last year…

Annual number of novel drug approvals by FDA 2010-2019



…while the global pharma industry R&D expenditure exceeds USD 180bn

Global pharmaceutical R&D spending 2010-2024E (USDbn)



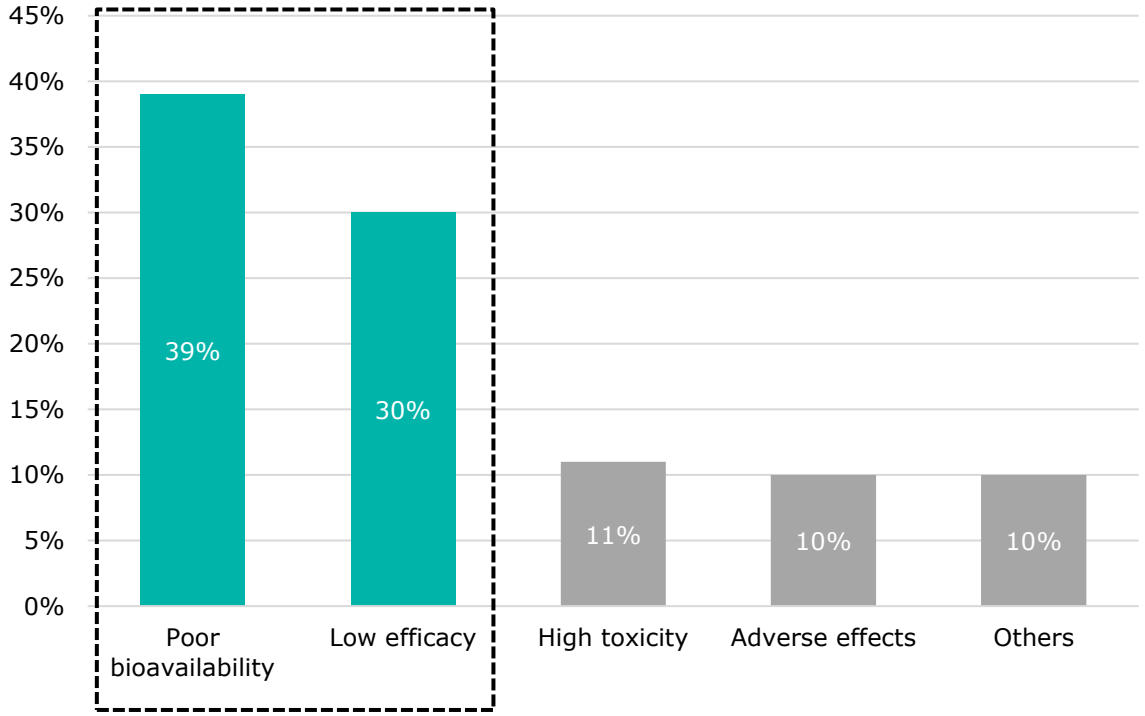
> **A game changer in particle design is needed to improve R&D yield**

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)

