Risk Factors

Investing in the Company's shares (the "**Shares**") involves inherent risks. Before making an investment decision, investors should carefully consider the risk factors and all information contained herein. The risks and uncertainties described herein ("**Risk Factors**") are the principal known risks and uncertainties faced by the Company as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of their investment. The absence of a negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision.

If any of the risks were to materialize, individually or together with other circumstances, it could have a material and adverse effect on the Company and/or its business, financial condition, results of operations, cash flow and/or prospects, which may cause a decline in the value of the Shares that could result in a loss of all or part of any investment in the Shares. The risks and uncertainties described below are not the only risks the Company may face. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on the Company's business, financial condition, results of operations and cash flow. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

The information herein is presented as of the date hereof and is subject to change, completion or amendment without notice.

The Risk Factors described herein are sorted into a limited number of categories, where the Company has sought to place each individual risk factor in the most appropriate category based on the nature of the risk it represents. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance. The risks mentioned herein could materialise individually or cumulatively.

Risks related to the Company and the industry in which it operates

The Company is exposed to risks related to the process of developing its products

The development of an efficient manufacturing process and the successful commercialization of the Company's product is a technically complex process that requires significant research and development efforts. The Company has validated its proprietary production technology through pilot manufacturing and customer deliveries, and has commenced commercial production at its industrial-scale facility ("**AlphaOne**"). However, the technology remains novel and there is limited long-term track record evidencing the sustained viability of the manufacturing process at industrial scale.

The use of alpha-particle emitters is a promising technology for cancer treatment, and the Company has entered into supply agreements with several customers across the radiopharmaceutical value chain, ranging from early-stage biotech companies to leading CDMOs and global pharmaceutical companies. While the Company is providing its product to customers under commercial agreements at market prices, first commercialization of a Radioligand Therapy (RLT) using the Company's product is around 2030. However, the individual RLTs developed by the Company's customers may not have the properties as intended and it may not be compatible for use in conjunction with other cancer treatment schemes. In addition, there is a risk that challenges, or unforeseen technical issues may arise, which could make it impossible or not feasible to develop a commercial product. Other biotech companies targeting treatment involving radionuclides have during recent years had to change strategy due to failed results, competition from alternative treatments, lack of funding and other factors beyond the companies' control.

There is also a risk that the development and commercialization of the Company's product, if feasible, may take longer than anticipated. Technical issues, regulatory delays, changes in market conditions, or other factors beyond the Company's control may result in extended timelines for bringing a commercial product to market. Delays are in themselves cost drivers, and any extended delay may cause the Group to incur significant additional costs, resulting in increased debt burden, the need for additional capital raising, or constraints on other business areas or investments.

Should any of the risks related to the development of the Company's products materialize, this could have a material adverse effect on the Group's business, financial conditions, results of operations or prospects.

Risk relating to limited operational history

The Company is in an early stage and has a limited operating history, which makes it difficult to accurately assess its business prospects and forecast future performance. Although the Company has made advancements in product development and market entry, it is still in an early phase and has yet to establish a consistent track record of revenues, profitability, or growth. There is therefore uncertainty regarding the Company's ability to sustain and grow its operations over time, and limited reliance can be placed on the Group's operating history.

Furthermore, due to its limited operational history, the Company may face challenges in securing favourable financing, establishing strong supplier and customer relationships, or adapting to market changes. The Company's limited track record increases the risk that unforeseen issues in scaling operations, managing costs, or responding to competitive pressures may negatively impact its financial performance. Due to the limited track record, investing in the Company involves higher risk than investing in more established companies, and the Company may not be able to adapt to competitive pressure as well as more established businesses with a longer track record.

The Company is exposed to market and competition risk

As the Company moves towards full-scale commercial activities, it will become increasingly dependent on its customer base. While certain radionuclide treatments of cancer are currently in use, the market targeted by the Company is contingent upon the continued development of new radiopharmaceutical products incorporating the Company's materials, and the broader commercial success of radionuclide-based cancer therapies. As of the date hereof, the Company has signed supply agreements with several customers across the radiopharmaceutical value chain, ranging from early-stage biotech companies to leading CDMOs and global pharmaceutical companies. However, there can be no assurance that these or future customer relationships will result in sustained demand for the Company's products.

In addition, competing businesses may have or gain access to similar or alternative technologies, including nuclear reactors, as well as the resources and expertise necessary to offer competitive products to the market. Increased competition could lead to loss of market share, downward pressure on prices, and the need for greater marketing and sales efforts to maintain or expand the Company's customer base, any of which could reduce earnings and profitability. Furthermore, if the Company's target market fails to develop as anticipated or is reduced for any reason, demand for the Company's products could be significantly diminished or eliminated entirely, which could have a material adverse effect on the Group's business, financial conditions, results of operations or prospects.