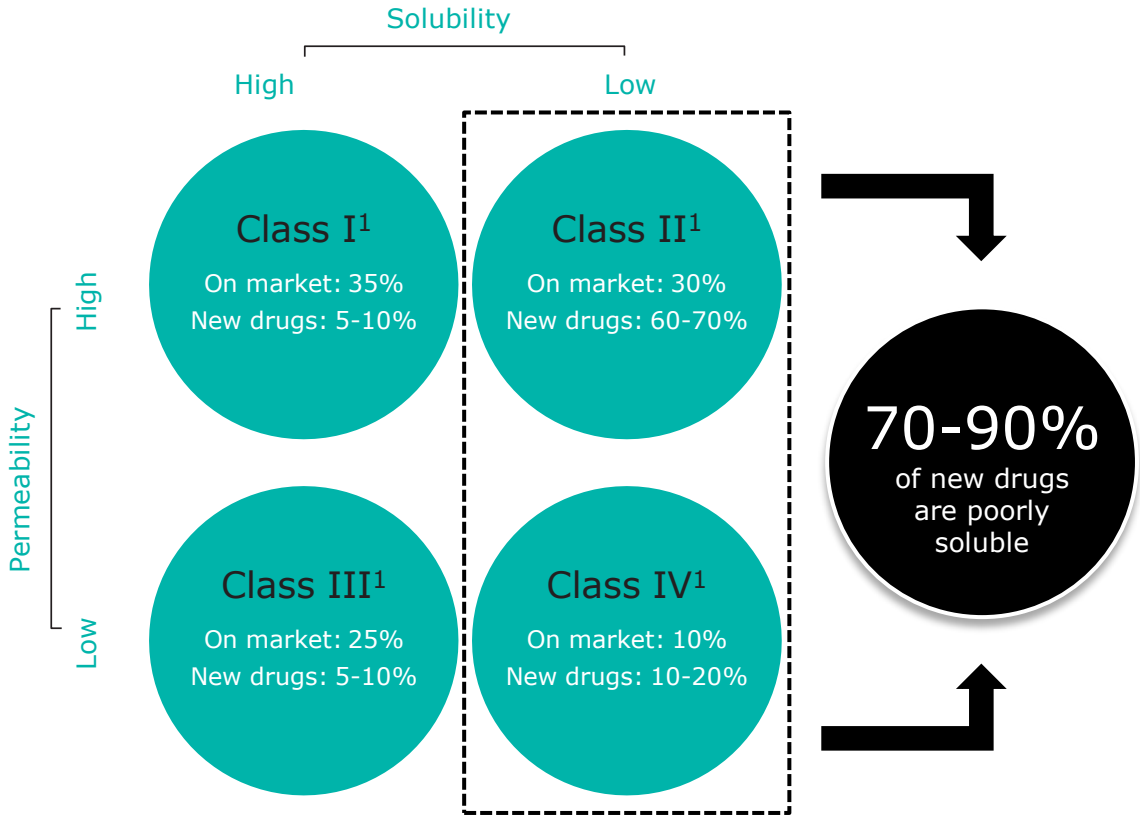
Low bioavailability is the key issue

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)

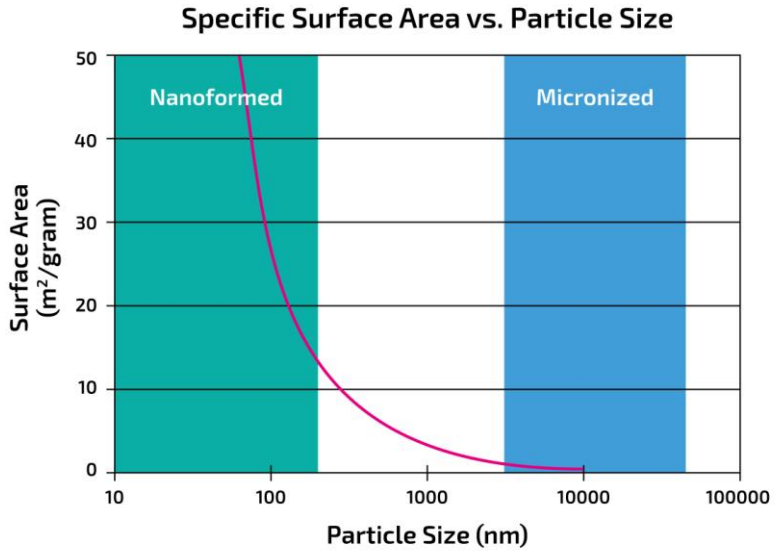
Nanoform is here to fill the gap

The solution to low bioavailability is to **decrease the particle size of** the Active Pharmaceutical Ingredient **(API)…**

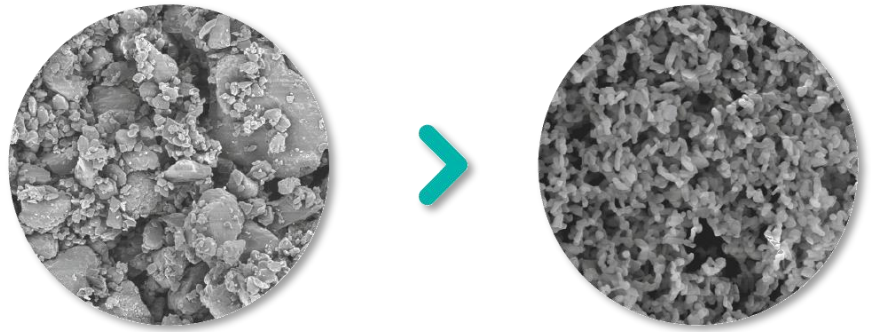
…and **Nanoform's CESS®** is the **only technology** that can **manufacture nanoparticles without solvents, excipients and complex production processes**[1]

Particle size is key

Smaller particle size improves a drug's bioavailability



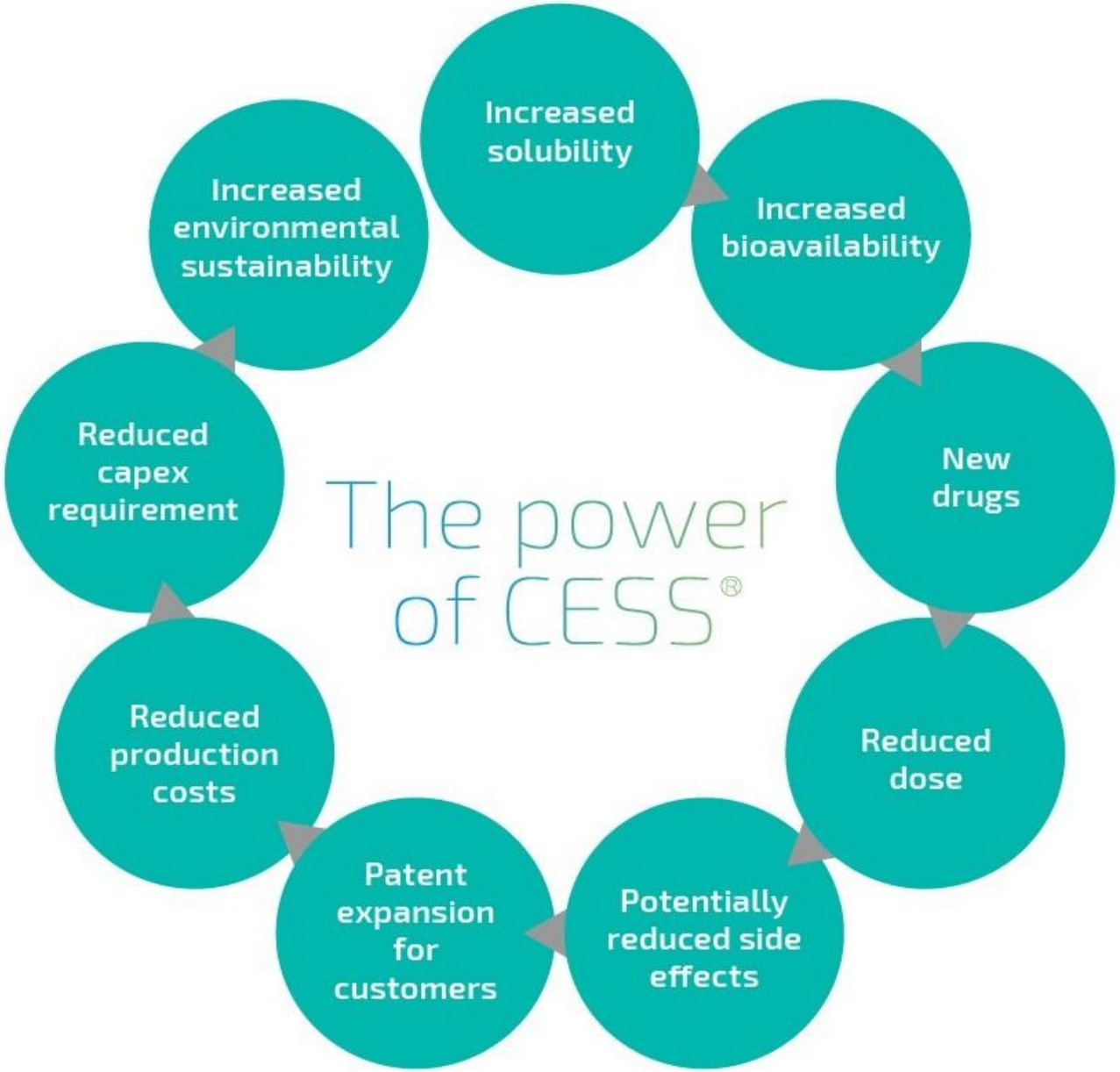
- The surface area increases 30 fold from a 10 micron[1] sized particle once the particle size is reduced to 100nm
- Reduction of particle size down to 50nm increases the surface area by 1,000 fold



- 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



Source: Company information - Potential benefits assuming that CESS® is successfully commercialized and adopted by the pharma industry