Risks related to liability for storage and handling of radioactive material

The Company relies on raw materials containing radioactive substances for the production of its products. The handling and storage of the raw materials containing radioactive substances entail a risk of radiation exposure, contamination, and other safety-related incidents. Any mistake in the handling or storage of these substances could lead to material health and environmental damages, as well as legal liability in the event of accidents, leaks, or mishandling of radioactive materials. Any incident relating to the handling or storage of radioactive substances can result in lawsuits, severe reputational damage, and regulatory consequences, which could have a material adverse effect on the Group's business, financial conditions, results of operations or prospects.

Risk related to availability of raw material

The supply chain linked to industrial volumes of natural thorium, which the business is dependent on, is immature. This could create challenges in terms of procurement, reliability and price. The ongoing clinical development of radiopharmaceuticals requires large volumes of thorium. The Company has entered into a three-year strategic supply agreement with a major European multinational chemical manufacturing company for the supply of feedstock of thorium, securing feedstock supplies for both the pilot facilities and AlphaOne, and is targeting to have a diversified base for the supply of the necessary raw material. However, there is a risk that the Company is not able to enter into further contracts to secure a diversified base of suppliers, which could result in higher cost for raw materials than anticipated, or even cause lack of raw material altogether. In addition, the availability and prices could be affected by geopolitical factors, as the Company may be required to source the material from other countries. Trade tensions, sanctions and other changes in regulatory framework conditions could negatively influence the Company’s access to raw materials sourcing and the prices of the raw material. Higher prices than anticipated or limited availability of the raw material could have a material adverse effect on the Group's business, financial conditions, results of operations or prospects.

The Company is exposed to risk with respect to intellectual property (IP) and know-how

The Company is exposed to risk with respect to intellectual property (IP) and know-how. The Company aims to leverage its technology leadership into market leadership based on an intellectual property (IP) strategy combing patenting, trademarks, 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. During 2024 and 2025, the Company filed patent applications related to process and product of Thor Medical’s proprietary production technology for alpha-emitters from natural thorium. However, the Company cannot guarantee that the patents will be approved nor 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 applications 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 patent applications. There is a risk that third parties may claim that the Company infringes the IP-rights of such third parties.

There is consequently a risk that the Company may need to initiate or defend litigation or administrative proceedings, to protect its own patents or its freedom to operate. Litigation or proceedings may be costly and should the Company's technology be found to infringe upon third parties' rights, it 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.

The Company is exposed to risk relating to sales prices, including the risk of the Company's products being sold at lower prices than anticipated.

As noted above, the Company has a limited track record, and has consequently made assumptions with regards to profitability, prices for products, timing of market entry etc. There is a risk that the Company products, if and when the Company reaches a commercial phase, may be sold at a lower price than originally anticipated or budgeted. This can be due to various factors, including increased competition, other and more successful competitors in the market, price pressure from customers, or changes in customer demand and preferences.

A lower selling price may have a negative impact on the Company's revenues and margins. Reduced revenues may affect the Company's ability to achieve profitability and sustain growth. Additionally, there may be a need to adjust cost structures, implement efficiency improvements, or reassess product pricing to maintain competitiveness and ensure profitability.

Risks related to capital- and operating expenditures

The Company has invested significant capital in the construction of AlphaOne, its first commercial-scale production facility for alpha-emitters intended for advanced cancer therapies. AlphaOne has been completed and has recently commenced production. While this investment reflects the Company's confidence in the market's growing demand for radioisotopes, there remains a risk that the plant may fail to generate sufficient revenue or profits to justify the investment.

A number of factors could negatively impact the AlphaOne facility's operational performance. The facility may experience unanticipated operational or technical challenges, equipment failures, difficulties in consistently meeting required quality and safety standards, or interruptions in the supply of feedstock or other critical inputs. Should any of these or other risks materialise, the facility could operate below its projected capacity or face significant delays in ramping up production to planned levels. Additionally, the production capacity of the plant will gradually increase over time, and any disruption to this ramp-up trajectory could adversely affect the Company's ability to meet customer commitments and revenue targets.

If the Company is unable to secure adequate sales channels or if the market for alpha-emitters does not grow as anticipated, e.g., due to changes in competition, technology, or the overall demand for the Company's products, AlphaOne may not achieve the required operational or financial performance. Under these circumstances, there is a risk that the Company may not be able to recover the funds invested in the expansion, leaving the plant without profitability over the long term. In addition, challenges or delays in scaling up production capacity could further increase costs and negatively affect the Company's financial condition and prospects, ultimately resulting in lost opportunities or diminishing returns on this capital-intensive project.

The Company is dependent on key personnel

The Group's development and prospects are dependent upon the continued services and performance of its senior management and other key personnel and consultants as development and manufacturing of radionuclides requires experienced and competent personnel. Financial difficulties or other factors could adversely affect the Group's ability to retain key employees. Further, due to the strong demand for qualified persons with experience within the Group's industry and the limited number of employees in the Group, a loss of a key employee may cause delay and could have a significant adverse impact on the Group's results of operations, cash flow and financial condition.

Risk related to infrastructure and logistics for manufacturing and sale of radioisotopes

The production and distribution of radioisotopes are highly dependent on specialized infrastructure and logistical capabilities. These include secure facilities for manufacturing, stringent regulatory compliance for safety, as well as a reliable distribution network that ensures the timely delivery of radioactive materials. Any disruptions in the supply chain, regulatory challenges, or failures in transportation systems can lead to delays in product availability, increased costs, and potential operational shutdowns.