Nanoform - 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**

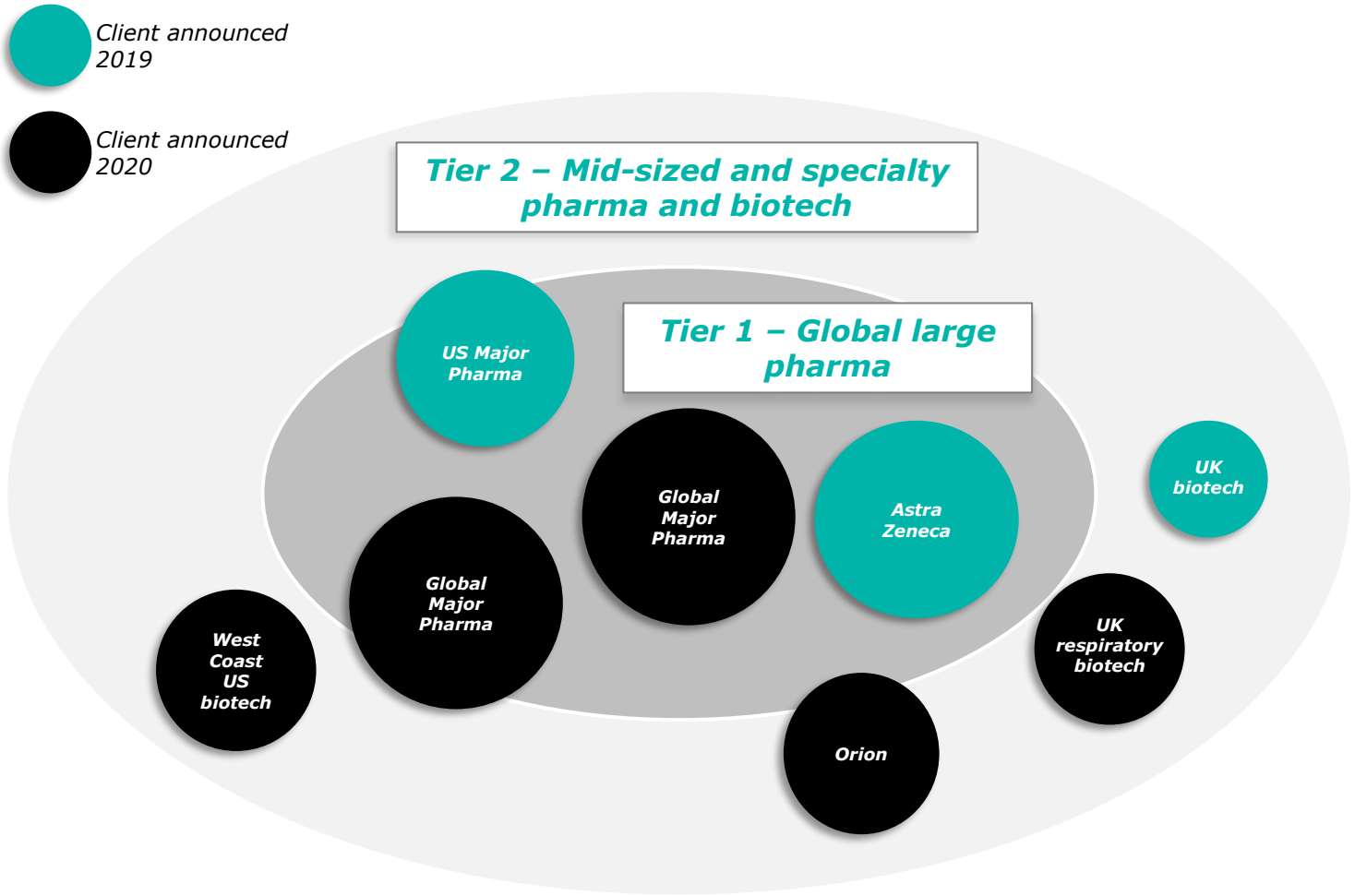
Source: Company information

Interim Jan-Sep 2020 update

2020 Key Milestones YTD

- **Jan** — US subsidiary Nanoform USA Inc established
- **Mar** — Orion signed as a repeat client to collaborate on next-generation drug development
- **Mar** — Global Major Pharma client signed
- **Mar** — Nr of non-GMP production lines increased from 4 to 6
- **Apr** — Miguel Calado appointed as Chairman of the Board
- **Apr** — Nanoform awarded GMP certification
- **June** — Nanoform dual-listed on Nasdaq First North Premier Growth Market in Finland and Sweden
- **June** — Peter Hänninen appointed Nanoform General Counsel
- **June** — US Business Development Team expanded with senior executives Eric Peter and Sergie Letser
- **June** — UK respiratory Biotech client signed
- **June** — Nr of non-GMP production lines increased from 6 to 7
- **July** — West Coast US Biotech client signed
- **Sep** — Nanoform EGM elects Cynthia Schwalm as board member
- **Sep** — Global Major Pharma client signed
- **Oct** — Johanna Tuomisto appointed Nanoform HR Director
- **Oct** — Start of first GMP campaign announced
- **Oct** — First dosing in humans announced to take place before year end 2020
- **Nov** — Nr of non-GMP production lines increased from 7 to 8
- **Nov** — New additional business target: "First commercial non-GMP Biologics project in 2021"