The manufacturing process of radioisotopes also requires a high level of technical expertise and compliance with safety protocols, given the sensitive nature of the materials involved. As a result, investments in maintaining and upgrading infrastructure-such as radiation safety systems, and transportation logistics-are critical. Should the Company fail to maintain these facilities or face difficulties in obtaining necessary permits, its ability to manufacture and sell radioisotopes may be adversely affected.

Additionally, the Company's operations may face increased costs due to the need to comply with strict environmental, health, and safety regulations governing the production, storage, and transportation of radioactive materials. Any failure to adhere to these requirements could lead to regulatory penalties or damage to the Company's reputation.

Risks relating to the Group's financial position

The Company is exposed to risk of not being able to fund its operations until a commercial stage and to execute growth strategy

The Company has so far devoted substantial financial resources and efforts to research and development and the construction of AlphaOne. The Company expects to continue to incur significant expenses and operating losses in the near term as it ramps up production. The Company's net losses may fluctuate from quarter to quarter.

The Company and/or the Group, may need to raise additional funds through debt or additional equity financings or potential agreements to fund the Company to a commercial stage, to fund acquisitions, to take advantage of business opportunities or respond to competitive pressures. Adequate sources of capital funding may not be available on favourable terms when needed or at all. The Company's ability to obtain such additional capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those factors may affect its efforts to arrange additional financing on satisfactory terms.

If funding is insufficient at any time in the future, the Company may be unable to fund its operations to a commercial stage, fund acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the Company's results of operations, cash flow and financial condition.

Legal and regulatory risk

Risks related to licences, permits and regulatory conditions

The use of radioactive material in the Company's products requires specific permits and compliance with stringent regulatory requirements. In June 2024, the Company received authorization from the Norwegian Radiation and Nuclear Safety Authority (DSA) for manufacturing, commercial trade, and import and export of radionuclides. The authorization covers all relevant operations required for the Company's pilot production. The Company has commenced commercial production at AlphaOne and holds all necessary authorizations from DSA for the full scope of operations at the facility, save for one remaining discharge permit, which is in the final stages of approval from DSA and which is expected to be confirmed shortly. The Company's operations rely on the permits from DSA and may depend on additional permits in the future. In addition, there may be changes in regulations and guidelines, or the introduction of stricter requirements in the future, or additional requirements for licenses and permits. Changes in the regulatory landscape, political priorities, or increased public attention surrounding the use of radioactive material can also lead to increased uncertainty and potential constraints for the Company.

If the Company loses any of its existing authorizations, fails to obtain the remaining permit or does not obtain such necessary regulatory approvals in the future on conditions adequate for the planned operations, or if there is a delay in obtaining or renewing any such approvals, it could adversely impact the Company's results of operations, cash flow and financial condition.

The Company is exposed to risks relating to changes in its incurred net operating losses

The Company has incurred net operating losses (NOLs) in previous periods, which have resulted in the accumulation of tax loss carryforwards. The purpose of such tax loss carryforwards is to offset future taxable income and reduce the Company's and the Group's tax liabilities. However, there is a risk that the Company may be unable to fully utilize these NOLs due to various factors, including potential annulment of the NOLs due to the previous changes in the Company's ownership, limitations imposed by tax laws and regulations, or the inability to generate sufficient taxable income in the future. In such cases, the Company may be required to write off a portion of the tax assets associated with these loss carryforwards, resulting in an increase in its tax liabilities and a potential negative impact on its financial performance.

Risks relating to the Shares and the Subsequent Offering

Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares

The Company may require additional capital in the future to finance its business activities and growth plans. Any future issuance of Shares, whether to raise additional capital or as consideration in connection with acquisitions of companies or shareholdings, as well as any other capital measures, may lead to a considerable dilution of existing shareholders' holdings in the Company.

The Company has granted stock options and established incentive schemes pursuant to which Shares are to be delivered to participants. The ordinary general meeting of 2026 resolved to grant the Board an authorization to increase the Company's share capital by up to NOK 14,391,292, corresponding to 71,956,460 new Shares. In addition, the Board is authorized to issue restricted stock units ("**RSUs**") to board directors who elect to receive all or part of their remuneration in the form of RSUs. Each board member must make such election immediately following the relevant annual general meeting resolution, i.e., at the beginning of the applicable board period. The RSUs are non-transferable, and each RSU entitles the holder to acquire one Share in the Company, to be settled by way of set-off against the relevant board member's claim for remuneration, subject to satisfaction of the applicable vesting conditions set out in the RSU agreement.

As of the date hereof, there are 163,050 RSUs and 7,158,334 share options outstanding, representing a total of 7,321,384 outstanding convertible instruments. These instruments, together with any new options and/or RSUs that may be granted in the future, will have a dilutive effect on existing shareholders upon exercise, in the case of share options, or vesting, in the case of RSUs.