Nanoform's 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

Nanoform Q3 KPI’s

Operational KPIs

	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Number of new projects started during the period					
Non-GMP	2	0	7	0	2
GMP	0	0	0	0	0
Number of lines (end of the period)					
Non-GMP	7	4	7	4	4
GMP	1	0	1	0	0
Number of employees (end of the period)	68	34	68	34	43

Financial KPIs

EUR thousand	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Revenue	159		501		49
Gross profit	101	-37	363	-182	-323
EBITDA	-3,488	-1,957	-13,973	-4,445	-6,900
Operating loss	-3,806	-2,072	-14,739	-4,735	-7,344
Loss for the period	-4,155	-2,170	-15,500	-4,962	-7,554
Basic EPS (EUR)	-0.06	-0.05	-0,29	-0.12	-0.19
Net debt	-59,773	-6,606	-59,773	-6,606	-3,640
Net debt excluding lease liabilities	-65,602	-9,606	-65,602	-9,606	-6,626
Investments in property, plant and equipment	-545	-688	-1,383	-1,155	-1,804
Operative free cash flow	-4,034	-2,645	-15,356	-5,600	-8,704
Cash and cash equivalents (end of period)	66,600	10,267	66,600	10,267	7,303

Nanoform Q3 Income Statement

Consolidated statement of comprehensive income

EUR thousand	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Revenue	159		501		49
Other operating income		54	27	210	231
Materials and services	-58	-91	-165	-391	-603
Employee benefits	-2,214	-1,521	-9,766	-3,123	-4,359
Depreciation, amortization and impairment losses	-318	-115	-820	-289	-444
Other operating expenses	-1,375	-399	-4,570	-1,141	-2,218
Operating loss	**-3,806**	**-2,072**	**-14,793**	**-4,735**	**-7,344**
Total finance income and expenses	**-348**	**-98**	**-706**	**-227**	**-209**
Loss before tax	**-4,155**	**-2,170**	**-15,500**	**-4,962**	**-7,554**
Income tax					
Loss for the period	**-4,155**	**-2,170**	**-15,500**	**-4,962**	**-7,554**

1-9/2020 comments

- Revenue stemmed from nine PoC projects for clients (1-9/2020). Revenues are recognized over the lifetime of the projects based on hours worked. In Q3 there is a seasonal effect due to the summer holiday season.
- In Q3 no IPO related costs in P&L anymore, however, EUR 3.4m impact on cash flow from IPO related transaction costs paid in July.
- Cash position was EUR 66.6m at the end of Q3.
- Head count increased from 55 to 68 during Q3 (34 end of Q3/19).

Other operating expenses

	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Premises expenses	55	5	82	58	66
IT expenses	78	36	219	116	202
Marketing and communication expenses	63	63	200	156	312
Consultant and professional fees	458	144	2,365	348	858
Travel expenses	20	82	84	220	269
Voluntary personnel related expenses	151	48	357	156	304
R&D expenses - external	436	3	1,050	15	28
Other expenses	114	18	213	70	180
Total	**1,375**	**399**	**4,570**	**1,141**	**2,218**

Source: Company information

Nanoform near-term business targets for 2020 and 2021

Topic	Target	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"*	*Achieved – First GMP campaign started in October 2020* ✓
Clinical trials	*"First dosing in humans scheduled before year end 2020"*	*On track* — *Target changed Oct 20th from "in 2021" to "before year end 2020"*
Biologics	*"First Biologics PoC project in 2021"*	*New target*

Nanoform 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*

Nanoform launches new nanoparticle technology for Biologics

A potential game-changer in Biologics

A proprietary nanoparticle formation technology to deliver biological nanoparticles as small as 50 nm

Nanoform near-term business target for 2021 to deliver **first Biologics Proof of Concept project** with a pharmaceutical or biotech partner for this new technology

The technology is in early stages of development and a **patent application** has recently been filed with the US Patent Office

Two non-GMP manufacturing lines on the Biologics side are completed in addition to the **eight existing CESS® small molecule nanoparticle technology non-GMP manufacturing lines**

Potential Biologics applications could be **improving delivery route**, **uptake**, and **drug loading capacity in formulations** and in **enabling new drug combinations**, **tailoring of release profiles** and **implementing lighter infrastructure** for drug logistics


Q&A

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Financial calendar:

February 26, 2021 - Annual Review 2020. Financial Statements for financial year 2020

April 6, 2021 - Annual General Meeting, Helsinki

May 27, 2021 - Interim Report for January-March 2021